ACHIEVEMENT OF MANAGEMENT PERFORMANCE BUSINESS BANKING USING MEASUREMENT MODEL SYSTEM QUALITY MANAGEMENT CANADIAN AWARD FOR EXCELLENCE (SQMCAFE) CASE STUDY : PT. BANK Bjb (JABAR-BANTEN) Tbk. INDONESIA

Sri Widodo SOEDARSO[1]*

Abstract

This is paper research case study to examines application the organization achievement measuring for Management Performance Business Banking company using Model Sistem Quality Management Canadian Award For Excellence (SQMCAFE) comply with role and regulation international quality management standard of banking, with case study at Bank Jabar Banten Tbk. (PT. Bjb). The main objective of this research is identify, investigate and measurement of signification understanding the excellent of level capability and reliability quality management performance effect positively with sevent (7) independent variables of SQMCAFE Model toward achievement of performance manajemen business for banking firms.

Keywords: System Quality Management; Bussiness and Performance Of Banking

1. Introduction

A bank is a financial institution licensed to receive deposits and make loans. Banks may also provide financial services, such as wealth management, currency exchange and safe deposit boxes. There are two types of banks: commercial/retail banks and investment banks. In most countries, banks are regulated by the national government or central of bank and in Indonesia namely is *Otoritas Jasa Keuangan (OJK).*

National banks in both structures have an important role in that they help structure a country's financial system. Having an efficient banking system, whether through a central bank or the Federal Reserve, is important to the financial stability of a country's economy.

[1] *School of Business " EKUITAS " Bandung – Indonesia, Lecturer Program Postgraduate Magister of Management.* E-Mail: sriwidodosoedarso1@gmail.com, sriwidodo1@yahoo.com

* Corresponding author

National Banking Company in Indonesia is expected to expand and have a significance that is useful to contribute to the development of financial and banking services company. As it is known that the Bank is a process system of planning, implementation and control/audit of activities the business of collecting funds, distributing funds and other financial services in order to meet customers' needs and satisfaction, customers and society. The banking industry is currently very strategically important for the economy and the business world as a major determinant of growth in the national economy for the by long term (Timonthy, Scott & Randall, 2014). The banking industry is an industry that uses the power of doing business that is regulated and directed to produce financial benefits. Where prices, earnings, return on investment, cost management and profit margins increasingly challenged in the era of globalization revolution banking industry and the market should competitive and competitiveness for today.

The Banking industry in Indonesia is one of the most heavily regulated and guarded in the world, with multiple specialized and focused regulators. So the banking industry is regulated by several government policies and strategies, the customer satisfaction and requirements system quality management standard of national, regional and international for the banking. This is to ensure that the banking industry should continue to be able and improvement, produce and create designs, plan, processes, products and services of high quality, provide the information required by customers and has added value for banking and to meet or exceed expectations. The requirements the needs of customers /clients and in accordance with the OJK role and regulation of the financial services authority (Sudi & Agus, 2017).

Bank Bjb Tbk.is the goods of the Bank in Indonesia, has a vision to be the 10 largest bank and performing well in Indonesia. Mission Bank Bjb as a driver and the support of the Indonesian development economy and business, as well as the depository of money and a source of national income based on improving the system quality and quantity of human resources (people), improvement of services to investors, the development of information technology systems (intranet, externet and internet), services transactions, networking, banking data warehouse and weekend banking in order to improve the speed and accuracy of operational services to its customers and or counterparties.

Rate the quality management performance of the banking business by using excellence model *"System Quality Management Canadian Award For Excelence (SQMCAFE)* is a philosophy of the concept of the quality of management in total to seek excellence in the performance of the banking business, gain market share and profitability through improving the quality of the banking organization's continuous and sustainable and should be able to meet the requirements international banking regulations quality mangement standards. Since 1984, the **SQMCAFE** have been presented to private and public sector organizations of all sizes that have proven they are world class. This award is based on the *Canada Awards for Excellence* Standards and Requirements, which are used by numerous organizations as a management model for continual improvement and to achieve better operational results. This prestigious award is tangible evidence of an organization's level of excellence (Canadian role and regulation SQMCAFE, 2013).

