

**Performance strengthening model of sharia cooperatives  
(study on sharia cooperatives in jambi province)**

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**Abstract**

The model for strengthening the Performance of Sharia Cooperatives/BMT in Jambi Province is a model produced to strengthen the performance of Sharia cooperatives which is measured from the non-financial aspect, because so far the performance measurement of Sharia cooperatives is measured from the financial aspect. However, the measurement of performance from the financial aspect has no impact on performance. This study aims to explore transformational leadership, the use of information technology, partnerships can strengthen the performance of Sharia cooperatives, which have been experiencing slow growth. The survey data used were 33 Sharia cooperatives in Jambi Province, Indonesia, using the variance-based SEM modeling, Partial Least Square (PLS). This research produces a model that Transformational leadership and the use of information technology can strengthen the performance of Sharia cooperatives by building internal and external partnerships. The model illustrates that transformational leadership and the use of information technology have a positive and significant effect on strengthening the performance of Sharia cooperatives, but the influence of transformational leadership and the use of information technology has a greater positive and significant effect when strengthening performance through partnerships that are built.

**Key words:** Transformational leadership; information technology; partnership and performance of sharia cooperatives/BMT

## INTRODUCTION

Sharia cooperatives is a form of microfinance institution that has principles, goals and business activities based on Islamic sharia (Al Qur'an and Assunnah), it is as a choice of financial services for the Muslim community (Karim, Tarazi and Reille, 2008). Sharia cooperatives have the advantage of having three missions at once (triple mission), namely financial, social and spiritual missions (Guidelines for the PBMT Sharia agreement 2014; Sanrego and Antonio, 2013; Wediawati et al., 2018)

Currently, the development of sharia cooperatives in Jambi Province is experiencing stagnant growth, even though a number of studies have shown that sharia cooperatives have a positive impact in terms of poverty alleviation, increasing household income (Hadisumarto and Ismail, 2010), children's education and business development (Rokhman, 2013) and increased sales, profits, household expenses (Riwajanti, 2014). However, a number of empirical studies prove its advantages, sharia cooperatives face obstacles in their development. Studies of Seibel and Agung (2005;2007) and Masyita and Ahmed (2012).

In addition, the most studies measure the performance of sharia cooperatives/BMT using financial measurements (Afandi, 2014; Hadisumarto and Ismail; 2008), social measurements (Riwajanti, 2014) as well as financial and social measures (Ascarya, 2012; Hosen and Sa'roni, 2012; Wediawati et al., 2018) while studies measuring spiritual performance (sharia) are still difficult to find. In fact, a number of studies (Hadisumarto and Ismail, 2010; Sanrego, 2013; Wediawati and Setiawati, 2016) highlight the importance of developing the spiritual aspect in sharia cooperatives/BMT.

The main development and obstacle faced by sharia cooperatives is the problem of capital (Alaeddin and Anwar, 2012; Hadisumarto and Ismail, 2010; Hamada, 2010) and human resources (24.93%) and the constraints of human resources on market competition and infrastructure are still very rarely studied (Ismanto, 2011; Sharia Economic Outlook, 2014), as well as partnerships (Sakti, 2013; Wahyudi, 2014) are factors that determine the success rate of sharia cooperatives in serving members or micro, small and medium enterprises. (AWCF (Asian Women in Co-operative Development Forum) in 2002; Adinata Study (2015; Seibel, 2007; Rahman and Dean, 2013); Wahyudi, 2014). This research is intended to fill the knowledge gap by proposing a model for improving the performance of Sharia cooperatives through transformational leadership and the use of information technology through partnerships. This section of the paper will present the theories and hypotheses supported by a section explaining the methodology used and the results, and the next section will present a discussion of the findings and conclusions.

