

## NEW ORGANIZATIONAL CULTURE ON WORK MOTIVATION AND EMPLOYEE PERFORMANCE POST-MERGER

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### ABSTRACT

This study aims to what extent the role of the new organizational culture that was implemented could increase work motivation and employee performance after the merger that occurred at Bank Syariah Indonesia Renon Denpasar Bali branch office. This study found that organizational culture has a relationship with an increase or decrease in work motivation and employee performance. it can be seen that at the time of the merger there was a decrease in the target achieved, but after the socialization process began there was an increase in the target achieved. This study uses descriptive qualitative research, with data collection techniques through observation, interviews, and documentation. Data analysis uses the Miles and Huberman models, with data analysis techniques using data reduction, data display, and verification. The results of the study show that the new culture applied to Bank Syariah Indonesia is able to increase work motivation and employee performance. This is due to the effectiveness of implementing a new performance-based organizational culture. Performance-based organizational culture directs employees to focus on achieving company goals through predetermined targets.

**Keywords:** Organizational Culture, Work Motivation, Employee Performance, Merger

### 1. INTRODUCTION

A milestone for the development of Islamic banking in Indonesia is the launch of PT. Bank Syariah Indonesia Tbk (BSI) on 1 February 2021 by President Joko Widodo. This inauguration is a supported for the development of Islamic Banking in Indonesia. BSI which is the result of a merger from PT. BRI Syariah, PT. BNI Syariah and PT. Bank Syariah Mandiri, is expected to be able to strengthen capital capitalization, present more complete service features, wider reach, and be able to develop the halal industry ecosystem in Indonesia. Since 2000, mergers in the banking world have been commonly carried out by banks in Europe and the UK with the aim of increasing synergies, cost efficiency, risk diversification and long-term profitability (Adhikari et al., 2023).

Meanwhile in Indonesia, mergers and acquisitions occurred in 1997-1998, when Indonesia experienced an economic crisis which resulted in financial difficulties and resulted in the liquidation of banks in Indonesia. To save banks from liquidation, the government issued a Merger and Acquisition policy with the aim of rebuilding bank health and strengthening capital. Over time, mergers and acquisitions have developed in developed countries such as the United States, Germany and Japan with the aim of gaining profits (Noegroho, 2017). This is in accordance with the objectives of the merger, including to; increasing growth or diversification, strengthening funding, creating synergies, considering expenditure taxes, transferring knowledge and technology, avoiding liquidation, and increasing profitability (Wiyono, 2021).

In order to increase growth and business transformation that occurs at BSI, of course it involves people. People basically don't want to change, especially if the change threatens them or their position. Therefore preparing employees for transformation is an important issue. Bill Gate's statement: "the most important issue of companies is cultural," is enough to enlighten us about the need to prepare culture as a basis for transformation (wati, 2013). Organizational culture can be the main competitive advantage instrument, that is, if the organization supports the organization's strategy, and if the organizational culture can answer or overcome environmental challenges quickly and precisely. This is in accordance with one of BSI's missions "To become the company of choice and pride for Indonesia's best talents, where a company with strong values

empowers the community and is committed to developing employees with a performance-based culture" (bankbsi, 2023).

Besides having an effect on organizational culture, organizational culture also influences employee performance. High employee performance is an indicator of management effectiveness, which means that the organizational culture has been well managed and implemented (Tika, 2006). In achieving BSI's vision of becoming a "Top Ten Global Islamic Bank", it is not enough just to make changes in operations, procedures and system. However, empowerment efforts are needed based on the implementation of a performance culture so that it has a positive impact on the organization (Wati, 2013). At the beginning of the merger process, all employees from each bank were given a choice, whether to agree or disagree with the merger. For employees who those who do not agree are given the option of early retirement and are given a pension fund, while employees who agree will be given a statement containing their willingness to continue working as employees and merge to become BSI employees (Nastain, 2023).

