E-ISSN 2503 - 1430
ISSN 2541 - 3090

Journal of Industrial Engineering Management
(JIEM Volume 7. No 1 Tahun 2022)

ANALYSIS OF CORPORATE CULTURAL VALUE ON THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AT PT BANK SULSEL

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Article history:
Submit 20 February 2022
Received in from 15 March 2022
Acceted 20 March 2022
Avilable online 6 April 2022

ABSTRACT

This study aims to determine the effect of corporate culture values (which include: integrity, professionalism, customer focus, and service improvement) on the implementation of good corporate governance at PT. Bank Sul-Sel, as well as knowing which value is more dominant in influencing the good corporate governance of PT. South Sulawesi Bank. The population of this research is 130 employees. The number of samples used the Isaac and Michel formula with an error rate of 5% was set at 77 employees. The data used are primary data and secondary data. Data collection used questionnaires and documentation techniques. The data were analyzed using multiple regression analysis, validity, reliability, and hypothesis testing analysis.The results of the study based on the results of multiple regression analysis indicate that the values of corporate culture, namely: integrity, professionalism, customer focus, and service improvement, positively influence employee performance. The analysis results show that the dominant value that affects employee performance is integrity. It can be seen from the regression analysis results, which shows that t-count = 3.713. The contribution of corporate culture values to good corporate governance is 53.9%. The remaining 46.1% is influenced by other variables not examined.

Keywords: Good Corporate Governance, Corporate Cultural Value, SPSS, Regression Analysis

Published By:
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DOI : http://dx.doi.org/10.33536/jiem.v7i1.1140

1. INTRODUCTION

PT. Bank Sulsel as a regional cash management banking company in South Sulawesi, has implemented the concept of good corporate governance in order to realize its vision and mission, such as to be the best bank in Eastern Indonesia with the support of professional management and human resources as well as providing added value to the local government and society. As a company that has implemented good corporate governance, PT. Bank Sulsel needs management concept guidelines that can regulate the attitudes and behavior of its employees. Among them are corporate culture, to formulate certain characteristics within the company, and the implementation of good corporate governance to become a solid foundation in carrying out company management.

The work culture at PT. Bank Sulsel still has several weaknesses in implementation that need special attention because it has not been formulated in detail. According to Robbins (1996), many things still need to be improved, such as employees and leaders who seem to work for themselves.

Work Culture of PT. Bank Sulsel has 4 (four) Values that refer to the corporate culture, namely:

1. Integrity.
Committed to always being consistent between thoughts, words, and actions based on conscience and belief in the principles of essential truth.
2. Professionalism
Has reliable competence and is committed to providing the best results through good cooperation and discipline to the rules.
3. Focus on Customers
Always prioritizing customers' interests based on mutual respect and a synergistic partnership relationship.
4. Service Improvement
Always looking for opportunities and solutions to improve service and performance that exceeds customer expectations.

Culture in the organizational process becomes the basis of an organizational design which includes goals, structure, technology, and management patterns. By PBI No. 8/4/PBI/2006 concerning Implementation of Good Corporate Governance for Commercial Banks and PBI No. 8/14/2006 concerning Amendments to PBI No. 8/4/2006, as a commercial bank owned by the Regional Government of South Sulawesi Province and the Government of South Sulawesi Regency/City and the Government of West Sulawesi with the status of a Limited Liability Company, which is guided by regulations so that the implementation of GCG along with The practices at Bank Sulsel does not only refer to Bank Indonesia regulations but also the Company Law and Good Corporate Governance Guidelines issued by the National Committee on Governance Policy (KNKG).

This study aimed to analyze the influence of the work culture values of PT. Bank Sulsel (Integrity, Professionalism, Focus on Customers and Continuous Service Improvement) together on the implementation of Good Corporate Governance at PT. Bank Sulsel. It also tried to determine whether Integrity is the most dominant work culture value influencing the four Work Culture Values on the implementation of Good Corporate Governance at PT. South Sulawesi Bank.

