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DETERMINANTS OF EMPLOYEE PERFORMANCE IN RURAL BANKING INSTITUTIONS: THE ROLE OF ACCOUNTING INFORMATION SYSTEMS, INTERNAL CONTROL, AND WORK MOTIVATION

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ABSTRACT

The case of bad loans at BPR in Tabanan Regency has attracted public attention because it involves employees in violations of lending procedures. These violations have resulted in high rates of Non Performing Loans (NPL) and ultimately led to the revocation of the bank's operating license by the Financial Services Authority (OJK). This phenomenon highlights the importance of employee performance quality in maintaining the stability and sustainability of financial institutions, particularly in the area of credit disbursement. Company performance is significant influence by employee performance, both individually and collectively. The influencing factors include accounting informations system, internal control, and work motivation. Therefore, the purpose of this study is to analyze the influence of accounting information system, internal control, and work motivation on the performances of BPR employees in Tabanan Regency. The researcher applied quantitative data with samples obtained from purposive sampling. The selected respondents were BPR employees in the accounting, teller, customer service, and credit departments, totaling 102 respondents. Then, the data were analyzed through multiple linear regression. The result is that accounting informations systems (X1), internal control (X2), and work motivation (X3) have a significant positive influence on the performance of BPR employees (Y) in Tabanan Regency.

Keywords: Accounting Information Systems, Internal Control, Work Motivation, Employee Performance.

I. INTRODUCTION

Banks are companies with their main activities as a collector of money from the community and provide credit to the community (Pristiana & Trisela, 2021). A banking product with a main role in the economy is credit, especially through the People's Credit Bank (BPR) which serves the Micro, Small, and Medium Enterprises (MSMEs) segment. Bank Perkreditan Rakyat (BPR) operates at the sub-district or village level with a conventional or sharia system, relying on credit as the main source of income. Lending is the most profitable banking operation but carries the greatest risk. Strict risk management is necessary because not all loans disbursed fall into the healthy category. Non-performing loans (NPLs) are a threat to the continuity of bank operations.

In 2020, there was a bad loan case involving several employees of Bank Perkreditan Rakyat (BPR) Sewu Bali with an address on Jl. Ir. Soekarno, Kediri District, Tabanan Regency, Bali. This case is related to fraud committed by

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employees in managing customer funds. Of the 3,000 customers, the level of bad loans reached 58%, a drastic jump from the initial condition of only about 20%. This increase was caused by errors in the credit granting process, resulting in delinquent credit. As a consequence of the case, the OJK implemented the revocation of the operational license of the Sewu Bali People's Credit Bank (BPR) through Decree Number 33/D.03/2021 (Bali Channel, 2021).

Bad credit often indicates problems in the crediting process, especially violations of Standard Operating Procedures (SOPs) by employees. The SOPs are designed to ensure that every stage of the credit process is done correctly to minimize risks. Violations can occur in credit analysis, data verification, approvals, and credit monitoring. Internal factors such as inappropriate credit analysis, poor information systems and administration, and poor management quality also contribute to bad loans.

The success of a company depends heavily on the performance of its employees. Performance is an achievement of results for the implementation of a task (Nurjaya, 2021). This performance reflects effort, skills, and ability to increase productivity. Bank Perkreditan Rakyat (BPR) needs a workforce that is responsive, responsive, and professional in interacting with customers (Arman, 2024). This aims to enable the company to operate optimally. Employee performance can be optimized through internal control, the implementation of accounting information systems, and work motivation.

An accounting information system is a set of procedures and information technology structures that cooperate and aim to change financial data as financial information that provides benefits to stakeholders (Maharani & Purnamawati, 2021). A good accounting information system provides assistance in making decisions and regulating company activities to ensure quality information as an increase in operational effectiveness. The accounting information system helps employees access financial information quickly and accurately, allowing Bank Perkreditan Rakyat (BPR) to manage the credit process more efficiently and comply with regulations. These systems play an important role in risk management, decision-making, and improving customer service.

Good internal controls ensure that operational processes run efficiently and reliably and create a comfortable working environment (Steven, 2023). The organization implements an internal control system to ensure operations are in the desired direction and prevent misuse of the system. Internal control is successful if components such as the environment, service activities, risk assessment, information and communication are well organized. An internal control system that can provide increased employee trust and compliance and motivate them to work better.

