

## **Branch Leadership Optimization Performance in Improving The Performance of Government Banks In West Java**

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### **ABSTRACT**

**As part of finance, every bank, mostly from the government, has an important role in supporting the country's economic recovery from the crisis. The facts show that bank branches are the spearhead of bank operations which are very important in achieving bank goals. That is why every bank branch manager plays an important role in the overall success of the bank's business. The purpose of this study is to analyze several factors that support the optimization of the performance of branch managers of government banks. The results showed that the work of branch managers of state-owned banks affected the performance of Government Banks in West Java.**

**Keywords:** branch manager, optimization, bank business, bank performance

### **INTRODUCTION**

In the banking management structure, especially banks, Branch Managers are the spearhead in the realization of the bank's vision, mission, and goals. Thus, branch leaders carry the mandate of bank owners to optimize their performance. The main consideration is that the existence of a bank branch office is the leading operational unit for the bank concerned in seizing business opportunities.

Although global conditions remain challenging, market participants predict Indonesia's economic conditions in 2019 will improve. Various pressures that colored 2018 began to diminish. The global economic and geopolitical situation will further support the return of foreign capital flows into Indonesia. This condition will affect Indonesia's economic conditions. Various external sentiments include the political situation in the US after the victory of the Democratic party in the 2018 midterm elections. The strengthening of the US dollar throughout 2018 actually tends to increase the US trade deficit on China.

In addition, the tension of the US-China trade war seems to be more relaxed with the truce and domestic political pressure being experienced by Trump. After Trump's presidential political defeat, China need not rush into negotiations. From the side of the Chinese economy, the current account balance of the world's second-largest economy is expected to carve a negative number for the first time in 2019. This risks triggering the potential of China to weaken the Yuan currency.

Meanwhile, global investors suspect that the condition of the US economy has passed its peak and started to slow down although it remains fairly strong. Meanwhile, the US Federal Reserve's policy is projected to continue to tighten liquidity even though it is not as fast as 2018. "There is potential that the Fed will only need a maximum of two increases (reference interest rate) during 2019. Although external pressures are easing, Budi hopes that there will be a policy to encourage purchasing power and increasing productivity, both in the manufacturing and tourism sectors. "Optimism is based on the courage of the government to take a pre-emptive and prudent policy to differentiate Indonesia from other developing countries. However, to encourage investors to discriminate requires policies to encourage purchasing power, reforms to improve competitiveness and productivity and encourage foreign direct investment.

During 2019, the rupiah exchange rate is predicted to move in the range of 14,350 to 15,200. Conservatively, the projections have included the possibility of the dollar strengthening again by 2 percent and the ratio of cost to income commodities rose 5 percent. Commodity cost to income ratio is the ratio that projects an increase in the price or cost of imported oil compared to the export revenue from commodities

Banking liquidity is still tight this year. This trend is seen from the growth of third party funds (DPK) which is still slower than the rate of credit growth. According to the Financial Services Authority (OJK) data, the growth of bank deposits in February 2019 reached 6.57%. In the same period, bank credit growth has advanced to the level of 12.13%. In the current national economic condition, improving the performance of a bank is a dream for all parties concerned with the survival and progress of the bank concerned.

### **Formulation of The Problem**

To solve various problems that are currently being experienced by the national banking industry requires a number of separate discussions fundamentally. In this regard, the discussion here will be limited to aspects only of the need to optimize the performance of branch leaders in improving the performance of Government Banks in West Java

The limitation of this problem is based on the consideration that banking in Indonesia is the business sector hardest hit by a prolonged monetary crisis. Meanwhile, the Branch Leader as the highest leader in the branch office is very decisive to move back and forth the performance of the branch office he leads. The facts show that up to now the Branch Managers of Government Banks, in general, have not been able to realize optimal performance.

Meanwhile, the existence of banks as institutions that are strongly influenced by the parties involved, namely the government, public investors, and the business world. The Government, in this case, is represented by the Ministry of Finance, Bank Indonesia, the Supreme Audit Board, and other related institutions. Public investors, in this case, are shareholders whose shares have been listed and traded on the Stock Exchange. The business community consists of

companies in the management of financial structure and capital structure are very closely related to banking services.

### **Purpose and Research Objectives**

In the beginning, researchers tried to capture the cultural and behavioral symptoms in the banking environment, especially Government Banks, and various other problems that developed in the community illustrate the extent to which branch leaders can play a role in the hustle and bustle of the banking business that is less conducive and is now improving themselves to build a sound banking management system based on the principles of professionalism that are recognized and desirable by the banking service user community.

