

Exploring Cultural Transformation In A Regional Bank Owned By Indonesian Government

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Abstract. This study was conducted to analyze the role of the national culture, transformation of corporate culture, the culture of risk in determining the performance of the regional bank that owned by the Indonesia government, in case, Bank Jabar Banten (BJB). This study is a qualitative study to describe the phenomenon more regarding the interaction of national culture, organizational culture, the culture of risk and performance in the fight BJB transformation by the actual situation occurred at the sites. Researchers using Pierre Bourdieu Practice Theory as a theoretical basis to analyze the practice of struggle bank transformation. This research resulted in the finding that the national culture, corporate culture and the culture of risk.

Keywords: Culture, Corporate Culture, Cultural Risk, Performance and Transformation

1 Introduction

Regional Development Bank (BPD) changes something that is interesting to follow the development for the Bank as one of the actors who play an essential role in providing public services that in contrast to a given public service bureaucracy in general. Regional Development Bank performs its role as a business entity and as a local government-owned entity. The role and responsibility as a company that profit-oriented as well as a public servant in practice have to deal with that performance accountability mechanism more complicated than private companies or sectors private in general, which provide performance accountability to shareholders and creditors.

Transformation performed by BJB require strategies of management for support changes in one of them through the culture of the organization. in step with research conducted by [1] mention that facilitate change behavior constitute a growing challenge for public organizations, and that through civilize something environment where employees can perform an activity which surpassed expectations and the pursuit of positive change that can help organizations in find back their identity itself and ultimately generate public satisfaction through improved service delivery. Organizational culture is required to enable workers virtuous character and understand the values she lived and do not bring people to the deviation. According [2], a good organizational culture will not open at all opportunities for individuals to engage in corruption as a good organizational culture will form the perpetrators of the organization have sense of belonging (sense of belonging) and sense of identity (pride as part of an organization). In a study conducted by the [3] that culture the company is influenced by the behavior of individuals within the organization. when studying influence culture Companies, however, a thorough cultural impact cannot be ignored, national

culture very affect the way people think, feel, and act. Further [4] mention that individual need to empower their whole capabilities to fit in changes era.

Therefore, the question arises how the interaction of national culture, organizational culture, the culture of risk and performance in the transformation of BJB struggle. Because of the national culture should be included in this study, that this study differs from previous studies. Theory critical of Pierre Bourdieu used as a theoretical basis for analyzing practice struggle BPD bank transformation. Practice theory is a theory that analyzes a person's actions (practice) through among other factors habitus, arena, and capital.

2 Research Literature

Employees tend to have a deep-rooted cultural behavior thus inhibiting change. Research conducted by [5] Related changes in organizational culture and Organizational commitment to readiness to change in 1912, with 190 respondents were selected using purposive sampling method. These results indicate that organizational culture that is not fully could support development company. Research that do [6] called habitus and practice of public service, in the study Bourdieu's habitus concept i.e., domain and symbolic power is used to understand the dynamics of the struggle of public services related to the restructuring of public services in Toronto.

The organizational culture shows a characteristic certain, namely as following: (1) Individual initiative, is the level of responsibility, freedom and independence of the individual to express their opinions; (2) Tolerant to risk, is showed a level where workers are encouraged to take risks, be aggressive, and innovative; (3) Determine directions, is constitute ability of the organization creates clear objectives and set performance expectations; (4) Integration, is constitute levels wherein the unit within the organization encouraged to operate in a coordinated manner; (5) Support management, is levels where managers seek clear communication, assistance and support to subordinates; (6) Control, is a number of rules and the direct supervision that is used to view and supervise the behavior of workers; (7) Identity, is constitute levels where members identify shared organization in whole of the with working groups or areas of professional expertise; (8) The award system, is a level where the allocation of awards, salary increases or promotions based on employee performance criteria, and not on seniority or favoritism; (9) Tolerant to conflict, is a situation where workers encouraged for deliver or accept conflict and open criticism; (10) Communication patterns, is a condition where communication organizational restricted on the formal hierarchy of authority.

According to Roman Buchelt risk culture, [7] is basically a way of conceptualizing enterprise risk management and apply in everyday business. [8] describe the risk culture is the focus on the habits and routines that are relevant to risk-taking and mitigation. The aim is the development of a risk awareness culture so that every member of the organization is aware of the risk and take certain decisions by considering the risks. If all members of the organization are aware of the risks, organizations are becoming more aware and sensitive to the risks.

