

## Competence Improvement of Bank Marketers in Paninbank South East Sulawesi Area

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### -----ABSTRACT-----

*The competence taken in this research is a strategy developed by PaninBank of Southeast Sulawesi area in improving marketer performance mainly in the field of funding, in which there is a great tense of business competition, so that it is necessary for competent and survived marketers for any challenges and changes. Digitalization era leads to easily changing all of things so that it is greatly required bank marketers with capability of providing fast anticipation on each change and immediate adaptation leading to adequate capability. Through this competence, it is expected to meet any given targets and provision standards of risk-based bank activity implementation. The competence by each marketer can be considered as one of the key factors in determining a business success or failure by the bank because an organization core puts in its human resource capability in managing the organization.*

**Keyword:** Competence.

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### I. INTRODUCTION

Bank as one of the motors in financial or business system, is demanded by all circles and all levels of community in century period. So, it can also say that if there is an absence of bank presence, this life will be meaningless and hollow, mainly in this advanced era. Uniquely, bank is an organization combining human business and financial resources to perform its bank tasks in order to serve the community demand to obtain profit for its owners. According to F.E. Perry (Vethzal, 2013 : 1), bank is a business institute having transactions related to money, accept deposits from its customers, giving funds for each withdrawal, make billing for cheque by customer orders, provide credits and or invest deposit excess until it is required for re-payment.

In the last recent years, retail banking industry is one of the fastest growing consumer industries, with its annual growth rate by 10%. No wonder there are many banks competing to win the chances. There is quite tense competition in the banking industry since there are many actors, namely b 120 banks which it is seen as too large number by many observers. A large number of banks creates greatly tense inter-bank competition and weaken local bank strengths if it is faced by regional bank competitors from neighboring countries such as Singapore, Malaysia and Thailand, as well as global banks from United States and Europe (Infobank, November 2014 edition : 66). In fact, there are still open chances for banking in Indonesia. It is not only about getting seizing customers from other banks, but it also wants to win new customers, regarding there is still low rate of retail banking penetration, namely 32%. Thus, it is necessary for any banks to obtain depth understanding towards its customers so that the banks can understand their customer needs and preferences in order to develop “consumer centric” strategies to ensure medium and long term performance.

From inter-bank competition pattern, the biggest mainstay to win the competition is in the bank spearhead, namely the bank marketers. They are expected to understand inter-bank competition strategy, master bank products to be marketed and understand the rules and policies given by stakeholders in the banking including economic growth in national and international levels (*economic outlook*). In further study expressed by MRI and Sinus with a theme of “*How to Convert Bank Customer from the Market’s Leading Bank?*”, there are some interesting studies, namely

**First**, it is necessary for customers to obtain trust on the bank that they use than only obtaining access to *automatic teller machine* (ATM). One of the main factors for customers in choosing bank is certainly the great number and ease access to the ATM bank machine (65%). But, the same number also expresses that the supporting factor giving encourage for them to choose a bank is the trust factor (64%). Even, there are more customers stating that they will move to other banks if they no longer believe that the bank is the best bank for them (77%).

**Second**, customers, mainly in young ages, indicate a demand for more personal supports. In a country with population under the age of 30 years old with more than a half number, these young generations are a potential to change the future markets. Because average banks have customers with the age of 35 years old. This also

indicates that these young customers do not only serve as the future growth key, but particularly also serves as the key to win the target markets. Any factors as the *key driver* for this young customer segment can be summarized in “personal service”. These factors contain focus staffs, who proactively identify customer needs, and leading to education program concerning financial management to assist the customers in term of managing their financial and making better financial decisions. Thus it is necessary for bank marketers having capability of careful analysis on the demands and seriously performing the excellence service.

**Third**, the customers in this digital era require better mobile solution than only *mobile apps*. Though all customers are the *online* ones through their cellular phones, there is only 20% of *e-banking* customers, such as *short message service (SMS) banking*, *mobile banking* and *mobile internet banking*. Main bank customers create a gap between what they want and the digital service that they use. The answer for mobile customer life style is not only to provide *mobile apps* and a number of *e-payment*, but it is also necessary for better understanding on different customer segment digital life styles and providing more well-adjusted solution for them than only providing current services given by the banks.