Based on the above thought, the researcher intends to examine and analyze the capabilities of Government Bank Branch Managers in optimizing their performance professionally while always upholding healthy business ethics. In addition, this research is also intended to identify and analyze the factors that influence the optimization of the performance of Branch Managers of Government Banks. The goal is to improve the performance of the Government Bank through optimizing the performance of its Branch Managers.

### **RESEARCH METHODS AND DATA ANALYSIS**

This research was conducted using a descriptive method based on two approaches, namely a qualitative approach and a quantitative approach by analyzing primary data collected through field research and secondary data collected through library research.

The sampling method used in field research is the classified random sampling method. From a population of 1,508 Branch Managers in a number of Government Banks spread throughout West Java, classified by region, then the results of the classification were randomly selected until 350 respondents were found as the sample of this study.

Data analysis methods used in this study include statistical methods related to regression, correlation coefficients, and coefficient of determination, to determine the relationship between organizational climate and the performance of Branch Managers, historical-comparative methods to determine the development of Government bank performance periodically, relational comparative methods for know the comparison between the performance of Government Banks, the performance of National Private Banks, and Performance of Government Banks. Besides that, a qualitative managerial analysis approach is also used to find out the relationship between Branch Leader Performance and motivation for success, organizational climate, level of knowledge, ability to negotiate, and academic potential of Branch Managers.

The research and study period is 6 (six) months from May 2018 to October 2018. The data observation period is 5 (five) years, from 2013 to 2018. The data is compared in comparative historical and comparative include data the position of public funds, the position of credit in Rupiah, the position of Rupiah liquidity, and the ratio of total assets and capital between Commercial Banks, over a period of five years.

### **ANALYSIS AND DISCUSSION**

#### **Business Conditions of Commercial Banks**

**Table 1. Development of Fund Distribution, Source of Funds and Total Banking Assets**

<b>TYPES OF BANKS</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Fund distribution</b>						
Commercial banks	4.823.303	5.468.910	5.952.279	6.570.903	7.177.549	7.431.895
Rural Banks	74.550	86.931	98.604	109.389	121.296	125.742
<b>Source of funds</b>						
Commercial banks	4.070.018	4.594.876	4.909.707	5.399.210	5.921.039	6.126.622
Rural Banks	64.001	74.594	84.728	93.622	103.874	107.799
<b>Total assets</b>						
Commercial banks	4.954.467	5.615.150	6.095.908	6.729.799	7.387.634	7.644.190
Rural Banks	77.376	89.878	101.713	113.501	125.945	130.842

**Table 2. Total Banking Assets**

<b>BANK ASSET</b>	<b>2017</b>	<b>2018</b>
BANK BRI	967,91	1.086,49
BANK MANDIRI	923,37	993,09
BANK BNI	585,16	673,84
BANK BTN	224,68	264,51
The Role of Government Banks on Banking	60,82%	61,87%
<b>Total Asset Bank</b>	<b>4440,92</b>	<b>4.877,13</b>

When compared to Private Banks, the Government Bank is more capable of absorbing funds from the public, that the amount of community funds at Government Banks has increased significantly over the past five years, up from 39% in 2013 to 48% in 2018, whereas the number of public funds raised by Private Banks actually dropped from 53% in 2013 to 41% in 2018.

Meanwhile in lending, in 2013 the Government Bank disbursed 35% for investment loans and 65% for working capital loans and in the same period, Private Banks disbursed 12% for investment loans and 88% for working capital loans. As for 2018 Commercial Bank lending has shifted slightly, namely 27% for Investment Loans and 73% for Working Capital Loans, while Government Banks channel 19% on Investment Loans and 81% on Working Capital Loans. Thus the disbursement of credit by Government Banks is not as effective as Private Banks. Credit Distribution Investment is a relatively long period of time, with large amounts of disbursement per customer, slow turnover and meanwhile changes in monetary conditions and interest rates (especially interest rates on funds) are very fast, so there is a gap between fund fertilization and loan disbursement, as well as between fund interest rates and loan interest rates. As a consequence, many business opportunities are late to be achieved by Government Banks. Here shows that the Bank's lack of expertise in seeing and anticipating business opportunities, and lack of agility in reading and responding to economic conditions that change very quickly, sometimes even difficult to predict when it comes, because more than 55% of Government Bank funds sourced from expensive funds namely Time Deposits.

