

Implementation of Management Strategies to Improve Employee Performance at Rural Banks in East Java

Fauzan Muttaqien¹, Retno Cahyaningati², Ria Meilan³

Department of Management, Institut Teknologi dan Bisnis Widya Gama Lumajang, Indonesia^{1,2,3}

Corresponding Author: retnocahyaningati95@gmail.com

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ABSTRACT

The success of banking in achieving its vision and mission stems from the quality of Human Resources. The aim of this research is to determine the importance of implementing management strategies in improving the performance of rural banks employees in East Java. The scope of the problem is aimed at the human resources who determine rural banks decisions in East Java, namely commissioners and directors as sources of information. Problem solving is carried out using interactive analysis, namely data collection, data reduction, data presentation and verification. In this research process, prepared questionnaires for the informants and the results were used for descriptive analysis of employee performance at rural banks in East Java, so that the strategies carried out by rural banks to achieve its vision, mission and objectives can be identified in accordance with the bank's business plan which serves as a guideline for rural banks operations. It can be concluded that the management strategy carried out by rural banks administrators is the approach of humanism, organizational justice, spiritual leadership, and OCB as indicator of the process towards optimizing the performance of rural banks human resources. In general, rural banks has implemented the principles of Good Cooperate Governace.

Keywords: Management, Rural Bank Employees, Strategy



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INTRODUCTION

The banking system has played an important role in regulating the flow of funds and the monetary sector in Indonesia. Rural Banks are a type of financial institution aimed at solving capital problems for the micro and small sectors that do not yet meet the creditworthiness requirements of commercial banks. People's credit banks are currently recorded as being able to influence economic development in various business sectors, including agriculture, fisheries, trade and other real sectors. Because of this, rural banks have become a financial institution that is able to empower MSMEs in its working area, as well as becoming an economic force for the micro and small sector.

In global business competition, rural banks human resources will be a determining factor in being able to compete with other financial institutions. Employees must think progressively and

innovatively in facing competition across business entities. Rural banks must organize management strategies to improve employee performance that supports the achievement of the bank's business plan, which will be the entry point for rural banks success and failure (Muttaqien & Cahyaningati, 2023).

Fachrezi & Khair.H, (2020) said that an implemented strategy to improve BPR employee performance is through strengthening HR and institutional capacity. In an effort to improve the quality of human resources, rural banks implementation a competency certification program (SKKNI for microfinance institutions), starting with the management, then executive officers and employees (POJK Number 62/POJK.03/2020 concerning Rural Banks). The research results of Cahyaningati *et al.* (2022) stated that human resource competency if supported by higher education, lots of training, experience and having intellectual capital will further improve service quality, effectiveness and efficiency of operational costs which will ultimately influence productivity and increase performance. . Abrori *et al.*, (2022) stated that employee productivity and performance require a performance measurement system that is not only related to financial aspects but also considers non-financial aspects. Meanwhile, BPR management's commitment that must be implemented towards employees includes controlling work stress, preventing conflict, maintaining a climate of cooperation and a conducive work environment (Muttaqien, Cahyaningati, & Abrori, 2022).

To maintain the continuity of rural banks, management integrates six factors of production, namely man, money, materials, methods, market, machine. However, attention and concentration on HR factors is the main factor where human capital becomes a barometer of success in managing and controlling other production factors (Muttaqien, Cahyaningati, *et al.*, 2022). Several studies have concluded that employee performance factors do not stand alone, but relates to the role of leadership and the level of motivation of the company. Leadership is the ability that a person has to influence other people to work towards achieving goals and targets, so that role models are needed who will later become role models for their subordinates (Rafsanjani, 2017).