### Literature Review

#### Transformational Leadership

Organizations can build a new vision, transform, create something new, make changes both internally and externally (Tichy and Ulrich, 1984). Internal changes made by transformational leaders in terms of increasing the desire of subordinates to excel and develop themselves, groups and promote them in the organization (Benard M. Bass & Avolio, 1990). This form of leadership has an effect on subordinates, especially in terms of the dimensions of idealization of influence, inspirational motivation, individual considerations and intellectual stimulation (Burns and Bass, 2008), and wants to invite subordinates to carry out work interacting with various parties so that they are able to change, motivate and have ethics. (Nwokah and Ahiazu, 2010; Barling J & Turner, N, 2012). In addition to improving individual performance within the organization, transformational leadership also able to create positive changes overall, care for each other and build teamwork (Warrilow, 2012), positive changes made through the structure and strategy of the organization (Geib, P., & Swenson, J. 2013). Furthermore, James A & Ogbonna (2013) revealed that transformational leadership can increase the motivation, morale and performance of subordinates through various mechanisms. So that it can inspire followers, go beyond their own interests and have tremendous influence (Robbins, 2015 p.261), which in turn can increase effectiveness and development despite differences in principles between subordinates (Wongyanon, et al., 2015). So the concept of transformational leadership in this study is leadership that is able to create positive changes in improving organizations and individuals, motivating staff through various mechanisms and improving the performance of sharia cooperatives.

### **Information Technology**

Information technology and managerial skills have become components of organizational design (Jeffers P.I., Muhanna, W. A., & Nault, B. R., 2008). So that the current performance of business and industrial organizations must be supported by information technology (N. P. Melville, 2010). Explicitly, technological resources are highly dependent on information technology, because information technology greatly affects organizational performance. The development of business, both small, medium and large businesses, must be supported by information technology, because it is a means to see opportunities, develop and use knowledge to support the success of the company's strategy. (Amirbekova, 2016). So that to strengthen the performance of an organization, information technology becomes a medium for interaction of resources and technological capabilities that process in supporting performance in a very competitive competition. Information technology is measured in the form of information dissemination, database development, improving the quality of knowledge/data mobile systems (Jeffers et al., 2008; N. P. Melville, 2010; Amirbekova, 2016).

### **Partnership**

A number of studies reveal that Sharia Cooperative/BMT partnerships must have links with safety net programs / 2 linkage models (Hasemi and Rosenberg, 2006) and APEX Internal Linkage (Seibel, 2007), Linkage to Bank (Seibel, 2007; Rahman RA & Dean F 2013; Rahman, ARA 2007; Wahyudi, 2014). As well as partnerships (linkages) with formal financial institutions (Islamic) (Sanrego and Antonio, 2013; Riwijanti 2014). The government or NGO social safety net program (Hashemi and Rosenberg, 2006) it is an important aspect for sharia cooperatives to achieve good performance.

However, Wediawati's study (2018) found that internal partnerships with fellow sharia cooperatives and relevant sharia cooperative associations such as the Sharia Cooperative Center or Pusat Koperasi Syariah (Puskopsyah) or the Indonesian BMT Association or Asosiasi BMT Indonesia (ABSINDO) and external partnerships with the government, private sector, national sharia banking and international financial institutions still weak. In fact, to encourage innovation and performance improvement one must shift from opposing situations to a partnership mindset, or from desire-based negotiations towards vision-lined negotiations (Wang, Tulder, Sterk, & Willems, 2011). The importance of partnerships for microfinance has contributed to the poverty alleviation movement, especially in disadvantaged areas, so that the microfinance industry faces the challenge of how to improve social impacts on the one hand and maintain profits

### **Sharia Cooperative Performance**

Research on the performance of sharia cooperatives that accommodate the triple mission is very rare. So to reveal this variable, it is approached first through the concept of organizational performance. Organizational performance is the result achieved by a combination of abilities and traits (Gibson, Ivancevich, Donnelly, 2006), effort and support which is measured through efficient and effective work patterns (Bernardin and Russel, 1998) so that there is a transformation from input to output, (Lebans & Euske (2006: p. 71) and is measured through financial, customer, business process and learning and growth perspectives (Kaplan & Norton, 1992).