In line with these issues, human resource management and development in banking industry can be considered as very critical issue so that each banker must have adequate competence based on their each skill. It is absolutely necessary for this competence in view that there will be increasingly hard challenges for bankers in the future, mainly caused by increased competition intensity requiring bank to provide increasingly complex and risked service and products. It is also caused by global factors such as the needs for an adoption of *international best practices* and this globalization era giving easiness for foreign investor access, both in capital and HR expertise aspects (*Ikatan Bankir Indonesia- Association of Indonesian Bankers*, 2013 : v).

The *resource-based* approach as known and applied by many levels aims to serve a company capability to compete and also direct a company to better long term performance so that the resources can be durable and not be easily imitated, transferred or replaced. This approach is proven to spend more funds which ultimately can be less utilized properly because it is managed by less competent people. As examples are financial and technology resources, both require great number of costs in the management, but it will be less maximum if it is managed by less competent human resources mainly technical competence.

There are also changes on the era, excluding the banking business. There are presenting new dynamics in facing business demands in the globalization era and information age today. All changes must be addressed with prudent wisdom by the national banking. Increased competence of bankers is one of the necessary things to be done. There are inevitable necessities for standardized competencies for Indonesian bankers in providing services and product offerings, as well as banking services that are increasingly sophisticated, varied and integrated. The Indonesian National Work Competency Standards (SKKNI) in accordance with 17 (seventeen) types of General Banking competency by the Banking Professional Certification Institute include: 1) Communicating in the Workplace, 2) Planning, Preparing and Conducting Sales Activities of Banking Products and Services 3) Applying Banking Transaction Standards, 5) Supervising Banking Transactions, 6) Supervising Transactions on Payment Services, 7) Implementing Basis of Transaction Process of Foreign Exchange, 8) Supervising Trade Services Transaction Process, 9) Preparing Credit Analysis, 10) Implementing Credit Administration, 11) Recommending Investment Type, 12) Monitoring Transactions in accordance with Banking Legal Aspects, 13) Monitoring the Implementation of Internal and External Regulations, 14) Using Banking Information Technology Application System / Applications, 15) Interpreting Financial Statements, 16) Banking, and 17) Making follow up for Audit Results.

Based on the above description and some important things in managing the bank business related to human resources, the problem taken in this research is “How to Improve the Competence of Bank Marketers in PaninBank Southeast Sulawesi Area?”

## II. THEORITICAL STUDY

Organization in the future will be flatter than current organization today. Traditional hierarchical relationships will be replaced by empowered networks and working groups. Everyone will easily obtain any information, in contrast to now where information is in the hands of organization’s leadership. Career will increasingly become a different assignment sequence with job title sequences representing an attempt to reach the top.

Future organization will be built around the employees. There will be little emphasis on work as an organizational main block. This means that attention will focus on the competence of people (employees), then what they bring to the job. In other words, their competence serves very important role (Veithzal, 2011: 295). We may be very familiar with the terms “competence” or the word “competent” When it is interpreted in general as skill, expertise, ability. Its basic word means as competent, of course means as proficient, capable or skilled. In the context of HR management, the term competence refers to the attributes / characteristics of a person who make him successful in his work.

In 1973, David McClelland, a professor from Harvard University (known with his *achievement motive theory*) in an article entitled as “*Testing for competence rather for intelligence*” concluded a number of researches showing that the most common used academic potential test to predict performance had no significant correlation to one’s performance. Such tests are often biased on cultural, gender, and social economic level aspects. Other measurements such as skill test and reference also present the same results.

McClelland conducted an intensive research to analyze the causes for one’s success by comparing to a group of people with better achievement, with a group of people with average achievement. The focus attention is to measure one characteristics having direct impacts on his achievement, not only general measurement on one’s cognitive ability. The characteristics are called as “*competency*” since it is greatly related to “*competence*”.