1. PT Bank Pembangunan Daerah Sulawesi Selatan believes that the consistent application of GCG principles and practices will provide benefits for both the bank and other interested parties, including by:
2. 1. Improve bank performance, efficiency, and service to interested parties such as shareholders, government, customers, and other communities.
3. 2. Facilitate the acquisition of cheaper financing funds which will ultimately increase shareholder's values
4. 3. Increase public interest and trust, both customers and prospective customers.
5. 4. Increased seriousness of management in applying the principles of transparency, accountability, responsibility, independence, fairness, and prudence in bank management.
6. 5. Banks can be protected from external intervention and lawsuits.

Corporate culture is a system of values that are believed to be learned, implemented, and continuously developed by all company members. It serves as an adhesive system and can be used as a reference for behavior within the company to achieve the company's goals that have been set.

Bank Sulsel realizes the importance of implementing GCG and based on the practice of corporate governance (GCG), the bank has issued a Decree of the Board of Directors of PT Bank Sulsel No. SK/111/DIR/2007 dated December 29, 2007, regarding the implementation of Good Corporate Governance (GCG) of PT. South Sulawesi Regional Development Bank. Prior to the issuance of PBI No. 8/4/PBI/2006, which requires banks to conduct their internal assessment of the implementation of GCG, the bank has conducted a self-assessment based on Bank Indonesia letter No. 8/427/DPNP/IDPnP dated August 30, 2006, regarding Preparation for Implementation of Self Assessment of Good Corporate Governance.

II. RESEARCH METHODS

II.1 Research Design

This research was conducted at PT. Bank Sulsel Head Office. The research period was two months, from November to January 2009. Using the survey method by distributing questionnaires to analyze the facts on the ground aims to determine the effect of the dependent and independent variables. The variables studied in this research are Work culture values , including integrity, professionalism, focus on customers, and service improvement, that are X1, X2, X3, and X4. While the dependent variable is the Implementation of Good Corporate Governance at PT. Bank Sulsel marked with Y.

II.2 Population and Research Sample

1. Population

The population in this study were employees and staff at PT. Bank Sulsel Head Office with 130 employees. Based on the latest employment data, details of the number of employees by position.

2. Sample and Sampling Technique

Sampling research using the formula used by Isaac and Michel (in Sugiyono 2004) using a statistical approach for error rates of 1%, 5%, and 10% can be done with the following formula:

$$s = \frac{\lambda 2 \, . \, \mathrm{N} \, . \, \mathrm{P} . \mathrm{Q}}{\mathrm{d}2 \, (\mathrm{N}-1) \, + \, \lambda 2 \; . \mathrm{P} . \mathrm{Q}}$$

Thus, each sample is determined as follows:

a. Division Leader = (10/130) x 77 = 5.92 = 6 people

b. Group Leader = (15/130) x 77 = 8.88 = 9 people

c. Section Leader = (5/130) x 77 = 2.96 = 3 people

d. Auditor = (7/130) x 77 = 4.15 = 4 people

e. Senior Analyst = (18/130) x 77 = 10.66 = 11 people

f. Analyst = (17/130) x 77 = 10.07 = 10 0 people

g. Ass. Ops & Adm = (44/130) x 77 = 26.06 = 26 people

h. Basic Employees = (14/130) x 77 = 8.28 = 8 people

Number of samples = 77 people

II.3 Data Collection & Processing

The data collection technique was carried out by filling out questionnaires using a measurement scale using the Likert's Summated Ratings (LSR) method and documentation studies to obtain secondary data regarding organizational history, number of permanent employees, organizational structure, and other written data. After collecting primary data, the data is processed by several tests, namely:

a. Classical Assumption Test (Multicollinearity, Heteroscedasticity & Autocorrelation)

b. Validity test

c. Reliability Test

d. Analysis Method

e. Variable Operational Definition

III. RESULTS AND DISCUSSION

III.1 Multicollinear analysis

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. Multicollinearity test is carried out by looking at the value of the correlation coefficient between the independent variables (X1, X2, X3, and X4), if the coefficient value is greater than 0.60 then it is said to have multicollinearity, while it is said that there is no multicollinearity if the correlation coefficient between the independent variables is less than or equal to 0, 60 (r < 0.60).