A number of researchers mostly use financial performance measurement (Afandi, 2014; Hadisumarto and Ismail; 2008), social performance (Riwajanti, 2014) as well as both measurements (Ascarya, 2012; Hosen and Sa'roni, 2012; Wediawati et al., 2018) while studies measuring spiritual performance (sharia) are still difficult to find. In fact, a number of studies (Hadisumarto and Ismail, 2010; Sanrego and Antonio, 2013; Wediawati and Setiawati, 2016) highlight the importance of spiritual performance as part of the spiritual aspect in kopsyah/BMT. The spiritual aspect is one of the missions of Islamic microfinance (kopsyah) in addition to two other missions, namely financial and social missions (dual mission), as well as microfinance missions (Ledgerwood, 2000),

Sharia cooperatives, apart from being a financial institution, are also a religious institution (PAS BMT, 2014) so that apart from carrying out a financial and social mission (dual mission), kopsyah also carries out a sharia mission which is the embodiment of achieving sharia goals (maqasid sharia) which emphasizes the balance of worldly goals and the hereafter (falah). Based on regulations relevant to kopsyah and performance measurements used by a number of researchers, the construct of kopsyah's performance in this study is the ability of kopsyah to realize the welfare of members and society as measured by the dimensions: 1) financial performance, 2) social performance, 3) Sharia performance. Sharia cooperatives consist of individuals or cooperative legal entities. Its activities include deposits,

financing, financial transfers and payment services in accordance with sharia principles. Cooperative performance is measured by its ability to realize the welfare of members through financial performance, social performance and sharia performance.

Leaders determine the success of a job, the leader's efforts are an important factor for the success of a job, because leaders must be able to communicate inspirational visions and provide intellectual stimulation in developing relationships between leaders and subordinates (Elkins & Keller, 2003). Intellectual stimulation can make companies survive by optimally empowering various potential human resources in achieving their best performance, so it takes leaders with characters who are able to carry out intellectual stimulation, and leaders who are able to do this are leaders who have transformer characters. Sinaga et al., (2018) research reveals that there is a direct influence of transformational leadership on employee performance.

Transformational leadership has a greater influence on organizational performance (Chiang & Wang, 2012), because the charisma, inspirational motivation and intellectual stimulation of transformational leaders have a good level of achievement for performance (Wongyanon et al., 2015). Research by Pradhan & Pradhan, (2015) shows that transformational leadership has a positive impact on contextual performance, through vision and moral guidance the leader convinces followers and motivates them to exert more effort and involve them in extra role behaviors that are not an explicit part of their work. Several studies of leadership behavior, trust and flexibility of a manager empirically found that transformational leadership has a positive effect on managers in terms of agility and has a very large effect on improving organizational performance (Purvee & Enkhtuvshin, 2015; Singh, 2015), and transformational leadership and organizational performance. as an important factor for effective organizational development (Raluca-Elena, 2015). Regarding transformational leadership implemented in Sharia cooperatives, Adinata's research (2015) shows that together with other intrinsic factors (motivation & organizational culture) have a positive and significant impact on the achievement of Sharia cooperative performance. This is supported by research (Adriani et al., 2019) that transformational leadership has a positive and significant effect on the performance of Sharia cooperatives. The application of transformational leadership so far has only been in large companies, the application of transformational leadership with the performance of Sharia cooperatives is still rarely discussed in previous research. Emphasis on transformational leadership style is very positive in improving organizational performance (Singh, 2015; Ekiti & Taiwo, 2015; Adriani et al., 2019). Previous research has shown that transformational leadership is able to improve organizational performance through charisma, inspirational motivation and intellectual stimulation, so the hypothesis is built as follows.

