



The Hypothetical model to support the implementation of organizational values: A lesson from Perum Jamkrindo

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Abstract

This paper discusses the implementation of core values/culture of Perum Jamkrindo, a State Guarantee Company, Jakarta, Indonesia, with a descriptive and narrative approach supported by interview, focused group discussions, and literatures studies. The "hypothetical" model was introduced to support the implementation of the values which appear to be helpful in increasing the awareness and understanding of the values. Four steps were taken in the implementation of the values: enhancement of understanding of the values, internalization of the values, externalization of the values, and anchoring the values as brand image. The implementation of the values of Perum Jamkrindo was also supported by the appointment of change agents comprises representatives from all divisions and branches of the company and driven by the commitment of top management.

Keywords: core values, hypothetical model, internalization, externalization, brand image change agent

1. Introduction

People in any organization cannot walk and work on their own values and characters, instead they have to refer to organization values/culture as a guidance in their workplace. The basic or core values of organization should simply be formulated in order to be easily memorized, understood, and implemented (Yasin, 2014) ^[11, 12].

Any successful organization requires good and proper management and also requires good and strong leadership/leader who drives or affects all of the organization members to work toward achieving organization goals within the corridor of organization values (Yasin, 2014) ^[11, 12].

This paper raises a "hypothetical" model of values/culture internalization at Perum Jamkrindo, a State Guarantee Company, Jakarta, Indonesia. The model tries to provide "tools" to support the implementation of Perum Jamkrindo's values/culture, known as "TRUST": Trusted, Responsive, Excellent, Sound/Healthful, Outstanding. These efforts of culture implementation were encouraged in 2016 by the management to enhance the understanding and implementation of the values, formed initially in 2011.

The implementation of the values since they had been introduced in 2011 becomes an interesting point of the discussion in this study.

Questions discussed in this paper comprise: (1) "How Perum Jamkrindo implement its values internalization?", and (2) "How the 'hypothetical' model helps that implementation?"

2. Literature View

A. Organizational Culture

Organizational culture consist of the shared values and beliefs that give members of an organization meaning and provide them with rules for behavior (Mathis and Jackson, 2011) ^[7]. Culture capture the essence of an organizations social customs

and norms of behavior (Wellman, 2009) ^[10]. Culture is the way of being of the organization-its character or personality (Anderson and Anderson, 2010) ^[11]. Corporate culture is a soft, holistic concept with, however, presumed hard consequences. Organizational culture reflects "what is valued", the dominant leadership style, the language and symbols, the procedures and routines and the definitions or success that make an organization unique (Harorimana, 2010) ^[5].

B. Why culture is important?

Culture is a frame within which organization operates and the lens through which we view the organization (Balzac, 2011) ^[2]. Culture becomes a foundation for organizational communication and inter-understanding (Martin and Terblanche, 2003) ^[6].

Future management is a high innovation management to win the competition that can only be done by focusing on three main aspects: corporate culture, leadership and competence (Hamel and Breen, 2007) ^[4]. Leadership style can affect the organization performance indirectly through the organization culture (Ogbonna and Harris, 2000) ^[9].

C. The Effectiveness of organization, group, and individu

The success or effectiveness of organization rely on the success/effectiveness of the quality people, both individual and group, in organization (Gibson, 2009) ^[3] who are not only capable ("can do" something), but also have to have commitment ("will do" it) and connectedness ("must do" it) all across the organization (Mattone, 2012) ^[8].

3. Research Method

The study used descriptive and narrative approach supported by interview, involving the President Director of Jamkrindo, Director of HRM and Compliance, Head of Division and

Managers of HRM, Corporate Secretary (Head of Division and managers), and all divisions representatives of Jamkrindo. Secondary data were obtained through literatures studies, management reports, and published documents of the company.

The focused group discussion was conducted to discuss the implementation of the values and the proposed “hypothetical” model to support the internalization of the values.

4. Result and Discussion

Core values/culture of organization should then be embedded as attributes in all members of organization and reflected in their behaviors and real actions to realize organizational vision, missions, objectives, and goals. The implementation of organization values/culture is basically aim at encouraging people to be aware of and deeply understand the values, and consequently behave accordingly.