Furthermore, the application of the quality level of operational management model of the high performance standards of international quality (SQMCAFE) or the other, is highly dependent on the application of the elements and variables essence, this study used include the variable of Leadership, Planning, Customer Focus, People Focus, Management Processes, Supplier Partnership Focus, Overall Business Performance toward Quality Management Business of Performance PT. Bank Bjb Tbk Company.

Management Performance Business of banking is a framework of business management designed to achieve excellences in the organization with a lift and rise above the competition at all levels and focusing on customers, people, supplier focus and services, financial and exchange markets, productivity, effectiveness and efficiency of the organization, as well as leadership, managemet procesess and supplier partnership focus responsibility (Vincent K.O., and Joel E. Ross, 2014). Performance management business of banking refers to the output result of information obtained from the design process, product and service quality and service, financial and market based on the evaluation and comparison relative to the objective standards of international quality management, the work of the past, and benchmarks banking organizations other.

Refer to the above statement has been concluded that the application of the assessment, evaluating and measurement using the SQMCAFE excellence model of the mangement performance of the banking business in Indonesia, especially PT. Bank Bjb. Tbk. have relationship emotional positive, influential and significant, and can not be separated one with others. This was one of our motivations conducted research study based on the application and implementation issues of existence SQMCAFE Canadian model to the management performance of the company's business banking with a case study on the banking company PT. Bank Bjb Tbk. Indonesia.

2. Problem Statement

The emphasis of study in this research is only the nine most important variable factor in the SQMCAFE Canadian Model International for the banking industry as an organization focused on the management of variable banking and financial business operations, among others Leadership; Planning; Customers Focuses; People Focuses; Management Process; Supplier Partnership Focuses; and Overall Business Performance as well as other key factors such as the requirements and customer satisfaction (SQMCAFE, 2013). Based on the above statement is expected this study will be able to significantly influence toward mangement performance business of the banking company PT. Bank Bjb Tbk.

Extension application assessment using the SQMCAFE Canadian International model can be established, maintained, controlled, evaluated, recorded and documented in the banking industry. If not met, it is impossible for the company to obtain a contract of employment and the banking business for the long term, and to earn the trust of the company's domestic and foreign banks, and can increase the performance of the banking business. Revenues and expenditures timely payments can add new contracts, bringing

together and integrating between the supplier and the customer satisfaction of banking. The new investment of the customer will be able to compete in the banking business in the era of globalization and the future.

Indonesian is one of the players the world of business in the banking industry since the beginning of the independence of Indonesia. Where the mission, vision and goal is to establish an Indonesian banking industry is strong and respected in the international community, because banking is part of Indonesia's economic growth engine that focuses on the financial and banking services industry.

Based on the ideas mentioned above, this research is expected to get results, how to choose, investigate, measure, analyze and examine the relationship and significance between the two concepts, namely an extension model application of ratings Canadian SQMCAFE Model International and management performance of the company's business banking consisting of eight (8) variables (independent seven variables and one the dependent variable) and consists of sevent hypothetical case study on PT. Bank Bjb. Tbk.

3. Objectives and Scope of research

This study aims: *First*, to identify and measure factors of seven core variables SQMCAFE Canadian Model assessment of business results that are practiced by the banking industry PT. Bank Bjb Tbk. *Second*, to determine, measure, evaluate and assets that the Banking Quality Management Business Performance PT. Bjb Tbk significant by the relationship of the elements of the core variable in the Canadian SQMCAFE International Quality Management Standard Model.