**Hypothesis 1:** Transformational leadership is able to strengthen the performance of Sharia cooperatives.

Information technology has an important role in improving organizational performance because it is able to increase virtual globally in an increasingly competitive competition (Hickman & Akdere, 2017), where information technology is used to function as an e-business that contributes significantly to organizational performance (sharia cooperatives, so that information becomes an important factor in improving individual performance in improving organizational performance (Sajeet Pradhan, Lalatendu Kesari Jena, 2016). The role of information technology in improving organizational performance in the form of improving service quality, with a high level of connectivity can affect consumer behavior (members) and performance sharia cooperatives in general (Malaquias et al., 2017), because information technology is closely related to business strategy and innovation performance which has a stronger direct effect on organizational performance (Devece et al., 2017). The research of Cristobal-Fransi et al. ., (2020) on Food Agriculture Cooperatives revealed that through their website, information technology was able to facilitate effective communication in an online environment and adapted to e-commerce. Similar research Bernal-Jurado et al., (2021) that information and communication technology plays a central role in cooperatives, especially websites, offering a source of competitive advantage, the results show that the number of website visits from the use of information technology has an impact on improving the performance of cooperatives in Spain. Based on previous research, the second hypothesis is proposed, namely:

**Hypothesis 2:** Information Technology has a large impact on improving the performance of Sharia Cooperatives

A number of empirical studies have found that partnership management must be carried out by individuals who have the best competencies, because for leaders partnerships are a collaborative initiative for leaders (Vangen & Huxham, 2003). The leadership style that has the best competence is transformational leadership, this type is not only a dominant leadership style but is also considered a new paradigm approach where the leader acts as a role model and motivates employees to be creative and innovative (Nauman Majeeda\*, Mohammad Nazri Mohd Nora, 2017 ). Transformational leadership who has a transformer leadership behavior will build cooperation both inside and outside the organization to improve organizational performance. Partnerships built by a transformational leader must be supported by information technology, because partnerships will improve performance with the partners formed. The dynamic ability of partnerships to coordinate actions in pursuing market opportunities as well as facing threats (Chang et al., 2015).

Information technology requires technology skills as a supporting element for the use of information technology, because companies must innovate to obtain commensurate returns and value creation for the organization is very important for the development of management practices with the effective use of information technology from new information systems (de Mattos & Laurindo, 2017 ), brings its own value to end users so that new business models are formed to bring innovation to society (Howell et al., 2018). The importance of information technology in supporting transformational leadership which is integrated in the form of building partnerships will improve organizational performance (Hickman & Akdere, 2017) with partners increasing the dynamic capabilities of partnerships (Chang et al., 2015) especially in exchanging information so that partnerships will encourage better organizational performance, can minimize the risk of organizational performance failure (Indridason & Wang, 2008) so that the implications of the partnerships that are built can be learning and maintaining sustainable performance so that the organization is able to transform (André de Waal, Dalia Habil Fakhry, 2017) especially improving the performance of Sharia cooperatives (Adriani et al. al., 2019; Wahyudi, 2014; Sakti, 2013) both internally and externally (Liu, 2020). Based on previous research, the hypothesis is built as follows.

**Hypothesis 3:** Transformational leadership and the use of information technology have an impact on improving performance through the implementation of partnerships

## METHOD

### Sample and Data Collection

Hypothesis testing used survey data collected from Sharia cooperatives in Jambi Province, Indonesia, 33 units of analysis of Sharia cooperatives and observation units of 132 respondents. Respondents are leaders, treasurers, secretaries and operational staff of Sharia cooperatives who are considered to be aware of activities related to transformational leadership variables, the use of information technology and the implementation of internal and external partnerships. The research approach uses a quantitative approach with an explanatory survey method. This method explains the causal relationship between the variables through hypothesis testing (Hair, 2017). The variables in this study are transformational leadership (X1), information technology (X2), partnership variable (Z) as an intervening variable and endogenous variable Sharia Cooperative Performance (Y). Latent variables built using dimensions and indicators using a Likert scale statement (5 points). The analytical tool used is variant-based SEM or Partial Least Square (PLS). Partial Least Square (PLS) has predictive power so it is suitable for use in developing theories in exploratory research (Hair et al., 2017), the variables used in transformational leadership research, information technology, partnerships and small business performance are still rarely discussed. in previous studies.