Motivation is needed to improve employee performance (Armansyah, 2021). Motivation is all things that trigger the emergence of motivation and enthusiasm for work so that weak or strong employee work motivation determines the performance given (Armansyah et al., 2023). Highly motivated employees do their jobs productively. Rewarding or recognizing employees' skills can increase work motivation. Without internal encouragement, employees cannot be motivated to work and have an impact on performance decline.

Previous research has shown inconsistencies in results. Resti Windi et al. (2023) states that accounting information systems affect employee performance, but contradict the findings of Yolin et al. (2024) which explains the opposite. Similarly, Resti Windi et al. (2023) explains that internal control affects employee performance, but contradicts the findings of Muthiara Mashita et al. (2024) where internal control does not affect employee performance.

This research needs to be applied considering the inconsistencies in the results of previous research and the phenomenon of employee performance problems in BPR Tabanan Regency. So that this became the background for the implementation of the research "The Influence of Accounting Information Systems, Internal Control, and Work Motivation on the Performance of People's Credit Bank Employees in Tabanan Regency".

In accordance with the presentation, the formulation of the problem given is:

1) Does the accounting information system affect the performance of employees of Bank Perkreditan Rakyat (BPR) in Tabanan Regency?
2) Does internal control affect the performance of employees of Bank Perkreditan Rakyat (BPR) in Tabanan Regency?
3) Does work motivation affect the performance of employees of Bank Perkreditan Rakyat (BPR) in Tabanan Regency?

II. LITERATURE REVIEW

2.1 Theory Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a model from Davis (1989) as an explanation of individual acquisition in the use of information technology systems. The purpose of this model is to predict and explain how users receive an information system and help understand the factors that affect the acceptance of technology in an organization.

The TAM model has two main constructs namely:

1) Usability Perception

   Usability perception is how far users believe that applying information technology can improve their performance. Konstruk is influenced by technological capabilities and the usefulness of technology in meeting the needs of users. The more useful technology is for users, the more users who take advantage of it will increase. In the context of an accounting information system, if users perceive that the system can improve their performance and productivity, then they are more likely to accept and use the system.

2) Perception of Ease of Use

   Stating that a person's view is related to how far technology can be used. In the accounting information system, users are confident that the system can be used easily so that it does not require hard effort and is free from difficulties. The easier it is to apply technology, the more users will use it. If users perceive that the accounting information system is easy to learn and implement, then they can be more receptive and use the system.

2.2 Motivation Theory

The two-factor theory from Herzberg (1966) in the book "The Motivation to Work" explains that an individual's motivation at work affects their job satisfaction and mental health. This theory states that employee motivation is influenced by two main factors, namely:

1) Motivating Factors

   Motivating factors are factors that provide encouragement for individuals to work and achieve better. This impulse has its source from within the individual with intrinsic traits (Malay, 1996). Among them are jobs, achievements, success obtained, career progress, development opportunities, and recognition from a person.

2) Hygiene Factor

   The hygiene factor is a factor that can make you dissatisfied with yourself, where this factor comes from outside the individual or is extrinsic (Malay, 1996). This includes status at work, relationships with superiors, decent job rewards, administrative systems, organizational rules, and working conditions. Deficiencies in these factors will lead to dissatisfaction.

By combining the motivating factor and hygiene factor of Herzberg's motivation theory through good internal control, the company can increase employee work motivation and achieve optimal performance.

Based on the grand theory that has been described, the purpose of this research is explained according to Figure 1:

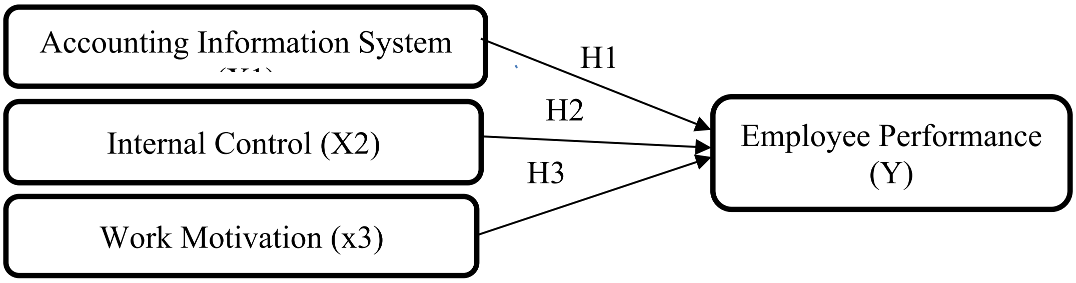

Figure 1
Research Conceptual Framework

2.3 The Influence of Accounting Information Systems on Employee Performance

An accounting information system is a set of human resources and tools that provide financial data as information for decision-making. The application of technology must consider users because inappropriate or not optimally utilized technology will reduce the benefits of performance improvement. When technology is in accordance with the user's tasks and abilities, then users will make optimal use of it to carry out their tasks. This has an impact on improving individual performance, because the better the technology applied, the higher the performance achievement. Information systems that have speed, flexibility, integration, and data accuracy can be used by various parties to achieve organizational excellence.

The Technology Acceptance Model (TAM) from Davis (1989) states that a well-designed accounting information system can provide improved employee performance. TAM explained that the implementation of the system is based on the view of ease and usability of use. With this system, a person can get work done more easily and efficiently, thereby improving their performance.

Findings from Resti Windi et al. (2023) and Levy (2023) explain that accounting information systems affect employee performance. Because if implemented correctly, it can make work easier and improve the quality and quantity of work. From the presentation, it was concluded that the accounting information system is expected to affect employee performance.

H1: The Accounting Information System affects the Performance of Employees of People's Credit Banks (BPR) in Tabanan Regency.

2.4 The Effect of Internal Control on Employee Performance

Good internal controls ensure that operational processes run efficiently and reliably and create a comfortable working environment (Steven, 2023). To achieve the company's goals, it is necessary to implement and manage good internal controls. High performance can be achieved with good management of internal controls, whereas organizational failure occurs due to weaknesses in the internal control process.

Herzberg's (1966) motivational theory states that job satisfaction is influenced by two factors: motivating factors (recognition, achievement) that encourage employees to work better, and hygiene factors (decent salary, good working conditions) that prevent dissatisfaction. Internal control with several key components (risk assessment, information and communication, control environment, monitoring and control activities) can effectively meet both factors, thus forming a good work environment to improve optimal employee performance.

Findings from Agnes Aura and Meidawati (2022) explain that internal control has a positive effect on employee performance. Because effective internal control can improve performance and help management make decisions. These results are in accordance with the findings of Resti Windi et al. (2023) where the internal control system significantly affects employee performance. From this presentation, it can be concluded that internal control is estimated to affect employee performance.

H2 : Internal Control affects the Performance of People's Credit Bank (BPR) Employees in Tabanan Regency.

2.5 The Effect of Work Motivation on Employee Performance

Companies will strive to realize predetermined goals and need human resources who can work optimally so that employees can work better, they must be motivated. Motivation is all things that trigger motivation and work morale, where weak and strong motivation can be a determinant of employee performance (Armansyah et al., 2023). Highly motivated employees certainly do a better job than unmotivated employees.

Herzberg's (1966) motivation theory states that job satisfaction is influenced by two factors: motivating factors (achievements, recognition, responsibility) that encourage employees to work better, and hygiene factors (decent salaries, good working conditions, good relationships with superiors) that prevent dissatisfaction. By applying the principles of Herzberg's motivation theory, companies can increase employee motivation by ensuring that motivating factors and hygiene factors are met. Thus, employees feel valued and motivated to work hard, which increases the company's productivity and performance.

Findings from Muhammad (2022) and research by Levy (2023) explain that work motivation can affect employee performance. From this presentation, it can be concluded that work motivation is estimated to affect employee performance.

H3 : Work Motivation Affects the Performance of Employees of People's Credit Banks (BPR) in Tabanan Regency.

III. RESEARCH METHODS

The purpose of this study is to analyze the influence of accounting information systems, internal control, and work motivation on employee performance at BPRs operating in Tabanan Regency. Data was collected by distributing questionnaires for BPR employees in the Tabanan area, especially those working in the accounting, teller, customer service, and credit divisions. The research instrument used a likert scale with 4 assessment points to measure respondents' perceptions. Findings are based on quantitative data from primary data. The total population of the study included 319 employees. The sample was determined through the purposive sampling technique, from which a sample of 102 respondents was obtained from all populations that met the research criteria. Data were analyzed through multiple linear regression analysis, F test (model feasibility), t test (hypothesis), and determination coefficient (R2) calculation.