From a psychological perspective, human resource performance is an important indicator in organizations, including motivation, leadership, organizational justice, spiritual level, and Organizational Citizenship Behavior (Fatoni, Prihatini, & Suryaningsih, 2018). Muhibah, (2017) states that future organizations that are able to survive are organizations that have effective leadership. An effective leader has ten characteristics namely: develops, trains and nurtures subordinates; communicates effectively with subordinates; is informative to subordinates about what the company expects from them; sets high standards of work results; recognizes subordinates along with their abilities; give a role to subordinates in the decision-making process; always provide information to subordinates regarding the condition of the company; be alert to the moral condition of the company and always try to improve it; be willing to make changes in doing things; and appreciate subordinates' achievements. Effective leadership also requires a model for diagnosing organizational behavior. The model that can be used is "A Congruence Model for Diagnosing Organizational Behavior". With this model, all employee behavior problems in the organization can be identified and solution strategies can be found. Therefore, to realize changes in better rural banks governance, it is necessary to pay attention to leadership management. In this case, what is most relevant in an era full of materialistic factors is spiritual leadership. For this reason, a leader needs to have a balance of Intelligence Quotient (IQ), Emotional Quotient (EQ) and Spiritual Quotient (SQ).

LITERATURE REVIEW

Human Resource Management will be rural banks main concern because humans are planners, actors and decision makers (Danang, 2015). According to Abrori *et al.*, (2022) HRM is a recognition of the importance of an organization's workforce which is the key to achieving an organization's competitive advantage and has a very important role compared to other assets. HR is

the driver of various organizational activities in running, controlling, evaluating business and even leading to the peak of success. Human resource investment is the most important thing for an organization to have a workforce that is quality, disciplined, loyal, dedicated, professional and productive for the present and the future in order to be able to outperform its competitors.

The variables used in carrying out questions and answers with resource persons are measured using the HRM dimensions, namely:

- a. Recruitment; is a way of planning human resource management related to employee needs and required criteria.
- b. Training and development; is a short-term educational process that uses systematic and organized procedures so that it will produce employees who are competent, productive, disciplined, ethical and of character.
- c. Employee placement; functions to direct behavior and place employees or prospective employees with the aim of making employees more efficient.
- d. Promotion; is something that employees dream of. Promotion is the transfer of an employee from one position to another with higher duties, responsibilities, authority and workload than the previous position.
- e. Rewards and sanctions; is a management decision to increase employee enthusiasm for work in the form of promised rewards in the form of compensation, allowances, bonuses from the results of evaluation of the implementation of each employee's duties.

Management Strategy

According to Syafrudin (1999) strategic management is a way to guide a company in achieving a number of targets in the form of corporate values and responsibilities, administrative systems related to strategic operational decisions at a number of hierarchical levels to managerial capabilities. According to Adam (2020) strategy is a comprehensive plan that becomes a guide for working, fighting and acting to win the competition. Strategy is a powerful management instrument and must be owned to win competition and sustain the company, grow and develop in the future, thereby enabling the organization to interact effectively with its environment in fluctuating competitive conditions. In general, strategic management is a series of fundamental actions and decisions made by top management and applied by all members of the organization. The goal is to achieve and realize the company's vision, mission and goals.

Performance

According to sakti *et al.*, (2021) employee performance is influenced by organizational culture factors that are ingrained in the organization. Organizational culture is a system of values, norms and beliefs agreed upon by all elements of the company which serve as guidelines for personnel in behaving and acting. Organizational culture acts as a basic principle to motivate and increase the enthusiasm of its members in carrying out their work (Muttaqien, Fauzan; Fauziyah; Hidayat, 2019). Kiky & Adiputra (2021) research states that work culture significantly influences employee performance. Meanwhile, Malantuny (2014) stated that employee performance is not influenced by work culture factors. However, employee performance is influenced by leadership factors that are ingrained in the organization. Motivation is one of the success factors in achieving performance in accordance with the organization's operational strategy objectives because it can generate performance drive in each employee (Muttaqien, 2021). Performance is defined as the achievement of an employee's work performance based on the basic standards that have been determined by the organization for a job, both quantity and quality, in accordance with the responsibilities given (Muttaqien, Fauzan; Fauziyah; Hidayat, 2019). Afandi, (2018) shows that work motivation has a significant effect on employee performance. Meanwhile, research by Muttaqien *et al.*, (2019) states that work motivation does not affect the performance of employees of regional drinking water companies.

Spiritual Leadership

"Spiritual" comes from the English word "spirit" which means: soul, soul/spirit, spirit, ghost, moral, ultimate goal or meaning. In Arabic, the term spiritual is related to the spiritual and meaning of everything. The core meaning of the word spirit boils down to essence, eternity and spirit, not what is temporary and artificial. In an Islamic perspective, the dimension of spirituality is directly related to divine reality (God Almighty/tawhid). Spirituality is the essence of humanity itself, because humans consist of material and spiritual elements or physical and spiritual elements. Meanwhile, human behavior is a product of the attraction between spiritual and material energy or between spiritual and physical dimensions (Rus'an, 2013).