The endpoint of the activities of the organization is the achievement of the desired performance. The performance is the quality of task-oriented behavior and work. Organizational performance is a function of the work of the activities in which the company is influenced internal and external organizations in achieving the goals set for a specific time period. So that it can conclude that the performance of achievement or the work that can be achieved by a group of persons or organization in a given period by the authority and responsibility.

3 Research Methodology

In this study uses qualitative research with phenomenological approach. Research qualitative is used to describe a deeper interaction national culture, organizational culture, the culture of risk and performance in the fight BJB transformation in accordance with the actual situation occurred at the study site. Researchers conducted engineering in-depth interview to the informant by means snowball. Manager, supervisor, employee, cashier is observed and interviewed related their adjustment in company transformation in a new accountable culture. The researcher involved as participant observer in a year period of observation to get rich data. Methods of data analysis used in this study was developed by the method according to [9] in the analysis data qualitative. Focus in research this is interaction of national culture and corporate culture and a culture of risk in determining performance. For the risks that the research team is operational risks in the sector service involving customer service and teller as the frontline in the banking sector services.

4 Discussion

4.1. National Culture in BJB

- a. Power distance. **Strong Power distance between superiors and subordinates.** Characteristics generally visible hierarchy organization The BJB shows the real difference between the notch on the lower level is very wide, given the BJB an organization that is very formal and structured. Inequality is happening it is reasonable and acceptable in organizational life. Use of manners in conveying disapproval to the boss looks very Clearly, where employees are required to uphold ethics and professional work, it shows the employees that do not have power is relies on employees who have the power. It has become a culture of hereditary evolving in interaction inter-employees.
- b. Uncertainty Avoidance. **Majority employee agree regulations should be obeyed.** The majority of employees strongly agree BJB will be regulations that must be adhered to in the company because of pressure from management to not Chatter, seemingly uncertainty considered as a threat that must be fought. BJB employees tend to have a high sense of empathy to customers to simplify 7 transactions without violating existing regulations, innovative and aggressive behavior is considered a common practice due to resistance so that employees look very avoiding considerable risks when faced customers. presence uncertainty against risks that may occur not dampen the enthusiasm of the employees to give their loyalty and contribution to the retirement age due to the attainment of performance valued by the company so there is a sense self-esteem.
- c. Collectivism vs Individualism. **Employee priority teamwork** result research in the field BJB describe employees tend to promote teamwork in achieving corporate goals for management demands more emphasis on group management and the importance of being able to work in teams realized by employees of BJB so that harmony must be maintained and direct confrontation can be avoided. The working relationship that exists between the employee and the employer have moral ties like in a family, mutual care for one another and complement considering the limited number of employees in the work unit and the demands of efficiency of management. However, aspects of the individualism deemed important enough to be held, so

that employees can have time management skills as demands behave professional so that could finish the work on time and spend enough time for the family so that the need for refreshing can be fulfilled.

- d. Feminine vs Masculine. **Employees looked at the importance of the femininity in the work** Aspects of feminism is very dominant in the group of employees who give equality BJB answers and visible enthusiastic look very important to have a good relationship with your manager or an employee considering the values of Indonesian society that is very dominant by maintaining good relationships with others. Employees make recognition or appreciation in working as a reference, they are sure to work in accordance with the rules, of course the recognition will come by itself, life flowed like water but still emphasizes professional so that looks forward quality working life and the emphasis that every person be expected behaves appropriately.

4.2. Corporate culture in BJB.

Before the transformation. **Corporate culture is not visible on employee** corporate culture that existed at the time did not look at employees of BJB, no socialization, no morning briefing and jargon passion for image Regional Banks still strong time that. Spirit changes while it was not as extensive and as dynamic after done changes in the year 2010, it was not ready to compete.