This study aims to determine the extent to which organizational culture is able to increase work motivation and employee performance of three Islamic banks after the merger into PT. Bank Syariah Indonesia Tbk (BSI) at the BSI Renon Branch Office. The findings in this study were that there had been a decrease in employee motivation and performance during the transition process of merging the banking systems of the three legacy banks, as well as a change in the old organizational culture to a new organizational culture that focused on performance. This study uses descriptive qualitative research, with data collection techniques through observation, interviews, and documentation. Data analysis uses the Miles and Huberman models, with data analysis techniques using data reduction, data display, and verification.

## 2. LITERATURE REVIEW

Organizational culture is a system of sharing values and beliefs that interact with people in an organization, organizational structure, and control systems that produce behavioral norms (Owens, 1991). Organizational culture is a pattern of basic assumptions that are created, discovered or developed by certain groups as learning to overcome problems of internal adaptation and internal integration that are official and well implemented and therefore are taught or passed on to new members as the right way of understanding, think, and feel related to these problems. Organizational culture is a set of value systems that are recognized and created by all its members that differentiate one company from another (Robbin, 2006).

Work motivation is an encouragement that arises from within, which directs a person to do something more enthusiastic in order to fulfill their needs and desires (Tanjung, 2015). Motivation refers to a person's internal and external strengths in increasing interest and resistance to carry out a certain series of actions (Daft, 2006). Motivation is a set of attitudes and values that influence individuals to achieve specific things according to individual goals (Rivai et al., 2009). Motivation is a pusher or puller for someone to be willing to carry out the task as well as possible. According to M.c Clelland quoted by Malayu S.P Hasibuan (2012: 281) that "Motivation is a potential energy reserve possessed by a person to be used and released which depends on the strength of the drive and the opportunities that exist where this energy will be utilized by employees because of the motive power and the need basis, expectations and incentive values". Employees who have high motivation will have a high responsibility to work enthusiastically and as well as possible, mobilizing all capabilities and skills to achieve optimal performance. Good employee performance will be achieved if employees have high motivation at work, without motivation that arises from within the employee itself it is impossible for employee performance to be achieved. The higher the employee motivation, the higher the employee performance.

Merger is a merger of two or more companies where the other companies merge into a larger company with the aim of increasing sales (Moin, 2003). According to Zaki Baridwan, a merger is a takeover of share ownership, in which the company that takes the shares will manage the company being taken over. According to the Government Regulation of the Republic of Indonesia Number 27 of 1988, a merger is a legal act carried out by two or more companies to merge with another company, for companies that have merged themselves will disband.

### Previous Research

1. Imelda Andayani (2019), research title "The Influence of Leadership, Organizational Culture, and Motivation on Employee Performance at the Public Works and Public Housing Office in Aceh Tamiang". The results obtained by t arithmetic variable organizational culture is 3.310 greater than t table 1.668 with a

sig value of  $0.110 > 0.05$ , this indicates that Organizational Culture has a positive effect on employee performance at the Aceh Tamiang Public Works and Public Housing Service.

2. Alinvia Ayu Sagita (2018), research title "The Influence of Organizational Culture on Employee Performance with Employee Performance Motivation with Work Motivation as a Mediator Variable". The t value obtained for the variable organizational culture on work motivation is 0.833, and the t value calculated for the variable organizational culture on performance is 0.542, this indicates that organizational culture on employee performance and motivation at PT. Astra International Tbk-Toyota (AUTO2000) Sutoyo Malang Branch.

3. Syamsul Arif, Zainudin, Abdul Hamid K (2019), research title "Influence of Leadership, Organizational Culture, Work Motivation, and Job Satisfaction of Performance Principles of Senior High School in Medan City". Positive and significant results were obtained from leadership, organizational culture, work motivation, and job satisfaction on the performance of high school principals in the city of Medan.

4. Siti Indah Purwaning Yuwana (2022), research title "The Influence of Teamwork, Communication, Environment and Compensation on Employee Performance after the Merger of Bank Syariah Indonesia". The results obtained are an R-Square value of 0.899 or 89.9%, the variation in employee performance is explained by the variables of teamwork, work environment, communication, and compensation. While the remaining 10.1% is explained by other variables that are not thorough in this study.