Spiritual Quotient (SQ) is intelligence for facing and solving problems of the meaning and value of life, placing behavior in a broader context of meaning including the effective functioning of IQ and EQ (Rus'an, 2013). SQ has been present in humans since birth. This is intended to help humans develop themselves as a whole. In the course of human life, it is not only based on risk, but also uses conscience as the center of SQ. The essence of spiritual leadership is an activity of influencing other people to work together to achieve predetermined goals. Leaders are a determining factor in the success of an organization or business. Because a leader is required to be able to manage an organization, constructively influence other people, and demonstrate correct behavior that must be carried out together to influence group morale. Spiritual Leadership is leadership that brings the worldly dimension to the spiritual (divine) dimension. Leadership that is able to inspire, awaken, influence and move employees through example, service, compassion and implementation of values and other divine characteristics in goals, processes, culture and leadership behavior.

Organizational Citizenship Behavior (OCB)

OCB is conceptually similar to the constructs of prosocial organizational behavior, employee spontaneity in the organization, extra-role, and contextual performance. Podsakoff *et al.*, (2000) stated that OCB is employee behavior that supports the company in some way, but outside of official job duties. Podsakoff *et al.*, (2000) meta-analysis supports organizational justice as a key antecedent of OCB. This shows support that environmental factors, especially spiritual culture, job satisfaction, and organizational justice perceived by employees can influence OCB. Satisfaction and perceived organizational justice are the strongest predictors of OCB. The research results of Muttaqien & Sulistyana (2021) show that there is a significant and positive influence between job satisfaction and OCB. Employees who feel satisfied tend to develop high OCB behavior and ultimately have a positive impact on overall company performance.

Banki, (2010) stated that OCB is a work behavior that is beyond the scope of traditional performance measures and influences long-term organizational success. OCB refers to "individual behavior that is prudent, not directly or explicitly recognized by formal reward systems, and that in the aggregate promotes the effective functioning of the organization" (Organ, 2009). Organ (2009) states that Organizational Citizenship Behavior is individual behavior that determines freedom, is not directly or explicitly recognized by a formal reward system, and promotes the effective functioning of the organization. Meanwhile, Jahangir *et al.*, (2004) stated that OCB is an expression of freedom to determine behavior at work that goes beyond formal job duties or outside the call of duty. Another example of OCB is the willingness to take steps to avoid problems with other employees, obeying organizational rules, laws and procedures when no one is looking or paying attention. This particular behavior is a research topic for psychologists, sociologists and management (Iskandar, 2018).

METHODS

This research design uses a qualitative approach with descriptive analysis methods. Qualitative method as a research method based on interpretative philosophy, is used to research the conditions of natural objects (as opposed to experiments) where the researcher is the key instrument, data collection techniques are carried out in a triangulated (combined) manner, data analysis is inductive

or qualitative, and the results Qualitative research emphasizes meaning rather than generalizations (Sugiyono, 2015). The research location was rural banks in East Java which was taken randomly, especially in the Financial Services Authority working area of Jember regency. This research uses data collection from primary and secondary sources. Primary data was obtained directly from interviews with informants, namely rural banks administrators (directors and/or board of commissioners). Meanwhile, secondary data is data taken from rural banks documentation archives in the form of operational procedural provisions. Data collection techniques through interviews, observation and documentation studies. Determining informants or sources was carried out using a purposive sampling technique. According to Kuncoro (2013) a qualitative approach is a research approach that is directed at achieving the goal of obtaining a broad explanation of the phenomena designated as research objects in looking at the relationships between variables using more inductive (empirical) thinking. According to Manzilati, (2017) triangulation in credibility testing is defined as checking data from various sources in various ways, and at various times from the same source.