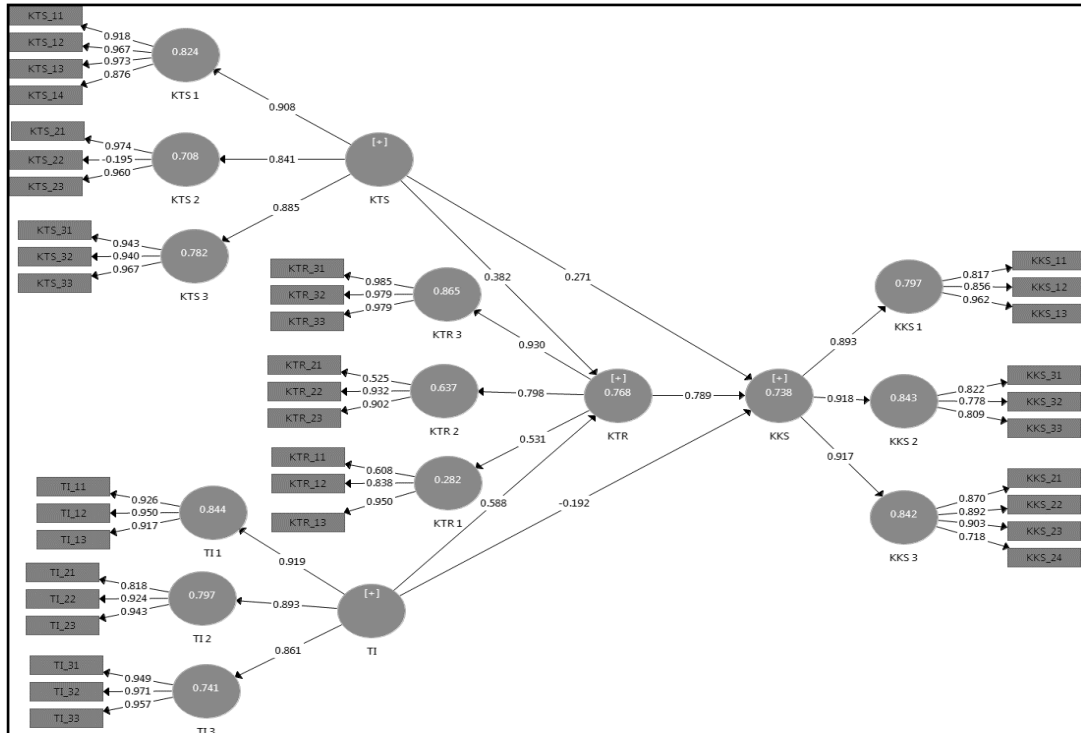
## RESULT AND DISCUSSION

### Measurement Model Testing (outer model)

Testing the measurement model is carried out on indicators and dimensions as forming latent constructs, through the use of Confirmatory Factor Analysis (CFA). This study uses a multi-dimensional construct, the validity of the model is tested in two stages, namely second order and first order CFA. The nature of the construct used is reflective because it is assumed to have the same content domain. The validity test uses Convergent Validity and Discriminant Validity, the reliability test uses Composite Reliability. Convergent validity of the measurement model is assessed based on the correlation between

the estimated item scores/component scores (Loading Factor value). Size is said to be high if it is correlated with the measured construct more than 0.70 (Hair et al. 2017). This study uses the variables of transformational leadership (KTS), information technology (IT), partnership (KTR) and performance of sharia cooperatives / BMT (KKS).

The results of the second order (CFA) test are presented as follows:



**Figure 1.**

Second Order Confirmatory Factor Analysis

Based on Figure 1, it can be seen that all indicators of the four variables reflect a strong relationship, as reflected in all loading factor values which are greater (>) 0.60 except for the KTS\_22 (<) 0.60 indicator with a value of 0.195 and the KTR\_21 indicator (<) 0.60 with a value of 0.525, so that these two indicators cannot explain each dimension, namely transformational leadership and partnership. Thus, according to the rule of thumb, the KTS\_22 indicator and the KTR\_21 indicator because the value is smaller than 0.6 must be dropped (dropped) from the structural equation model.

