



## The Role of Local Culture on The Effect of Leader Member Exchange on Employee Performance at Village Offices in Abiansemal District

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### Abstract

*Public administration currently refers to the professionalism of the performance of government officials in public services. One of the agencies formed by the local government is the Village Office. The purpose of this study was to analyze the role of local culture in the relationship of leader member exchange to the performance of employees at the Village Office in Abiansemal District. The research is causal in nature to provide an explanation and understanding of the relationship between the leader member exchange variable, local culture and employee performance variables. The research population was all employees of the Village Office in Abiansemal District, totaling 269 employees. Questionnaires that have been tested for validity and reliability were given to 73 respondents. Methods of data collection by observation, interviews, documentation, literature and questionnaires. The method of determining the sample with a saturated sample and the method of analysis using descriptive analysis and inferential analysis with Partial Least Square (PLS) analysis. The results show that the leader member exchange variable has an effect significant on employee performance, local culture has an effect positive and significant on employee performance. Local culture is not able to moderate the influence leader member exchange on employee performance but tends to be a predictor variable because it has positive but not significant results.*

**Keywords** Leader member exchange, Local Culture, Performance

### INTRODUCTION

The village administration is a sub-system of government administration, so that the village has the authority to regulate and manage the interests of its people (Widjaja, 2013). The presence of the village government is considered to play an important role because it contributes greatly to national stability. The village government has a strategic task and role in the development of village communities. This task was reflected when Law Number 5 of 1974 concerning Regional Government was enacted, and Law Number 5 of 1979 concerning Villages and Law Number 6 of 2014 also concerning Villages. The existence of the village is the main mirror of the success or failure of the government of a country and the implementation of democratic life in the region. then in supporting these activities, employees and all village government apparatus are expected to be able to show their performance in completing the work being done. In order to carry out the mandate of the Law on the Implementation of Regional Government, local governments are expected to



accelerate the realization of the welfare of rural communities through the ability to manage human resources available in their respective regions. Based on the results of interviews with several village governments in Abiansemal District, it was stated that in carrying out several activities, the village office leadership gave authority to its employees such as the opportunity to take part in training or other special activities that should be attended by the village office leadership. This exchange of roles causes problems in making strategic decisions at the Village Office, such as directing village development, budget adjustments and so on. Given that the Village Office employees in Abiansemal District are government agencies engaged in community services so that both superiors and subordinates are expected to be able to work well together, are familial but still in the context of polite and informal interactions and do not neglect their respective duties.

Several studies regarding the influence of Leader member exchange show different results, these differences can be seen in the research Ihsanil Huda and Rijanti (2016) and Andriana, et al., (2021) get the results that LMX has a significant effect on performance. While other studies obtained different results. Where is research Insan, et al (2021) stated that Leader member exchange has no significant effect on performance. Ghozali, et al (2019) stated that Leader member exchange had no significant effect on performance. In addition, in the study of Kusumawati, et al (2020) it was stated that the leader member exchange only had an effect of 22.6 percent on employee performance.

In addition to the leader member exchange, local culture also has an influence on the level of employee performance (Wati, 2020). In this study, local culture is used as a moderating variable between Leader member exchange and employee performance. The performance of village government employees is caused by the existence of wisdom values that are missing from every employee. According to Nurcholis (in Sujadi, et al. 2014: 231) a village is an area inhabited by a number of people who know each other, live in mutual cooperation, have relatively the same customs, and have their own procedures for regulating their social life. According to Atmaja, et al., (2015) social conflict in Balinese society can be caused by behavior and the ability to understand regulations (awig-awig) that are not the same can be minimized by having a common understanding of a concept of local wisdom. This is the basis of local culture being appointed as a moderating variable because it is considered able to improve the relationship of leader member exchange to performance because the village government essentially functions to make and implement policies to prosper, educate, empower, and protect the entire community, so it is wise to optimize local wisdom. in the implementation of government. Astawa et al., (2014) in their research results explain that The company cannot be separated from the environment in which the company was founded because there is a local culture in each environment that has an influence on performance.

Based on the phenomena found in the Village Offices in Abiansemal District as well as the results of previous studies showing inconsistent results, it is necessary to reassess the effect of leader member exchange on employee performance and the role of local culture in influencing employee performance, then based on this the researcher conducted a study with



the title "The Role of Local Culture in Leader Member Exchange Relations on Employee Performance at Village Offices in Abiansemal District".

