Trikonomika
Volume 22, No. 2, December 2023, Page. 82-92
ISSN 1411-514X (print) / ISSN 2355-7737 (online)

CONCEPTUAL MODEL OF INTEGRATION OF BUSINESS FUNCTIONS ON INTERNAL BUSINESS PROCESS PERFORMANCE

[1]Erwin Yulianto
[2]Iman Sudirman
[3]Sutarman
[4]Awan Setiawan
[1]rwinyulianto@yahoo.com
[1,4]Langlangbuana University
Jl. Karapitan No.116, Cikawao, Kec. Lengkong, Kota Bandung, Jawa Barat 40261, Indonesia
[2,3]University of Pasundan
Jl. Sumatera No.41, Braga, Kec. Sumur Bandung, Kota Bandung, Jawa Barat 40111, Indonesia

received: 7/2/22; revised: 27/11/22; approved: 18/12/23

Abstract

The trend of banking performance in the last five years is still fluctuating. One of the root causes is measured from a Balanced Scorecard perspective, namely the not yet optimal integration of business functions in the Internal Business Process. The continuous development of systems, information and communication technology has profound implications for the integration of business functions such as sales and marketing, procurement, finance and accounting, research and development of banking products/services. This study aims to identify, examine and analyze empirical evidence on phenomena that occur in the banking world so that research hypotheses are generated to be studied and tested using quantitative methods in order to obtain dominant variables that influence as the basis for developing a measurable conceptual model.

Keywords*: market based view; resource based view; corporate culture; business function integration; internal business process*

INTRODUCTION

Performance is needed and important for the company and becomes a distinct advantage for a company if it has good business performance (Huhtala, 2014; Sebahattin et al., 2014). Bank performance includes several disciplines such as operations management, human resource management, marketing management, information systems, financial management and accounting as well as organizational behavior (Yulianto, et al, 2021). Furthermore, banking strategy is a way to achieve goals that can be used to evaluate the strategy used. (Vij & Bedi, 2016; Franco, et al, 2017, Susanto, 2019). A superior position in business performance can be obtained through the company's ability to adapt quickly to environmental changes and be able to manage its resources well. Quality business performance is largely determined by the extent to which the company is able to create competitiveness in its industrial environment (Karabag & Berggen, 2014; Zamenic & Rajnoha, 2015).

Several service companies in the UK and Ghana stated that innovation (products and processes) was able to mediate the relationship between engagement ability and company performance as measured by using financial dimensions (cash flow, ROI, market share, sales volume, and profit) and non-financial dimensions (employee satisfaction, customer satisfaction, and service quality) (Anning-dorson, 2017). Furthermore, research conducted by O'Cass, et al. (2015) on Business to Business (B2B) companies which resulted in the finding that marketing resources and marketing capabilities are complementary in contributing to business performance and customer service performance. Several factors that can affect banking performance include research and development capabilities (Caglar & Nisel, 2017; Shen et al, 2017; Vanderpal, 2015) as well as organizational knowledge and strategic alliances (Kilimo, 2017).

This is in line with the empirical phenomenon that occurs in the fluctuating and unstable national banking performance. Based on data taken from OJK (2021), we can see that in the 2016-2020 period, it can be seen that National Banking, Regional Development Banks, Joint Venture Banks and Foreign Banks have fluctuating performance (Table 1).

Table 1. National Banking Performance Trends for the 2016-2020 Period

	2016				2017				2018				2019				2020			
Bank Name	Laba	Aset	ROA	ROE	Laba	Aset	ROA	ROE	Laba	Aset	ROA	ROE	Laba	Aset	ROA	ROE	Laba	Aset	ROA	ROE
BCA	19.834	662.620	2.99%	18.19%	22.206	734.784	3.02%	17.53%	24.761	808.636	3.06%	16.96%	27.351	899.010	3.04%	16.37%	26.279	1.056.362	2.49%	14.88%
Mandiri	13.017	918.208	1.42%	9.03%	20.011	978.328	2.05%	12.54%	24.079	1.037.078	2.32%	13.91%	25.450	1.128.724	2.25%	13.09%	14.155	1.209.045	1.17%	8.06%
BRI	25.753	964.001	2.67%	17.71%	28.469	1.076.438	2.64%	17.25%	31.702	1.234.200	2.57%	17.51%	34.029	1.343.078	2.53%	16.71%	18.353	1.421.785	1.29%	9.44%
BNI	10.776	564.845	1.91%	12.90%	13.046	661.658	1.97%	13.88%	14.462	754.575	1.92%	13.96%	14.613	780.237	1.87%	12.50%	2.755	818.228	0.34%	2.66%
BTN	2.480	214.002	1.16%	13.08%	3.022	261.510	1.16%	13.95%	3.206	308.473	1.04%	13.25%	209	314.158	0.07%	0.89%	1.602	361.208	0.44%	8.02%
Bank BJB	1.647	97.013	1.70%	16.38%	1.607	108.518	1.48%	14.97%	1.575	114.622	1.37%	12.40%	1.518	116.995	1.30%	11.06%	1.682	133.560	1.26%	13.37%
Bank DKI	657	41.338	1.59%	8.81%	719	51.936	1.38%	8.69%	800	53.028	1.51%	9.32%	817	55.643	1.47%	8.76%	581	63.046	0.92%	6.32%
Bank Jateng	992	51.496	1.93%	16.21%	-	-	0.00%	0.00%	1.310	66.623	1.97%	19.56%	1.043	71.828	1.45%	13.11%	1.122	73.106	1.54%	13.92%
Bank Jatim	1.028	43.033	2.39%	14.26%	1.159	51.519	2.25%	14.83%	1.260	62.689	2.01%	14.88%	1.377	76.715	1.79%	14.99%	1.489	83.619	1.78%	14.88%
CIMB Niaga	1.899	236.553	0.80%	5.65%	-	-	0.00%	0.00%	3.306	265.064	1.25%	8.49%	3.480	272.173	1.28%	8.19%	1.831	278.674	0.66%	4.57%
OSBC NISP	1.790	138.196	1.30%	9.18%	2.176	153.774	1.41%	9.99%	2.638	173.583	1.52%	10.80%	2.939	180.809	1.63%	10.62%	2.102	206.341	1.02%	7.05%
BII Maybank	1.661	155.226	1.07%	9.37%	1.473	160.552	0.92%	7.82%	1.769	163.861	1.08%	7.83%	-	-	0.00%	0.00%	918	162.579	0.56%	3.83%
Woori Saudara	309	23.341	1.32%	6.68%	451	26.898	1.68%	7.10%	535	29.783	1.79%	7.93%	509	37.106	1.37%	7.33%	-	-	0.00%	0.00%
City Bank	2.234	71.710	3.12%	23.65%	2.513	75.031	3.35%	25.49%	1.986	82.659	2.40%	21.51%	3.014	78.584	3.84%	27.87%	2.636	84.484	3.12%	26.02%
Std. Chartered	269	64.748	0.41%	37.80%	104	63.228	-0.16%	-17.40%	522	63.365	0.82%	59.74%	280	61.213	0.46%	21.06%	744	64.959	1.15%	54.25%
HSBC	165	26.558	0.62%	2.99%	1.432	100.826	1.42%	9.59%	872	108.733	0.80%	5.58%	2.289	111.436	2.05%	12.63%	-	-	0.00%	0.00%