Following the transformation. **Corporate Culture looks at the employees** The transformation has been done through going public in 2010, among others, corporate culture, organizational structure changes, and logos. This is done to form the image as the National Bank and performs well in line with the National Bank that already exist. Transformation step taken is the desire and awareness to turn that into capital for the company to process more more in realize its vision, survive and grow. Powered by CEOs from the external help8 acceleration more exponential and transformation Bank Development National Bank area became successful. The role of change agents and change leaders as a carrier of the changes involved in the transformation process as a role model into driving lever for employees and escort transformation conducted by the company and give motivation spirit changes so that in achieving the goals of transformation the employment situation remains conducive. Mandatory activity morning briefing and prayer with a routine every morning, these activities emphasize motivation so that it can be investigation capital culture so that could increase productivity and performance.

With the transformation, value service that emphasizes hospitality increasing. Thus the process of transformation which is conducted by companies succeed in the end. These following explain its value.

- a. Initiative. Employees realize demand initiative in work. Individual initiatives into the cultural characteristics of the BJB, for individual initiative found a thorough, not only at the leadership level but also at the secondary level and the level of staff to improve employee performance.
- b. Identity. **Employees are proud to be part of the organization** BJB employees have pride as part of organization, which always visible wear neat and polite especially because the BJB is one that is growing as the National Bank. There is an effort to constantly improve services with the inclusion of BJB in the assessment of MRI (Marketing Research Indonesia), as step improvement from management to improve the service so that it becomes an identity that giving a value more in service. Research conducted [10] describe m Enhancing sense of collective identity is only a first step towards achieving the optimal performance of the group,

even when people identify as member group and motivated for exert effort on behalf of the group.

- c. Management support. **Management establish clear communication from leadership and supported by subordinates** in support of the management look no effort to establish clear communication from leadership and be supported by subordinates so that could create a conducive working environment supported by the majority of employees are quite satisfied with the salary and bonus system provided by the company to improve working life. Equal opportunity is given to the development of quality human resources through education and training so that the emphasis for the purpose of long-term orientation on aspects of individual performance and the performance of the company will increase. [11] in research mention organizational support is very important for improving the performance of employees, the company's management has not only thought about how to achieve corporate purposes, but also think about the interests of the employees.
- d. Control. **The control systems are effective.** Control system controls at BJB has been effective since the review carried out following the organizational structure with function authority each so that the risks can manage properly. Any act of fraud is found very rarely, while the incidence of fraud is happening has got action assertive from company so that company continue on the path that has been set. [12] in his research explained when control system internal exercising oversight, and is supported by the implementation of an ethical organization if this condition is maintained then created internal control culture, that is to say system internal controls become part of the culture of the organization.
- e. The award system. **Employee reward system is measured by balance scorecard.** According to [13] there are several factors that can trigger employees to have good performance, among others, the level of skills, competencies owned, motivation, leadership, trust team, compensation, and organizational culture. [14] in his research has stressed compensation positive effect the performance of employees, trust employee to the reliability of the company will be even greater, tranquility and concentration will work better, so that employees will be more satisfied in their work and can improve employee performance.
- f. Tolerance of conflict. **Employees receive conflict as dynamics in the works** The conflict is not considered a threat, but the dynamics of the work that must be addressed so that it appears there was an attempt to find a solution that is both a critique carried openly through Technical Meeting so that the problem that happen obtained a good solution. Leaders consider it necessary to know the characteristics of their employees so well that it appears there was an attempt to create a healthy work environment. According to Tan, tolerance of conflict is a situation where workers are encouraged to submit or accept conflict and open criticism. [15] in his study explaining the willingness to be tolerant to circumstances without complaining and trends employee for avoid problems with co-workers the overall employee performance can be increased.

The relationship between national and organizational culture, explored empirically appear originated from thinking in logical that organizational culture expects companies in one countries to follow the general contours of the country's national culture. A recurring theme in the theory of organization is that the organization must isomorphic with their environment if they are to survive and thrive. [16]; [17] explains idea that organization must conform with environment, they get substantial support in the study of organizations: [18]; [19], they found a neighborhood just pick in