### **THEORETICAL BASIS**

Attribution theory is a theory that was first put forward by Harold Kelley (1972-1973) in his theory explaining how people draw conclusions about "what is the cause" what is the basis for someone to do an action or decide to act in different ways. certain way (Robbins, 2017). Attribution theory states that when individuals observe a person's behavior, they try to determine whether it is generated internally or externally (Robbins, 2017). According to Sutrisno (2016:172), performance is the result of a process that refers and is measured over a certain period of time based on pre-determined provisions or agreements. Performance is the result of employee work seen from the aspect of quality, quantity, working time and cooperation to achieve the goals set by the organization.

According to Mangkunegara (2017: 67), performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Fahmi (2017: 188) states that performance is the result of a process that refers and is measured over a certain period of time based on pre-determined provisions or agreements. According to Torang (2014:74) performance is the quantity or quality of the work of individuals or groups within the organization in carrying out main tasks and functions that are guided by norms, standard operating procedures, criteria and measures that have been determined or applicable in the organization. Some understanding of the performance above.

According to Hsiung & Tsai, in (Hsieh, 2012: 251) Leader member exchange is defined as the quality of exchange between leaders and their subordinates, which means that superiors and subordinates build reciprocal relationships and develop a level of mutual respect and trust. Meanwhile, according to Graen & Uhl in Wibowo and Sutanto (2013:2) Leader member exchange focuses on the dyadic relationship (two-way) between the leader and each of his followers which is an exchange relationship that aims to increase organizational success by creating positive relationships between leaders. with his followers. Understanding Leader member exchange as Robbins (2008:66) argues that at the beginning of the history of interaction between a leader and a certain member, the leader implicitly categorizes the follower as "in group" or "out group" and that such a relationship is relatively stable over time. In the in-group, subordinates are more trusted and get a larger portion of attention from superiors and get special rights (Robbins, 2007: 368). Understanding Leader member exchange the quality of the relationship between leaders and subordinates will have some impact on job satisfaction (Haryanti, 2008), namely subordinates who have high quality relationships with leaders will create a cooperative working atmosphere, so that company goals will be easily achieved. LMX is a theory that has the principle that all forms of employee attitudes and behavior in an organization are very dependent on how the treatment is given by the leader (Rockstuhl, Dulebohn, Ang & Shore, 2012) Based on the definition that has been put forward, it can be concluded that the leader-member exchange (LMX) is the quality of interaction and relationships that exist between leaders and their



subordinates where the leader has different LMX qualities with each of his subordinates. The notion of culture (culture) can be understood through two approaches as described in The International Encyclopedia of the Social Sciences (1972) (in Indraha, 2003; 42), namely first, the Anthropology study approach for the period 1900-1950 which found a process-pattern approach. -pattern theory, culture pattern as basic) which was developed by Franz Boas (1858-1942) and also developed by Alfred Louis Kroeber (1876-1960). Second, the structural-functional theory approach, social structure as basic) which was developed by Bronislaw Mali nowski (1884-1942) and Radcliffe-Brown. The two theories developed are basically included in the definition of culture in a broad sense which includes culture and/or civilization.

According to Nawari Ismail (2011), what is meant by local culture are all ideas, activities and results of human activities in a community group in a certain location. The local culture is actually still growing and developing in the community and is agreed upon and used as a common guideline. Thus, local cultural sources are not only in the form of values, activities and results of traditional activities or the ancestral heritage of the local community, but also all components or cultural elements that apply in society and become a characteristic and or only develop in certain communities.

According to Asteni (2018), the notion of local culture can be formulated as a form of local values that are manifested from the thoughts and behaviors of the community which are formed naturally over time. In general, local culture cantangible as the result of art, tradition, customary law, or mindset. Therefore region Indonesia is so vast and has a very varied form of society, so there are various treasures of wealth local listed as local culture. Local culture, in this context ethnic culture, becomes a personal or group identity in a society. The characteristics that have become self-cultural identity are inherent throughout their social life (Sutardi, 2007:11).

