

**THE ROLE OF AWIG-AWIG PROTECTION IN MODERATING THE  
INFLUENCE OF ASTA BRATA'S LEADERSHIP THROUGH TRI  
HITA KARANA CULTURE ON PERFORMANCE LPD IN  
BADUNG DISTRICT**

**I MADE JAMIN YASA, DEWI SORAYA & NI KETUT SARIANI**

Faculty of Economics and Business, Warmadewa  
University, Bali-Indonesia

<https://doi.org/10.37602/IJSSMR.2023.6408>

**ABSTRACTION**

This study aims to answer the main problems regarding the role of awig-awig, Tri Hita Karana organizational culture and Asta Brata Leadership in improving LPD performance. This research was conducted at 122 LPDs throughout Bbadung Regency. The analysis technique used to answer the hypothesis is PLS-SEM analysis, with the help of Smarts 3.2.9 Software. The results of the study show that 1) the leadership of asta dasa parameter prabhu has a positive effect on performance at the Badung Regency Village Credit Institution. 2) Tri Hita Karana culture has a positive effect on organizational performance at the Badung Regency Village Credit Institution. 3) Awig-awig protection has a positive effect on LPD performance. 4) Awig-awig protection has not been able to strengthen asta brata leadership and tri hita karana culture on LPD performance.

**Keywords:** Awig-Awig Protection, THK Culture, Asta Brata Leadership, LPD Performance

**1.0 INTRODUCTION**

LPD plays a very fundamental role in managing the collection of various needs and interests of its members to manage the activities of members and the organization itself in order to achieve goals or success. Therefore the role of the LPD leader is very important. Not only is the presence of a leader required, but what is most important is how an LPD leader implements this leadership model or strategy. LPD is proven to be capable of contributing to the development and welfare of local customary village residents. On the other hand, the development of LPDs is also influenced by the conditions of the local community related to the ability and potential of the community's economy, the attention of the community as owners and the professionalism of LPD management by the management.

Recently, the development and performance of LPD have begun to be questioned and have become the center of public attention. As has been reported in several local media, recently it was found that several LPD administrators were involved in cases that harmed the community as LPD customers. On a macro basis, it was found that there were around six percent Village Credit Institution (LPD) in Bali problematic, one of which is because the management commits criminal acts of corruption (Desiani, 2022). The corruption case by the LPD management recently occurred in Sangeh Village. It is suspected that the LPD has suffered a loss of 70

billion during 31 years of managing the LPD (Suadnyana, 2022). Furthermore, Wirajaya as a Member of Commission X DPR RI during a working visit to Bal asked all parties, starting from traditional villages and LPLPD, to carry out tighter supervision. This phenomenon illustrates that there has been a crisis in the management of LPD which can have an impact on organizational performance. Henceforth, various coaching is needed for prospective LPD administrators so that organizational performance can be better and beneficial to the surrounding community

The existence of problematic LPDs cannot be separated from the organizational culture and leadership style of each LPD, because the success and failure of LPDs really depends on the management and managers, especially the leadership. (Karakiliç, 2019) There are two types of leadership styles, namely transactional leadership and transformational leadership. Transactional leadership is the attainment of organizational goals through social exchange (eg the concept of rewards and punishments), whereas transformational leadership is convincing others to see things differently than others, and responding positively to the leader's alternative visions. The essence of transformational leadership is the willingness and ability of the leader to raise the awareness of others by utilizing strong moral values and ideals. Transformational leadership can be learned, and should be the subject of management training and development.

Empirical evidence shows that high transformational leadership has a positive impact on improving employee performance and subsequently the organization (Dwiantoro, 2017; Niken et al., 2019; Wahyuniardi & Nababan, 2018). Dwiantoro (2017) succeeded in proving that transformational leadership has a positive impact on improving the performance of PT. Indonesian National Shipping Surabaya branch. Increased organizational performance cannot be separated from the influences that arise from transformational leadership indicators, namely individual influence, inspirational motivation, intellectual stimulus and individual attention.