This study have be conducted in PT. Bank Bjb Tbk. Company Indonesia periode in September 2018 to end of February 2019. Where the population, and the sample of respondents is based on the total of employees and former employees of PT. Bank Bjb that exist within and outside the country, the Foundation YKP, Student Management Master STIE Equity, Customer / Client and the public amounted to 190 respondents. The study also is to look for productivity, efficiency and effectiveness of the success of the organization in order to increase cooperation among - the organization, especially with business partners and foreign, and also investigate the significance of the relationship between the implementation of the SQMCAFE International Model to the existence of the mangement performance of the banking company Bank Bjb Tbk. The approach of this research will use quantitative research models and data empirical test of the applicability of the combination of the Quality Management Standard International Model (CANADIAN).

The main motivation of this study is none other than to explore the prospects of the banking industry in Indonesia for the present and future. This is an empirical study to reveal the relationship between the banking business strategy of PT. Bjb to improve the ability of organizations in the implementation of international quality management system standards and global. To achieve a high level of performance enterprise banking

business, then the company should be able to Apply and Implementation Total Quality Management (TQM) is a continuous, planned and measurement (measurable) in order to improve the competitiveness of the business strategy and to achieve of the management performance of business the Indonesian banking company.

4. Significances and Limitations of Research

This research have be developed to provide relevant information on eight (8) of variable factors and seven hypothetical application of the SQMCAFE Model-based assessment Internasional Canadian and Management Performance of Business Corporate Banking with special reference to the Indonesian Banking Services Industry. Expected overall results of this research study have add to the amount of literature about the existence of the standard implementation of total quality management of the company's quality business performance management banking in the PT. Bank Bjb Tbk. This research is also expected to contribute in view point as follows: serves as a resource for researchers, writers, readers and practitioners of financial services and banking industry in Indonesia. Similarly, the results of this research can be used by governments and banking Indonesia business in order to build and improve business strategies financial services and banking industry.

Significance of the application of the quality standard extension quality management practices and business performance in the financial and banking industries were particularly significant PT. Bank Bjb to guarantee and improve the rank and level of performance management finance business banking productive, effective and efficient, including the concept of the implementation process of continuous improvement in accordance with the system procedures quality standards and customer requirements, and in accordance with the requirements of the financial services authority Indonesia as well as the role and International banking regulations. Correlation, coefficient, significance and relationship theory in this study is based on three basic concepts of financial and operational management theories, namely banking management organizations (OM), organizational change management (OCM) and organizational development (OD).

Limitations of this study is based on the availability of a review and analysis of the relationships between the elements of the model of performance management and system quality management model structurally international standard Canadian (SQMCAFE), which both have a significant relationship and positive impact on internal and external factors operational management of the organization of finance and banking. This situation required by the three-dimensional changes in business organization management development finance and banking, among others: quality management, organizational and cultural context, the deployment process and quality control management.

5. Methodology

This study is a descriptive exploratory study focused on two things that are important to the business concept of financial and banking industry. We tested (test) empirically the relationship between variables-variables in the core SQMCAFE Canadian model and practice of business performance management at PT. Bank Bjb Tbk. by comparing and combining based on the quality standards of financial and banking business nationally and internationally as well as to measure the perceptions of organizational performance quality management processes, products and services financial and banking industry requirement by the OJK.

In the first stage, the theoretical foundation will be established for this study, and then we determine the research design and methods of data collection via questionnaires. In order to collect data we will practice the application of the SQMCAFE Model extension and enterprise performance management survey of the financial and banking industry.