The sample in the research was rural banks administrators (directors and commissioners) who were based in Financial Services Authority working area of Jember regency. The data collection technique uses purposive sampling which refers to research (Abusafia, AH, Roslan, NS, Mohd Yusoff, D., & Mat Nor, 2018) where purposive sampling means taking samples that adequately answer the research objectives. Informant data is presented in the following table:

Table 1 Informant Profile

Code	Name	Position	Name of rural banks
informan 1	Maslukhah	Director	BPR NSI
informan 2	Fatmi H	Director	BPR NSI
informan 3	Hadi	Commissioner	BPR NSI
informan 4	FM Al Barry	Commissioner	BPR NSI
informan 5	Bintang	Director	BPR SAA
informan 6	Titohandra	Director	BPR SAA
informan 7	Mark	Commissioner	BPR Dharma Indra
informan 8	Yeti	Director	BPR Dharma Indra
informan 9	Rahma	Director	BPR Dharma Indra

Source: Processed data (2023)

The method used to collect data in this research uses triangulation techniques, namely conducting interviews with different sources using the same technique. The aim of this technique is to find common perceptions regarding the influence of management strategy on employee performance. The triangulation analysis technique used in this research is described as follows

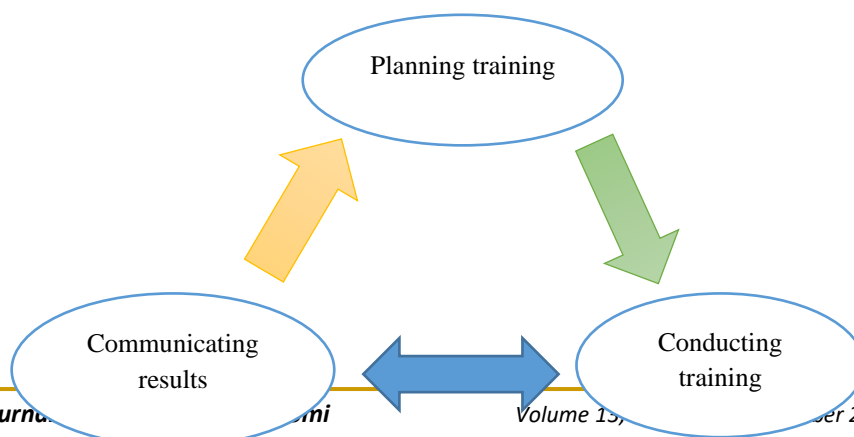


Figure 1. Triangulation Process Paradigm

RESULTS AND DISCUSSION

Procedures for improving the performance of rural banks employees in East Java

Having refreshed information fairly from decision makers that employees receive, both regarding new rules and other operational provisions that are beneficial for rural banks and employees in the short, medium and long term, will create psychological satisfaction for the human resources of all work units. This is in accordance with what Maslukhah said, namely:

"The education and training (training) that has been received by employees and executive officers at BPRs in East Java is felt to be very useful for improving the performance of BPR human resources. Training provides opportunities for employees and executive officers to improve their knowledge and skills in various fields related to banking, finance, risk management and others. This will help them in carrying out their duties better and more efficiently."

Manpower planning and job transfers that are informed early will also provide increased employee satisfaction, and ultimately will stimulate work enthusiasm and be beneficial for improving employee performance. Increasing competency through education and training (training) received by employees as a model for developing BPR human resources in East Java will create an atmosphere of togetherness and cooperation that is increasingly conducive, fostering work enthusiasm, increasing creativity, stimulating the desire to innovate to advance BPR in general. This will make banking entities more trusted in society. With the existence of education and training (training) programmed at rural banks as mandated by Financial Services Authority Regulation Number 47/POJK. 03/2017 concerning the Obligation to Provide Education and Training Funds for Human Resource Development for Rural banks and Sharia Rural Banks, by increasing the HR competency of employees and executive officers they can increase their knowledge and skills significantly from before. This has a positive impact on employees so that it can be used as a driving force for improving performance and achieving the bank's business plan. A similar expression was also conveyed by the informant: This has a positive impact on employees so that it can be used as a driving force for improving performance and achieving the bank's business plans. A similar expression was also conveyed by the informant: This has a positive impact on employees so that it can be used as a driving force for improving performance and achieving the bank's business plans. A similar expression was also conveyed by the informant (Hadi):