When the concept of transformational leadership correlates with certain religious values, a socio-religious leadership model emerges. In this case, organizational and employee performance can also be influenced by the way a leader leads the company. If it is related to the philosophy of Hindu leadership through the Manawa Dharmasastra, it is said that the eight characteristics of the gods must be manifested by the leader. This leadership trait is known as Asta Brata (Aryawan, 2021; Yuniarta et al., 2020). Leadership in Hinduism is closely related to ethics. The nature and attitude of a leader determines the success or failure of a leader in running the wheels of government. The characteristics and attitudes possessed by leaders can be perfected by exploring, guiding, and practicing the teachings and various knowledge learned, such as the teachings of Asta Brata (Aryawan, 2021; Dharmanegara, 2013; Pratiwi, 2021; Sari, 2022)

In the context of Asta Brata leadership, several researchers have succeeded in confirming that Asta Brata leadership has a positive impact on employee performance (Dharmanegara, 2013; Pratiwi, 2021; Sari, 2022), Dharmanegara (2013) succeeded in confirming that Asta Brata's leadership had a positive impact on the performance of LPD employees in Badung-Bali Regency. More specifically, the Asta Brata leadership concept is in accordance with the concept of transformational leadership and the Trii Hita Karana philosophy which requires a leader to understand socio-religious leadership concepts such as the Asta Brata concept. That is, in the work of an employee the results can be assessed as a result of the leadership level of

Asta Brata leaders perceived by employees, that Asta Brata leadership can have a direct effect on the performance of LPD employees. However, different results were found by Yuniarta, et al., (2020) who conducted the Asta Brata leadership test associated with an increase in village income in all Bumdes in Buleleng Regency.

The next factor that can influence LPD performance is THK's organizational culture. LPDs in Bali are located in different areas with different customs and traditions, this indicates that each institution has an organizational culture that is different from one institution to another. These cultural values are used as guidelines by members of the organization including the leadership in carrying out their activities in accordance with organizational goals. Thus it can be said that the role of leadership in improving employee and organizational performance cannot be separated from organizational culture (organizational culture).

The role of the leader influences the behavior of subordinates in advancing the organization (Robbins & Judge, 2015). Furthermore Robbins & Judge, (2015) states that organizational culture is a shared perception held by members of the organization and becomes a system of shared meaning. There are six main sources that greatly influence organizational culture, namely community culture or national culture where the organization is physically located, vision, managerial style, the personality of the founders of the organization or dominant leaders, the type of business they are involved in and the nature of the business environment, organizational structure and customers. .

Schein, (2017) emphasized that organizational culture is a pattern that contains basic assumptions that are realized and learned by group members in relation to solving organizational problems. Several organizational cultures are based on local values, one of which is the Tri Hita Karana (THK) culture. Putera & Supartha, (2014) explained that forming THK cultural attitudes is not easy for an ecological wisdom activity that requires a state of balance and harmony between activities and the environment. This situation requires peace and well-being which is the basis of the desired balance and harmony by combining all the components and elements of culture that are owned. Integrating all the components and elements is not easy, you need a container/place to bind all of them into one goal and the same thought, this is where the role of an organization is to bind and direct the community to achieve all of that.

Empirical evidence has shown that THK's organizational culture has a positive effect on performance (Astini1 & Yadnyana, 2019; Sujana et al., 2022; Wahyuni et al., 2020; Wulantari et al., 2022; Yastini et al., 2022). The results of this study are in line with the opinion Robbins & Judge, (2015) which states that performance is shaped by organizational culture. This research also supports the opinion Kotler and Keller, (2017) said that a strong culture is often said to help business performance because it creates an extraordinary improvement in employees. Likewise, this research also supports the opinion Hofstede, (2008) that a strong and distinctive culture greatly influences the success of an organization. Successful organizations have strong and distinctive cultures, including myths that reinforce organizational sub-cultures. Tri Hita Karana culture also has a positive and significant effect on organizational commitment.

Based on the theory of organizational culture Robbins & Judge, (2015) states that organizational culture can be influenced by several factors, one of which is managerial style.

It can be concluded that Asta Brata's high leadership can encourage the implementation of a strong THK Organizational Culture. Based on this theory, next Dharmanegara, (2013) create a model that THK culture mediates the relationship between Asta Brata's leadership and the performance of LPD employees. However, the results of the study show that the Tri Hita Karana culture has not been able to mediate the relationship between spiritual intelligence and Asta Brata leadership on the performance of LPD employees in Badung Regency. The absence of this mediation function can be caused by several factors including that there has been a shift and habit of local cultural values in the Tri Hita Karana culture caused by the influence of globalization

The existence of research gaps from various views on the findings of different results is increasingly challenging to examine in more depth related to improving LPD performance. This is an opportunity for researchers to conduct further research so that it is hoped that it will be able to clarify the relationship of how Asta Brata's leadership influences LPD performance through THK culture. That the Asta Brata leadership and THK culture are not always able to improve LPD performance, because this really depends on contextual factors that occur in the LPD. The contextual factor that is thought to play a role in improving LPD performance is the application of awig-awig protection as a factor that strengthens or weakens the relationship between the influence of Asta Brata leadership and THK culture on LPD performance.