Indonesian banking statistics data as of November 2018 shows the number of shed 43.17% but the total assets increased 5 (in the last five years (2013-2018)). The last total assets reached Rp8,877, 8 trillion, an increase of 9.07% compared to November 2017 which is in the amount of IDR 7,222.3 trillion At the beginning of 2019, the growth of red plate bank assets is increasing, Based on the February 2019 financial report, the total assets of state-owned banks have reached IDR 3,233.02 trillion, an increase of 11.87 % compared to the realization of the same month in 2018 amounting to Rp 2,889.89 trillion.

In detail, the largest asset is still held by PT Bank Rakyat Indonesia Tbk (BBRI), with the realization in February 2019 reaching Rp 1,179.61 trillion or growing 12.32% year on year. Followed by PT Bank Mandiri Tbk (BMRI), which scored 10.31% growth to Rp 1,036.28 trillion at the end of February 2019. Meanwhile, PT Bank Negara Indonesia Tbk (BBNI), recorded assets of Rp 718.82 trillion, up 11.33% from the previous year period of Rp 645.65 trillion. On the other hand, PT Bank Tabungan Negara Tbk (BBTN), managed to print assets of Rp 298.3 trillion.

Furthermore, for the Total Assets of the Government Bank reaching 49% of the Total Assets of Commercial Banks in 2018, while in the same position the National Private Bank Total Assets reached 36% also from the Total Assets of Commercial Banks, this is possible considering its position as a Government Bank. However, it is different when viewed from the side of Capital (including reserves and profit/loss) successfully collected/achieved by Government Banks in 2018 covering 14% or Rp. 9.8 Trillion of Total Capital of Commercial Banks, while Total Capital of Private Banks National is better than Government Banks, reaching 40% or Rp.27 Trillion. This means that the National Private Bank is more successful when compared to the Government Bank in recording profits. Even though the Total Assets owned by the National Private Bank are smaller when compared to the Government Bank, the quality of the assets of the National Private Bank is healthier / better, so that it can generate profits in a larger amount. In addition, the bank products offered by the National Private Bank are clearly more numerous and varied than those of the Government Bank. The downturn in the business of the Government Bank is not something that happened suddenly in the period 2013 - 2018, but it was the impact of the unprofessional leadership of the Government Bank Branch Office.

### **Performance Conditions of Government Bank Branch Managers**

Based on the indicators of the Government Bank business conditions described earlier, it is clear that most of the Bank's operations are in branch offices. It is clear that the performance of a Branch Leader is very instrumental in determining the back and forth of the Bank's branch office business which will ultimately have an impact on the Bank's business as a whole. Thus based on the above data, it was found that the performance of the Branch Manager of the Government Bank was not optimal compared to the National Private Bank.

To overcome the very complex problems above, the management of Government Banks can make various efforts to reform them, including by developing human resources (HR). This internal reform aims to strengthen themselves and increase resilience in the face of increasingly fierce local and global competition in the future, which means that management must be able to improve the performance of the Bank, which is preceded by an improvement in the performance of its Branch Leaders.

It must be realized that the success of the Bank's business depends more or less on the quality of the HR concerned, so it is necessary to have a highly capable Branch Manager. Therefore it is necessary to study the factors that can optimize the performance of Branch Managers as an effort to improve the performance of Government Banks in the future. Besides this good performance can also encourage increased productivity and efficiency of the Bank. Thus optimizing the performance of Branch Managers is an important part of management in realizing company goals. This is what underlies why the problem of the performance of Government Bank Branch Managers is important to be examined through research.

What is alarming is that precisely when the banking business is developing rapidly, it is not followed by a planned and well-planned cadre to fill the position of Branch Manager, as people will have a very large responsibility in managing branch offices. This situation does not appear

to have improved so far, in the sense of a better direction in preparing the Bank's future leaders. This happened, perhaps because the Bank's top leadership forgot that the Bank as a financial intermediary institution, had three main functions, namely: (1) channeling funds from savers to borrowers; (2) reducing the risk of savers, and (3) increasing economic liquidity. Several problem identifications can be identified as the causes of the poor performance of the Bank's Branch Manager, including placement to become a Branch Leader is still based on seniority.