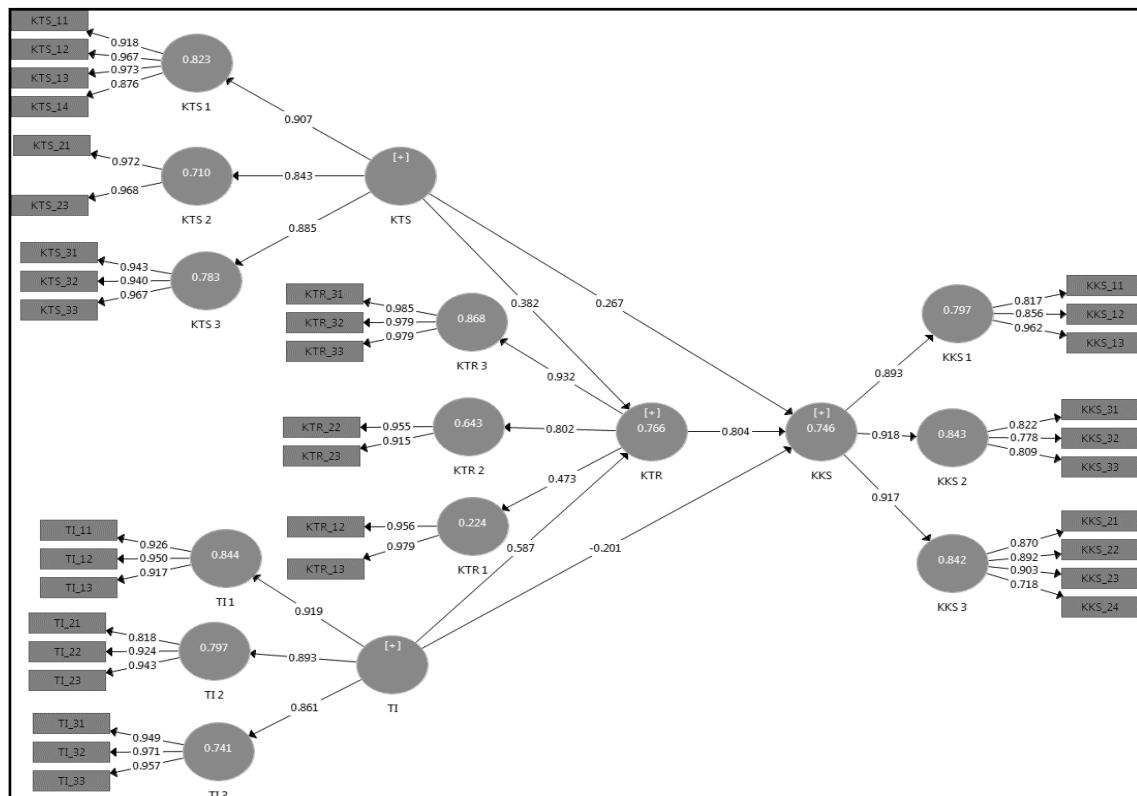


Figure 2.

The model after being dropped from the structure equation model

Structural model equations based on the results of statistical testing in this study are as follows:

**Model 1:  $KTR = 0,382 KTS + 0,587 TI + \zeta_1$**

The test results of model 1 show that the transformational leadership variable, the use of information technology has a positive effect on the partnership that is built. The resulting positive influence can be seen from the path coefficient of the transportation leadership variable showing a positive value of 0.382 and the use of information technology of 0.587.

This indicates that the better the transformational leadership style is applied and proceeds with the use of information technology, the better the partnership built by sharia cooperatives/BMT both inside and outside sharia cooperatives/BMT. These results illustrate that sharia cooperatives will develop well if they are supported by up to date information technology.