5. Hasrudy Tanjung (2015), research title "The Influence of Work Discipline and Work Motivation on Employee Performance at the Medan City Social and Labor Service". The results showed that work discipline and work motivation had a positive effect on the work performance of employees of the Medan City Social and Labor Office.

6. Hasan Sultoni and Kiki Mardiana (2021), research title "The effect of the merger of three state-owned Islamic banks on the Development of the Islamic Economy in Indonesia". The merged bank will inherit the good values of the three entities involved, such as the work system and professionalism of Bank Syariah Mandiri, BNI Syariah's Innovation Capability, and understanding of local and regional conditions from BRI Syariah.

7. Indriatmini Noegroho (2017), research title "Mergers Are a Challenge or Opportunity for the Indonesian Economy". The results of the study show that mergers play an important role in strengthening national banking capitalization which has an impact on improving the Indonesian economy.

### 3. RESEARCH METHOD

#### 3.1 Research sites

The research location is Bank Syariah Indonesia Renon Denpasar Branch Office which is located at Jl. Raya Puputan No. 114, Panjer, Kec. Denpasar Team., Denpasar City, Bali 80234.

#### 3.2 Types of research

The research approach used in this study uses a qualitative approach.

#### 3.3 Data collection technique

Observations in this study researchers made observations in order to obtain truly accurate and factual data regarding organizational culture, work motivation, and employee performance. On this occasion the researcher carried out data collection techniques using structured interviews by conducting interviews according to what was needed, direct dialogue with Q-informants with questions that had been prepared by the researchers.

#### 3.4 Data analysis technique

The data analysis technique used by the researchers came from observations, interviews.

#### 3.5 Data Validity

To determine the validity of the data used triangulation technique. Triangulation is defined as a data collection technique that combines various data collection techniques and data sources. Organizational culture is a system of shared meaning held by members that distinguishes the organization from other organizations. If an employee sees that the values and systems of meaning contained in an organizational culture are values and systems of meaning that are valuable and therefore something is done, it will be the reason behind that if someone works on these values and systems of meaning it will produce a benefit. This behavioral support will be the basis of a person's willingness to do a job. A conducive and pleasant organizational culture can be a force capable of directing employee behavior towards achieving organizational goals.

#### 4. RESULTS AND DISCUSSION

##### 4.1 Organizational Culture on Work Motivation

Organizational culture is a value system that becomes a guide for those involved in the organization, becomes a differentiating factor from other organizations, becomes a reference for controlling organizational behavior and the behavior of organizational members in interactions between members of the organization, as well as interactions with other organizations. While work motivation is the encouragement, effort and desire that exist within humans that activate, empower and direct behavior to carry out tasks within the scope of work. In work motivation requires driving and supporting factors that can influence, looking for alternative solutions to increase employee morale and performance and requires new thinking concepts that can increase work motivation. With organizational culture, it is possible for individuals to change behavior because organizational culture is possible to be a factor that can influence positively or negatively on the behavior of individual organizations. Organizational culture that is both positive and negative can be a driving force (which motivates) someone related to achieving organizational goals. Andayani's research (2018) shows that empirically organizational culture has a significant effect on work motivation.

One of the values of BSI's organizational culture is based on performance and synergy, providing guidance to all employees coming from the merger of the three banks that they must have high work enthusiasm and carry out OKR. OKR is a technical guide in achieving company targets. O is Objective, which means accuracy when executing in the field. K is Creative, which is the development of self-creativity in accordance with SOP. R is the Key Result, which relates to the number of capacity plans, ticket sizes, calling, visiting and closing. Organizational culture is directly able to make every employee to remain enthusiastic and enthusiastic at work. And they don't give up even though at one point they have difficulties at work, they don't hesitate to ask every other co-worker, as well as find solutions together with the leadership above them, namely the heads of sub-sections to solve existing problems. From this it can be seen that how the organizational culture really makes every employee motivated and enthusiastic at work and provides the best results for BSI.