- a. Less programmed cadre since being accepted as an employee until it's time to be entrusted with the responsibility of leading the branch office.
- b. Operational knowledge possessed is inadequate for a Branch Leader.
- c. The closeness of relations with policymakers in determining someone as a Branch Leader is still dominant.
- d. Placement of someone who is not right in accordance with the core business/problem faced by the branch office.
- e. The low motivation for success must separate from family; far in a small town and difficult to adapt to the environment.
- f. Does not have clear and transparent criteria as a requirement to become a Branch Leader. The Branch Manager does not have operational experience when becoming a junior staff.
- g. Interventions that are too strong and intense from the central office / top leadership.
- h. Branch leaders lack the ability to negotiate with customers.
- i. Shadowed by the fear of making mistakes in conducting business transactions, especially with foreigners.
  - a. Afraid of evaluating bad KPI when the branch office performance declines.
- j. Branch leaders are not given authority, so every transaction must ask for directions from the head office or regional office.
- k. Branch Managers do not have the courage to direct telephone calls with Directors in facing problems that require quick decisions.
- l. Non-competitive base income fee rates.
- m. There are too many technical requirements for customers to open an account, arguing that it will become a problem in the future when facing audits from the head office, BPK, BPKP, and Bank Indonesia.
- n. Decision approval of head office credit that is too long.
- o. An organizational climate that has not yet been conducive to creating a harmonious and conducive working atmosphere in a branch office dominated by senior employees.
- p. The attitude of the Branch Leader as a bureaucrat is more prominent than as a professional.
- q. Feeling inferior when attending face-to-face events with regional deliberations, private bankers, big businessmen because as Branch Manager does not have sufficient authority as a Branch Leader.
- r. Not ready to accept changes that are fast-paced.
- s. Lack of ability to see market opportunities

### **Factors that Allegedly Influenced the Optimization of Branch Leader Performance**

The fact shows us that in the third millennium, which was marked by the enormity of the development of human civilization, it was different from the business of the Bank, which was marked by increasingly sharp levels of competition. Although in entering the third millennium the determination to uphold justice and the spirit of non-violence is echoed, the reality of competition and efforts to fall in business with one another, including banking business, is increasingly apparent.

Performance is the level of success in carrying out the task and the ability to achieve the goals set. So that the performance is said to be good and successful if the desired goals can be achieved well (Donnelly, Gibson and Ivancevich, 2011). Robbins (2010) states that performance is also said to be a function of the interaction between ability, motivation, and opportunity so that a person's performance is influenced by job satisfaction. Satisfaction is related to individual factors, namely: (a) personality, (b) status and seniority, (c) compatibility with interests, and satisfaction in life (Greenberg and Baron, 2013), besides performance is also influenced by goals (Mondy and Premeaux, 2012).

Thus the achievement of predetermined goals is one of the benchmarks of one's performance. A study of performance found several characteristics of individuals who have high performance, namely: (a) achievement-oriented, (b) self-confidence, (c) self-control, and (d) competence (Mink, 2003). Someone who has good performance can be observed from: (a) he is not silent, but acting to do something work, (b) doing in certain ways, (c) leads to the results to be achieved so that the actual performance is factual. Thus the performance is essentially a way or someone's deeds in carrying out the work to achieve certain results. These actions include the appearance of skills through certain processes or procedures that focus on the objectives to be achieved, as well as with the fulfillment of standards of implementation and the quality of expected outputs.

Based on the identification of the problem as explained above, the performance of the Branch Manager is suspected to be optimized through efforts to increase motivation for success; friendly, conducive and communicative organizational climate; adequate mastery of knowledge and academic potential of the Branch Leader. The role of motivating success in optimizing the performance of Branch Managers. It is realized that a person's motivation depends on the strength of his motives. The motives referred to here are the needs, desires and impulses or gestures that exist in each individual (Hersey, Blanchard and Johnson, 2011). Thus the motivation of success is a condition in someone who activates or moves, so that someone who has motivation then he will (a) work hard, (b) maintain the steps of hard work, (3) have behaviors that can be controlled themselves towards important goals, so motivation includes unyielding efforts and goals. So it is also said that motivation has a rudder when they understand and want, bringing out the benefits of these goals. To be able to motivate someone, there are four things that need to be understood and done, namely, (a) learn what needs can be understood and what people cannot understand, (b) must be able to help people achieve the goals of the company's work, (c) relationships this needs to be clear, so people will know what is appropriate for the company, and (d) try to make everyone has high commitment (Lefton, 2012) or in other words motivation for success is something that moves a person to act in a certain way or at least - lack of developing certain methods as a form of someone who has a high motivation for success (Hodgetts, 2012). With this understanding, it can be stated aspects that are contained in the motivation of success, namely: (a) tends to be responsible for job, (b) likes to discuss challenging cases, (c) wants better achievement, (d) likes to solve problems, (e) happy to receive feedback on the results of his work, (f) happy to compete to achieve optimal results, (g) happy to discuss difficult cases, and (h) do everything in a way that is better than others.