## **RESEARCH METHODS**

This research took place in all village offices in Abiansema sub-district. The scope of this research is all employees who work in the Village Office in Abiansema District with the object of research is the role of local culture on the influence of leader member exchange on employee performance. The analysis used to analyze the relationship between variables in this study, including transformational leadership, financial compensation, job satisfaction and employee performance. In analyzing the influence between the independent variable and the dependent variable in this study, the Partial Least Square (PLS) statistical method was used. Because this method is known to be very practical and does not require many assumptions, including the assumption of a normal distribution. According to Jogiyanto and Abdillah (2009) PLS (Partial Least Square) is a variant-based structural equation analysis (SEM) which can simultaneously test the measurement model as well as test the structural model. The measurement model is used to test the validity and reliability, while the structural model is used to test causality (testing hypotheses with predictive models). Furthermore, Jogiyanto and Abdillah (2009) stated that Partial Least Square (PLS) analysis is a multi-variant statistical technique that makes comparisons between multiple dependent variables

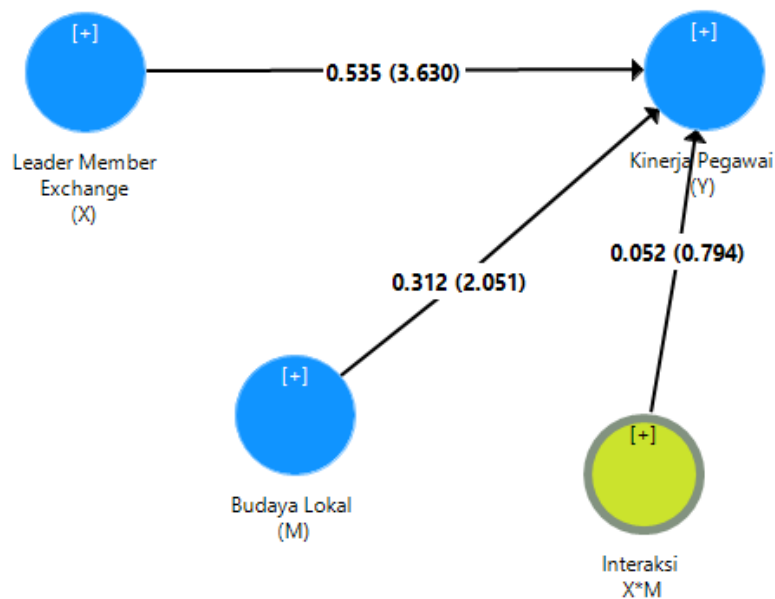


and multiple independent variables. PLS is a variant-based SEM statistical method designed to solve multiple regression when there are specific problems in the data. Furthermore, Ghozali (2013) explains that PLS is an analytical method that is soft modeling because it does not assume the data must be with a certain scale measurement, which means the number of samples can be small (under 100 samples). The basic difference between PLS which is a variant-based SEM with LISREL or AMOS which is covariance-based is the purpose of its use.

## RESEARCH RESULTS AND DISCUSSION

### Hypothesis testing

In testing this hypothesis, it will focus on the direct influence between variables. Direct influence analysis can explain the relationship between research variables (latent variables). The variables in question are Leader member exchange, Local Culture, and Employee Performance. The direct effect is indicated by the coefficients of all arrows with one end. To determine the significance of the direct effect between construct variables, the path coefficient of the Bootstrapping SMART PLS shown in Figure 5.4 and Table 5.12 below which contains the path coefficient ( $\beta$ ) and the T-statistical coefficient.



**Image 1**  
*Path Coefficient Bootstrapping*

**Table 1: Path Coefficients, T-Statistics, P-Values Bootstrapping**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
<b>X*M -&gt; Y</b>	0.052	0.042	0.066	0.794	<b>0.427</b>
<b>M -&gt; Y</b>	0.312	0.329	0.152	2.051	<b>0.041</b>



X -> Y	0.535	0.523	0.147	3,630	0.000
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Source: Data processed

Based on Figure 1 and Table 1, hypothesis 1 and hypothesis 2 are tested regarding the influence of *Leader member exchange* and Local Culture on Employee Performance. Hypothesis testing was carried out by means of a *t-statistical test* with an *alpha level* of 0.05 (5%) or a *t-aria* of 1.96. If the value of *t-statistic* > *t-table* (1.96), then this means that the test results are significant, whereas if *t-statistic* < *t-table*, it means that the test is not significant.