The reason for using the awig-awig protection variable as a moderating variable can be explained because the problems that have so far occurred in LPDs are due to the lack of functioning oversight, so prevention of unhealthy practices in LPDs should be carried out if the LPD supervisory body is responsive in finding fraudulent transactions. Suspicious (Widyantara et al., 2017). Related to these problems, the implementation of awig-awig protection as a driving force for LPD performance is absolutely necessary. LPD will have a good internal control system capability demonstrated by the application of good awig-awig protection. With regard to LPD governance,

Agency theory is the theoretical basis used to explain the concept of awig-awig protection. In this study, the owner of the LPD, namely the customary village as the principal, delegated the management authority of the LPD to the LPD employees as an agent with a contract. The delegation of authority from the principal to this agent has led to an agency relationship. Stewardship theory describes the relationship between the owner (principal) and the manager (steward). This theory exists because of philosophical assumptions about human nature, namely that human beings are essentially trustworthy, able to act responsibly, have integrity and honesty towards other parties (Putri & Ulupui, 2017).

This research was developed to fill the previous research gap by using the Asta Brata leadership variable as an exogenous independent variable that influences THK culture as an intervening variable and LPD performance as an endogenous dependent variable. The update in this study is the addition of the awig-awig protection variable which acts as a moderating variable in the hope that it can strengthen the influence of Asta Brata leadership and organizational culture on LPD performance, where in previous research there was not yet or it was rarely used. Therefore,

## 2.0 LITERATURE REVIEW

### 2.1 Traits theory

Traits theory (trait theory) emphasizes that the nature, personality, social, physical and intellectual will affect one leader to another leader (Luthans, 2012). Successful leaders have innate characteristics that cannot be molded (Bateman and Snell, 2008). In theory, the socio-religious Asta Brata leadership style has an impact on employee performance and subsequently the organization. In this theory it can be understood that a leader has certain characteristics, such as a charismatic, brave, or humble leader. By having these characteristics, a leader is expected to always use valid data in every decision he makes so that he can provide justice to his subordinates. In addition, decisions made will be of higher quality if they are based on data and information. (Dharmanegara, 2013).

## 2.2 Organizational Culture Theory

The theory of organizational culture that is used as a reference in this study is the theory of organizational culture Robbins & Judge, (2015). Robbins & Judge, (2015) states that organizational culture is a shared perception held by members of the organization and becomes a system of shared meaning. There are six main sources that greatly influence organizational culture, namely community culture or national culture where the organization is physically located, vision, managerial style, the personality of the founders of the organization or dominant leaders, the type of business they are involved in and the nature of the business environment, organizational structure and customers. . Based on the theory of organizational culture Robbins & Judge, (2015) states that organizational culture can be influenced by several factors, one of which is managerial style. It can be concluded that a strong THK Organizational Culture can be achieved if leaders are committed to implementing Asta Brata leadership

## 2.3 Agency Theory

Agency theory refers to the concept developed Jensen & Meckling, (1976). This study examines behavioral accounting, especially regarding the behavior of LPD managers in complying with the rules of transparency and reliability of financial information in presenting reports. LPD managers in carrying out their duties are dealing with two interests, namely their own interests and interests related to the organization being managed. Some of these interests are aligned and some are not aligned so that they can violate the agreed contract. Therefore agency theory is considered relevant to explain the behavior of these members.

## 2.4 Stewardship Theory

Stewardship theory refers to ideas developed by Donaldson and Davis (1991). Stewardship theory is the harmonization between owners of capital (principles) and capital managers (stewards) in achieving common goals, but implicitly reflects how accounting builds a construct of leadership patterns and shareholder and management communication relations, or it can also occur between top management and other management ranks below them in a company organization with situational mechanisms that include philosophical management and differences in organizational culture, and leadership in achieving common goals without hindering the interests of each party

## 2.5 The Influence of Asta Brata's Leadership on Organizational Performance



Previous research discussing the relationship between Asta Brata's leadership and employee or organizational performance, among others, was carried out by (Dharmanegara, 2013; Pratiwi, 2021; Sari, 2022). The results of the study show that a leader who wholeheartedly carries out the values of the philosophy of leadership based on Asta Brata which is based on the teachings of Hinduism has a positive impact on employee or organizational performance.