Figure 1 Researces Frame Work on SQMCAFE and Quality Management Performance Of Business PT. Bank Bjb Tbk .Indonesia
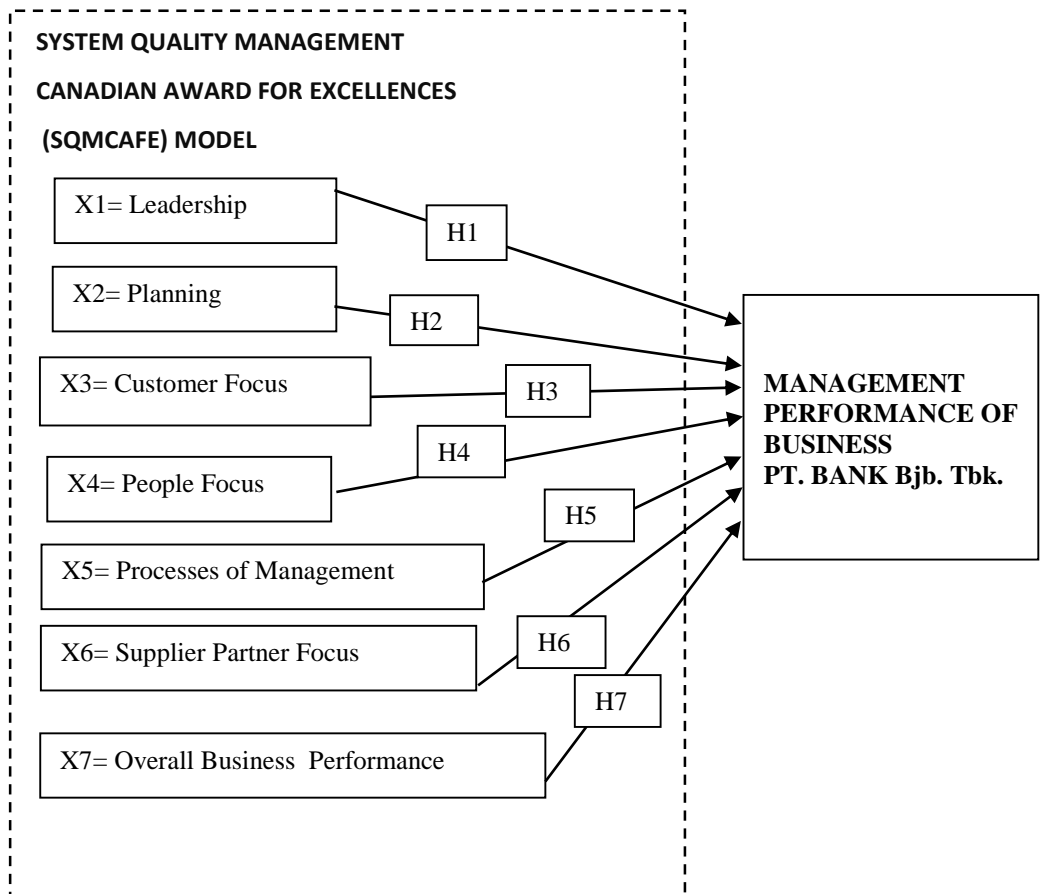
Source: Prof. Sugiono, Quantitative and Qualitative Method Research, Bandung, 2016.

The equation used regression analysis used by Sugiyono (2016) are:

$Y = f(X_1 + X_2 + X_3 + X_4 + X_5 + X_6 + X_7)$

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + e.$

Y=*Variabel Management Performance of Business Banking Bjb.Tbk.*

β_0=Konstanta Regresion.

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7$ = Koefisien Regresion.

X_1=Variabel Leadership.

X2=Variabel Planning

X3=Variabel Customers Focus

X4=Variabel People Focus

X5=Variabel Processes ofManagement

X6=Variabel Supplier Partnership Focus

X7=Variabel Overaal Business Performance

e=Error term

Finally, the data collected and then proceed to analyze the data using software (software) statistics (SPSS). In this case study analysis method that we'll use consists of a foundation of theory, research design and data collection and analysis of data. Data analysis technique used is the SPSS software tools with a view to investigate, measure and analyze the data and information obtained by the editing process of making data readily decoding and then be transferred to a data storage or database. The aim is to ensure the completeness, consistency, and reliability of data analysis in this study, (Sugiyono, 2016).