### **Influence Hypothesis Testing *Leader member exchange* on Employee Performance**

In Figure 1 and Table 1 it is known the magnitude of the path coefficient of influence *Leader member exchange* (X) t on Employee Performance (Y) ( $\beta_1$ ) = 0,535 ;  $t_{count} = 3.630$  and  $P_{value} = 0.000$ . Path coefficient ( $\beta_1$ ) = 0.535 this means that there is a positive influence of *Leader member exchange* (X) on Employee Performance (Y) of 0.535. That is, if *the Leader is a member exchange* (X) increases in sata score (units) then employee performance (Y) will increase by 0.535 scores (units).

Coefficient  $t_{arithmetic} = 3.630 > 1.960$  and  $P_{value} = 0.000 < 0.05$ ; this means the influence of *Leader member exchange* (X) on Employee Performance (Y) is significant. Thus, it can be stated that the hypothesis that reads is suspected to have a positive and significant influence and the *Leader member exchange variable* (X) on the performance of the employee (Y) at the Village Office in Abiansemal District is proven true. This means the effect of implementing the *Leader member exchange* (X) on Employee Performance (Y) at the Village Office in Abiansemal District is positively significant. This implies that the higher the *Leader member exchange*, the more the higher it is also Employee Performance at the Village Office in Abiansemal District.

### **Influence Hypothesis Testing *Local Culture* Against Employee Performance**

In Figure 1 and Table 1 it is known the magnitude of the path coefficient of influence *Local Culture* (M) on Employee Performance (Y) ( $\beta_2$ ) = 0.312 ;  $t_{count} = 2.051$  and  $P_{value} = 0.041$ . Path coefficient ( $\beta_2$ ) = 0.312 this means that there is a positive influence of Local Culture (M) on Employee Performance (Y) of 0.312. That is, if Local Culture (M) increases sata score (unit) then Employee Performance (Y) will increase by 0.312 Score (unit).

Coefficient  $t_{count} = 2.051 > 1.960$  and  $P_{value} = 0.041 < 0.05$ ; this means the influence of Local Culture (M) on Employee Performance (Y) is significant. Thus, it can be stated that the hypothesis that it is suspected that there is a positive and significant influence 98of local cultural variables on the performance of employees at village offices throughout the Abiansemal District is proven to be true. It means the influence of Local Culture on Employee Performance at village offices in Abiansemal sub-district is a significant positive. The higher the level of Local Culture the higher the employee performance at village offices in Abiansemal District.



**Testing the Moderating Effect of Local Culture on the Influence of *Member Exchange Leaders on Employee Performance at village offices in Abiansemal District.***

The moderating effect shows the interaction between the moderator variable and variable independent in influence variable dependent. Effect Moderation can be tested with the moderating regression equation and is guided by the direct effect of the moderating variable (M) on the dependent variable (Y) and the direct effect of the interaction variable (X\*M) on the devenden variable (Y) Solimun (2014). The moderating regression equation in question is:

$$Y = \beta_1 X + \beta_2 M + \beta_3 X * M + e$$

Information:

Y = endogenous variable Employee Performance

$\beta_1$  = regression coefficient for the influence of exogenous variables *Leader member exchange*

$\beta_2$  = regression coefficient for the moderating variable Local Culture

$\beta_3$  = regression coefficient for interaction variable X\*M

e = error

X = exogenous variable *Leader member exchange*

M = Local Culture Moderating Variable

X\*M = Interaction 99of exogenous 99variables with moderating variables.

The moderating regression equation above is used as the basis for the criteria for the type of moderating variable as stated in the following criteria.