McClelland defined competence as a basic characteristic owned by a person having direct impact on or can predict better performance. With other words, competency is what *outstanding performers* conducted in more frequent period and more situation leading to better results, than what conducted by *average performers* (Veithzal, 2011 : 299).

According to McClelland, competency can be analogized as “iceberg” in which knowledge and skill form its top on the water. The underside of the water is invisible to naked eyes, but it becomes the foundation and has an influence on the shape of the part above the water. The social role and self-image are in the “conscious” part of a person, whereas one’s traits and motives are in the “subconscious” part. Here is a more detailed explanation of each competency:

- a. Knowledge: information possessed / mastered by a person in a particular field.
- b. Skills: skills / expertise do something well.
- c. Social Role: an image that is a person projects to others (the outer self).
- d. Self-image: individual's perception of himself (the inner self).
- e. Trait: a relatively constant characteristic of a person's behavior.
- f. Motives: constant basic thoughts or intentions that encourage individuals to act or behave.

At the end of the 18th century, the focus of the research was on one’s personality aspects. Various personality tests were developed to assess any correlation between one personality and success in his work. Personality aspects that are considered very diverse, but common are characters. At approximately the same time, knowledge about certain jobs has been agreed as a determinant of one's success (Veithzal, 2011: 301-302).

There are main issues considered as business issues related to human resources management within the company, namely creating competence, managing the diversity of labor to achieve competitive advantage, managing human resources to achieve competitive advantage, managing human resources to face globalization. To improve human resource competence in transformation process, there is a development activity related to the main role of new HR manager, namely as a business driver, reformer, consultant for the organization or partners, formulating and implementing strategies, talent managers, interests and leadership, and as asset manager and cost control. The main task of managers in these conditions is to direct and organize training, education and human resource development programs to be implemented within the company to improve existing competencies, including competencies that must be possessed by bank personnel.

### III. ANALYSIS TECHNIQUE

The analysis technique in this research is qualitative technique, according to Bogdan and Taylor (Sukidin, 2002 : 2), the qualitative approach is expected to be able to create a depth illustration about observable utterance, writing and or behavior of an individual, group, community, and or certain organization in certain context setting that is studied from whole, comprehensive and holistic point of view.

According to Afrizal (2014 : 13), a qualitative research is defined as a social science research method collecting and analyzing data in the form of words (oral and writing) and human actions as well as the researchers does not create any attempts to quantify or quantitative any qualitative obtained data and thus, it does not analyze numbers. Researchers using qualitative research methods require to collect and analyze any necessary numbers. However, these numbers are not the main data in the research. In a sense, quantitative data is used as a supporting argument, interpretation or research report. Meanwhile, according to Strauss & Corbin (2013: 4) qualitative research is addressed as a type of research whose findings are not obtained through statistical procedures or other forms of calculation. One of the assumptions about the phenomenon in the view of qualitative research according to Sugiyono (2013: 207), stated that the phenomenon are holistic (comprehensive, inseparable), so that qualitative researchers will not determine the research only based on research variables, but on overall social situation studied including aspects of place, actors and activities that interact synergistically.

#### IV. RESEARCH RESULTS

The establishment of PaninBank of Southeast Sulawesi area was on 18 July 2005, at which time PaninBank Kendari-A.Yani Main Branch Office (KCU) was inaugurated in Kendari. At 4 (four) years ago, Kendari Main Branch Office (KCU) started to expand its network by opening Assisted-Branch Office in Bau-bau on February 18, 2009, then it also opened again in Kolaka on November 11, 2011, followed by the opening of Golden Trade Center Cash Office GTC) on December 12, 2012. Afterwards, in 2014, there were 3 (three) Capem offices to be opened: Assisted-Branch of Wua-wua MT. Haryono on October 10, 2014, Assisted-Branch of Citra Land and Assisted-Branch of Mandonga that were opened simultaneously on November 26, 2014. Retail Banking segment operated by PaninBank in general recorded stable growth in 2014, which product development and distribution channel, such as *e-channel*, have improved customer loyalty and increase new customer base. These are inseparable from sustainable efforts by PaninBank to improve its information technology utilization and HR quality in term of providing services for the customers. Success in PaninBank consistent efforts can be seen from its realization of mission to be an excellent retail and commercial bank that can be seen in its excellent performance in 2014 namely by making growth in the Third Party Funds and credit distribution, each of which by 4,90% and 8,74%. There was 90% of fund growth that is managed in line with the credit growth to achieve efficient and wise liquidity ration (LDR).