Dharmanegara (2013) explained that Asta Brata's transformational leadership had a positive impact on the performance of LPD employees in Badung-Bali Regency. More specifically, the concept of Asta Brata leadership is in accordance with the concept of transformational leadership by Bass (1985) and the philosophy of Trii Hita Karana which requires a leader to understand socio-religious leadership concepts such as the concept of Asta Brata. In terms of conceptual and empirical results, it is known that Candra Brata's leadership shows an authoritative style and is always calm. While measuring the performance of LPD employees in Badung-Bali Regency, it is considered in terms of the quality of the work displayed. It means,

Pratiwi (2021) conducted a survey of 55 LPD employees in the Gerokgak District, Buleleng Regency, 55 people. The results of the study show positive and significant results related to the influence of Competence, Asta Brata Leadership and Work Discipline on Employee Performance. So that in its application the LPDs in the Gerokgak sub-district are expected to increase competency, Asta Brata leadership and work discipline in improving Employee Performance.

Sari, (2022) conducted a study on employees of Dharma Kerti Tabanan Hospital. The results showed that transformational leadership, internal control, employee performance, and work experience had a positive and significant effect on the effectiveness of the accounting information system at Dharma Kerti Tabanan Hospital. Asta brata's leadership is able to moderate the influence of transformational leadership and internal control on the effectiveness of accounting information systems, but asta brata has not been able to moderate the effect of employee performance and work experience on the effectiveness of accounting information systems at Dharma Kerti Tabanan Hospital.

However, some of the results of these studies are contrary to what was found by Yuniarta, et al., (2020) who conducted the Asta Brata leadership test associated with an increase in village income in all Bumdes in Buleleng Regency. Based on the results of the analysis, the leadership of Asta Brata has no significant effect on increasing the village's original income, which means there is a lack of transformational leadership from the village government apparatus in managing village assets. The attitude of leadership in Hinduism is closely related to ethics. A leader with the characteristics and attitudes he has will determine the success or failure of him to carry out his duties in managing government. The improvement of leadership attitudes and characteristics is carried out through deepening the teachings and philosophy of science, and adhering to the practice of these teachings.

## 2.6 The Influence of Tri Hita Karana Culture on Organizational Performance

The results of previous research, the application of THK-based organizational culture has been implemented in many organizations or entities such as Subak (Sriata and Kertih, 2020), Village Credit Institutions (LPD) (Mulyawan et al., 2017), Hotels (Parma, 2013), Government Organizations (Wirawati et al., 2020) and even in higher education organizations (Putra and

Suparta, 2014). Thus, the THK cultural concept is a cultural concept in which the values contained in it have colored various people's lives, especially in Bali, including in carrying out business activities so that it can be categorized as a culture-based organizational culture.

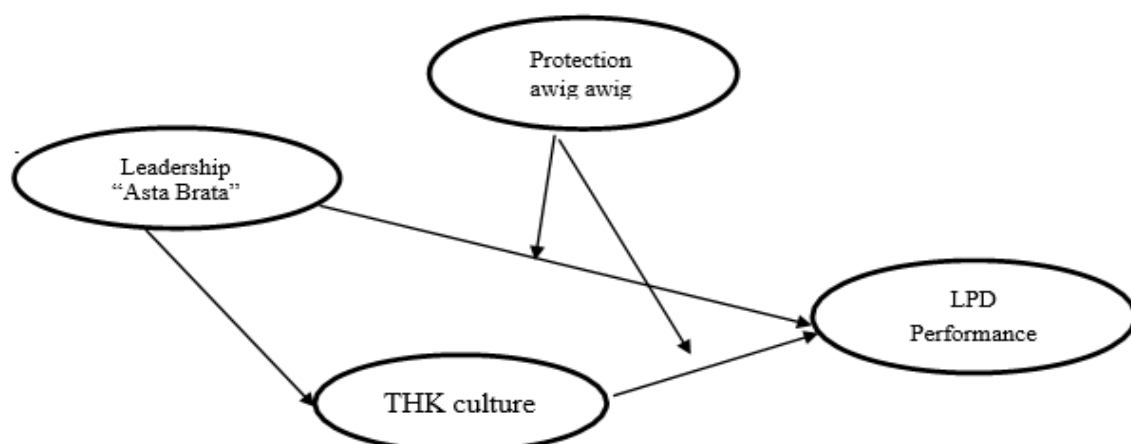
Mulyawan et al., (2017) which stated that the Tri Hita Karana-based organizational culture applied to LPD strengthens the relationship between the influences of GCG on organizational performance. Consistent with this argument, Wirawati et al., (2020) also succeeded in proving that there is a positive and significant relationship between THK culture and the performance of regional apparatus organizations in Karangasem Regency. A strong THK culture is the most influential motivator in guiding behavior, as it helps employees do their jobs better. A strong THK culture also makes people feel better about what they do so they tend to work harder.