**Table 2**  
**Criteria for Determining the Type of Moderation**

No	Regression Coefficient Moderating $\beta_2$	Interaction Regression Coefficient $\beta_3$	Moderation Type
1	Non-Significant	Significant	<i>Pure</i> Moderation (Pure Moderation)
2	Significant	Significant	<i>Quasi</i> Moderation (Pseudo Moderation)
3	Non-Significant	Non-Significant	<i>Homologizer</i> (Potential Moderation)
4	Significant	Non-Significant	<i>Predictor</i> (Moderation Predictor)

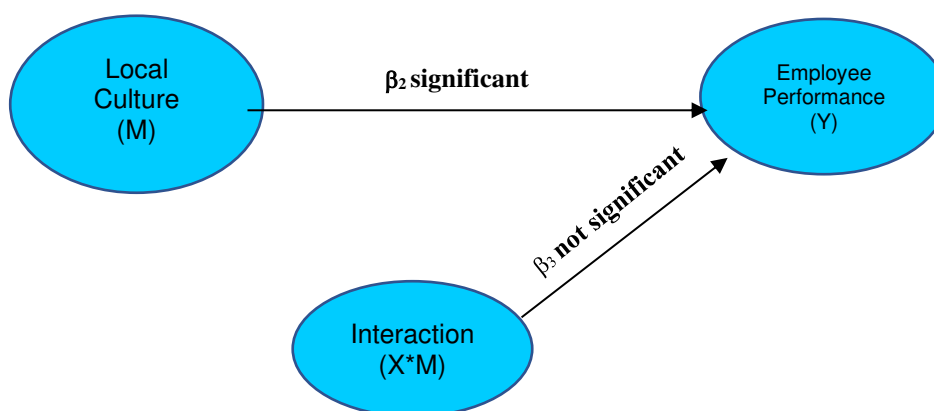
Source: Solimun (2014)

In Table 5.13 it is known that the magnitude of the path coefficient and the moderating variable of Local Culture (  $\beta_2$  ) = 0.312; coefficient  $t_{arithmetic} = 2.051 > 1.960$  and  $P_{value} = 0.041 < 0.05$ ; it means influence the practice of local culture on employee performance is



significant. It is also seen that the magnitude of the path coefficient of the Local Culture interaction variable ( $X*M$ ) on the Employee Performance variable ( $\beta_3$ ) = 0.052;  $t_{count} = 0.794$  and  $P_{value} = 0.427$ . The path coefficient ( $\beta_3$ ) = 0.052 this means that there is a positive interaction effect ( $X*M$ ) on employee performance of 0.052. Coefficient  $t_{arithmetic} = 0.794 < 1.960$  and  $P_{value} = 0.427 > 0.05$ ; it means influence interaction ( $X*M$ ) on Employee Performance is not significant. Based on the results of the significance test of the effect of the moderating variable of Local Culture and the Intraction variable on Employee Performance, it can be made a picture of the relationship between the following variables.

**Figure 2**  
**Moderation of Local Culture on the Influence of Member Exchange Leaders Against Employee Performance**



In the picture above, there are  $\beta_2$  significant and  $\beta_3$  is not significant. When related to the moderating criteria in Table 5.13, it can be concluded that the Local Culture variable does not significantly moderate (strengthen) the influence of *Leader member exchange* on employee performance but as a moderating variable that strengthens employee performance. This means that the hypothesis which states that it is suspected that local culture moderates *leader member exchange* on the performance of village office employees throughout the Abiansemal District is not verified or significant. Local Cultural Values not only strengthen the influence of *Leader member exchange* on Employee Performance, but the Local Culture variable can significantly improve employee performance in village offices throughout Abiansemal District.

## DISCUSSION

### **Influence of Leader member exchange on Employee Performance at Village Offices in Abiansemal District**

The results of the analysis found that there was a positive and significant influence on the *leader member exchange variable* on employee performance at the Village Office in Abiansemal District. This implies that there is a unidirectional relationship between *leader member exchange* and employee performance at the Village Office in Abiansemal District.





That the better the implementation of the *leader member exchange* at the Village Office in Abiansemal District, the higher the employee 's performance at the Village Office in Abiansemal District. The opposite will happen, if the implementation of the *leader member exchange gets worse* at the Village Office in Abiansemal District, the lower the employee's performance at the Village Office in Abiansemal District.

Based on the results of respondents' answers on the *leader member exchange variable*, in general, the indicators for each variable have a value that tends to be higher than the average variable, which is 3.89. This indicates that the exchange of leaders continues to provide improvements to performance supported by affection and the attitude of respect from all employees at Village Offices throughout Abiansemal District, Badung Regency. Based on the results of further observations stated that employees will always support all activities for village development if the leadership wants to show a high sense of loyalty such as participating together in *ngayah activities* mutual cooperation and other community activities in order to trigger members to participate in these activities. Regarding the characteristics of the respondents, the dominant gender is male and the age of 41-50 years indicates that employees have a mature way of thinking in dealing with the problems found so that they tend to show a professional attitude at work and help each other with co-workers. With the willingness to behave voluntarily among employees to want to do tasks or work outside their responsibilities, it will create a higher sense of family because employees will show an attitude of mutual cooperation in doing a job for progress.