Source: OJK, 2021

One of the main indicators that affect performance inconsistency is the implementation of Good Corporate Governance (GCG) to direct and control the company in order to achieve a balance between the strength and authority of the company (Hedwigis, 2016). GCG is the principle of directing and controlling the company in order to achieve a balance between the strength and authority of the company in providing accountability to shareholders in particular and stakeholders in general. This is intended to regulate the authority of directors, managers, shareholders, and other parties related to the development of the company in certain environments (Boubaker and Nguyen, 2018). The trend of the average value of domestic GCG implementation of BUKU 1, 2, 3, and 4 published by Bisnis Indonesia (2018) can be seen in Table 2.

Table 2. Average Trend of Implementation of GCG in Domestic Banking for the Period 2013-2017

BUKU	2013	2014	2015	2016	2017
I	2.14	2.32	2.39	2.14	2.23
II	2.08	2.10	2.21	2.21	2.10
III	2.05	1.95	1.95	2.05	1.85
IV	1.20	1.40	1.40	1.60	1.25
Banking Industry	2.05	2.10	2.17	2.13	2.05

Source : Bisnis Indonesia, 2018; LPPI, 2018

Viewed from the E-Channel side, referring to research conducted by Mahayana (2016), the supporting factors for Fintech are starting to pulsate. At least, SMS Banking and Mobile Banking users are increasing. Data from the four main banks in Indonesia show a growth of around 51% while Internet Banking users also grew at a growth rate of around 36%. Another study conducted by Fryrear (2012) resulted in findings stating that 42% of global banking transaction trends will lead to Mobile Technology as shown in Figure 1.

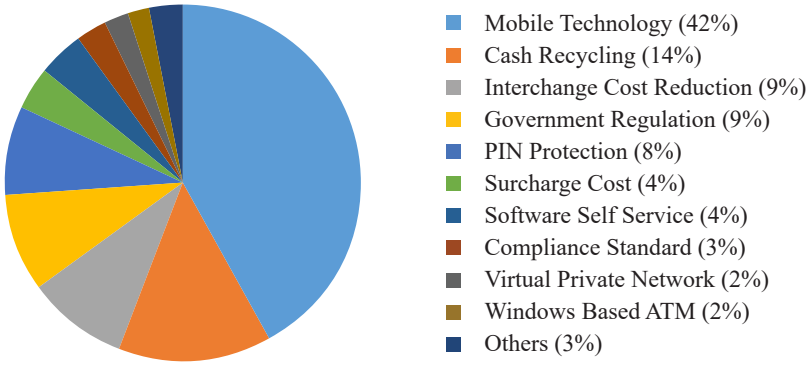

Figure 1. Future Banking Transaction Trend

The implementation of effective risk management as an integral part of organizational processes is an important element to realize GCG because of the role of risk management in providing reasonable guarantees for the achievement of the activity's success objectives. Good risk management implementation requires GCG principles including transparency, accountability, responsibility, independence and fairness (Faisal, 2012; Suwanda, 2019).

Efforts to improve banking performance are carried out in various ways. One of them is through the transformation of the banking system in an effort to increase vitalization, technological openness and financial innovation (Detragiache & Gupta, 2006). Abrahim, et al (2016) explained about market concentration and banking efficiency to determine the performance of commercial banks. Mbama & Ezepue (2018) show that customer experience, satisfaction and loyalty are related to financial performance. Ullah (2018) explains that the implementation of the compliance aspect creates many internal strengths and external opportunities to facilitate bank performance. Bank performance measurement is not only based on financial performance. Cost management factors (operational cost efficiency), leverage and liquidity can be important forces that support the bank's financial performance (Kalisman, 2019).

The Covid-19 pandemic that is currently engulfing the world, including Indonesia, has greatly affected people's lives, both in terms of health and social and economic aspects. People will continue to shop online. Apart from avoiding crowds or practicing physical distancing, online shopping can also minimize cash transactions. Utoyo (2020) said that the concept of "Business As Usual" has disappeared. At this time, the concept of "Remote Everything" is the best solution in the era of the Covid-19 Pandemic. Research conducted by McKinsey (2020) related to the use of digital-based banking services in 2020-2021 in a number of countries has increased by more than 30% as shown in Figure 2.