Quantitative model data have be obtained from the questionnaire and interview then analyzed using a statistical software package tools. The responses to all parts of the questionnaire and interview then we analysis using means, standard deviation, frequency and percentage to calculate the distinct characteristics of the data results of the questionnaire. One-way analysis of variance and independent T-test and F–test was used to determine the difference between the independent variable (IV) and the dependent variable (DV).

6. Result and Discussion

1. Based on the analysis results obtained regression model of SPSS :
   Y = Management Business of Performance (PT Bank Bjb – Jabar Banten), N = 190; F = 1357.308; Significance (t) = 0.000; R = 0.991; Adj. R^2 = 0.981; β largest unstandardized coefficient = 0.402 (Customer Focus); β standarized coefficient = 0.265; and β Constant = 17.341.

$Y = \beta_0 + \beta_1\ X_1 + \beta_2\ X_2 + \beta_3\ X_3 + \beta_4\ X_4 + \beta_5\ X_5 + \beta_6\ X_6 + \beta_7\ X_7 + e.$

$= 17.341 - 0.018\ X_1$ (Leadership) $- 3.970\ X_2$ (Planning) $+ 0.402\ X_3$ (Customers Focus) $+ 0.426\ X_4$ (People Focus) $- 0.374\ X_5$ (Management process) $- 0.145\ X_6$ (Supplier Partnership Focus) $+ 0.34239\ X_7$ (Overall Business Performance) $+ 0.$

$= 10.041 - 0.061 - 3.632 + 0470 + 0.655 + 5.422 - 1.124 - 1.103 + 4.753 + 0$

$=$ (0.000 *) + **(0.543 ***)** + (**0,000** *) + (0,513 ***) + **(0.000 *)** + (0.262 ***) +(0.272 ***) + (**0,000** *)

Base on the data and results of statistical regression analysis using SPSS software above can be summarized that all the hypotheses (H) variable rate variations are a key factor influance and having a significant positive relationship the management performance of business PT. Bank Bjb. Are:

a. Significant level one (*) for **H$_1$ - Planning (*); H$_4$ – People Focus (*); H$_7$ – Overall Business Performance (*)** are **Accepted on Alfa (α) = 1%, Significance Level = 99 % and significant at 1%. The hypothesis testing acceptable and strongly supports in this research case study.**

b. Significant level two (**) not available.

c. Significant level three **(***)** for *H$_1$- Leadership (***); H$_3$ - Customer Focu(***); H$_5$ -Management Process (***) and H$_6$ – Supplier Partnership Focus (***)* was rejected on Alfa (α) = 10 %, Significance Level three = 90 % significant at 10 % (***). *The hypothesis testing was rejected (not acceptable) and was not support in this research case study.*

2. Seven (7) Indicator Variables SQMCAFE implementation and analysis of performance management company is highly correlated with each other and each significantly associated with Latent Variables underlying. The results of the total variance = 85.641% can be described by the first factor in the performance of the company's business. Another factor explaining the resulting matrix components that 81.016% of information generated by the eight indicators. The Cronbach the resulting alpha = 0.765 (Standard requirement >0.75), and data KMO Bartlet's Test = 0.926 (Standard Requirement >0.75), as well as the level Significance = 0.000 (Standard Requirement <0.001) can be acceptable.

3. SPSS results of the test data normality for all variables greater than 0.05 (Significance requirement statistic > 0.05). So all the core elements of variable considered normal and acceptable. Ration Skewness (descriptive data value normality) Critical (CR) and CR Kurtosis all data for outcome variables. This study is the CR < 1.96 is acceptable. Finally, the variable element. SQMCAFE implementation and performance management is worth considering and very significant impact on quality management of business performance at PT. Bank Bjb Tbk. for the period present and future.

4. Anova Regression Results, (Sum of Square = 42.304; df = 7; Mean Square = 6.043; F = 1357.308) and the remainder (Sum of Square = 5.470; df = 189; Mean Square = 0.004;

F = 119.219), and Total (Total Square = 43.114, df = 182). Be accepted (acceptable) and significant because the results for all variables is = 0.000.