characteristics organizations corresponding environment, Other discarded. This concept is applied to the culture of the organization. That system of values organization exhibited national components, the back reflected the nationality of the founders of the organization and the dominant elite. With assumption founder the organization and the dominant elite create, shape, embed, and maintaining the organizational culture, and assuming that their value orientation and belief systems established by the national culture, which is expected system of values organization for adjust or replicate the characteristics of the national culture. In line with research conducted Trace and Bayer in [20] which states as a whole, the impact the culture of each individual creates a change in the culture of the organization that own. The system established by the organization cannot separate from the cultural ties that created. Changes that have a change in revolutionarily controlled with the help of outsiders. The professional managers been with the firm intention to perform an exponential acceleration. Incorporating such outsiders to enable companies to more professional because of the party external the usual has knowledge and be able to introduce techniques The new management is not owned and is known by the founders 14 company. though thereby changes are still within the control of the organization (The founders). In line with research conducted [21]; [22] showed that turnover Executive Chief Officer (CEO) effect on performance company. Leadership has a role as a builder of relationships and as a shaper of values within the organization [23]. Cultural change Companies conducted by the BJB has run almost seven years in progress already bring companies today toward better able to compete with other banks in Indonesia.

Transformation performed by BJB require strategies of management for support changes one through changes in organizational culture. Strength habitus, cultural capital and social capital of the corporate culture also influence the risk of developing culture at BJB. Without a strong capital habitus and cultivating awareness of the risks will not materialize. Positive habitus formed of the corporate culture that initiative, the identity of the form of the pride of being part of an organization, which runs effective control so that the risks can be managed properly, behavioral tolerance the risk that the behavior employee that activity avoid the risk that is Long-term values mentioned upheld and passed down from generation to generation. Positive habitus growing strength coupled with the cultural capital owned by the corporate culture among others integrity where there are rules expressly for employees who do Budgeting, direction that clear so that employees understand the vision and mission company, system appreciation that owned company describe transparency regarding performance criteria, tolerance of conflict is a condition in which employees understand and accept the conflict as something dynamics in the work and communication patterns that exist in the company showed their awareness to establish good communication between employer and employee as well as conversely for create work environment, supported by the existing social capital in the form of management support showed relations efforts that built through clear communication from leadership and supported by his subordinates, all things mentioned as the foundation of a culture of awareness on the risk of developing and constructed formally by the existing rules or informally conveyed through activities that could improve risk management cultivation so as to suppress a variety of form violation regulations.

Findings from research that do [24] is that there is a high positive effect on all aspects of the risk culture of organizational performance. case this in line with previous research carried out after the global financial crisis to determine the causes of the crisis [25]; [26]; [27]. Disability risk culture showed a negative organizational performance. Therefore, the risk culture is an important variable in achieving sustainable organizational performance. Phenomena in BJB led to assumptions that management BJB prepare strategies and systems to support the achievement of goals previously set targets, the ambition is not to achieve the final result of the company's

performance is good and healthy growth develops. Without a strong risk culture, the bank cannot achieve this goal. Strong corporate culture and a culture of strong risk, awareness of management needed a change agent and change in the process transforms, ritual morning briefing and prayer mornings, governance procedures and their management are very similar to a private company and criteria that be used to assess employees quite understand interest and performance. Capital social used for create a harmonious atmosphere and reached the company's goals. Thus, the use of social capital to influence policy and to establish a working relationship 16 good between business and government organizations is an important practice not only for companies but also for domestic enterprises and foreign-funded.

5 Conclusion

Based on the results of research and discussion in the previous chapter can conclusions drawn in order to answer the formulation of the problem, namely: national culture has an important role in the transformation of corporate culture as the cultivation of habitus and capital investment culture that drove BJB National Bank transformed into a growing and strong. The corporate culture that strong acts establish a culture of risk. Strength habitus, cultural capital and social capital of culture company take part influence culture risk growing at BJB. Risk culture acts as a variable capital enhancer culture determines the achievement of the performance. National culture, corporate culture and risk culture, the trio is the variable cultural capital that useful as adder habitus concept to determine the performance in the practice of the struggle to transform domination in the realm of banking national.

There is some suggestion in the study, which would be submitted by researchers, namely:

1. Expected to some experts in the field of banking practitioners can add insight raises the issue of national culture, corporate culture, the culture of risk and performance in the form of quantitative research.
2. Further research, it is needed to develop cultural transformation research organization towards more complex company problems.

There are several limitations to this study. Limitation research will be described as follows: 1. In a study this researcher constraint facing limited informant taken in research. 2. The research was limited to the risk culture unevenly or not at BJB be limitations in this study, given the cultural aspects of risk studied only from facet BJB operational service is not evenly distributed in all aspects of the business of BJB.

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