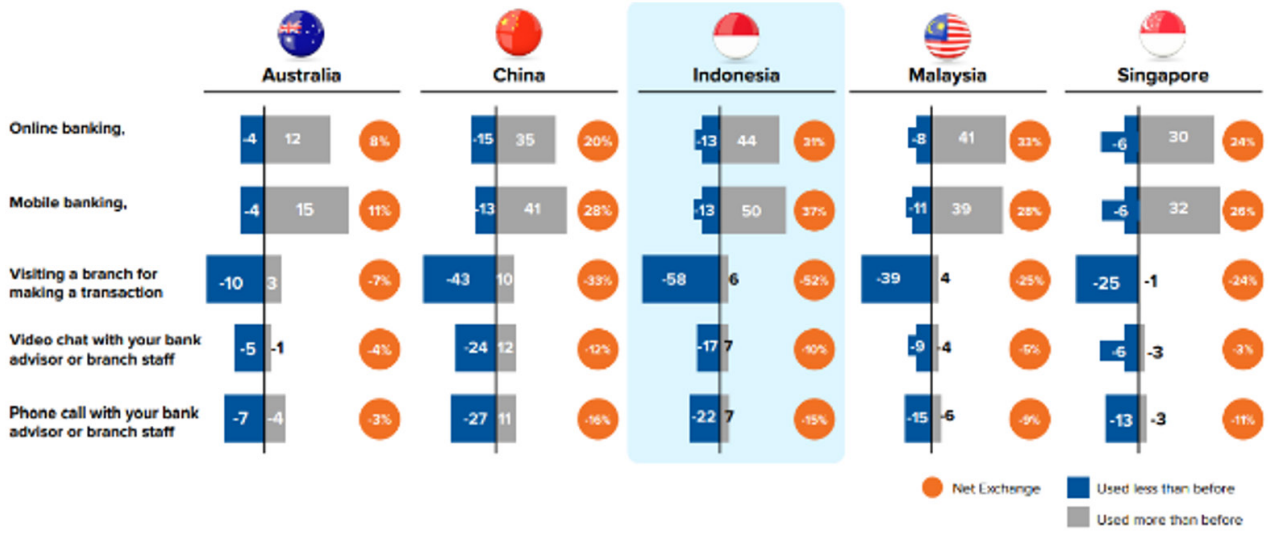

Figure 2. Using of Banking Services for the Period 2020-2021

Inline with the Industrial Revolution 4.0. where banks are required to produce personalized digital-based products/services, the implementation of GCG in digital banking in terms of distribution of funds/financing has been issued by the regulator. OJK has regulated that information technology is used to develop the financial industry that can encourage the growth of alternative financing for the public so that they can contribute more to the national economy. Digital financial innovation cannot be ignored and needs to be managed so that it can provide the maximum benefit for the benefit of the community, produce digital financial innovations that are responsible, safe, prioritize consumer protection and have well-managed risk management. (POJK 77, 2016; POJK 12, 2018; POJK 13, 2018)

Ashta and Paquerot (2018) reveal that technology is very important because it creates value in a financial services company, namely utilizing technology to make cost reductions in the transaction process drastically and offer efficiencies that customers do not have to go to the bank to make transactions so that reduce risk. Other variables that are widely used in business performance research include competitive advantage, resource utilization, environmental adaptation and marketing capabilities (Liao, et al, 2015, Asiedu, 2015). Buallay and Hamdan (2019) show that intellectual capital plays an important role in the high-tech and knowledge-based economic sector.

Several studies on performance that have been carried out in previous studies to date have not yet conducted a comprehensive study of improving the performance of internal business processes. Previous research is more dominant in discussing the company's performance broadly and not focusing on the performance of the company's internal business processes. The results of the research are expected to be more of a bottom up strategy, namely

operational / functional strategy and a business strategy that focuses on evaluating the implementation of internal business processes of bank business activities in accordance with internal and external regulations that apply to business processes that occur in the field. Furthermore, the discussion carried out is more comprehensive because it combines business dimensions and support for research variables.

METHODS

The research subject or unit of analysis that will be the locus / location of the object of research is all Branch Offices and Sub-Branch Offices in the entire office network of PT. Regional Development Bank of West Java & Banten, Tbk. on the island of Java. Respondents who will be the observation unit of research analysis are Branch Office Leaders and Sub-Branch Office Leaders in order to obtain data that becomes the measure of each variable studied for the purposes of study and analysis in accordance with the objectives of the study to answer the proposed hypothesis.

The population of the Disproportionate Cluster Stratified Random Sampling technique in this study were 56 Branch Managers and 310 Sub-Branch Office Leaders or 366 respondents who were divided into branch offices and regional classes in Java Island. The formula used to determine the size of the sample to be studied is the Slovin formula. The use of data analysis techniques is also aligned with the research design, hypotheses and types of research variables involved in the study. The analysis used to answer the hypothesis in this study is the Structural Equation Modeling (SEM) using AMOS (Analysis Of Moment Structures) and SPSS (Statistical Product & Service Solutions) applications. Based on the proposed conceptual hypothesis and the research paradigm, a framework for the flow of relationships between variables in the form of a research model as shown in Figure 3, which presents the modeling of the relationship between variables and dimensions to be studied using SEM analysis, can be made.

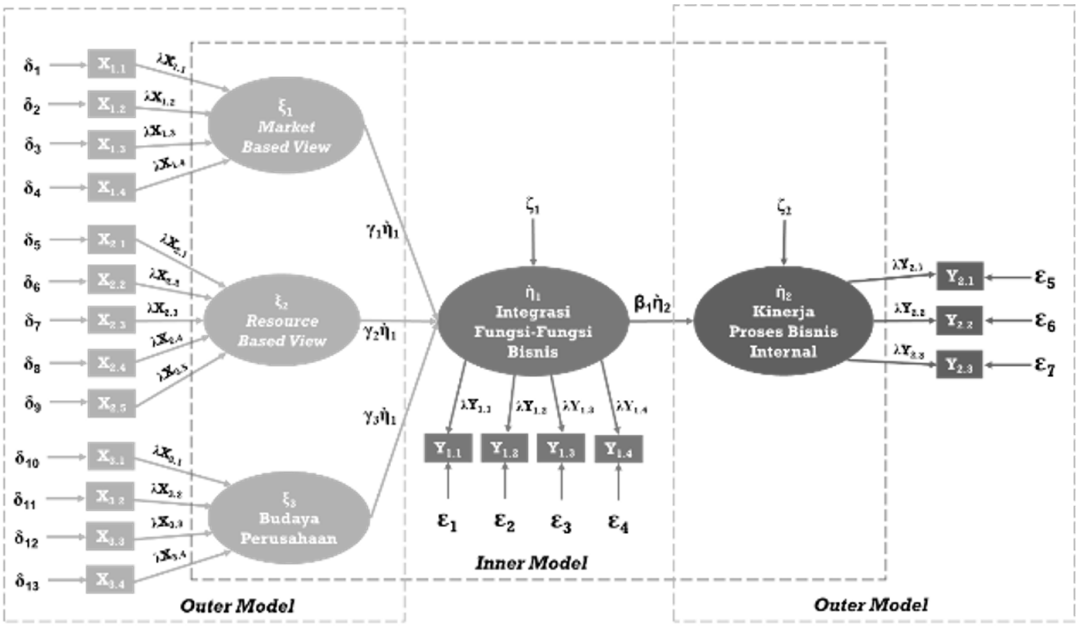

Figure 3. Structural Model of the Flowchart of Relationships Between Latent Variables (Exogenous and Endogenous) Under Research Including Dimensions, Indicators, and Error Variables (Error)

RESULTS

After analyzing the research instrument, and descriptive analysis based on the data that has been collected from the questionnaire, then tabulation of the raw data is made in the form of a data matrix. The raw data obtained has an ordinal measurement scale. The next step is to use research data in the form of an interval scale, then analyze the data using SEM and test the statistical hypothesis.