However, different results were found by Dharmanegara (2013). The results of the study show that the Tri Hita Karana culture has not been able to mediate the relationship between spiritual intelligence and Asta Brata leadership on the performance of LPD employees in Badung Regency. The absence of this mediation function can be caused by several factors including that there has been a shift and habit of local cultural values in the Tri Hita Karana culture caused by the influence of globalization.

## 2.7 Effect of Awig-awig Protection on LPD Performance

The application of customary village awig-awig to village krama (village residents) in terms of imposing sanctions on violations, is based on the principles of justice and kinship both criminal and non-criminal in nature, resolved through traditional institutions (Village Peace Judges) through village sangkepan (meetings) by always pursuing peace efforts to reflect a sense of justice. The sanctions that will be received are in the form of fines, whether physical or labor fines and property fines in the form of payment of money. Research conducted by Aryawan (2006) stated that the implementation of violations committed by village manners was carried out through a sangkep or village meeting, where all the village community and village prajuru (prangkat desa) are present to hold a deliberation to determine the sanctions to be given to village krama who violate the village awig-awig. Things like that are good enough as a first step to improve performance in an institution under the awig-awig, namely the LPD.

**Fig.1 Conceptual Framework**



## 3.0 RESEARCH METHODS

This research is included in the type of survey research, which is a study in which the sample used is taken from a portion of the population and the main data collection tool uses a questionnaire. The data source used in this study was primary data through interviews and distributing questionnaires to respondents, in this case the head of the LPD management, as many as 105 throughout Badung Regency who were willing to fill out the questionnaire. All instruments were measured using a Likert scale of 1 to 5 which indicated a strongly disagree opinion (STS) for the smallest value to strongly agree (SS) for the highest score. Variable Asta Brata's leadership is measured by 8 indicators with 8 questions (Dharmanegara, 2013). The Tri Hita Karana (THK) Cultural Variable consists of 3 reflective indicators adopted from the results of Putra and Suparta's research (2014), namely (1) Palemahan, (2) Pawongan and (3) Parahayangan. The Awig-Awig Protection Variable is measured by indicators sanctions, management procedures, compliance, and guarantees to customers (Atmaja et al., 2013). Variable LPD performance is measured by 10 indicators, namely 1) Increasing income, 2) Allocating working capital, 3) Periodic financial report audits, 4) Complaints from customers are handled directly, 5) Services offered are according to needs, 6) Operations are in accordance with targets cost, time and quality, 7) Evaluation and improvement, 8) Organizational facilities, 9) Employees can access all information, 10) Employee Empowerment (Wulantari et al., 2022)

The data analysis method chosen to answer the objectives of this study is to use the PLS SEM method which has its own reliability, which is more flexible, can be used in models with small sample size data, reflective and formative indicators. (Hair et al., 2014) able to analyze models with great complexity (100-1000 indicators)

## 4.0 RESULTS AND DISCUSSION

Data collection in the study was carried out using a survey method, where as many as 105 LPDs in Badung Regency responded by filling out a research questionnaire. All questionnaires are completely filled out and can be processed further. The characteristics of the respondents in this study are as follows: 1) the age characteristics of the respondents in this study were dominated by respondents aged under 30 years as many as 48 respondents (45.7%), 2) the characteristics of the education level of the respondents in this study were dominated by the level of education SMA as many as 68 respondents (64.7%), 3) the characteristics of the respondent's length of business in this study is less than 5 years as many as 61 respondents (58.1%) 4) the characteristics of the sex of the respondents in this study are dominated by men as much as 66 respondents (62.8%).

To measure validity and reliability, you can use the role of growth based on the indicators a) convergent validity, b) discriminant validity, and c) composite reliability and Cronbach alpha. The test results show that the outer loading value of all indicators for each variable is above 0.6, so that it meets the valid requirements based on convergent validity criteria. Outer loading results also show that the AVE value of all constructs is  $> 0.50$  and  $\sqrt{\text{AVE}}$  of each construct ranges from 0.782 to 0.906 which is greater than the correlation value which is between 0.551 to 0.665 so that it meets the valid requirements based on discriminant validity criteria. With regard to reliability measurement, it shows that the value of composite reliability and Cronbach Alpha for each construct has shown a value greater than 0.60 so that it fulfills



the reliable requirements based on composite reliability criteria. The results of path analysis testing in hypothesis testing can be presented in the following table

**Table 1 Path Analysis and Statistical Testing**

Relations Between Variables	Coefficient	T Statistics	P Values	Information
Asta Brata Leadership -> Lpd Performance	0.145	2,300	0.004	Significant
Thk Culture -> Lpd Performance	0.238	2,111	0.035	Significant
Awig-Awig -> Lpd Performance	0.364	2,517	0.012	Significant
Aw<>Asta -> Lpd Performance	-0.018	0.174	0.862	Not significant
Aw<>Thk -> Lpd Performance	0.036	0.389	0.698	Not significant

#### 4.1 The Positive Influence of Asta Brata's Leadership on LPD Performance

The results of the analysis of leadership variables on company performance show a positive and significant influence. The results of this study can prove empirically that the better the implementation of leadership, the better the company's performance. These results indicate that leadership is able to explain variations in changes in organizational performance at LPDs in Badung Regency.