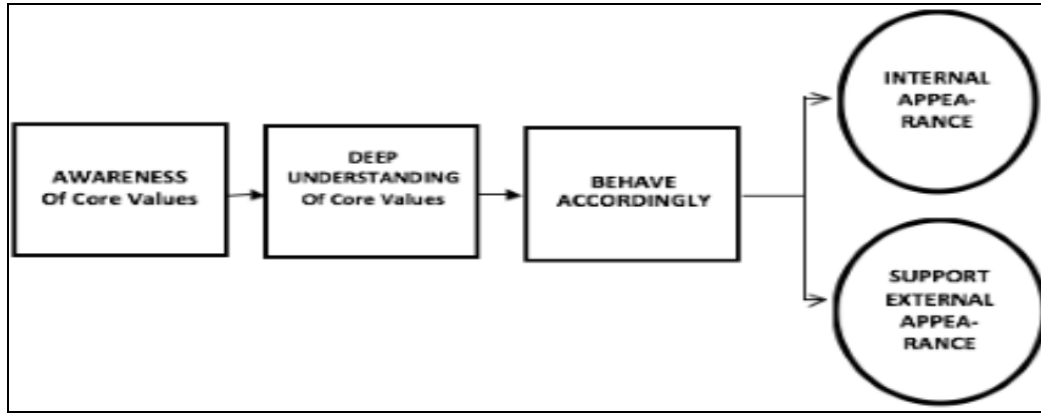


Fig 1: Model Awareness, Understanding and Behavior

A. Jamkrindo at a Glance

The vision of Perum Jamkrindo is to "Become a Leading Guarantee Companies that Support the Development of National Economy". The company’s vision outlined in mission known as Tridharma Jamkrindo as follows

- **First Dharma**

Doing underwriting business activities for the development of SMEs (Small Medium Enterprises) and cooperatives.

- **Second Dharma**

Providing comprehensive services and quality.

- **Third Dharma**

Provide benefits to stakeholders according to the principles of sound business.

The linkage between the vision, mission, and the values of Perum Jamkrindo is described in the following Figure 2.