The *e-banking* services given by PaninBank, such as *Internet Banking*, *Mobile Banking*, ATM and Business Internet services have gained positive responses from retail customers and PaninBank businesses. This could be seen in the increased transaction volume in 2014 which reached Rp. 74.9 trillion (growth of 10%). This achievement of this growth was caused by complete service features and ability to meet PaninBank customers' needs so that retail and business customers continue to make transactions through PaninBank *e-banking services*. Along with the strengthening trend towards *E-Banking (Digital Banking)*, and to meet customers' needs, PaninBank has invested in a significant number over 2014; it was addressed to build the newest *E-Banking Platform system* launched in 2015. The new *e-banking platform* to be launched to the customers is *internet banking*, *mobile banking*, P2P banking and *cash management* in international and integrated levels. An increasingly annual PaninBank's growth rate is a manifestation of the result of improved staff quality, as well as increased number of Information Technology- based PaninBank products and services, such as *Cash Management* through *Bisnet Panin* that is increasingly easier to be accessed and used by small and medium enterprises and entrepreneurs for efficiency and cash flow security and financial operations at any time and locations. Through synergy with other business units, Retail Banking customers are now able to access a wide range of financial product solutions provided by PaninBank's distribution network and branch offices including in Southeast Sulawesi.

Retail Banking strives to sustainably offer and develop products and services to meet the customer's needs and preferences, gain more value, and have ability to compete with similar products in the market. PanDollar's Business Savings and Foreign Exchange Saving are the excellent and popular products among banking customers, and contributed to the increase in PaninBank's low-cost cash portion into 52.4% in 2014.

This CASA performance reflects PaninBank's efforts to maintain an adequate level of net interest margin in fluctuative interest rates in the market as well as intense competition to raise funds for bank customers. Panin Savings through the Panin Super Bonanza lottery program is an annual flagship program of PaninBank Third Party Funds. In 2015, Panin Super Bonanza lottery program provided the biggest prize by Rp. 5 billion in addition to other benefits such as free shopping vouchers at *supermarkets / department stores* every month, free cash withdrawals and balance information in ATM ALTO and shared-ATM networks, competitive interest rates and supported by complete banking facilities including ATM, *Mobile Banking*, and *Internet banking*.

The interview results present the information that the main competence for PaninBank marketers especially in Southeast Sulawesi area is in terms of applied services; in addition, a marketer is also required to have ability in dealing with any troubled customers, such as if there is inappropriate recording transactions with customer records, swallowed ATMs in another bank's ATM machine or customer's feeling to be served in longer period by bank officers, and other problems. Every day a marketer must be ready to deal with a lot of customers from various circles, professions and characters. A marketer may have to deal with a patient and understanding client, but sometimes he may also have to deal with an irate or stubborn customer. The last mentioned problematic client can require tense thinking and emotions by a marketer. However, by obtaining competence in the field of good service, then a marketer can apply proper problem management and also can create well bank relations with customers.