In the SEM model, the diversity of loading factors can be known through confirmatory factor analysis (CFA), which is indicated by the parameter coefficient (lamda) in each dimension. Confirmatory Factor Analysis (CFA) testing was conducted to determine the construct model that forms the overall measurement model using the AMOS 24 statistical application program. As a result of using SEM using AMOS 24, a model as shown in Figure 4.

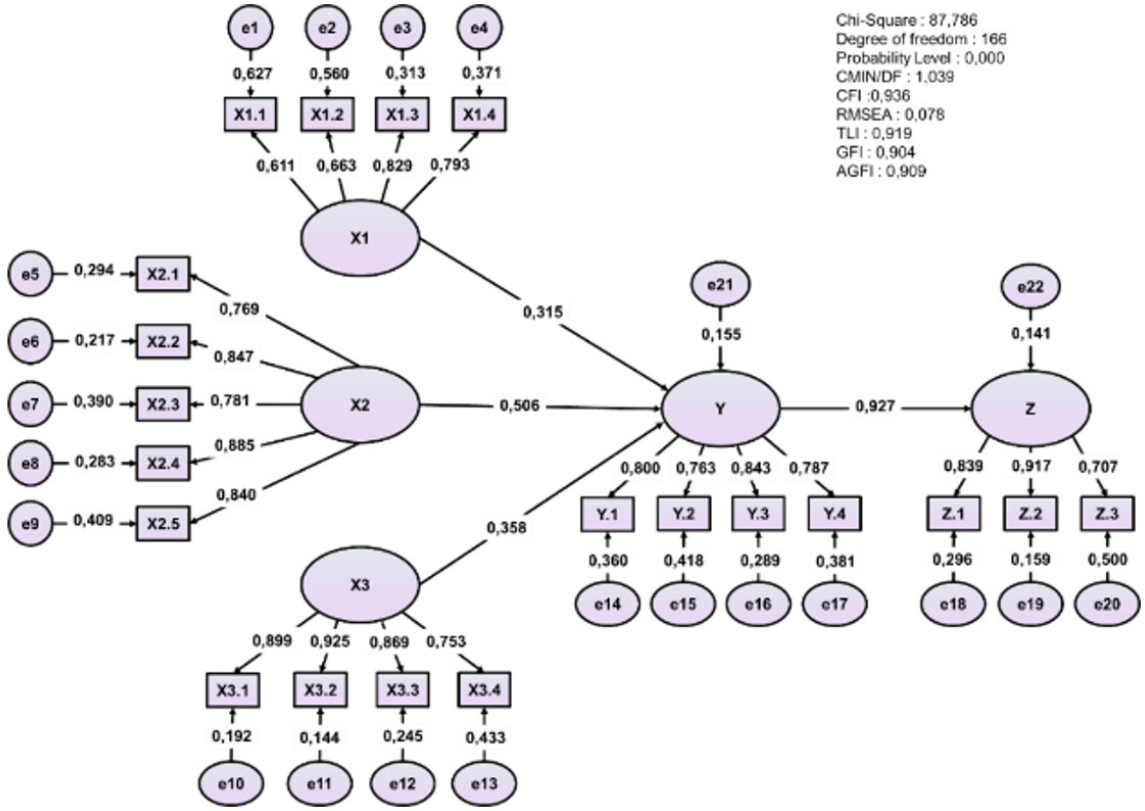

Figure 4. Structure of Influence of All Research Variables

From the output of the AMOS 24 program, the estimation of the lamda parameter is the same as the estimated standardized regression weight or known as the path coefficient. By knowing the value of the path coefficient, the calculation of how much the value of the direct, indirect or total structural influence of the predictor variable on the predictant can be known and determined. The recapitulation of the coefficient values of the estimation results for the parameters X, Y and Z can be seen in Table 3.

Table 3. Value of Lambda Parameter Estimation Results (Loading Factor) in Each Dimension of Exogenous and Endogenous Variables in the Research Model

Exogen Variable	Value	Endogen Variable	Value
Market Based View (X_1)		Business Function Integration (Y)	
Market Share ($X_{1,1}$)	0.611	Information Quality (Y_1)	0.800
Strategic Alliance ($X_{1,2}$)	0.663	System Quality (Y_2)	0.763
Competitive Advantage ($X_{1,3}$)	0.829	Service Quality (Y_3)	0.843
Social Environment ($X_{1,4}$)	0.793	User Satisfaction (Y_4)	0.787
Resource Based View (X_2)		Internal Business Process Performance (Z)	
Intelectual Capital ($X_{2,1}$)	0.769	Inovation Process (Z_1)	0.839
Marketing Capability ($X_{2,2}$)	0.847	Operation Process (Z_2)	0.917
IT Capacity ($X_{2,3}$)	0.781	After Sales Service (Z_3)	0.707
Innovation Management ($X_{2,4}$)	0.885		
Dynamic Capability ($X_{2,5}$)	0.840		
Corporate Culture (X_3)			
GO SPIRIT ($X_{3,1}$)	0.899		
Risk Awareness Culture ($X_{3,2}$)	0.925		
GCG & Compliance Culture ($X_{3,3}$)	0.869		
Zero Fraud Culture ($X_{3,4}$)	0.753		

The value of the parameter estimation, both for exogenous and endogenous variables, all show a coefficient greater than 0.50 and significant at = 0.05. This means that the dimensions or indicators (measured variables) are valid and reliable factors for each latent variable or construct.

DISCUSSIONS

The results of hypothesis testing are based on the Model Structure Diagram, Path Equation and Influence Between Variables for further interpretation and associated with the existing theory. The hypothesis to be tested in this study consists of two structural models consisting of five hypotheses, Structural Model 1. (a) Simultaneous Hypothesis Testing (Hypothesis 1): There is an influence of Market Based View, Resource Based View and Corporate Culture on the Integration of Business Functions; (b) Partial Hypothesis Testing (Hypothesis 2, 3 and 4); 1. There is an influence of Market Based View on the Integration of Business Functions. 2. There is an influence of Resource Based View on the Integration of Business Functions. 3. There is an influence of Corporate Culture on the Integration of Business Functions. Structural Model 2. (Hypothesis 5) : There is an effect of Integration of Business Functions on Internal Business Process Performance.