Tablel 1. Coefficient of Independent Variable

Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	.486	2.056
	X2	.518	1.929
	X3	.508	1.970
	X4	.519	1.926

From the table of results of the Multicollinearity Test, it can be seen that each coefficient of the independent variable shows a result smaller than 0.60 (<0.60); this indicates that there is no multicollinearity of the independent variables.

III.2 Heteroscedasticity Analysis

The heteroscedasticity test aims to test whether there is an inequality of variance and residual from one observation to another in the regression model. The Heteroscedasticity test was carried out using a scatterplot graph between Z prediction (ZPRED), which was the independent variable (X=Y axis predicted), and the residual value (SRESID) was the dependent variable (Y=Y axis Prediction – Y real). Heteroscedasticity occurs if the scatterplot points have a regular pattern. Figure 1 shows that there is no regular pattern at the scatterplot points, and this shows that there is no heteroscedasticity for the tested variables.

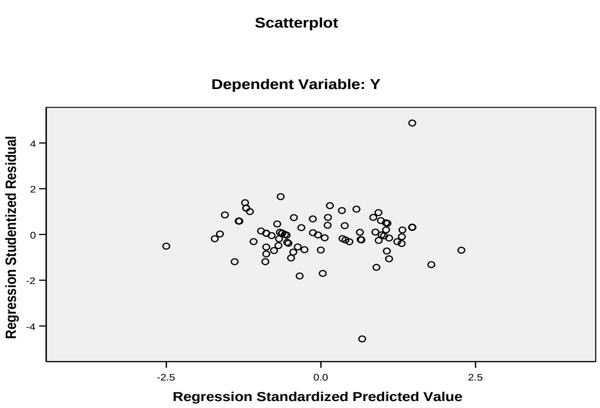

Figure 1. Heteroscedasticity Test Results

III.3 Autocorrelation Analysis

The autocorrelation test aims to test whether in a linear regression model there is a correlation between the confounding error in period t and the error in period t-1 (previous). A good regression model is a regression that is free from autocorrelation. The autocorrelation test was performed using the Durbin-Watson (D-W) test, with a rate of = 5%. If D-W lies between -2 to +2, then there is no autocorrelation.

Table 2. Durbin-Watson Test Results

Model	Durbin-Watson
1	1.786(a)

a Predictors: (Constant), X4, X2, X3, X1
b Dependent Variable: Y

From the table 2 above, it can be seen that the Durbin-Watson test value = 1.786 or is in the interval -2 < DW < +2, It means that there is no autocorrelation.

III.4 Validity Analysis

The Validity test is conducted by correlating the score of each item which is an interpretation by consulting the critical r-value.

Table 3. Variable Item Test Results

Variable	Item	Total Item Correlation	R-critic	Note
Integrity (X_1)	1	0,611	0,3	Valid
	2	0,621	0,3	Valid
	3	0,474	0,3	Valid
	4	0,712	0,3	Valid
	5	0,636	0,3	Valid
	6	0,624	0,3	Valid
	7	0,582	0,3	Valid
	8	0,496	0,3	Valid
Professionalism(X_2)	1	0,505	0,3	Valid
	2	0,483	0,3	Valid
	3	0,531	0,3	Valid
	4	0,320	0,3	Valid
Customer focus (X_3)	1	0,509	0,3	Valid
	2	0,704	0,3	Valid