The role of organizational climate in optimizing the performance of Branch Manager. Organizations are a place where a group of people who work together in a job for a common purpose (Schmerhorn, Hunt and Osborn, 2000) and other opinions say that the organization as a group of people who work together in a structured and orderly vehicle to achieve a set of goals (Griffin, 2015), and Robbins (2015) complements by stating that the organization is a

social unit that is consciously coordinated with a relatively identifiable boundary, which works on the basis of a desire to achieve goals.

Thus the organizational climate is a set of work environment characteristics that are assessed directly or indirectly by every employee, which is considered to be a major force in influencing a person's behavior (Gibson, Ivancevich and Donnelly, 2014). Relevant to the opinion above Poole also said that the organizational climate is a collective picture of a general nature about an organization or a part that shapes the expectations, feelings of its members and also the performance of the organization (Littlejohn, 2013). Thus it can be concluded that the organizational climate is a characteristic that influences the behavior of people who are in the organization with indicators of organizational climates, among others: social relations are characterized by (a) communication, (b) supervision, (c) cooperation, and (d) task clarity; work environment includes, (a) physical environment, (b) work interactions, and (c) work conflicts and reward systems include, (a) conformity with the level of education, work experience and appearance, and (b) superior policy.

The role of knowledge in optimizing the performance of Branch Managers. Knowledge as a source of answers to various problems that arise in life. Knowledge is essentially what we all know about certain objects, including science, art, and religion. Knowledge is a treasure of mental wealth that directly or indirectly contributes to enriching our lives. Therefore knowledge is a source of answers to various questions that arise in life, each type of knowledge basically answers certain types of questions asked.

While other viewers say that knowledge is information that can change something or someone, along with it can also lead to action or something that can make an individual or institution able to perform a different action more effectively (Drucker, 2000). From a narrower understanding mentioned that knowledge as an understanding of concepts, theories in the realm of different subjects and general cognitive abilities such as conditions, plans, and problem-solving (Woolfolk, 1998).

Meanwhile, according to Bloom (2000) knowledge can also be interpreted as a behavior and situation test that is emphasized on remembering, knowing or digging an idea, material or phenomenon. Knowledge is all that humans know about a particular object. Therefore it is sometimes also said that with knowledge will make humans as unique creatures on earth, that is, creatures that can have other goals in their lives than just maintaining their survival. Based on the description above, through the mastery of good knowledge can help someone to answer or solve all problems that arise in life.

The Role of Negotiation Ability in optimizing the performance of Branch Leaders. Ability is knowledge influenced by talent (cognitive) and one's skills (Robbins, 2014). Ability can be interpreted as the capacity of individuals to carry out tasks related to work. something mental or physical (Gibson, Ivancevich and Donnelly, 2002). Thus this ability can be both mental ability and physical ability. Basically, every human being wants to work better, so he also hopes that everything can run well and avoid failure. Therefore a Branch Manager must-have skills or abilities in negotiations so that effectiveness and skills in the organization will not be separated from how to communicate it. The negotiation process will stick when both parties are satisfied because they reached an appropriate agreement. Furthermore according to Cohen (2000) that negotiation is based on the process of two groups or between individuals, the process between two individuals, between two groups and between two organizations. Negotiation can also be a process of a project or a task that encourages to work together to reach an agreement. From



some of the above opinions it is clear that from various opportunities a Branch Leader is expected to be able to negotiate, which he must also be able to make himself a good negotiator, as Hortman said (2007) and furthermore said how well a negotiator's size depends on the extent to which they are able to adapt themselves to negotiations. Thus a person's skills in negotiating to depend on technical knowledge, negotiation strategies, and techniques. Motivation, self-confidence, maturity, and experience of a negotiator are often important factors in reaching an agreement.