"Basically, improving the quality and efficiency of a rural banks does not only depend on the sophistication of the core banking system (CBS) it has, the rural bank's large capital (assets), but all of this will not be realized without the support of the quality and productivity of human resources. Through education and training, both in-house training and external training, rural banks will be able to provide stimulation for the development or improvement of HR competency, namely for the development or improvement of human knowledge and personality abilities. The implementation of education and training (training) at rural banks is organized by the directors and heads of each division which is attended by employees in accordance with each field of work within the environment of rural banks in East Java. The aim is to improve HR competency, increase knowledge, skills and work attitudes,

This fact is very relevant to research Warizin (2017) which states that the effectiveness of education and training has a significant effect in improving the performance of Malang district government

employees. Research result Bukhari & Pasaribu Sjahril Effendi, (2019) shows that employee development through education and training programs (training) at the Bengkulu Province Education and Culture Service has a positive influence, both for the employees themselves and the agency. This thesis has differences with the results of studies conducted by Priansa, (2018) who found that the implementation of PIM level III PNS training class 226 in BKD Probolinggo district was not very significant.

The results of research on rural banks in East Java show that the education and training (training) activities held are one of the factors to improve employee performance and become one of the rural banks models so they can compete and remain trusted by the public. With educational and training opportunities (training) provided to employees and executive officials in a fair manner, it can provide increased knowledge, skills and work attitudes which influence the performance of rural banks employees in East Java, thereby having an impact on the smooth carrying out of their duties, functions and authority professionally. From the business entity side, it has an impact on improving its image and becoming more competitive. And factually with the planning process,

2. Management strategies for improving the performance of rural banks employees in East Java
In terms of leadership, rural banks management tends not only to carry out indoctrination, but also has a commitment to be a role model for the lower levels, equality at all levels or equal and equal treatment from the leadership towards employees. By implementing management strategies through good interpersonal relationships, paying attention to organizational justice, spiritual leadership implemented by rural banks administrators (Directors and Commissioners) can create Organizational Citizenship Behavior. Apart from that, to create sustainable togetherness, outbound and gathering activities are held, where all levels become one unit of spirit and kinship in order to create spiritual ties within one big rural banks family. In this process, almost all rural banks in East Java carry out moments of appreciation for outstanding employees as an implementation of reward and punishment programs. This is in accordance with Bintang's statement:

"Giving rewards to employees who are exemplary or who succeed in exceeding targets can increase their motivation and commitment to their work. This can encourage employees to work harder and contribute more success to rural banks. Rewards are an effective way to recognize and reward outstanding performance. It provides recognition to employees who have put in a lot of effort and achieved significant results."

"The moment of awarding outstanding employees is an important part of implementing the reward and punishment program in the process of improving employee performance. The program not only recognizes outstanding individual achievements, but also provides decisive responses to performance that does not meet expectations. The main objective of this program is to create a work environment that is motivated, efficient, and focused on providing quality services to customers" (Yeti).

Awards are given to employees who consistently make extraordinary contributions in achieving business targets, provide superior customer service, and innovate in improving operational efficiency. Financial awards, public recognition, or special training opportunities provide extra encouragement for employees to give their best. This helps increase employee motivation and involvement in achieving rural banks goals. Through awards, BPR seeks to build an organizational culture that values achievement and hard work. This creates a positive environment where employees feel recognized and appreciated for the efforts they have made throughout the year.

Meanwhile, punishment is implemented with sanctions given in response to performance that does not meet the set standards. This helps ensure that every employee understands the importance of achieving set targets and quality standards. The punishment given is constructive and directed at

stimulating improvement. This provides an opportunity for employees who do not meet expectations to improve their performance.

"There is punishment for employees who violate the regulations, there are several stages, the first is a verbal reminder, if there is no change, a SP/warning letter is given. However, if there are serious violations such as fraud, the employee will be expelled. Sanctions are given to employees who, for example, are often late or do not work according to standard operational procedure. Sanctions in the form of reducing performance assessment points. "This has a positive impact on employees because discipline is formed by employees themselves" (Tito).

Punishment programs help hold employees accountable to their duties and responsibilities. This emphasizes the importance of each individual in achieving collective success. Through a balance between rewards and compensation, rural banks in East Java seeks to create a work environment that encourages collaboration, innovation and progress. This program is not only about encouraging individual performance, but also about building a solid team focused on achieving common goals.

