IRVANDI GUSTARI, Organizational Culture Transformation and Its Effect on Employee Performance in Banks Taken Over by Foreign Ownership. Supervised by PARULIAN HUTAGAOL, MUSA HUBEIS and AJI HERMAWAN.

Transfer of ownership and divestment of assets of local banks to foreign investors is a step taken by the government to tackle the banking crisis. In this case, the main question that needs to be answered is what are the factors that are affected by the change in culture at the time after the acquisition process in terms of a change in ownership. Thus, the problem in this study include: (1) Was there any change in the organizational culture of the company ownership changes? (2) Does the organizational culture changes affect employee performance? (3) Is there any influence of organizational culture on employee performance is mediated by organizational commitment, and job satisfaction?

Element of novelty in this study is the change of ownership of a foreign-owned company into a transformation in organizational culture and positive effect on employee performance variables were mediated by organizational commitment and job satisfaction variables. The research was conducted at the Bank ICB Bumiputera which is one of the banks that switched ownership to foreigners. This study uses a questionnaire survey approach to bank employees taken over by foreigners of various hierarchy. In general, the variables examined in this study were, first is organizational culture by using four dimensions of organizational culture include: (1) orientation of power (2) the role orientation, (3) achievement orientation, and (4) orientation support. The second variable is the organization's commitment to the use of 3 dimensions: affective commitment, continuance commitment, normative commitment. The third variable is job satisfaction and in this study using a 9 element of job satisfaction on the Job Satisfaction Survey (JSS): (1) pay, (2) promotion, (3) supervision, (4) fringe benefits, (5) contingent rewards, (6) operating condition, (7) coworkers, (8) the nature of work, (9) communication. The fourth variable is the employee's performance refers to the key performance indicators (KPI) in the concept of the balanced scorecard.

Based on the research results, it can be concluded as follows: The first conclusion, there is a change in the organizational culture of Bank ICB Bumiputera between before and after the acquisition. Prior to the acquisition of the dominant culture is the culture of power and was followed by a role, whereas after the acquisition of a shift in cultural values are dominated by a culture of support and was followed by a cultural achievement. The most dominant power culture before it was acquired to be the smallest effect after the acquisition. Organizational culture differences between before and after the acquisition proved to be statistically significant. The dominant organizational commitment of employees in Bank ICB Bumiputera are affective commitment, so that employees have an emotional attachment to the organization is more dominant in identifying themselves and actively involved in the organization. Associated with employee job satisfaction of employees known to most dissatisfied with aspects of reward or compensation system, especially fringe benefits, contingent rewards, promotion, and pay, while most felt was a satisfactory communication and coworkers. To
obtain an overview of descriptive performance decrease employee performance after the acquisition, although gradually increased. No statistically significant difference between the employee's performance before and after a significant acquisition.

The second conclusion is the change of organizational culture directly positive and significant impact on organizational commitment of employees. These results meant that the conditions conducive and supportive culture within the organization, will lead to increased organizational commitment. The third conclusion organizational culture change direct and significant positive effect on employee job satisfaction. These results meant that the conditions conducive and supportive culture within the organization, will lead to increased employee satisfaction. The fourth conclusion organizational culture change direct and significant positive effect on employee performance. These results meant that a major change organizational culture values between before and after the acquisition, will be a boost to increase overall employee performance in a specified period after the acquisition. The fifth conclusion is a direct organizational commitment and significant positive effect on employee performance. These findings suggest that the stronger organizational commitment, will have an impact on increasing employee performance. Conclusion sixth, job satisfaction and significant direct positive effect on employee performance. These findings suggest that the higher job satisfaction, would have an impact on increasing employee performance.

Suggestions in this study as follows, first, to be accepted and understood quickly change the organizational culture, it is advisable to involve all levels of management and employee representatives in the design and preparation of the new organizational culture. Furthermore the new organizational culture should be disseminated in a structured and systematic positions to various levels of employees, from executive positions to the lowest levels of employees. Second, the process involves all employees in the change process, not just limited to the process of organizational culture change, then this will increase the sense of belonging (sense of belonging) and this will increase the commitment of employees to the company. Third, to manage the improvement of aspects such dissatisfaction, the company should always conduct regular evaluations of the existing remuneration system in comparison with the market.

Keywords: Changes in Organizational Culture, Organizational Commitment, Job Satisfaction, Performance.