The role of Academic potential in optimizing the performance of Branch Managers. According to Termen that intelligence is the ability or ability of someone to be able to think abstractly, whereas according to Goddard, intelligence is one's experience to solve problems that are directly encountered and to anticipate problems that will come (Harrison, 2002). Furthermore, there are also those who define intelligence as the totality of a person's ability to act with specific goals, think rationally, and deal effectively with the environment (Lefton, 2003). So with intelligence is one of the factors that distinguish between one human being with another human being, because intelligence is a combination of human traits (Sprinthall and Sprinthall, 2002), and to measure a person's intelligence level is not enough just to be measured by specific abilities alone, because humans essentially have 120 capabilities with three dimensions, namely: (a) the dimensions of content, (b) dimensions of operation, and (c) dimensions of products (Aiken, 1997). The opinion above is complemented by Gardner who argues that human intelligence consists of seven dimensions, namely: (a) logical-mathematical intelligence, (b) linguistic intelligence, (c) musical intelligence, (d) kinesthetic intelligence, (e) spatial intelligence, (f) interpersonal intelligence, and (g) intrapersonal intelligence (Woolfolk, 1998). Thus it can be concluded that the intended academic potential is part of the intelligence resulting from the development of all functions of the human brain, a combination of human traits that includes language skills, mathematical logic and reasoning that are utilized in order to be able to think and act in a directed manner, as well as to process and master their environment in a way active.

## **THEORETICAL FRAMEWORK**

### **Relationship Between Success Motivation and Branch Leader Performance**

Motivation for success is something that comes from within a human being which is an impetus, gives power, activates or drives and directs behavior to achieve goals accompanied by a willingness that is measured through goals, self-confidence, competition, pride, willingness to accept assignments, responsibilities responsibility, feedback and willingness to face risks, while performance is the level of success in carrying out the task and achieving the goals set indicated by the ability, work results and behavior that are carried out efficiently and effectively.

### **Relationship Between Organizational Climate and Branch Leader Performance**

Organizational climate is an organizational characteristic that is felt by employees in the work organization. The atmosphere in this context is the integration of all sub-systems, both employees and employees, employees with the system, employees with superiors, branch managers with headquarters, and employees with the physical environment at work. If the process of integrating all the components is handled well, then the employee or Branch Manager will feel the calm and comfort in working. Mimic work is not something that is created suddenly but is created by managing all subsystems in the organization, while the performance of branch leaders is the level of success in carrying out the tasks and achieving the goals set so that the necessary organizational climate or work climate is needed. conducive and supportive.

### **Relationship Between Knowledge and Performance of Branch Leaders**

Knowledge is the result of a reconstruction of experience (empirical) that has been seen, heard, and felt. Knowledge is still raw material that can be built, systemized, processed according to scientific understanding so that it can give meaning. Knowledge can also be a product of thinking in which it can act as a torch and cement in civilization, as well as being a behavior and situation test that emphasizes remembering, recognizing or exploring an idea, material or phenomenon. Efforts to increase this knowledge can be achieved through coaching through clear career development planning, which is well programmed, including mutations between organizational units, providing education and training that is well structured and directed, so that before being assigned as a branch leader has mastered the theoretical and practical knowledge adequate banking. While the performance will show optimal results if the tasks carried out in accordance with expertise and skills. So that this performance is all behavior that is displayed based on scientific values or knowledge, whether obtained through education, training or operational experience in banking practice.

### **Relationship Between Negotiating Ability and Branch Leader Performance**

The ability to negotiate includes the ability to be a reliable communicator, to be able to observe and read other people's thoughts, and have the ability to think for themselves quickly. The quality of communication skills can be measured by the extent to which we and the other party understand achievement: a counteroffer and ultimately leads to an agreement. Negotiators must be skilled, usually have good performance, have confidence. and has the power, and must be deceived to (a) plan, (b) act with integrity, (c) think clearly, even under pressure, (d) use good judgment, (e) listen, (f) have empathy and (g) communication. While performance is the level of success with certain standards in order to achieve predetermined goals with full responsibility.

### **Relationship Between Academic Potential and Branch Leader Performance**

Academic Potential is a person's potential in using thinking skills that include verbal reasoning, quantitative reasoning, visual reasoning, so this academic potential is part of the intelligence that results from the development of all functions of the human brain, a combination of human nature that includes language skills, mathematical logic and reasoning, which are utilized in order to be able to think and act in a directed direction, and be able to actively manage and control the environment. Potential in managing a bank's business life is widely used mainly for rational interests, while the performance of branch leaders is the level of success in carrying out tasks and achieving the stated goals shown by ability, task results and behavior, with indicators of ability in planning, organizing, implementation and supervision, so that the Bank's performance can be optimized and can run effectively and efficiently.