5. Results coefficient, multiple regression statistical analysis for quality management business of performance companies there are ***four (4) variables that are less significant to the performance level*** more significance than the standard requirements of 0.05 (the significance of the standard requirements<0.05), the variables in question are the H_1= Leadership (significance = 0.543***) and the H_3 = Customer Focus, H_5= Management Proceses (significance = 0.262 ***) and the H_6 = Supplier Partnership Focus (Significance = 0.272 ***).

6. The finding result above seems contradictory at first instance and may be source of confusion and unreasonable. Does this variable shows that the application of SQMCAFE Model Canadian can improve business banking performance management company? The answer is the **bigs a problem for PT. Bank Bjb Tbk**. , because **only three (3) elements core indicator variables in this study which Acceptable and significant** (***Planning, People Focus and Overall Business Performance***), the result is < Significant 0.05.

7. Findings, Action Plan and Taken

Expected financial companies and banking Indonesia (Bank Bjb Tbk.) will be able to create a corrective action plan and action taken is mandatory and a continual and ongoing (continuous quality improvement), because we find and get four variables and hypotheses that are not significant and influential in this research that leadership, customer focus, menagement process and supplier partnership focus. The corrective measurement and action (action plan and taken) taken by the management of PT. Bank Bjb Tbk., must be based on the operational management cycle concept models of standard international quality which **PDCA** (Planning = define objective process, Do = implement processes, Check = the monitoring process and actions, and Action = take action continuous improvement in the process of enterprise performance management), where the findings of this study have been were analyzed using statistical software (SPSS) using variables International Quality Standard SQMCAFE Canadian Models.

The improvement criteria for management business performance of excellence means variables are:

(1) Leadership (H1). The action plan and action taken PDCA in PT.Bank Bjb Tbk. firms must be addressed how the top management guides the company in setting direction and seeking future opportunities. Primary attention is given to how the top management creates a leadership system based upon clear values and high performance company expectations that addressed the needs of all stakeholder. The category also includes the company's responsibilities to the public and good citizenship.

- Reality of the finding for Leaderships based on data analysis result this research study are (1). Less of achieved success for develop the mission, vision, goal and

values are role models of a culture of excellence; (2). Personally involved in ensuring the organisation's management system is developed, implemented and continuously improved was not team works; (3). Involved with customers focus, supplier partners' focus and representatives of society was not successes.

(2). Customer Focus (H3). The action plan and action taken PDCA firm's must be addressed focuces on two key work customer requiremen and customer satisfaction base on satisfaction on products, processes, services and an order to recieve actionable feedback to improve key business process to customers orientation.

- Reality of the finding customer focus based on data analysis result this research study are was not successes to planning and managed internal and external for customer satisfaction partnerships focus, finances and supplier requirement to ensure customers compliance are resolved.

(3). Management Process (H5). The action plan and action taken PDCA firm's must be addressed focuses on two key work processes (management of product and services processes, and support processes), based on requirements for efficient and effective process management process consist of effective and efficiences design, a preventive orientation, linkage to suppliers operation and partners, performance, cycle time, evaluation and continuous improvement.

- Reality of finding Processes Quality Management based on data analysis result this research study are was less achieved to design, manages and improves its processes quality management to support the policy and strategy and fully satisfied operation and generates increasing value for its customer and others stakeholders.

(4). ***Supplier Partnership Focus (H6).*** The action plan and action taken PDCA firm's must be addressed on five (4) key strategy managed processes how the organisation plans and manages its external and internal supplier partnerships focus in order to support its policy, strategy, operation and the effective operation of its processes. The key strategy process mean are (a). External and Internal suppliwr partnerships focus are managed; (b). Buildings, equipment and materials are managed; (c). Information and knowledge are managed; (d). Technology is managed; and (e). Finances are managed.