IV. RESULTS AND DISCUSSION

4.1 Multiple Linear Regression Analysis

Table 1
Results of Multiple Linear Regression Analysis
Coefficient

Models	Unstanderdized Coefficient B	Unstanderdized Coefficient Std. Error	Standardized Coefficient Beta	t	Sig.
1 (Constant)	1.312	1.324		.991	.324
SIA	.170	.063	.188	2.706	.008
PI	.414	.122	.260	3.392	.001
MK	.546	.093	.512	5.870	.000

Source: Data processed (2025)

According to the results of the analysis in Table 1, the following equations can be given:

$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3$ .... (1)

$Y = 1.312 + 0.170\ X1 + 0.414\ X2 + 0.546\ X3$ .... (2)

Ket :

Y = Employee Performance
X1 = Accounting Information System
X2 = Internal Control
X3 = Work Motivation
α = Constant
β = Regression coefficient

In accordance with these equations, an equation is obtained that informs that:

1. The constant is worth 1.312, which means that if the variables of the accounting information system, internal control, and work motivation, are zero (0), then the employee performance variable is worth 1.312.
2. The regression coefficient of the accounting information system variable with a positive value of 0.170 where, in the increase in the accounting information system of one unit can provide an increase in

employee performance of 0.170 through the assumption of other fixed variables.

3. The regression coefficient of the internal control variable with a positive value of 0.414 means that in an increase in internal control worth one unit, it can increase employee performance by 0.414 through the assumption that other variables are fixed.
4. The regression coefficient of the work motivation variable worth 0.546 is positive, which means that an increase in work motivation worth one unit can improve employee performance by 0.546 through the assumption that other variables are fixed.

4.2 Model Feasibility Test (F Test)

Table 2
Model Feasibility Test Results (F Test)
NEW ERA

Models		Sum of Square	df	Red Squares	F	Sig.
1	Regression	917.144	3	305.715	94.892	.000b
	Residual	315.728	98	3.222		
	Total	1232.873	101			

Source: Data processed (2025)

In accordance with the model feasibility test in Table 2, it is explained that the score of sig. 0.000 or sig. < 0.05, so that it can be assessed that the regression model provides fulfillment of the model feasibility test.

4.3 Hypothesis test (t-test)

Table 3
Hypothesis Test Results (t-Test)
Coefficient

Models		Unstanderdized Coefficient B	Unstanderdized Coefficient Std. Error	Standardized Coefficient Beta	t	Sig.
1	(Constants)	1.312	1.324		.991	.324
	SIA	.170	.063	.188	2.706	.008
	PI	.414	.122	.260	3.392	.001
	MK	.546	.093	.512	5.870	.000

Source: Data processed (2025)

According to the results in Table 3, it can be concluded that:

1. The results of the analysis showed that the significance value of the accounting information system was 0.008 < 0.05, with a positive beta value of 0.170. This explains that the accounting information system has a positive and significant impact on the performance of BPR employees in Tabanan Regency, so that hypothesis 1 (H1) is accepted. This means that increasing the use of accounting information systems can increase employee performance.
2. The results of the analysis explained the significance score of internal control worth 0.001 < 0.05, through a positive beta score of 0.414. This means that internal control positively and significantly affects the performance of BPR employees in Tabanan Regency, so that hypothesis 2 (H2) is accepted. Where, the better the company's internal control can increase employee performance.

3. The results of the analysis explained the significant value of work motivation of 0.000 < 0.05, through a positive beta score of 0.546. This proves that work motivation has a positive and significant effect on the performance of BPR employees in Tabanan Regency, so hypothesis 3 (H3) is accepted. Where, the greater the work motivation can improve employee performance.

4.4 Coefficient of Determination (R2)

Table 4
Determination Coefficient Test Results (R2)
Model Summaryb

Models	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.863a	.744	.736	1.79491

Source: Data processed (2025)

As per Table 4 means an Adjusted R Square score of 0.736. This explains that 73.6% of employee performance is influenced by accounting information systems, internal control, and work motivation. And the remaining 26.4% affected other variables that were not studied.