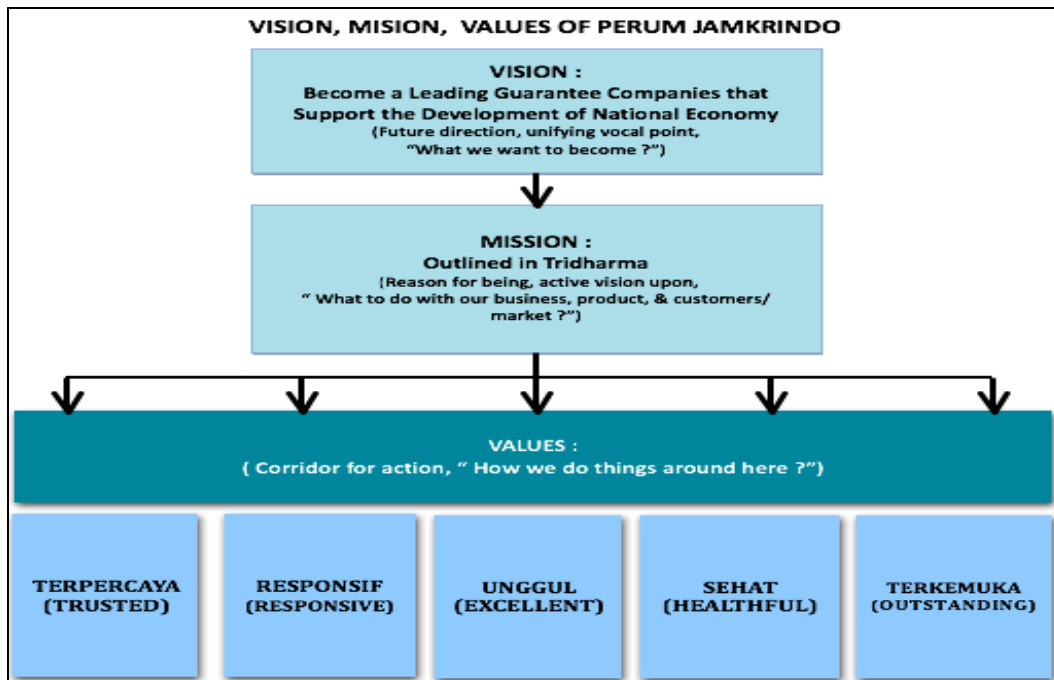


Fig 2: Vision, Mision, Values Perum Jamkrindo

During the last 6 years Perum Jamkrindo has shown relatively sound financial performances in total assets, equity, and net profit (Figure 3, in trillion Rupiahs). The strategic plan of Perum Jamkrindo shows its roadmap during 2014-2015, 2016-

2017, and above 2018 (Figure 4). Perum Jamkrindo expect that by the end of 2018 all people of Jamkrindo "lives" its core values.

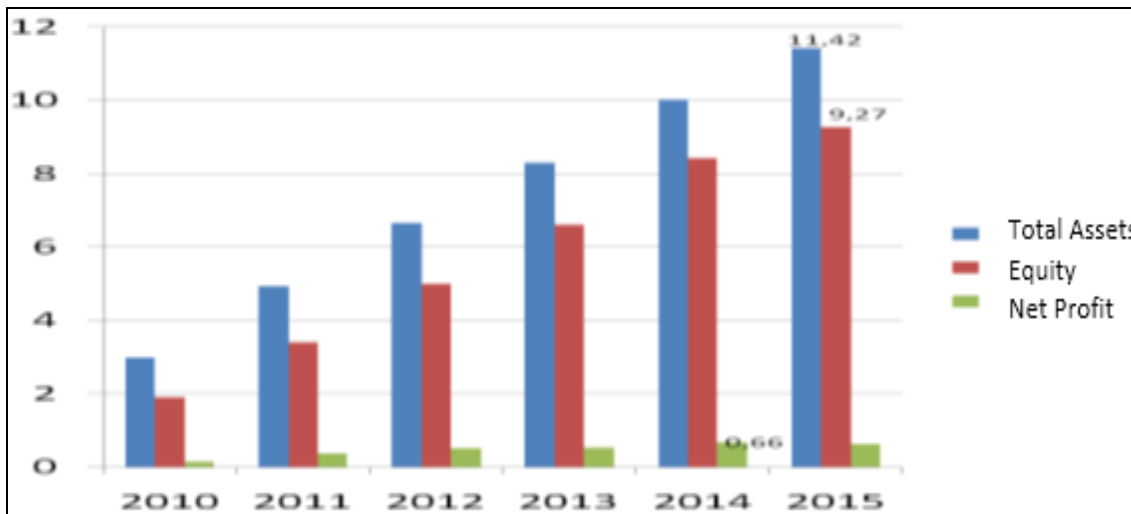


Fig 3: Main Financial Data of Perum Jamkrindo



Fig 4: Roadmap of Perum Jamkrindo 2014-2018

B. The implementation of the values

The implementation of the values “TRUST” of Perum Jamkrindo is divided into four steps: (1) enhancement of understanding of the values, (2) internalization of the values, cultivating the values in the forms of accordance behaviors that reflect the values, (3) externalization of the values, and (4) forming the culture as a brand image. The internalization is a key point for the members of organization and the people outside the company, who will view and perceive whether or not Jamkrindo people behave and act accordingly (i.e. “lives” or reflect the values), with in turn, to some point, branding their image.

To support the first and the second steps, Jamkrindo defined what “TRUST” is all about and what main or key behaviors are related with each component or element of “TRUST”. Jamkrindo also realized that the company requires change

agents to support the implementation of “TRUST”. With 4 Directorates, 18 Divisions at Head Office, 56 Branches, and 10 Supporting Offices and more or less 1200 employee (organic and nonorganic, as of early 2016) all over the country, Jamkrindo is well aware it needs to appoint the change agents.