Structural model 1 describes the relationship between Market Based View (X_1), Resource Based View (X_2) and Corporate Culture (X_3) on the Integration of Business Functions (Y) stated in the hypothesis either simultaneously (Hypothesis 1) or partially (Hypothesis 1). 2, 3 and 4). Based on the results of data processing using the AMOS 24 program for structural model 1, according to the proposed hypothesis, the following equation model is obtained :

$$Y = 0{,}315*MBV + 0{,}506*RBV + 0{,}358*BP, \text{ Errorvar} = 0{,}1559, R^2 = 0{,}8441 \quad .....(1)$$

Based on the above equation, it can be explained that the Business Functions Integration variable (Y) is positively influenced by the three variables, namely Business Function Integration (Y) influenced by Market Based View (X_1) with a path coefficient of 0.315, Business Function Integration (Y) is influenced by Resource Based View (X_2) with a path coefficient of 0.506 and the Integration of Business Functions (Y) is influenced by Corporate Culture (X_3) with a path coefficient of 0.358. Structural model 1 is supported by the results of the correlation coefficient analysis to determine the level of closeness of the relationship between the independent variables. By using the SPSS 25 application, the output with the results of the correlation coefficient is shown in Table 4.

Table 4. Correlation Coefficient Between Independent Variables in Structural Model 1

		Market Based View	Resource Based View	Corporate Culture
Pearson Correlation	Market Based View	1.000	.472	.368
	Resourced Based View	.472	1.000	.351
	Corporate Culture	.368	.351	1.000
Sig. (1-tailed)	Market Based View	.	.000	.000
	Resourced Based View	.000	.	.000
	Corporate Culture	.000	.000	.
N	Market Based View	207	207	207
	Resourced Based View	207	207	207
	Corporate Culture	207	207	207

A recapitulation of the direct and indirect effects of Market Based View (X_1), Resource Based View (X_2), and Corporate Culture (X_3) variables on the Integration of Business Functions (Y) can be seen in Table 5.

Table 5. Direct and Indirect Effects of Market Based View (X_1), Resource Based View (X_2), and Corporate Culture (X_3) on the Integration of Business Functions (Y)

			Indirect Influence Through				
Variable	Path Coefficient	Direct Influence	Market Based View (X_1)	Resource Based View (X_2)	Corporate Culture (X_3)	Total Indirect Influence	Total Influence
Market Based View (X_1)	0.315	9.92%		7.52%	4.15%	11.67%	21.60%
Resource Based View (X_2)	0.506	25.60%	7.52%		6.36%	13.88%	39.49%
Corporate Culture (X_3)	0.358	12.82%	4.15%	6.36%		10.51%	23.32%
Total		48.34%	11.67%	13.88%	10.51%	36.06%	84.41%

Based on the calculation of the total effect partially, the Resource Based View (X_2) variable gives the greatest influence with the total influence on the Integration of Business Functions (Y) of 39.49% so that it can be concluded that Resource Based View (X_2) is the most giving factor. dominant influence on the Integration of Business Functions (Y). However, the influence of other variables that affect the Integration of Business Functions (Y) studied in this study is also quite large, namely Market Based View (X_1) of 21.60% and Corporate

Culture (X_3) of 23.32%. In total, the direct and indirect effect of Market Based View (X_1), Resource Based View (X_2), and Corporate Culture (X_3) variables on the Integration of Business Functions (Y) is 84.41%

After knowing the total influence of the variables Market Based View (X_1), Resource Based View (X_2), and Corporate Culture (X_3) on the Integration of Business Functions (Y) either directly or indirectly, then the hypothesis testing is carried out as follows. The simultaneous (simultaneous) effect of Market Based View (X_1), Resource Based View (X_2) and Corporate Culture (X_3) variables on the Integration of Business Functions (Y) was tested using the F test.

Based on the calculation, the Fcount value is 366.243 was greater than 2.649, then H0 is rejected, meaning that it can be concluded that there is a linear relationship between Market Based View (X_1), Resource Based View (X_2), and Corporate Culture (X_3) on the Integration of Business Functions (Y) so that it can be interpreted that there is a joint influence of Market Based View (X_1), Resource Based View (X_2), and Corporate Culture (X_3) on the Integration of Business Functions (Y).

Partial test results for Market Based View (X_1), Resource Based View (X_2) and Corporate Culture (X_3) variables on the Integration of Business Functions (Y) can be seen in Table 6.

Table 6. Partial Test Results Market Based View (X_1), Resource Based View (X_2), Corporate Culture (X_3) Against the Integration of Business Functions (Y)

Struct.	Path Coef.	thitung	ttabel	Conclution
$\gamma_1\eta_1$	0,315	5,617	1,968	H0 is rejected, there is a significant effect of the MBV variable (X_1) on IFFB (Y)
$\gamma_2\eta_1$	0,506	5,436	1,968	H0 is rejected, there is a significant effect of the RBV (X_2) on IFFB (Y)
$\gamma_3\eta_1$	0,358	4,410	1,968	H0 is rejected, there is a significant effect of the CC (X_3) on IFFB (Y)

Structural model 2 describes the relationship between Business Functions Integration (Y) on Internal Business Process Performance (Z), which is stated in the hypothesis that Business Function Integration (Y) has an effect on Internal Business Process Performance (Z). Based on the results of data processing using the AMOS 24 program for structural model 2, according to the proposed hypothesis, the following equation model is obtained:

$$Z = 0{,}927*Y,\ Errorvar = 0{,}141,\ R^2 = 0{,}859 \quad \text{.....(2)}$$

The results of testing the Business Functions Integration variable (Y) on the Performance of Internal Business Processes (Z) can be seen in Table 7.