Organizational culture is a philosophy, ideology, values, assumptions, hopes, attitudes and norms that are shared and bound in a particular community. The phenomenon that occurs at BSI is the flexibility of completing work in the employee's own way to improve work quality, besides that superiors also always provide encouragement and opportunities for employees to develop themselves. In addition, the reality at BSI shows that there is a humble attitude of employees, mutual respect between employees and respect for every innovation from employees in the form of ideas or ideas for organizational progress. In order to instill and remind every employee and existing leadership about the cultural values of the organization's culture at BSI, in every part of the room at BSI, there is a wall display with an attractive appearance, containing the values and norms that are upheld by BSI. This supports Andayani's research (2019), Arif et al. (2019) and Sagita (2018)

##### 4.2 Organizational Culture on Employee Performance

Organizational culture is a system of shared meaning shared by members that differentiates the organization from other organizations. If an employee sees that the values and systems of meaning contained in an organizational culture are values and systems of meaning that are valuable and therefore something is done, it will be the reason behind that if someone works on these values and systems of meaning it will produce a benefit. This behavioral support will be the basis of a person's willingness to do a job. A conducive and pleasant organizational culture can be a force capable of directing employee behavior towards achieving organizational goals. The results of research conducted by this support Andayani's research (2019), Arif et al. (2019) and Sagita (2018) empirically prove that organizational culture significantly influences employee performance. The elements of BSI's organizational culture are elements of dedication, enthusiasm, modesty and progress, it turns out that this can have a positive impact on employee motivation at work. Each employee has values and the understanding that each employee has skills (ability) in work is a value that influences employees. As well as making BSI employees have confidence or trust in themselves, each individual is able to carry out the duties and responsibilities given by the organization so that employees are not easily discouraged, satisfied and give up, and employees will give their best and be more enthusiastic at work.

The culture of taking risks at BSI needs to be improved in order to produce maximum performance. BSI management in managing its organization needs to create an aggressive culture, in order to get creative ideas from employees/subordinates, because indeed employees know more about technical implementation in the

field, so they know the aspects that need to be observed or receive special attention, besides that employees who are active in carrying out their duties will have a good impact on the organization. We can imagine how the performance of an organization, whose employees passively wait for orders or work given by the leadership, will of course result in sub-optimal performance. The hypothesis testing was carried out to prove that there is an influence between organizational culture and employee performance. This supports research. This supports research by Andayani (2019), Arif et al. (2019) and Sagita (2018).

#### 4.3 New organizational culture on work motivation and post-merger employee performance

Prior to the merger between Bank Syariah Mandiri, BNI Syariah and BRI Syariah, the three of them had their own organizational culture. Organizational culture can be an employee's innate identity that is attached and shapes their respective characters. At the time of the merger, not only the operational system, corporate strategy, human resources and organizational culture also blended into one. The merger that is currently happening is not a merger caused by a decrease in the value of Islamic banking liquidity, but to increase the capitalization of Islamic banking in Indonesia and assist the government in developing the halal industry in Indonesia. Some of the objectives of carrying out a merger are increasing growth or diversification in terms of both the quantity and quality of a business entity, increasing funding in order to achieve a high liquidity value, creating synergies through human resources or assets owned by each business entity, consideration of expenditure taxes, meaning that companies that have tax dependents will pay off their tax liabilities as a deduction from taxable income, improve company skills through knowledge and technology transfers, avoid liquidation due to failure and finally increase revenue (Noegraha, 2019). Because of the large number of merger opportunities provided, the merger carried out by the three Islamic banks is an appropriate step. However, it cannot be denied that there are still obstacles starting from operational system problems, strategies to be developed, targets to be achieved, and what is no less important is how the existing human resources are able to be managed and adapt to existing changes. One of the things that has changed is the organizational culture. After the merger, the organizational culture they instilled was a performance-based organizational culture. This culture is aligned with BSI's vision as a Top Ten Global Islamic Bank. Based on the results of interviews with BSI employees at the Renon Branch Office, it was found that at the beginning of the merger process there was a decline in performance because it was still in the adaptation stage from the old culture to the new culture, as well as adjusting the company's targets. In the socialization stage, the company plays an important role in the process of instilling new values, through various socializations, briefings, regular meetings and posting of cultural values boards with the aim of synergizing all existing differences.

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