Another strategy that is built is a work culture full of togetherness which is very important in improving employee performance. A work culture that promotes cooperation, mutual support, and collaboration can create a positive and productive environment. Bintang also explained how to start a work culture:

"Building a culture of togetherness starts with open and honest communication between all levels of employees. Employees should feel free to share ideas, input, and even concerns without fear of judgment. This creates a sense of mutual trust and cooperation."

Explores the realization that individual success is closely related to the success of the team as a whole. This helps prevent selfishness and encourages collaboration that aligns with team and organizational goals. Conflict is part of every work group. However, it is important to handle conflict wisely and constructively, taking opportunities from conflict to grow and strengthen relationships between employees. Leaders must be real examples of this culture of togetherness. The leader's attitude, communication, and cooperation will influence how other employees behave.

3. business plans of rural banks adapt to technology systems that support the implementation of Good Corporate Governance

All operational decisions must be based on standard operational procedures established by the board of directors. To ensure the implementation of GCG in a banking, Bank Indonesia requires each banking institution to carry out a self-assessment and report the results. In implementing GCG, rural banks always refer to 3 (three) aspects of Governance, namely Governance Structure, Governance Process and Governance Outcome. These three aspects of Governance are the focus and commitment of rural banks in realizing good and healthy governance for all stakeholders. Good Corporate Governance is applied the principles of openness, accountability, responsibility, independence and fairness. Therefore, GCG is expected to improve rural banks performance through supervising management performance and ensuring management accountability. Companies that implement GCG will have more efficient operational performance (Maretha & Purwaningsih, 2013).

"Every decision of the board of directors must be known by the board of commissioners which will become material for the board of commissioners' evaluation meetings every quarter. By providing the board of commissioners with information about all directors' decisions, this can create a high level of transparency within the organization. And allows the board of commissioners to have a better understanding of company activities and implemented policies. (Yeti).

Factors inhibiting the implementation of good corporate governance principles are community participation, human resources and employee discipline. Meanwhile, the supporting factors for

implementing the principles of good corporate governance are cooperation and communication. On average, rural banks have implemented internal control processes to avoid obstacles and have implemented organizational justice so that in general BPRs have created a conducive climate for cooperation with a work culture approach, evaluation meetings, coordination and consolidation on a regular or periodic basis, as well as implementing communication across work units. well. This can help rural banks in the process of achieving its vision, mission and goals, ultimately improving employee performance in particular and rural banks performance in general.

1. Leadership obstacles in strategies for improving the performance of rural banks employees in East Java

There are several challenges for rural banks in achieving management strategies to improve employee performance, namely targets that are too low, weak knowledge of human resources, decreased productivity levels, lack of leader support, poor employee communication, lack of motivation to collaborate, management that lacks transparency, poor performance appraisal effective.

"Therefore, administrators as rural banks leaders must have good character, so that they can motivate employees to improve their soft skills, such as courage in facing new challenges, the desire to continue to progress, perseverance, discipline, enthusiasm in developing ideas. Rural banks leaders must be a source of inspiration for employees. They must show enthusiasm, dedication and commitment to the goals of rural banks itself." (FM Al Barry)

Leaders who have this character can encourage employees to go beyond limits and give maximum effort. To develop HR knowledge, rural banks leaders must determine employee recruitment standards so that the quality of HR is always high quality, in addition to helping develop their soft skills. This can be done through training, workshops and support in personal development. Skills such as communication, teamwork and leadership are cultural and can be improved through leadership support. Leaders must have a long-term view of employee career development. They must be able to identify potential in the team and provide support in achieving it through training, mentorship and fair promotions. In all, Good character and leadership qualities are very important in forming a positive and effective work culture at Rural Banks. With strong leadership, employees will feel supported, motivated, and able to develop the soft skills needed to achieve performance improvement strategy goals.