Table 7. Business Functions Integration Test Results (Y) Against Internal Business Process Performance (Z)

Struct.	Path Coef.	tcount	ttable	Conclution
$\beta\eta_2$	0,927	22,507	1,968	H0 is rejected, there is a significant effect of the Business Function Integration (Y) on Internal Business Process Performance (Z)

Based on the results of hypothesis testing, the coefficient of determination expressed in percentages describes the contribution of the three independent variables, namely Market Based View, Resource Based View and Corporate Culture on the Integration of Business Functions, which is 84.41%. The details and discussion of each variable are Resource Based View has the greatest influence on the Integration of Business Functions with a total influence of 39.49%, where the direct influence is 25.60%, much larger than the indirect effect of 13.88% which consists of indirect effects through Market Based View is 7.52% and indirect influence through Corporate Culture is 6.36%. Given that the direct influence is greater than the indirect effect, the Resource Based View variable is the dominant variable, which means that the Resource Based View variable can stand alone without the other two variables, namely Market Based View and Corporate Culture. Corporate Culture has the second largest influence on the Integration of Business Functions with a total influence of 23.32%, where the direct influence is 12.82%, greater than the indirect influence of 10.51% which consists of indirect influence through Resource Based View is 6.36% and the indirect effect through the Market Based View variable is 4.15%. Given that the direct influence is greater than the indirect effect, the Corporate Culture variable is the dominant variable, which means that the Corporate Culture variable can stand alone without the other two variables, namely Market Based View and Resource Based View. Market Based View gives the smallest effect on the Integration of Business Functions with a total influence of 21.60%, where the direct effect is 9.92%, smaller than the indirect effect of 11.67% which consists of indirect effects through Resource Based View is 7.52% and indirect influence through Corporate Culture variable is 4.15%. Given that the direct effect is smaller than the indirect effect, the Market Based View variable is not the dominant variable, which means that the Market Based View variable cannot stand alone without the other two variables, namely Resource Based View and Corporate Culture.

Hypothesis testing on Structural Model 1 proves that there is an influence of Resource Based View, Corporate Culture and Market Based View on the Integration of Business Functions supported by several theories/previous studies as follows: Irfan (2017) conducted a comprehensive research looking at the aspects of the External Environment and Internal Environment and Organizational Culture. Saragih (2017) examines aspects of the External Environment and Internal Resources through Dynamic Capabilities and Strategic Fit. Wandia & Ismail (2018), focused on implementing strategic alliances to improve the Bank's performance. Apriyanti (2018) created a Banking Product Innovation Model in Indonesia which is based on information technology capabilities (representing Resource Based View) and innovation management (representing Market Based View) as well as risk awareness and compliance culture (representing Corporate Culture) where the product is a product/banking services with an ecosystem of integrated banking business functions. Gozman, Liebenau, Mangan (2018) examines the market aspect of the area coverage dimension and Value Proposition and the internal resource aspect of the technology ecosystem dimension, data analysis, and technological innovation to form a business model. Supriyatna (2019), conducted research on the internal environment, external environment and corporate culture. Suryasnia (2019) has similarities in the variables that represent Market Based View, Resource Based View and Corporate Culture in improving banking quality. Suryasnia (2019) stated in his research that in an effort to improve the performance of the Bank's internal business processes it needs to be supported by non-financial development such as an adequate number of human resources, quality human capital, adequate networks, and capable digital services. Banks as a service industry that is oriented towards public trust are very dependent on governance, compliance with bank regulations so that banks have good performance. Mulyana (2020) Having in common the variables that represent the Market Based View and Resource Based View in improving organizational performance.

The results of hypothesis testing show that there are other factors that have not been studied that affect the Integration of Business Functions by 15.59%. Other variables in question such as leadership, motivation, competence, commitment and other factors that are not discussed in this study. Hypothesis testing on Structural Model 2 proves that there is a significant influence between the Integration of Business Functions on Internal Business Process Performance, supported by several theories/previous research as follows: Setiawan and Yulianto (2017) analyze the integration of business functions obtained through the Information System/Information Technology Strategic Plan (IS/ITSP) model. The IS/ITSP model was formed based on the mapping of the Critical Success Factors (CSF) using the IT Balanced Score Card (IT BSC) which combines 3 (three) strategies, namely the Business Information System Strategy, the System Management Strategy and Information Technology and the Information Technology Strategy. obtained through internal and external mapping of the business environment and Information Technology and Systems environment. Irfan (2017) argues that the competitive strategy condition in the banking industry is currently more dominated by the speed and timeliness of delivery of banking products/services offered. Improving the quality of information, systems and services in order to increase customer satisfaction requires the development of a service infrastructure that is able to guarantee the best quality of service for customers as well as service flexibility which leads to the convenience of customers in accessing banking services. Through standardization of processes, a bank can create operational excellence which leads to the bank's source of income. Ismanto (2017) found that good communication and cooperation will form employees to be able to express opinions systematically both verbally and in writing, willing to help colleagues, if they experience difficulties at work, able to handle customer complaints well, able to master work procedures and able to adapt to the new work environment. Gozman et al. (2018) explains the role of value creation in the formation of business model formations to create new and different things as well as develop existing financial products/services by taking into account that there is more value than competitors and the existence of value creation such as maintaining the quality, products or services offered in accordance with with customer requests and have attractive attributes or branding in addition to maintaining relationships or relationships with suppliers, partners and customers. Sanyal & Hisam (2018) said that all types of resources have a role in the company's competition with competitors and to achieve this success, teamwork is needed as an important tool among every layer of the company. Efendi, Pratiknyo and Sugiono (2019) say that there is more than one way to produce a particular product/service by combining the least amount of inputs to produce output as a process that is technically the most effective and efficient. InfoBank (2019) found that several banking jobs have been automated and have become more efficient, both in terms of business processes and costs. McKinsey (2019) said that as much as 70%-80% of jobs related to banking operations, such as accounting operations, payment systems and processing will be replaced by technology in the next 10 years. The role of humans in these work functions will decrease as digitization and automation become more dominant. OJK (2020), said that Business Process Reengineering is in principle a process carried out in order to improve work efficiency and create business processes that are in accordance with environmental conditions. The focus of business process changes is to create strategies that are innovative and oriented to the interests of the industry being monitored so that there is an improvisation on performance parameters such as cost, quality, service and speed.

CONCLUSIONS

The results and discussion of the research presented aim to answer the problems that have been formulated. Based on this, several research conclusions can be drawn which are arranged briefly and clearly to facilitate understanding of the research results. The results of the Verification analysis on Structural Model 1 show that Market Based View, Resource Based View and Corporate Culture simultaneously make a significant contribution to the formation of the Integration of Business Functions at bank bjb by 84.41% and there are other factors that have not been studied that affect the integration. Business Functions by 15.59%. Of the three variables, Resource Based View contributes the greatest influence to the Integration of Business Functions. The results of the quantitative research result in the finding that Resource Based View and Corporate Culture have a significant direct effect on the Integration of Business Functions, while Market Based View has a significant indirect effect on the Integration of Business Functions. Integration of Business Functions carried out by bank bjb's internal work units is supported by a strong corporate culture, while the bank's external environment is an enabler that triggers and indirectly influences the Integration of Business Functions.