	3	0,450	0,3	Valid
Service improvement (X_4)	1	0,692	0,3	Valid
	2	0,659	0,3	Valid
	3	0,670	0,3	Valid
GCG Implementation (Y)	1	0,433	0,3	Valid
	2	0,398	0,3	Valid
	3	0,413	0,3	Valid
	4	0,416	0,3	Valid
	5	0,338	0,3	Valid
	6	0,420	0,3	Valid
	7	0,465	0,3	Valid
	8	0,435	0,3	Valid
	9	0,473	0,3	Valid
	10	0,421	0,3	Valid

Source: Result testion using SPSS version 14.00

III.5 Realibility Analysis

Reliability is a tool that measures a questionnaire and indicates a constructed variable or a variable is said to be reliable if it gives Cronbach's alpha value > 0.60.

Table 4. Reliability Test of each Dimension

Dimention	Cooefficient Alpha	Note
Integrity (X_1)	0,851	Reliabel
Professionalism(X_2)	0,672	Reliabel
Customer focus (X_3)	0,720	Reliabel
Contiuous improvement of service (X_4)	0,815	Reliabel
GCG Impelementation (Y)	0,843	Reliabel

Source: Result testion using SPSS version 14.00

In the table above, it can be seen that the reliability coefficient can be accepted using Cronbach's Alpha reliability > 0.60. As shown in table 3, the test results showed a result greater than 0.60, so the measurements are all reliable.

III.6 The Work Culture Regression Analysis and Implementation of GCG

The regression analysis of work culture with the implementation of GCG is intended to see how much influence the Four Values of Work Culture of PT. Bank Sulsel on the Implementation of GCG.

Variable	Regression Coefficient		T_{hitung}	Sig.	Note
	B	Std. Error			
Integrity (X_1)	1.110	.299	3.713	.000	Significant
Professionalism(X_2)	.245	.154	1.595	.115	Significant
Customer focus (X_3)	.931	.317	2.933	.004	Significant
Contiuous improvement of service (X_4)	.163	.312	.523	.602	Significant
Integrity (X_1)	.637	5.557	.115	.909	

Source: Result testion using SPSS version 14.00

Based on the calculation results, it is known that R square = 0.539 means that all independent variables in the four values of work culture together have an influence (contribution) to the implementation of GCG that is equal to 53.9%, while the remaining 46.1% is the influence of other factors that are not researched.

IV. Conclusion and Suggestion

IV.1 Conclusion

Based on the data collection, processing, and analysis that have been carried out. Then it can be concluded that:

1. The regression analysis results show that the four values of work culture (integrity, professionalism, customer focus, and service improvement) jointly and partially have a positive and significant effect on the implementation of GCG at PT. South Sulawesi Bank.
2. The regression analysis results show that the most dominant value influencing the implementation of GCG is integrity. This shows that service companies, especially banking, aspects of employee integrity are the most significant to continue developing and improving. The magnitude of the contribution of the influence of work culture values on the implementation of GCG at PT. Bank Sulsel is 53.9%. While the remaining 46.1% is influenced by other variables not examined

B. Suggestion

1. Utilizing the role of leaders, both commissioners, directors, division leaders, section leaders, branch leaders, as agents of change in the implementation of daily work culture, an organization's color depends on its leader. If the leader is enthusiastic, the subordinates will be excited. So the first thing that must change is the leader because all the leader's actions become an indicator of understanding the work culture of Bank Sulsel in his unit and become a role model for all employees.
2. Considering that the value of integrity has the most dominant influence on the implementation of GCG, it is hoped that the management will pay attention to the meaning of this value which consistently shows exemplary in influencing others. It means providing the impetus to motivate himself in building integrity, which indirectly encourages others to understand these principles in developing integrity deeply. The first principle is to cultivate trust and confidence in changing sensory awareness to a better level; the second principle is to give mutual respect and respect for others; the third principle is to have the ability to mature spiritually, socially, emotionally, and intellectually.
3. This research has limitations, only limited to four work culture values. It is recommended for further researchers to examine one of these factors to enrich the repertoire of knowledge in human resource management.

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