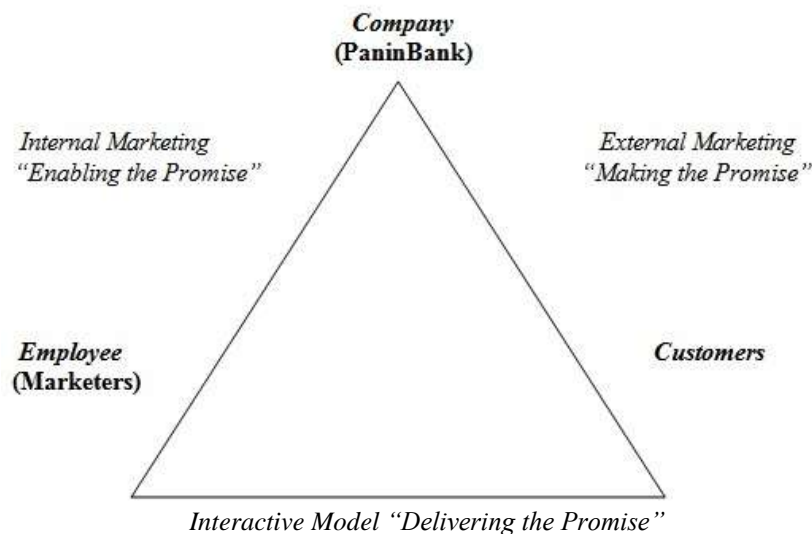
Bank customers are parties who have accounts in banks and use bank services. Bank customers are individuals, groups or companies, including those who do not have accounts but use bank services to conduct financial transactions (*walk-in customer*). There are some information records taken from the information collected from some existing *funding* customers, namely there are some marketing personnel in the field of funding having less understanding and exploring on the needs of customers in detail; there are also less ability to establish personal relationships and they give more orientation to the targets so the customer is only considered as a tool for the

marketers' target achievement. The stage of exploring needs is the stage on how marketers try to explore or investigate the real customers' need related to the bank operation. This process is also addressed to confirm that the product terms too be sold by a marketer are met; they should avoid to have less understanding that the prospect or customer does not meet the terms for the desired service or funding product. The important thing here is to avoid such an interrogation model; they should ask in a friendly manner and in a relaxed atmosphere so that customers do not feel that they are being interrogated. Marketers must offer several options and if possible, they can offer other products or services as alternatives.

Referring to this process, it is necessary for a marketer to deliver product's features and benefits in a thorough manner. The features in question are product facts and characteristics while the benefits in question are the benefits of how the products can help customers. Benefits can usually illustrate useful features. Therefore, a feature is often seen as a part of a benefit. So, in discussing with prospects or customers, a marketer can focus on the process of turning features into benefits. The most important thing in exploring customer needs by a marketer is "hearing". The ability to hear greatly affects on one's success in exploring customer needs.

Often, a marketer has less ability of offering solutions whereas the solutions are a process to show that PaninBank can meet the customer's needs or PaninBank can offer product solutions that are well-adjusted to the customers' needs. Determining alternative solutions depends on how knowledge is well-gained by a marketer.

PaninBank party becomes the provider of bank products and services that will be marketed and facilitate marketers to improve knowledge on the products and services and how to interact and serve customers in appropriate manner, while marketers as PaninBank *front office* officers / personnel is the bank spearhead that directly interact and serve customers so that the customers feel satisfied and comfortable transacting with PaninBank. Marketers must be able to represent and maintain PaninBank's image in performing daily activities both during working hours and off-hours. The *Triangle Marketing Chart* adopted from the Indonesian Bankers Association (2014) shows a triangular relationship between the Company (PaninBank), Employees (Marketers) and Customers in establishing communication; it can be seen in the following figure:



## V. CONCLUSION

Based on the discussion in this research, it can conclude that it is important for PaninBank Southeast Sulawesi area in the marketing process for funding products to prepare its marketers with related tools with any marketed products. It does not only provide product guidance, another important thing is the ability to conduct personal selling namely capability of surviving in the marketing process when there are changes on the applied technology by the bank in facing global competition.

Competency in term of understanding customers' need, understanding customers, providing *empathy* and enabling to represent the bank business is the main competence for bank marketers in running marketing activities. Competency improvement strategy must be improved and prioritized by PaninBank as an inseparable part in improving the marketing performance.

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