The results of the verification analysis on Structural Model 2 show that the Integration of Business Functions makes a significant contribution to the formation of Internal Business Process Performance at bank bjb, which is 85.93%. This value also indicates that there are other factors that affect the Performance of Internal Business Processes at bank bjb outside of the job satisfaction factor indicated by the error variance, amounting to 14.07%. The biggest dimension forming the Business Functions Integration variable is the Service Quality dimension, while the lowest dimension forming the Business Functions Integration variable is the System Quality dimension. Furthermore, the largest dimension forming the Internal Business Process Performance variable is the Operation Process dimension, while the lowest dimension forming the Internal Business Process Performance variable is the After Sales Service dimension.

Based on the research results, it is known that the Internal Business Process Performance with the dominant dimension, namely Operation Process, is significantly influenced by the Integration of Business Functions with the dominant dimension, namely Service Quality. Furthermore, the Integration of Business Functions is significantly influenced by Resource Based View with the dominant dimension being Innovation Management and Corporate Culture with the dominant dimension being Risk Awareness, while Market Based View with the dominant dimension Competitive Advantage also influences but not significantly. The conceptual model generated from the research results can be seen in Figure 4.

Figure 4. Research Findings: Conceptual Model of Integration of Business Functions on Internal Business Process Performance with Dominant Dimensions of Each Variable

REFERENCES

Anning-Dorson T. 2017. Customer Involvement Capacity & Service Firm Performance: The Mediating Role of Innovation. Journal of Business Research. Vol. 86, pp. 269-280

Apriyanti, Hani Werdi. 2018. *Model Inovasi Produk Perbankan Syariah di Indonesia*. Economica: Jurnal Ekonomi Islam. Vol. 9, No. 1, pp. 83-104

Ashta, A., Paquerot, G. 2018. Fintech Evolution: Strategic Value Management Issues in A Fast Changing Industry. Strategic Change, Vol. 27, No. 4, pp. 301–311

Asiedu, E. 2015. Developing Market as a Source of Competitive Advantage: The Role of Management Tools. Elixir International Journal of Management Arts. pp. 36316-36323

Bisnis Indonesia. 2018. *GCG Perbankan Memburuk*. Edisi Agustus 2018, Jakarta

Boubaker, S., Nguyen, D. K. 2018. Governance Issues in Business and Finance in the Wake of the Global Financial Crisis. Journal of Management & Governance. Vol. 22, No. 1, pp. 1–5

Buallay, Amina., Hamdan, Allam., Zuregiat, Qasim. 2017. Corporate Governance & Firm Performance: Evidence from Saudi Arabia. Australian Accounting, Business & Finance. Vol. 11, No. 1, pp. 78-98

Caglar, M., Nisel, R. N. 2017. Impact of Marketing & Research & Development Expenditures on Financial Performance: A Research in Manufacturing Industry. Research Journal of Business & Management. Vol. 4, No. 3, pp. 359-371

Detragiache, E., Gupta, N. 2006. Foreign Bank in Emerging Market Crises: Evidence From Malaysia. Journal of Financial Stability. Vol. 2, No. 3, pp. 217-242

Efendi, Suryono., Pratiknyo, Djoko., Sugiono, Edi. 2019. *Manajemen Operasional*. Jakarta : LPU-UNAS

Faisal, Hasyim Ali. 2012. *Implementasi Manajemen Risiko Untuk Mewujudkan Good Governance*. Journal Of Economic Management & Business. Vol. 13, No. 1

Franco, Santos M., Kennerley, M., Micheli, P., Martinez, V., Mason, S., Marr, B., Neely, A. 2017. Towards a Definition of a Business Performance Measurement System. International Journal of Operations & Production Management. Vol. 27, No. 8, pp. 784-801

Fryrear, Alan., Harper, Tom. 2012. ATM Future Trends Report. NetWorld Alliance: ATM Marketplace

Gozman, D., Liebenau, J., Mangan, J. 2018. The Innovation Mechanisms of Fintech Start-Ups : Insights From SWIFT's Innotribe Competition. Journal of Management Information Systems. Vol. 35, No. 1, pp. 145–179

Hedwigis. 2016. Implementation of Corporate Governance Influence to Earning Management. Vol. 219, pp. 632–638

Huhtala, J. P. 2014. Market Orientation, Innovation Capability and Business Insights from the Global Financial Crisis. Journal of Management, Vol. 9, No. 2, p134–152

Ibrahim, R., Sheen., Chiang, Nie. 2016. Market Structure & Performance of Malaysian Banking Industry. Journal of Financial Reporting & Accounting. Vol. 14, No. 2, pp. 158-177

InfoBank. 2019. Financial Technology & Millenial Effect for Salary & Human Capital Management in Banking Industry. Biro Riset Infobank

Irfan, Ahmad. 2017. *Model Strategi Bersaing: Studi Empiris Pada Bank Pembangunan Daerah (BPD) di Indonesia*. Ringkasan Disertasi (S-3). Doktor Ilmu Manajemen, Bandung : Universitas Padjadjaran

Ismanto, Firman. 2017. *Pengaruh Motivasi & Kompetensi Terhadap Kepuasan Kerja Serta Implikasinya Pada Kinerja Pegawai Account Officer bank bjb Divisi Penyelamatan & Penyelesaian Kredit.* Ringkasan Disertasi (S-3). Doktor llmu Manajemen, Bandung : Program Pascasarjana Universitas Pasundan

Kalisman, Joko Hartono. 2019. *Transformasi Strategi Bisnis & Penjualan Yang Didorong Oleh Kekuatan Produk & Dukungan Infrastruktur Berimplikasi Pada Kinerja*. Ringkasan Disertasi (S-3). Doktor Ilmu Manajemen, Bandung : Universitas Padjadjaran

Karabag, S. F., Berggren, C. 2014. Antecedents of Firm Performance in Emerging Economies: Business Group, Strategy, Industry Structure & State Support. Journal of Business Research, Vol. 67, No. 10, pp. 2212-2223

Liao, T. S., Rice, J., & Lu, J. C. 2015. The Vicissitudes Of Competitive Advantage: Empirical Evidence From Australian Manufacturing SMEs. Journal of Small Business Management, 53(2), 469-481.