Interviews conducted with informants provided very clear information that management knowledge plays a very important role in improving employee performance. Based on the results of research conducted at sharia rural banks in East Java, it is explained that the model for implementing rural banks human resources management strategies in East Java through human resource management is the education and training that rural banks employees have received, which is one of the factors that can improve employee performance. In general, employees and executive officers who have gained additional knowledge through training held both internally and externally can increase their self-confidence, improve their leadership spirit, be more active in carrying out their spiritual obligations,

The results of this research are supported by Sudarma (2012) who believes that stress has a negative and significant effect on employee performance. Another variable that influences the performance of rural banks employees is organizational culture. Organizational culture is part of a strategy to unify work perceptions to influence a conducive work climate. Organizational culture is a complex combination of assumptions, behaviors, stories, myths, metaphors and other ideas that come together to define what it means to be a member of a particular society (Abrori et al., 2022). The better the organizational culture, the better employee performance will be. The results of this study are in line with research (Abrori et al., 2022) which states that organizational culture has a positive and significant effect on employee performance because employees will be able to adapt after identifying their strengths and weaknesses using the SWOT method.

Based on research that has been conducted, if there is internal BPR conflict, it can easily be minimized. So that there is no division or hostility which results in an organization experiencing losses. If conflict can be processed well, an organization can obtain maximum benefits by creating healthy competition between employees. This condition illustrates that the better the employee's understanding of symptoms that can cause conflict, the employee will avoid conflicts that can occur between two or more parties, where one party feels incompatibility with the other party so that it will not interfere with the employee's performance. Meanwhile, if employees cannot minimize the conflicts that occur, employee performance will decrease. This means that the more conflict can be managed well, the employee performance at rural banks will increase, conversely, if conflict is not managed well, employee performance will decrease. This is in accordance with research Hakim et al., (2019), Ikromuddin & Muttaqien, (2019) And Jariah et al., (2021).

Based on the research results, it is known that organizational culture also has a significant influence on the performance of rural banks employees. This research shows that rural banks organizational culture is very strong, so it can improve employee performance. The organizational culture that occurs supports employee development to achieve common goals and shapes employee behavior in a certain direction as desired by the organization. Organizational culture also fosters a spirit of togetherness among employees. This means that the better the organizational culture in an organization or company, the employee performance will increase. This is in accordance with the research results Muttaqien et al., (2022), Hadi et al., (2019).

Based on the results of the analysis carried out based on the results of interviews with directors and commissioners, it is known that motivation has a positive effect on the performance of rural banks employees in East Java. Motivation is a series of attitudes and values that influence individuals to achieve specific things according to individual goals. This means that motivation can influence employees in improving performance and goals. This is due to a lack of motivation in employees, and a lack of recognition or appreciation for employees' hard work can create gaps in the world of work. Employee career level is also the factor that has the most influence on the size of motivation. Employees feel they have no challenges at work, because there is no career or position advancement. This is in line with the research results Sakti et al., (2021).

CONCLUSION

The management strategy carried out by rural banks administrators, in this case the commissioners and directors, is to take a humanist approach, organizational justice and spirituality, and Organizational Citizenship Behavior as an indicator of the process towards optimizing the performance of rural banks human resources. On average, rural banks administrators state that they are always committed to providing the best service to employees with attitudes and behavior patterns that are acceptable to all parties involved in banking industrial relations. All employees are given proportional opportunities to develop themselves and are involved in developing employee human resources which are assets and human capital in the company. In general, rural banks management has implemented the principles of Good Corporate Governance. The results of this writing can be used as a reference by rural banks leaders in East Java in particular and in Indonesia in general in making decisions and also as inspiration to maximize the HR development budget through education and training which is really needed by employees. The results of this analysis can be used as a reference by rural banks administrators in East Java as a pattern for human resource development in order to create a mentality, work ethic for employees who are qualified, broad-minded, have good knowledge so that new creativity will emerge to advance financial business entities. The resulting HR management strategy can be used as an internal control measure so that it is not susceptible to moral hazard or legal hazard in financial institutions. Limitations of this research, For this reason, suggestions for future researchers can discuss more about the types of learning methods or types of

education and training and what changes are made so that they can be applied in each agency, because the implementation of education and training for employees is an activity which is very useful for increasing HR competency. For future researchers, research informants can be added from other fields or sub-sections so that the results obtained will be even better and more useful for further research. Such as implementing HR management strategies will be able to control conflict, stress and failure to focus on employees. If stress is low then employee performance will also increase,

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