This study shows the validity of leadership theory and enriches previous research, namely: leadership plays a major role in achieving organizational goals or objectives, where the goals or objectives to be achieved are in the form of achievement or performance. This opinion is also supported by Fiedler (1987), stating that the success of a manager influencing his subordinates is determined by the basic motivation possessed by the manager concerned. The results of this study support the results of research conducted by Elenkov (2000) and Waldman et al. (2001), said that there is a positive and significant relationship between charismatic leadership on organizational performance. The task structure shows the extent to which directors emphasize their attention on completing their group tasks,

Yukl (2010) stated that task structure orientation means the extent to which a leader determines and structures his own role and the roles of subordinates towards achieving the group's formal goals. A leader who emphasizes the task structure always explains tasks to his subordinates, invites his subordinates to formulate the goals of the organization he leads and explains how to do a job to his subordinates. This condition will provide an understanding to subordinates on what must be done. A leader who will emphasize a position of power will always provide opportunities for subordinates to get awards for achievements, both financial and non-financial rewards and will always provide financial and non-financial sanctions to subordinates who do not excel. This condition will be able to provide satisfaction for leaders and subordinates because the use of authority and power is formally implemented.

#### 4.2 The Positive Influence of Tri Kita Karana Culture on LPD Performance

The results of the analysis of Tri Hita Karana's cultural variables on company performance indicate a positive and significant influence. These results indicate that the Tri Hita Karana culture is able to explain variations in changes in LPD performance in Badung Regency. The results of this study are in line with the opinion of Robbin (2009), which states that performance is shaped by organizational culture. This research also supports the opinion of Kotter and Haskett (1997) that a strong culture is often said to help business performance because it creates an extraordinary level in employees. Likewise, this study also supports the opinion of Hofstede (2001) that a strong and distinctive culture greatly influences the success of an organization. Successful organizations have strong and distinctive cultures, including myths that reinforce organizational sub-cultures.

The findings of this study extend the research conducted by: Davidson et al. (2000); Fey and Denison (2003); Denison et al. (2004); Lee and Yu (2004); Onken (1998); Supartha (2006); and Kamaliah (2011) concluded that there is a positive and significant influence between organizational culture on company performance. Furthermore, Lee and Yu (2004) explained that under certain conditions organizational culture can be a source of sustainable competitive advantage in conducting business activities. This finding is in line with the results of research conducted by Chouke and Armstrong (2000) that a unique organizational culture has a positive impact on business performance. Culture is an integral part of the organizational adaptation process and specific cultural characteristics are very useful as determinants of business performance and organizational effectiveness (Denison and Mishra, 1995). The findings of this study enrich and strengthen previous research using Tri Hita Karana cultural variables conducted by Gunawan (2009); Riana (2010); Astawa et al. (2012); and Surya et al. (2014) produced research in line with this study, Tri Hita Karana culture has a significant positive effect on organizational performance. This condition means that in the Badung Regency LPD, to improve company performance, it is necessary to apply cultural values that promote harmony among human beings, the environment and God. Tri Hita Karana culture has a significant positive effect on organizational performance. This condition means that in the Badung Regency LPD, to improve company performance, it is necessary to apply cultural values that promote harmony among human beings, the environment and God. Tri Hita Karana culture has a significant positive effect on organizational performance. This condition means that in the Badung Regency LPD, to improve company performance, it is necessary to apply cultural values that promote harmony among human beings, the environment and God.

### **4.3 The Role of Awig-awig Protection in Moderating the Relations of Asta Brata Leadership and Tri Hita Karana Culture on LPD Performance**

Based on the results of data analysis it is known that awig-awig protection is not able to significantly moderate the influence of Asta Brata Leadership and Tri Hita Karana Culture on LPD Performance. The hypothesis put forward by the awig-awig culture of protection strengthens the influence of the asta brata leadership and the tri hita karana culture on LPD performance. Awig-awig protection in this case has not been able to strengthen the influence of the leadership style based on asta brata and the values that exist in THK culture. It is possible that the principles of awig-awig protection such as harmony or balance of relationships have been contained and implemented on GCG principles in influencing LPD performance. The results of the descriptive statistics show that the average respondent answered agree and

strongly agree (with an average score of 4.58) of the awig-awig protection application indicator.