LPPI. 2018. *Implementasi Good Corporate Governance Industri Perbankan Nasional Tahun 2007 s.d. 2017.* Lembaga Pengembangan Perbankan Indonesia, Jakarta

Mahayana, Dimitri. 2016. *Akankah Financial Tech Menggeser Perbankan Konvensional?.* Sharing Vision, https://sharingvision.com/akankah-financial-tech-menggeser-perbankan-konvensional/, Accessed July 20, 2020

Obama, Patrick O., Ezepue. 2018. Digital Banking, Customer Experience & Bank Financial Performance: UK Customer Perception. International Journal of Bank Marketing, Vol. 36, No. 2, pp. 230-255

McKinsey. 2019. Banking Operations For a Customer Centric World

McKinsey. 2020. Financial Insights Pulse Survey : Indonesia Survey

Mulyana, Agus. 2020. *Model Bisnis Fintech Dalam Meningkatkan Marketing Performance Di Indonesia.* Disertasi (S-3), Doktor Ilmu Manajemen, Bandung : Sekolah Pascasarjana Universitas Pendidikan Indonesia

O'Cass, Aron, et al. 2015. Marketing Resource Capability Complementarity & Firm Performance in B2B Firms, Journal of Business & Industrial Marketing, Vol. 30, No. 2, pp. 194-207

OJK. 2020. *Roadmap Keuangan Berkelanjutan Tahap II (2021-2025)* – The Future of Finance, Jakarta : Otoritas Jasa Keuangan.

OJK. 2021. *Laporan Publikasi Bank Umum Konvensional*. https://cfs.ojk.go.id/cfs, Accessed May 13,2021

POJK Nomor 77/POJK.01/2016 tentang Layanan Pinjam Meminjam Uang Berbasis Teknologi Informasi

POJK nomor 12/POJK.03/2018 tentang Penyelenggaraan Layanan Perbankan Digital Oleh Bank Umum

POJK Nomor 13/POJK.02/2018 tentang Inovasi Keuangan Digital Di Sektor Jasa Keuangan

Sanyal, S., Hisam, M. W. 2018. The Impact of Teamwork on Work Performance of Employees : A Study of Faculty Members in Dhofar University. Vol. 20, No. 3, pp. 15–22

Saragih, Romat. 2017. *Kapabilitas Dinamik & Kecocokan Strategik Untuk Meningkatkan Kinerja Bisnis.* Disertasi (S-3), Doktor Ilmu Manajemen, Bandung : Sekolah Pascasarjana Universitas Pendidikan Indonesia

Sebahattin, Y., Ba, F., Ta, İ. 2014. The Effect of Leadership and Innovativeness on Business Performance. Vol. 150, pp. 785–793

Setiawan, Awan., Yulianto, Erwin. 2017. Information System Strategic Planning Using IT Balanced Scorecard In Ward & Peppard Framework Model. International Journal of Engineering and Technology (IJET), Vol. 9, No. 3, pp. 1864-1872, DOI: 10.21817/jet/2017/v9i3/170903134

Shen, K. Y., Yan, M. R., Tzeng, G. H. 2017. Exploring R&D Influences on Financial Performance for Business Sustainability Considering Dual Profitability Objectives. Journal of Sustainability (Switzerland), Vol. 9, pp. 1-21

Supriyatna, Agus. 2019. *Implementasi Good Corporate Governance, Pengaruhnya Terhadap Kinerja Bank*. Disertasi (S-3), Doktor Ilmu Manajemen, Bandung : Sekolah Pascasarjana Universitas Pendidikan Indonesia

Suryasnia, Sofi. 2019. *Determinan Kinerja Bank Dalam Menghadapi ASEAN Banking Integration Framework (ABIF) Untuk Mempersiapkan Qualified ASEAN Bank (QAB) Tahun 2025 (Studi Bank Yang Sudah Go-Public Se-ASEAN)*. Ringkasan Disertasi (S-3), Doktor Manajemen Bisnis, Bandung : Universitas Padjadjaran

Susanto, Toto. 2019. *Aliansi Stratejik Dalam Meningkatkan Kinerja Bisnis Perbankan Syariah Di Indonesia.* Ringkasan Disertasi (S-3), Doktor Ilmu Manajemen, Bandung : Sekolah Pascasarjana Universitas Pendidikan Indonesia

Suwanda, Dadang. 2019. *Strategi Manajemen Keuangan Daerah Berbasis Risiko Dalam Meningkatkan Akuntabilitas Dan Transparansi Sektor Publik*. Disertasi (S-3), Doktor llmu Manajemen, Bandung : Program Pascasarjana Universitas Pasundan

Ullah, M. H., Khanam, R. 2018. Whether Shari'ah Compliance Efficiency a Matter for the Financial Performance: The Case of Islamic Bank Bangladesh Limited. Journal of Islamic Accounting & Business Research, pp. 1-26

Utoyo, Indra. 2020. Banks & the New Normal: Surfing the Wave of Crisis to Win the Future, Bank BRI

Vanderpal, G. A. 2015. Impact of R&D Expences & Corporate Financial Performance. Journal of Accounting & Finance, Vol. 15, No. 7, pp. 135-149

Vij, S., Bedi, H.S. 2016. Are Subjective Business Performance Measures Justified?. International Journal of Productivity & Performance Management, Vol. 65, No. 5

Wandia, Wachiuri Mercy., Ismail, Noor. 2018. The Effect of Strategic Alliance on Performace of Commercial Banks in Kenya. International Journal of Business Management & Finance, Vol. 1, No. 58, pp. 986-1001

Yulianto, Erwin., Sudirman, Iman., Sutarman., Ruhanda., Setiawan, Awan. 2021. Developing A Conceptual Model Of Implementation Of Business Functions Integration In The Internal Business Process Performance. Allied Business Academies, Academy of Entrepreneurship Journal (AEJ), Vol. 27, No. 2, pp. 1-14

Zamenic, Roman., Rajnoha, Rastislav. 2015. Strategic Business Performance Management on the Base of Controlling & Management Information Support. Procedia Economic & Finance, Vol. 25, pp. 769-776