These results prove that the use of up to date information technology can win the competition, so as to increase productivity, profitability and quality of operations (Devaraj, S & Kohli, 2003), because the process of information technology and human resources in sharia cooperatives will produce its own strengths for organizations (sharia cooperatives) especially in building partnerships and a micro competitive environment (NP Melville, 2010), so that transformational leadership abilities become an important component in designing organizations that process information technology to win the competition (Jeffers et al., 2008).

Transformer leaders have been successful in their implementation in companies with profit motives, while in sharia cooperatives the leaders are selected based on seniority, and people who have jobs so that the management of sharia cooperatives becomes a side job, with the support of sharia cooperative technology led by leaders who Transformers can transform by building partnerships. The results of the study which are supported by qualitative findings indicate that transformational leadership is more influential in profit-oriented companies, sharia cooperatives with transformer leaders have better performance than sharia cooperatives whose leaders are based on seniority, piety. Furthermore, the leader of transformers in sharia cooperatives is very much determined by the information technology used, this is in line with qualitative findings that describe the reality that occurs

in the field that sharia cooperatives/BMT that have up to date information technology, can build partnerships both internally and externally.

That is, when sharia cooperatives use information technology in information dissemination activities with the media used in partnership with the provider, the dissemination of information is getting better and the reach is wider. This is in accordance with the conditions in the field, sharia cooperatives that have information technology can form partnerships, because the partnerships to be formed must have up to date technology in order to build the required partnerships. Partnerships in the form of system training to be built, cooperation in e-business programs, partnerships with peer to peer lending, require supporting technology, especially in the form of systems/programs required by sharia cooperatives/BMT.

These results are in line with the results of previous studies that the use of information technology as an artificial resource requires management in its operations, so that leaders with transformer characteristics are able to make positive changes in improving organizations, individuals and motivating subordinates as well as improving performance through various mechanisms (Tichy N. & Ulrich, 1984; Bernard M. Bass, Bruce J. Avolio (2008); James A. & Ogbonna, 2013). Mechanisms in the use of information technology, will support the formation of internal and external partnerships in terms of increasing knowledge, and support the dynamic capabilities of a partnership.

The magnitude of the influence of the two partnership variables with a coefficient of determination ( $R^2$ ) of 0.766 (76.60%) indicates that the influence of transformational leadership and the use of information technology on partnerships is strong/substantial according to the criteria of Hair et al., (2017) where the R-value Square of 0.75 (strong/substantial), 0.50 (moderate) and 0.25 (weak). While the remaining 20.60% is influenced by other variables outside the research model ( $\text{error} = \zeta_1$ ). This proves that empirically the character of a transformer leader who proceeds with the use of information technology will be able to strengthen the formation of sharia cooperative partnerships in Jambi Province.

The magnitude of the influence of the two variables on the partnership variable is 76.60% while the remaining 23.40% is influenced by other variables outside the research model ( $\text{error} = \zeta_2$ ). Thus equation 1 is moderate according to the criteria of Hair et al., 2017 where the R-Square value is 0.75 (strong/substantial), 0.50 (moderate) and 0.25 (weak). This indicates that empirically Transformational Leadership and the use of Information Technology together can build partnerships both internally and externally.

#### **Model 2: $KKS = 0.267 KTS + - 0.201 TI + 0.804 KTR + \zeta_2$**

The test results on the model show that the Transformational Leadership variable has a positive effect on the performance of sharia cooperatives, with the path coefficient value showing a positive number (0.267). While the use of information technology has a negative effect on the performance of sharia cooperatives, this can be seen from the path coefficient value of -.201. The partnership variable has a positive effect on the performance of sharia cooperatives with a path coefficient value of 0.804.

