

Organizational management and employees performance in banking services

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Abstract. Banking will become a representative service sector business when having good organizational management so as to realize a service excellence. This paper aims to find out and analyze the influence of organizational management and employee performance towards the effectiveness improvement in banking services. The method used in this paper is inferential analyzing using paradigm causal-effectual approach. To collect the data, this paper uses questionnaire and documentation study whose respondents are 62 employees of a bank in Indonesia. The data analysis is conducted through a statistical analysis. The results of the study show that organizational management and employee performance has significant positive influence towards the effectiveness improvement of banking services. The conclusion Organizational management and employee performance are proven to be significantly influential towards the effectiveness of banking services. One of the important findings in this study is that every service in the banking should follow the rules.

1. Introduction

In general, performance problems and organizational management in banking are inevitable. Meanwhile, banking services play an important role in the economic development of a nation.

Perusahaan Daerah Bank Perkreditan Rakyat Garut (PD BPR Garut) is a bank owned by the regional government of Garut, Indonesia as an alternative financial institution to help the society, especially in providing funding for productive economy for micro businesses. The basic concept of this bank is managing the money their costumers save to be more productive. To this relation, there needs to be a research study that can explain.

Influential factors towards the effectiveness of banking services. Based on the initial assumption on the relationship between organizational management and employee performance, this study aims to analyse the influence of organizational management and employee performance towards banking services. For this case, banks enhance the funding traffic for productive investment [1], if those two roles function well, professional services will be attained [2-5].

2. Methodology

This study administered inferential statistical analysis since the substance of the study is causal relationship between one variable to another. Data and information collected in this study came from individuals through questionnaire and survey. Respondents of the study are 62 employees of BPR Garut,



a bank in Indonesia. Based on theories, concepts, and assumptions of the variables of the study, the research paradigm is presented in Figure 1.

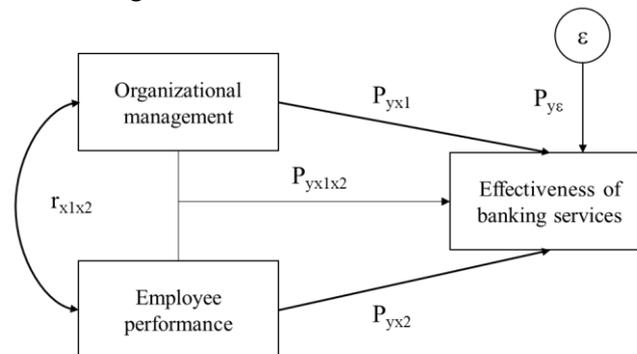


Figure 1. Research paradigm.

3. Result and discussion

Based on the statistical analysis, the results of the computation are shown in Table 1.

Table 1. Results of statistical computation.

Main Hypothesis	Path coefficient	F _{calc}	F _{table}	Determinant	Relationship meaning
The influence of organizational management and employee performance towards the effectiveness banking services	0.9651	183.2	3.350	0.9314	Positive and signify-cant
Sub-hypothesis	Path coefficient	t _{calc}	t _{table}	Determinant	Relationship meaning
The influence of organizational management towards the effectiveness banking services	0.1850	1.810	2,048	0.034	Positive and signify-cant
The influence of employee performance towards the effectiveness of banking services	0,7998	7,824	2,048	0,923	Positive and signify-cant
Relationship between organizational management and employee performance	0,8699	9,333	2,048	0.757	Positive and signify-cant

3.1. Simultaneous test of the influence of organizational management and employee performance towards the effectiveness of banking services

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From the simultaneous test, it is obtained that organizational management and employee performance show significant influence towards the effectiveness of banking services. The results show that F_{calc} is higher than F_{table} (183.2158 > 3.35). This indicates that both organizational management and employee performance simultaneously influential towards the effectiveness of banking services. This significance is also supported by the value of determination coefficient (d) at 0.9314. This means that the effectiveness of banking services can be explained by organizational management and employee performance (93.14 %), while the rest (PY) 2 6,86 % is influenced by the other factors excluded in this study. Some of those excluded variables are organizational culture, leadership, motivation, etc.

On the other hand, performance is related to whether a certain duty is fulfilled or not. It belongs to either individual or a group who's responsible and power belongs to themselves. To reach the goal, the efforts made should be against moral and ethical norms [6]. Based on the definition, it can be concluded that there is strong influence of organizational management to the employee performance, where the performance is the reflection of the management in a form of activities to reach the goals. In this study, both factors are significantly influential towards the effectiveness of banking services which is in line with a study proving that employee performance is influential towards the effectiveness of working services [7].

3.2. Partial test of the influence of organizational management towards the effectiveness of banking services

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The influence of organizational management towards the effectiveness of banking services has lower t_{calc} than the t_{table} , meaning that H_0 is accepted. This means that partially, organizational management does not affect the effectiveness of banking services significantly. However, the path coefficient score shows positive number (0.1850) which indicates that there is significant influence of organizational management towards banking services.

As the competition among banking services, each bank should perform their best. Companies with good quality are usually competitive and leading [8]. Service quality is closely related to customer satisfaction [9]. Quality services are a whole package of good characteristics of products or services. In this context, organizational management can be considered as an art starting with planning, organizing, guiding, and supervising in managing human resources in an effective and efficient way [10]. Therefore, the better the organizational management gets, the more satisfied the customers will be.

3.3. Partial test of the influence of employee performance towards the effectiveness of banking services

The employee performance is proven to be significantly influential towards the effectiveness of banking services since the T_{calc} is higher than the T_{table} and high path coefficient score $PYX2 = 0,9608$ and determinant coefficient 0.9230. This means that the other factors are influential at 7.70%.

Empirically, the results proving that there is significant influence of employee performance towards the effectiveness of banking services is rational. Performance consists of both quality and quantity of an employee in finishing their [10-12] Performance consists of both quality and quantity of an employee in finishing their job [10,13]. Employee performance is always led to the organizational achievement in fulfilling the customers' needs. In the context of banking, it is how to give satisfaction to the customers.

3.4. Correlational test between organizational management and employee performance

Based on the correlational coefficient computation, the score obtained is 0.86999 which means that there is positive correlation between organizational management and employee performance. For further relationship between both variables, t_{calc} and t_{table} calculation proceeds. Based on the test, the t_{calc} is higher than the t_{table} ($9.3329 > 2.0484$). This indicates that both variables are closely related to each other. The results are also supported by the coefficient determinant score (75.67).

The unique process of general planning, organizing, acting, and controlling the potential to utilize the resources available to achieve the objectives is the implementation of the management process [10]. One good management indicator is good employee performance, where good work characterizes qualified employees [12,11]. Therefore, it is rational to know that organizational management is

significant to employee performance because they are closely related to each other. This is in fact consistent with research that proves that organizational management is closely related to employee performance [12,14,15].

Banking is developing as the rapid growth of business and economy. It is believed that banks are an important institution which plays an important role in the economy of a country. They function to collect and manage the money of the society to enhance and stabilize the economy so that the prosperity of the country can be maintained [16-19]. Nowadays, both the government and private parties are building banks. This study investigates the causal effect among organizational management, employee performance, and banking services in a bank located in Garut, Indonesia.

4. Conclusion

Organizational management and employee performance are proven to be significantly influential towards the effectiveness of banking services. One of the important findings in this study is that every service in the banking should follow the rules. Furthermore, this study recommends that future study analyze factors excluded in this study such as organizational culture, leadership, motivation, and so on in relation to the effectiveness of banking services.

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