The change agents (CA) are those who will be playing the roles as facilitators, catalisators, motivators, and problem solvers in the implementation of “TRUST” (Figure 5). The CA should be across all divisions, managers, and employees levels. Head of Division of HRM and Corporate Secretary are CA known as the Change Management Team (CMT). The other head divisions and branch managers are CA called the Change Champion (CC). All the managers and selected employees (senior employees) under all divisions and branch managers are called CA.

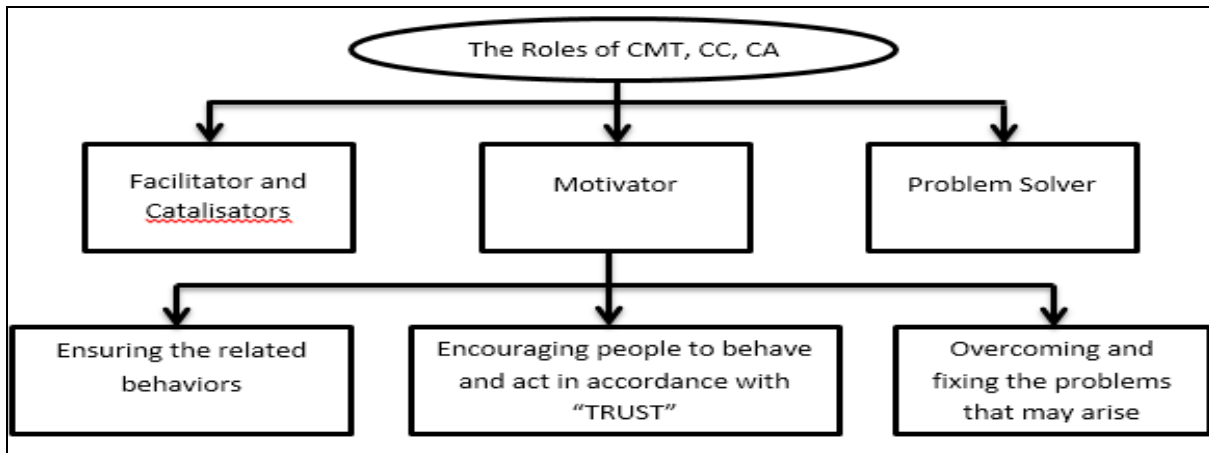


Fig 5: The Roles of CMT, CC and CA

To be fully understood by all of the employees of Perum Jamkrindo, the core values "TRUST" are first defined what is the meaning of each element of the values, followed then by

formulating the main behaviours related to each element of the values (Table 1).

Table 1: Core Values "TRUST", Meaning and Main Behaviors

CORE VALUES "TRUST", MEANING, AND MAIN BEHAVIOURS		
VALUES	DEFINITION/MEANING	MAIN BEHAVIOURS
1. Terpercaya (Trusted)	Always working honestly with integrity	Work sincerely and transparently
2. Responsif (Responsive)	Always be responsive to the needs of business partners and stakeholders	Act proactively, communicatively, by listening, serving, and providing solutions
3. Unggul (Excellent)	Always trying to enhance professionalism to support the achievement of company added values	Work competently, efficiently and effectively, creatively and innovatively
4. Sehat (Sound/Healthful)	Always working persistently to support good corporate governance	Work persistently and compliantly
5. Terkemuka (Outstanding)	Always providing outstanding services and achieving outstanding performances to support the company to be the market leader in the industry	Committed to quality/high performances and services

To ease the internalization of the values, with the defined meaning of each of its elements and the related main

behaviours, the "hypothetical" model of core values "TRUST" of Jamkrindo is introduced (Figure 6).