## **RESULTS**

From the results of the study above, it was found that 65% of branch leader performance can be optimized through increasing motivation of success, creating a conducive working climate in the organization, providing knowledge and training of Bank operations, increasing the ability to negotiate with customers and increasing the ability of academic potential, while the rest that is, 35% can be influenced by other factors that I haven't examined. Basically, Bank performance is crucial for the survival of the Bank. Without being able to optimize its performance, it is not possible for the Bank to produce quality and competitive service products. Performance optimization has positive implications for the Bank, namely the production of Bank products that are of optimal quality and at competitive rates. In addition, performance optimization also has positive implications on the lives of employees personally

in the form of rewards and adequate welfare in accordance with the increase in pres- ducts. The above proposition provides a special room for efforts to improve performance through: Furthermore, based on data analysis using SPSS aids, the results of the study can be explained as follows.

### **The Relationship Between Success Motivation and Branch Leader Performance**

There is a positive and significant relationship between motivation for success with the performance of branch leaders, in other words, the higher the motivation for success of branch leaders, the stronger the drive to optimize performance (regression equation  $Y = 20.51 + 0.37 X3$ ). The strength of the relationship is indicated by the correlation coefficient  $r_{y1} = 0,64$  ( $r_y = 0.01$ ); the coefficient of determination of  $r^2_{y1} = 0.41$  means that 41% of the variation in branch leader performance can be determined by the motivation of success. This means that to optimize the performance of branch leaders can be done by increasing the motivation of the success of branch leaders through

- (1) Increased internal drive and external drive. Internal encouragement is in the form of conscience of desires, beliefs itself and accompanied by hard efforts to succeed, while external impulses are in the form of environmental influences and expectations.
- (2) Awaken the conscience to encourage the drive to excel.
- (3) Bank business opportunities and difficulties.
- (4) Learn and explore the goals and objectives of the branch office business.
- (5) Work methods need to be refined and adjusted to the conditions in the field by always working as effectively and efficiently as possible.
- (6) Apply the appropriate strategy in approaching and seizing market share
- (7) It is not easy to complain about the target given by the head office.
- (8) Avoid dependence on subordinates, especially when handling corporate customers.
- (9) Get used to living in a competitive atmosphere.
- (10) Be ready to accept criticism from customers or criticism that builds on subordinates.

### **Relationship Between Organizational Climate and Branch Leader Performance**

There is a positive and significant relationship between organizational climate and branch leader performance, in other words, the better the organizational climate of the branch leader, the more opportunities for optimizing performance (regression equation  $Y = 15.41 + 0.42 X3$ ). The strength of the relationship is indicated by the correlation coefficient  $r_{y1} = 0.41$  ( $r_{y2} = 0.01$ ); the coefficient of determination of  $r^2_{y1} = 0.17$  means that 17% of the variation in branch leader performance can be determined by the organizational climate. This means that efforts to optimize the performance of Branch Manager can be done by increasing organizational climate by:

- (1) Create a conducive organizational climate and environment, which encourages subordinates to perform according to their interests and abilities.
- (2) Realize that the organizational climate can also be determined by the social relations of people in the organization.
- (3) Realize that the organizational climate will be influenced by the condition of the room, spatial planning, and office equipment, as well as the social interaction that is built in it, as well as the reward system.
- (4) Creating an organizational climate.
- (5) Realize that the organizational climate will be influenced by the condition of the room, spatial planning, and office equipment, as well as the social interaction that is built up in it, as well as the reward system.
- (6) Creating the organizational climate is the responsibility of the leadership because every policy taken by the leadership will affect the organizational climate.

- (7) Requires clarity of duties, reward systems, and treatment of employees will affect the organizational climate.
- (8) Creating a conducive work climate can affect one's inner mood at work. A good inner atmosphere will determine the willingness of time and mind to learn and accept new ideas.

### **Relationship Between Knowledge and Performance of Branch Leaders**

There is a positive and significant relationship between knowledge and the performance of branch leaders, in other words the higher the knowledge of branch leaders, the better the performance (regression equation  $Y = 34.21 + 0.60 X_2$ ). The strength of the relationship is indicated by the correlation coefficient  $r_{y_2} = 0.66$  ( $r_{y_3} = 0.01$ ); the coefficient of determination of  $r^2_{y_2} = 0.44$  means that 44% of the variation in branch leader performance can be determined by knowledge. This means that efforts to optimize the performance of branch leaders can be done by increasing the knowledge of branch leaders through:

- (1) Creation of an education and training system that is appropriate and that suits the needs of the banking practices in which employees are placed.
- (2) Appropriate curriculum design that is accompanied by t.i.k. and t.i.u for each type of education and training and types of subjects organized by the bank training.
- (3) Selection, especially internal instructors who truly master the material and teaching methodology.
- (4) Include intern instructors in the trainer's training organized by qualified institutions.
- (5) Equip the bank's library and diklat library with books, the latest literature, magazines, scientific journals related to bank business.
- (6) Making a transparent program of career development and coaching systems, so that every employee is stimulated to advance and prepare for the highest career path.
- (7) Training or education that will be given to employees with short-term terms.
- (8) Creation of modules for independent learning about banking techniques for employees.
- (9) Giving a sense of justice in giving employees the opportunity to receive training and education.
- (10) Good preparation for employees who will be assigned tasks for operational positions, especially in branch offices, treasury, international money market, international trade.
- (11) Getting used to internal instructors uses the unit of face-to-face meetings so that they are always guided by the grid.

### **Relationship Between Negotiating Ability and Branch Leader Performance**

There is a positive and significant relationship between the ability of negotiation with the performance of branch leaders, with other words the higher the negotiating ability of branch leaders, the higher their confidence to optimize their performance (regression equation  $Y = 65.44 + 1.23 X_3$ ).

The strength of the relationship is indicated by the correlation coefficient  $r_y = 0.47$  ( $r_y = 0.01$ ); the coefficient of determination of  $r^2_{y_3} = 0.22$  means that 22% of the variation in the performance of branch leaders can be determined by the ability of negotiation. This means that to optimize the performance of branch leaders can be done by increasing the ability to negotiate branch leaders through:

- (1) Participation of all officials in the front office (including branch leaders) in training on how to negotiate properly, and if necessary accompanied by a simulation.

- (2) The inclusion of junior officials in various negotiation opportunities with customers, especially corporate and foreign customers.
- (3) Participation of junior officials in various professional and business organizations related to the bank's business.
- (4) Self-training as a resource in a various seminar or workshop opportunities, both small and large scale.
- (5) Revive or build and familiarize the existence of scientific debates that assess business development between officials with moderators of senior officials.

### **Relationship Between Academic Potential and Branch Leader Performance**

There is a positive and significant relationship between academic potential and branch leader performance, in other words, the higher the academic potential of branch leaders, the more agile in optimizing their performance (regression equation  $Y = 80,67 + 1.65 X_3$ ). The strength of the relationship is shown by the coefficient correlation  $r_{y4} = 0.59$  ( $r_y = 0.01$ ); the coefficient of determination of  $r^2_{y4} = 0.35$  means that 35% of the variation in branch leader performance can be determined by academic potential. This means that efforts to optimize the performance of branch leaders can be done by increasing the academic potential of branch leaders by:

- (1) Get a reliable and qualified branch leader who has high academic potential get used to through the feasibility test using experts so that objectivity is guaranteed.
- (2) Conduct a rigorous selection since the recruitment of new employees, and should go through due diligence in accordance with placement requirements.
- (3) The existence of this due diligence will spur employees to always prepare themselves and achievement.

### **CONCLUSION**

The results of the analysis show that Government Banks are more effective than National Private Banks in terms of raising public funds, but in terms of lending National Private Banks are more effective than Government Banks. As a consequence, there is too much idle money at Government Banks and even Government Banks experience over liquid conditions. This finding can be concluded that the head of the branch of the Government Bank is less professional in managing public funds collected in banks. This conclusion is also supported by other findings that show that although the total assets of Government Banks are greater than the National Private Banks, the Total Capital of Government Banks is smaller than the total capital of Private National Banks.

The results of the analysis also found that work motivation, organizational climate, knowledge, negotiation abilities, and academic potential of the branch leaders of the Government Bank still lacked performance. This was evident from the low coefficient of determination between these factors and the performance of branch leaders at Government Banks. Based on these findings, it can strengthen the first conclusion, namely the lack of professional leadership of the branch of the Government Bank in managing the operational activities of the Branch Office of the Bank he leads. This, in turn, has a direct effect on the overall ineffectiveness of the performance of Government Banks.

These research recommendations are particularly emphasized on the need for government efforts to build work motivation, knowledge, negotiation skills, and academic potential of Government Bank branch leaders, accompanied by improvements in the climate of Government Bank organizations in Indonesia to be conducive to efforts to improve the performance of Government Banks as a whole. The problems found in this research study should be sought to disturb them, with the hope that the business of Government Banks can recover and be managed professionally and optimally by the skilled hands of branch leaders

who have competence and high commitment to improving performance Government Banks can compete with National Private Banks, even if necessary so that Government Banks can compete with Foreign Banks operating in Indonesia.

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