The findings of this study are in line with the results of research by Taqqiudin, et al., (2018), A. nur, et al., (2020), and Huda, et al., (2016) who found that *Leader member exchange* has a direct positive and significant effect on employee performance. Also in line with the research results of *Patrick and Rocky (2017)*, which states that *Leader member exchange* is simultaneously positively and significantly correlated with employee performance. *Hanif (2018)* found that *Leader member exchange (LMX)* had a positive and significant effect on employee performance. Furthermore, the results of *Aria 's research (2018)* prove that *Leader member exchange (LMX)* has an indirect effect on employee performance through OCB.

### **The Influence of Local Culture on Employee Performance at Village Offices in Abiansemal District**

The results of the study found that there was a positive and significant influence of local culture variables on employee performance at the Village Office in Abiansemal District. This implies that there is a unidirectional relationship between local culture and employee performance at the Village Office in Abiansemal District. That the better the implementation of local culture at the Village Office in Abiansemal District, the higher the employee 's performance at the Village Office in Abiansemal District. On the other hand, the worse the implementation of local culture at the Village Office in Abiansemal District, the lower the employee 's performance at the Village Office in Abiansemal District.

Based on the results of respondents' answers on local cultural variables in general, indicators on variables tend to have a higher average value than the average variable, which



is 4.26, meaning that the local culture variable has very good results in improving performance if it is managed properly. The only indicator that has a good category compared to other indicators that have a very good average value is the *embarrassed indicator* which in traditional Balinese means competitive spirit or *competitive pride* or a word that is often said to give encouragement to achieve success and victory. If the village office employees in the Abiansemal sub-district lack a sense of *embarrassment* in sorting out jobs and carrying out the existing culture, it will cause employee performance to decrease, so strategies such as worker training are needed so that all expected targets can be achieved.

With regard to the characteristics of respondents related to years of service, age, education level and gender, local culture, especially in the indicators of *menyama-braya* and *taksu*, all employees already have the establishment in selecting appropriate jobs without abandoning their obligations as workers and Balinese people who are thick with cultural values. If it is not balanced with a sense of *embarrassment*, one of these things will dominate so that the continuity of people's lives is also disrupted. The findings of this study are in line with the findings of previous studies that examined the influence of local cultural variables on employee performance conducted by Astawa, et al., (2014), Arta et al., (2019), Sitiari, et al., (2020), Asteni, et al., (2018) and Mulyadi, et al., (2017 ) found that local culture had a positive and significant effect on employee performance. In line with the results of Kurnia's research (2020) which found local wisdom had a positive and significant effect on employee performance at PT. PLN (Persero) UPDK Bakar. In addition, Wati (2020) also found that the implementation of local culture (THK) can improve LPD performance. However, the findings of this study are slightly inconsistent with the results of research conducted by Reski, et. al (2018) who found research results that local wisdom had a positive but significant effect on employee performance". From this description it can be stated that the findings of this study are in line with and strengthen the findings of Astawa, et al., (2014), Arta, et al., (2019), Sitiari, et al., (2020), Asteni, et al., (2018) and Mulyadi , et al., (2017), Kurnia (2020) and Wati's findings (2020) which state that the implementation of local culture can improve performance. However, this is not in line with the findings of Reski, et al. (2018) who found that local wisdom had a positive but significant effect on employee performance. From the three previous research findings, it can be seen that the findings of this study have similarities, that all findings indicate a positive influence of local culture on performance.

### **The role of local culture on the influence of Leader member exchange on employee performance at Village Offices in Abiansemal District**

The results of the study found that the local culture variable was a positive moderating predictor variable. This means that the local culture variable not only strengthens the influence of *Leader member exchange* , but is more dominant as a variable that has a direct influence on improving employee performance. This implies that the better the implementation of local culture at the Village Office in Abiansemal District, the stronger the influence of *Leader member exchange* (LMX) on employee performance. at the Village Office in Abiansemal District. The opposite will also happen, if the implementation of local culture is getting worse at the Village Office in Abiansemal District, it will weaken the



influence of *Leader member exchange* (LMX) on employee performance. at the Village Office in Abiansemal District.