A positive path coefficient value can be interpreted that the transformational leadership implemented in sharia cooperatives is still not optimal (weak) in influencing the performance of sharia cooperatives. This result is in line with the opinion. While a number of studies highlight that aspects of human resources in sharia cooperatives (Ismanto, 2011; Sharia Economic Outlook, 2014), that the limitations of human resources related to the chairman of sharia cooperatives stem from the recruitment or appointment of managers who are taken from less professional circles. This is also supported by Forum Gerakan Pengembangan Koperasi Indonesia (Formasi Indonesia) in collaboration with the AWCF (Asian Women in Cooperative Development Forum) in 2002 which revealed that the leadership aspect needed for sharia cooperatives is leadership that has a transformative character for cooperatives. Study Adinata (2015) reinforce this by finding that transformational leadership along with motivation and organizational culture have a positive effect on the achievement of sharia cooperative performance.

The value of the Transformational Leadership path is positive and Information Technology is negative, the value of these two variables is close to zero which means that Transformational leadership has a weak influence on the performance of sharia cooperatives. This means that transformational leadership can immediately make changes, provide motivation and improve employee performance, but the changes that occur are not as expected. This is because human resources who become operational



personnel have their own limitations, most sharia cooperatives have not implemented a professional salary system, so the recruited workforce has limitations in capabilities, in line with the value of information technology which is very weak (negative) its influence on the performance of sharia cooperatives Even though the technology is upto date, the skills possessed by employees are a separate obstacle in managing information technology. This is indicated by the negative path coefficient value which supports that the weak influence of transformational leadership and the application of information technology without being supported by partnerships has a negative effect on the performance of sharia cooperatives.

This is in line with the opinion of a number of studies that the main obstacles faced by sharia cooperatives are capital problems (32.90%) and human resources (24.93%). Economic Outlook, 2014), market competition and infrastructure related to information technology (Hossen and Sa'roni, 2012) and partnerships (Sakti, 2013; Wahyudi, 2014) are factors that determine the success rate of sharia cooperatives in serving members or micro businesses. small and medium. Transformational leadership is very needed for the development of sharia cooperatives, the participatory leadership launched by the AWCF (Asian Women in Co-operative Development Forum) in 2002, has not been optimally applied to sharia cooperatives / BMT. This is different from the results of the Adinata Study (2015) that transformational leadership along with motivation and organizational culture have a positive effect on the achievement of sharia cooperative performance.

In addition to limited human resources, sharia cooperatives / BMT also experienced difficulties in adapting to such rapid technological developments, while information technology support plays a very important role in line with the opinion of Hossen and Sa'roni (2012) that information technology is one of the important aspects for sharia cooperatives to achieve good performance and win the competition. This information technology can be in the form of technology applications in disseminating information (such as whatsapp, SMS, telegram or e-mail, facebook or website); as well as in the form of information storage (member database and financing performance) as well as mobile banking applications (in the form of financial transfers and payment services).

Furthermore, the use of information technology in sharia cooperatives is still less than optimal, although the dissemination of information is quite optimal and effective using whatsapp and SMS in improving the performance of sharia cooperatives, the ability of the chairman to make changes and the use of information technology is not very effective, if it is not supported by the ability of the second employee. this will not be able to improve the performance of sharia cooperatives without building partnerships, both internal and external, and the support of up to date information technology has a very important role.

The magnitude of the influence of the three variables on the performance variable of sharia cooperatives is 0.746 (74.60%) while the remaining 23.40% is influenced by other variables outside the research model (error =  $\zeta$ ). Thus equation 2 is classified as "strong" according to the criteria of Hair et al., 2017 where the R-Square value is 0.75 (strong/substantial), 0.50 (moderate) and 0.25 (weak). This indicates that empirically transformational leadership, information technology and partnerships together can improve the performance of sharia cooperatives/BMT.

## CONCLUSIONS

The model generated in the study illustrates that transformational leadership, the use of information technology and partnerships have a positive and significant impact on the performance of sharia cooperatives/BMT. To achieve good performance, it is necessary to strengthen the implementation of transformational leadership, increase the use of up to date information technology, and build partnerships among sharia cooperatives / BMT, as well as build external partnerships with sharia funding. This research produces novelty in the form of a model that can strengthen the performance of sharia cooperatives. This study contributes to the sharia cooperative literature which is still rarely studied.

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