The application of customary village awig-awig to village krama (village residents) in terms of imposing sanctions on violations, is based on the principles of justice and kinship both criminal and non-criminal in nature, resolved through traditional institutions (Village Peace Judges) through village sangkepan (meetings) by always pursuing peace efforts to reflect a sense of justice. The sanctions that will be received are in the form of fines, whether physical or labor fines and property fines in the form of payment of money. Research conducted by Aryawan (2006) stated that the implementation of violations committed by village manners was carried out through a sangkep or village meeting, where all the village community and village prajuru (prangkat desa) are present to hold a deliberation to determine the sanctions to be given to village krama who violate the village awig-awig. The results of this study support the results of research from Atmaja et.al (2013) that the implementation of Good Corporate Governance and awig-awig protection directly have a positive effect on LPD performance

## 5.0 CONCLUSIONS AND RECOMMENDATIONS

Based on hypothesis testing, results and research findings, some conclusions can be put forward as follows: 1) the leadership of asta dasa paramiteng prabhu has a positive effect on performance at the Badung Regency Village Credit Institution. Good spiritual, moral and managerial implementation has an important role in supporting the achievement of leadership implementation, so that it can make a real contribution to leadership and organizational performance. 2) Tri Hita Karana culture has a positive effect on organizational performance at the Village Credit Institution in Badung Regency. 3) Awig-awig protection has a positive effect on LPD performance. 3) Awig-awig protection has not been able to strengthen asta brata leadership and tri hita karana culture on LPD performance. The results of this study suggest that the management and supervisory board of the Badung Regency Village Credit Institution should maintain the cultural values of THK and adopt it as the organizational culture of the Badung Regency Village Credit Institution because it can improve leadership quality, and increase organizational commitment and be able to improve LPD performance. The results of this study can be recommended to the management of the Badung Regency Village Credit Institution to improve the implementation of leadership through: self-control to achieve institutional goals, should focus on goals or targets, and always carry out continuous evaluation and improvement.

## BIBLIOGRAPHY

- Aryawan, IW (2021). The Application of Asta Brata Leadership in Education from a Conflict Theory Perspective. *Scientific Journal of Social Sciences*, 7(1), 56. <https://doi.org/10.23887/jiis.v7i1.31628>
- Astini1, NKAT, & Yadnyana, IK (2019). The Effect of GCG Implementation and Tri Hita Karana Culture on LPD Financial Performance in Jembrana Regency. *Udayana University Accounting E-Journal*, 27(1), 91–118. <http://www.tjyybjb.ac.cn/CN/article/downloadArticleFile.do?attachType=PDF&id=9987>

- Atmaja, AT, Darmawan, NAS, & Saputra, KAK (2013). The Effect of Implementation of Good Corporate Governance and Awig-Awig Protection on the Performance of Village Credit Institutions (Lpd) with Menyama Braya Culture as a Moderating Variable (Study on LPDs throughout Buleleng Regency), Proceedings of the II Regional Accounting Conference (Issue 1).
- Desiani. (2022). Six-percent of LPDs in Bali are problematic. Member of the Republic of Indonesia DPR, Rai Wirajaya Requests that all LPDs be closely monitored.<https://bali.tribunnews.com/2022/06/26/enam-persen-lpd-di-bali-ber-PROBLEM-member-dpr-ri-rai-wirajaya-ntak-seat-lpd-diawasi-ketat>
- Dharmanegara, IB (2013). Effect of Spiritual Intelligence and Asta Brata Leadership to the Culture of Tri Hita Karana and Employment Performance. *IOSR Journal of Business and Management*, 11(2), 05–12.<https://doi.org/10.9790/487x-1120512>
- Dwiantoro, FI (2017). The impact of transformational and transactional leadership style on firm performance through TQM practices at PT. Indonesian National Shipping (Surabaya Branch). *Journal of Management Science (JIM)*, 5(2), 1–14.<https://core.ac.uk/download/pdf/230762845.pdf>
- Ghozali, I. (2021). *Partial Least Square: Concepts, Techniques and Applications Using the SmartPLS 3.2.9 Program for Empirical Research (3rd ed.)*. Diponegoro University Publishing Agency.
- Ghozali, I., & Latan, H. (2015). *Concepts, Techniques, Applications Using Smart PLS 3.0 for Empirical Research. (2nd ed.)*. Warmadewa University Publishing Agency.
- Hair, JF, Black, WC, Babin, BJ, & Anderson, RE (2014). *Multivariate Data Analysis Seventh Edition*. In Pearson New International.
- Hofstede, G. (2008). Culture and Organization. *International Studies of Management & Organization*, X(4), 15–41.<https://doi.org/10.1080/14759550701299941>
- Jensen, MC, & Meckling, WH (1976). Theory of the Firm: Managerial. *Journal of Financial Economics*.[https://doi.org/http://dx.doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/http://dx.doi.org/10.1016/0304-405X(76)90026-X)
- Karakiliç, NY (2019). Impacts of leadership styles on organizational performance. *New Trends in Management Studies*, 2018, 99–114.<https://doi.org/10.5171/2018.687849>
- Kotler and Keller. (2017). *Marketing Management, 12th Edition, Volume 1, PT. Index.*, Jakarta. In e – *Journal of Management Research*.
- Luthans, F. (2012). Personality, Perception, and Employee Attitudes. In *Organizational Behavior: An education-based approach*.
- Niken, N., Putra, RB, & Azka, BP (2019). The Influence of Leadership Style and Organizational Culture on Employee Performance through Work Motivation as an