If not managed properly, local culture can have a negative impact on performance, but on the other hand local culture can improve performance if there is time management, resources and harmonious working relationships among all members of the organization. In accordance with the results of the questionnaire statement on work quality indicators which state that employees should be able to work according to working hours optimally and apply their skills to complete work so that all organizational goals can be achieved. In addition, based on the respondent's answer criteria based on years of service, it indicates that village office employees throughout the Abiansemal District, employees have been able to sort jobs according to job levels without causing significant obstacles, both from local culture and so on and are expected to be able to pass on their work experience to new employees and even leaders. replacement in their respective offices so that all work can be completed.

The findings of this study are in line with the results of *Adiputra's research (2014)* which states that *Tri Hita Karana* as a local culture moderates the effect of task complexity on the performance of internal auditors at the Inspectorate Office in Bali Province. This research is also in line with the results of *Evitasari's research (2019)* which found that the presence of *tri hita karana* local culture moderated the influence of *external locus of control* on the performance of study auditors at public accounting offices throughout the province of Bali.

Thus it can be interpreted that the findings of this study can strengthen the findings of *Adiputra's research (2014)* and research by *Gine and Evitasari (2019)*. That local culture is a moderating variable. However, this study found that local culture, apart from being a moderating variable, also leads to being a predictor variable or an independent variable.

### **Implications of Research Results**

Based on the results of analysis and data and discussion of research results, several implications of this research are obtained, namely as follows:

#### **1. Theoretical Implications**

Based on the results of the analysis shows that employee performance is determined by factors, namely *Leader member exchange* and Local Culture. Employee performance is most dominantly reflected by indicators of work quality and effectiveness. Completion of work in accordance with the standards set by the organization and completion of work properly must be improved, employee performance is a determinant of future success. *The leader member exchange* is most dominantly reflected by the respect indicator with a statement acknowledging and being satisfied with the potential that employees have by increasing the interaction relationship between superiors and subordinates just like a friend will influence employees to have a sense of commitment to the organization that can improve performance.

The most dominant local culture is reflected in the *menyama braya* indicator with statements prioritizing brotherly relations, mutual respect, and mutual help. With a



cooperative attitude so that employees are comfortable at work and make their place of work a second home in addition to their individual residences.

## 2. Practical Implications

This research is expected to provide benefits to leaders and employees in the form of knowledge about the influence of *Leader member exchange* by increasing the interaction of leaders with employees and local culture that exists in each region of each Village Office even more maximum.

The results of this study still have limitations including the following:

1. The results of this study have several limitations including the method of filling out the questionnaire in the form of a *self-administered survey* which gives respondents to fill out the questionnaire themselves, this allows respondents to experience errors in perceiving the statements contained in the questionnaire, so that it can cause respondents' answers to be less than expected.
2. This study did not use all Village Offices in Abiansemal District as respondents, so the results were less generalizable.

## CONCLUSIONS AND SUGGESTIONS

Based on the results of research and analysis that has been carried out, the following conclusions can be drawn: *leader member exchange* can significantly and significantly improve employee performance. In fact, the higher the *leader member exchange* can lead to higher employee performance at the Village Office in Abiansemal District. Local culture can significantly and significantly improve employee performance. In fact, the higher the perception of local culture can lead to higher employee performance at the Village Office in Abiansemal District. Local culture not only strengthens the influence of *leader member exchange*, but is more dominant as a variable that has a direct influence on improving employee performance. Future research is expected to improve the quality of *member exchange leaders* employees by establishing family relationships and having a sense of empathy for employees which will have an effect on improving employee performance. In addition, in order for the company to pay great attention to local culture, it needs to be improved, by providing opportunities for employees to attend trainings, seminars and *workshops*. In addition, employees are included in self-development programs so that they (employees) become more productive. This shows that efforts to improve local culture can improve employee performance. And it needs to be researched qualitatively or using *mixed methods* to answer phenomena that occur at the research site and as a reference to expand, deepen, prove and even annul the results of quantitative research.

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