4.5 Discussion

The Influence of Accounting Information Systems on Employee Performance

The first hypothesis (H1) is that the Accounting Information System affects the Performance of BPR Employees in Tabanan Regency. This is explained from the regression coefficient with a positive sign of 0.170 and sig. 0.008 < 0.05. The results mean that if the accounting information system is good, it will increase employee performance. According to these results, it explains the accounting information system seduce positive and significant for employee performance.

Technology Acceptance Model (TAM) from Davis (1989) means that the acceptance of accounting information systems is influenced by the perception of usability (the belief that the system improves performance) and the perception of ease of use (the belief that the system is easy to operate). With a good accounting information system, employees can complete work more easily and efficiently, thereby improving the performance of individuals and the organization as a whole.

This result is in accordance with Resti Windi's findings et al. (2023) and Levy (2023) explained, accounting information systems affect employee performance. This is because users benefit from the implementation of an accounting information system. Because accounting information systems used correctly can facilitate work and improve the quality and quantity of performance. It can be concluded that a good accounting information system will improve employee performance.

The Effect of Internal Control on Employee Performance

The second hypothesis (H2) is that Internal Control affects the Performance of BPR Employees in Tabanan Regency. This is shown from the regression coefficient with a positive sign of 0.414 and sig. 0.001 < 0.05. This result also means that the better internal control, the better the employee performance. According to the results obtained, explaining internal control seduce positive and significant for employee performance.

Herzberg's (1966) motivation theory shows that job satisfaction is influenced by motivator factors (performance and recognition) and hygiene factors (decent salary and good working conditions). Internal controls with its five main components can ensure that both factors are met. A good control environment creates a work culture that supports achievement, risk assessment and control activities ensure safe working conditions, effective information and communication reduce employee dissatisfaction, and good monitoring create a fair work environment. Thus, good internal control supports the principles of Herzberg's motivation theory and helps to increase employee work motivation and achieve optimal performance.

This result is in accordance with the findings of Agnes Aura and Meidawati (2022) explaining that internal control has a positive effect on employee performance. As well as findings from Resti Windi et al. (2023) which explains that internal control significantly affects employee performance. It can be concluded that good internal control can improve employee performance.

The Effect of Work Motivation on Employee Performance

The third hypothesis (H3) given is that Work Motivation Affects the Performance of BPR Employees in Tabanan Regency. This is explained according to the regression coefficient with a positive sign of 0.546 and a sig. of $0.000 < 0.05$. This means that the better the work motivation, the better the employee performance. According to the results, it is explained that work motivation has a positive and significant effect on employee performance.

Herzberg's (1966) motivation theory explains that job satisfaction is influenced by motivating factors (achievements, recognition, responsibility) that encourage better performance, and hygiene factors (salary, relationships with superiors, working conditions) that prevent dissatisfaction. The application of the principles of Herzberg's theory can increase employee motivation through the fulfillment of both factors. Effective internal controls provide support for the provision of a fair reward system, transparent policies, and a conducive work environment. Thus, employees can feel motivated and rewarded for working hard, which ultimately improves productivity and overall company performance.

These results are in accordance with the findings of Muhammad (2022) and Levy (2023) explaining that work motivation affects employee performance. This is because good work motivation can increase employee performance to do their work. In conclusion, great employee work motivation can improve employee performance.

V. CONCLUSION AND RECOMMENDATIONS

From the formulation of the problem, data analysis, and description above, the researcher provides three main conclusions.

First, the accounting information system has a positive and significant impact on the performance of employees of the People's Credit Bank (BPR) in Tabanan Regency. This means that the better the quality of the accounting information system implemented, the employee performance will improve. An effective accounting information system provides appropriate and accurate information support, thus enabling employees to work more productively and efficiently.

Second, internal control has been proven to have a positive and significant impact on the performance of employees of the People's Credit Bank (BPR) in Tabanan Regency. This means good internal control, which can improve employee performance. Strong internal controls create a structured work environment and provide clear guidance for employees when performing their duties.

Third, work motivation has a positive and significant effect on the performance of employees of the People's Credit Bank (BPR) in Tabanan Regency. This means that the work motivation of good employees can improve their performance. Good work motivation can provide a boost to employee morale to be more responsible and committed to achieving organizational goals.

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