- Intervening Variable. *Economic Education Analysis Journal*, 8(1), 201–216. <https://doi.org/10.15294/eeaj.v1i1i2.58105>
- Pratiwi, NLPEY (2021). Improving Employee Performance through Asta Brata Leadership, Competence and Work Discipline. *Journal of Artha Satya Dharma*, 13(2), 61–68.
- Putera, IDGW, & Supartha, WG (2014). Application of the tri hita karana concept in relation to organizational culture in the UNUD Rectorate. *E-Journal of Management*, 3(7).
- Robbins, SP, & Judge, TA (2015). *Organizational behavior (Organizational behavior 16th edition)*. Jakarta: McGraw Hill and Salemba Empat.
- Sari, NPAA (2022). (2022). Determinants of the Effectiveness of Accounting Information Systems with Asta Brata as a Moderating Variable at Dharma Kerti Tabanan Hospital. Ganesha University of Education.
- Schein, EH (2017). *Organizational Culture and Leadership (5th Edition)*. In *Organizational Culture and Leadership, (The Jossey-Bass Business & Management Series)* (Vol. 5, pp. 319–339). [https://www.amazon.com/Organizational-Leadership-Jossey-Bass-Business-Management/dp/1119212049/ref=dp\\_ob\\_title\\_bk](https://www.amazon.com/Organizational-Leadership-Jossey-Bass-Business-Management/dp/1119212049/ref=dp_ob_title_bk)
- Suadnyana. (2022). The suspect, suspected of corruption in the management of the Sangeh Badung LPD, is a suspect. <https://www.detik.com/bali/berita/d-6108679/diduga-korupsi-pengurus-lpd-sangeh-badung-jadi-tersangka>
- Sujana, IK, Suardikha, IMS, & Vinensya, NLPP (2022). Tri Hita Karana Culture as a Moderator of the Effect of Good Corporate Governance on the Performance of LPD in Badung Regency. *Economic Studies Bulletin*, 27(1), 19. <https://doi.org/10.24843/bse.2022.v27.i01.p03>
- Wahyuni, NKG, Gama, AWS, & Astiti, NPY (2020). The Effect of Tri Hita Karana on Employee Performance with Organizational Culture as an Intervening Variable in Saraswati Garment. *EMAS Journal*, 2(2014), 16–27. <https://e-journal.unmas.ac.id/index.php/emas/article/view/1668>
- Wahyuniardi, R., & Nababan, HR (2018). The Influence of Transformational Leadership and Organizational Culture on Job Satisfaction and Its Impact on Employee Performance. *Journal of Industrial Engineering*, 19(2), 118. <https://doi.org/10.22219/jtiumm.vol19.no2.118-126>
- Wulantari, NLP, Sudiana, IW, & Pramuki, NMWA (2022). The Role of Managerial Competence in Moderating Good Corporate Governance Relations and Organizational Culture on the Performance of Village Credit Institutions (Lpd) in Sukawati District. *Hita Accounting and Finance Hindu University of Indonesia, Edition (January 2022)*, 325–345
- Yastini, NPYA, Budiasih, IGA., Putri, IGAMAD, & Erawati, NMA (2022). Tri Hita Karana Culture as a Moderator for the Effect of Funding Decisions on the Financial



Performance of Bpr Denpasar City. Udayana University Economics and Business E-Journal, 11(07), 779–788.

Yuniarta, GA, & Purnamawati, IGA (2020). Can Village Potential and Transformational Leadership Increase Income? *Journal of Multiparadigm Accounting*, 11(1), 77–88. <https://doi.org/10.21776/ub.jamal.2020.11.1.05>