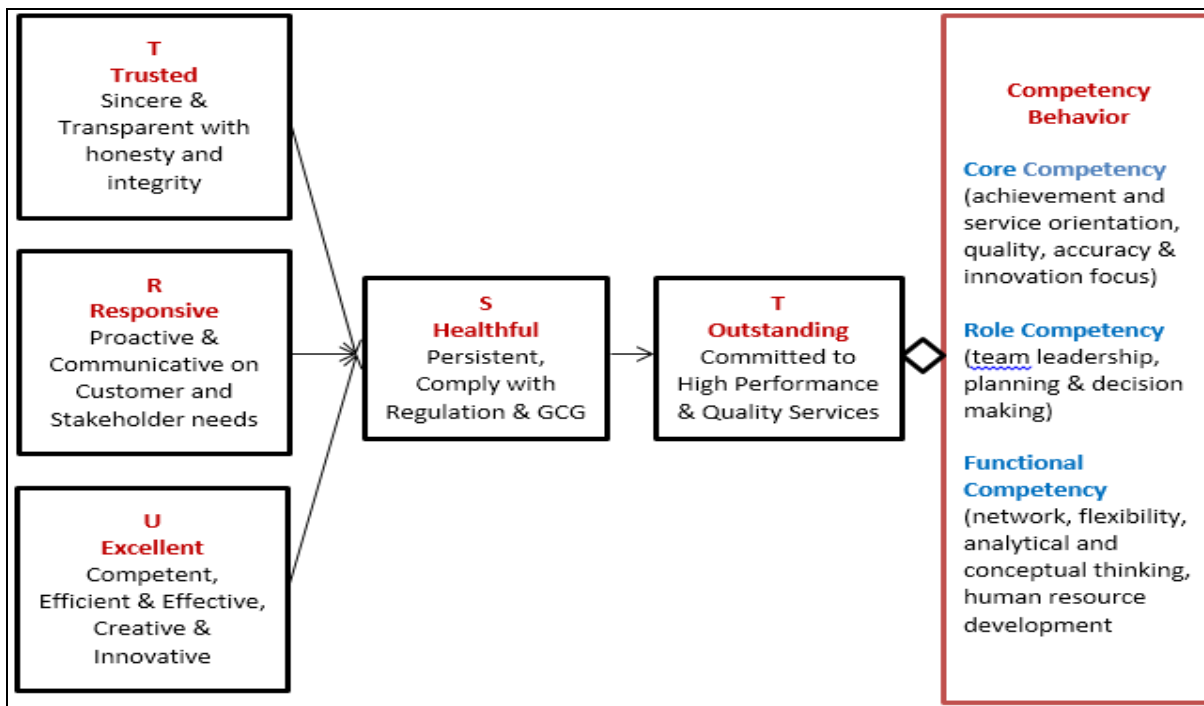


Fig 6: Model of Core Values "Trust" Of Jamkrindo Versus Competency Behavior

C. Values internalization

As a complement to the appointment of the agents of change (CMT, CC, CA in general), Jamkrindo encourages the following steps to be applied all across the company: 1) make the values “TRUST” become visible by building togetherness and warmth among all of the employees, 2) convince highly the values (become conviction), by building the pride of “living” the values and of being the members of Jamkrindo family, 3) realise the values in day to day habit, character, and citizenship behavior, 4) build solidarity spontaneously, and 5) apply step 3 as a common identity.

All those steps of internalization of the values coupled with the internal appearance of Jamkrindo employees (uniforms, way of communication & interaction among employees), will in turn support the external appearance of Jamkrindo in the eyes of its stakeholders that differ Jamkrindo with other organizations.

The proposed “hypothetical” model, in fact is considered to be helpful to provide a way of improving awareness and understanding about the values “TRUST” of Jamkrindo. The member of Jamkrindo family (all the employees) should be aware of, and deeply understand, that they are required to work sincerely & transparently, by being proactive & communicative with customers & stakeholders, and do it competently/professionally, with persistent efforts within the framework of regulations & governance, in order to achieve high performances and provide quality services to customers & stakeholders.

5. Conclusion

- a. The core values of any organization need to be defined clearly and also be formulated in its related main/key behaviors
- b. The implementation of the values requires socialization &

internalization of the values. The commitment of top management and all members of organization are required to support that implementation

- c. For the internalization of the values to be more effective, organization needs to encourage its members to make the values visible, conviction, realized (“lives”) in day to day habit, character, and behaviors as the common identity of its members
- d. The “hypothetical” model proposed/

Introduced in this study appears to be helpful for Jamkrindo to enhance the awareness and understanding of its members/employees regarding the values “TRUST” of Jamkrindo, that result in simplifying the internalization of the values.

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