- Reality of the finding Partnership and Resources based on data analysis result this research study are was not successes to planning and managed internal and external for partnerships, finances and supplier requirement and customer satisfaction.

Researchers believed, to ensure and guaranteed (Insya Allah), if the action plan and action taken finding above committed, consistent and totally implemented by organization management firms of PT. Bank Bjb Tbk., includes design process, product, technology information, services, training centre dan maintenance business performance banking will success for the globalization competitive and competitiveness worldwide in a business marketplace and market share banking for the global.

8. Conclusions and Recommendations

With the research is expected to be clear and can at least answer of variables that can affect and be affected, as well as the relationship between them must be based on the results of the analysis of investigations, evaluating and measurements are compliant to meet the standards requirements analysis calculation software SPSS tools model (Sugiyono, 2016).

Another question in this study may be interesting from the contribution of the element variable to business competitiveness of Indonesian banking which in turn will help to obtain a banking business that the larger the market share of the management performance business of global and profitability through productivity, effectiveness and efficiency of quality management standards organization in order to improve the ongoing quality. Where the purpose of performance assessment of this business is to achieve excellence by continuously improving the performance of the quality management of business companies (PT. Bank Bjb) which focuses on customer satisfaction, its high quality products and services.

The global market share, investments and finance, people focus, the effectiveness and efficiency of the quality management organizational structure leading to the financial markets and global banking business international more competitive for current and future presence (Sugiyono, 2016). So we need a decision commitment management peak (commitment of management) of the Management of Bank Bjb is based on the performance analysis of the trend of management processes in accordance with the performance indicators of banking companies of the results of the internal audit and external (international), as well as feedback from owners, vendors, suppliers, and customers.

PT. Bank Bjb Tbk. is an industrial services in finance and banking credible, capable, reliable and measurable is expected to be a key player in the important industrial sector financial services of banking in Indonesia and should be very active in national, regional and international business and financial services banking for the long term major national banking to achieve becoming economics growth in Indonesia country.

References
Veithzal, R. (1998) The Law of the Republic of Indonesia Number 10 of 1998 dated 10 November 1998 on Banking.
Indrayatno, Wisnu. (2011) Law of the Republic of Indonesia No. 21 in 2011, on the Financial Services Authority (OJK)
Madura, J. (2001). *Financial Market and Institutions*, 5th ed, United States of America: South - Western College Publishing.
Saunders, A., & Cornett, M.M. (2006). *Financial Institutions Management: A Risk Management Approach*, Singapore: McGraw Hill
Compton,Eric N. (1999) Principles for the Management of Credit Risk - consultative document". July 1999. Retrieved 28 January 2016. Credit risk is most simply defined as the potential that

a bank borrower or counterparty will fail to meet its obligations in accordance with the agreed terms.

Pakpahan, R. H. (2012) As a result of the Law for Establishing the Financial Services Authority Institutions Supervision Agains Financial Institutions in Indonesia (Due to Legal Formation Services Authority Financial Institutions Supervision Of Financial Institutions In Indonesia), *Journals Legislation Indonesia*, Vol. 9 (3).

Timonthy. W.K., & Scott, M. D., Vic, E. & Randall, E. D. (2014). Bank Management (A decision making perspective), Changage Learning Publisher: Singapore.

Sudi, R., & Agus, S. (2017). Industrial Bank Financial Institutions and Non Bank (Theory and Application), Manggu Media: Bandung.

Evans, J.R., & Lindsay, W. M. (2008) *The Management and Control of Quality*, 7th. Edition, Thomson South-Western, Natrops Boulevard Mason: USA.

Omachuhonu, V. K., & Ross, J.E. (2012). Principles of Total Quality, Sixth edition, CRC Press: New York, USA.

Millie, Cristie (2013) The System Quality Management Canadian Award For Excellences (SQMCAFE) Excellence Model, Guide.