

**ANALYSIS OF CORPORATE ENTREPRENEURIAL IN PT BANK X  
ENTREPRENEURIAL CULTURE AND LEADERSHIP  
CHARACTERISTIC**

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**Abstract**

*One of the significant way to improve the performance of the company is developing corporate entrepreneurship within the employees. An Entrepreneurial mindset is needed in this growing business world. Therefore, for having a good organization performance, a company also has to have entrepreneurial leaders. The author decided to measure and analyze the corporate entrepreneurial in PT. Bank X as this company is one of the biggest bank in Indonesia that very influential to the economic performance of Indonesia. author use Entrepreneurial Orientation Survey (EOS) and Entrepreneurial Leadership Questionnaire (ELQ) to measure the corporate entrepreneurial culture and leadership characteristic within directorates in PT. Bank X. This research is conducted to analyze the entrepreneurial orientation (dimensions of entrepreneurship culture) and analyze the importance of entrepreneurial leadership characteristics. Author use Entrepreneurial Orientation Survey (EOS) and Entrepreneurial Leadership Questionnaire (ELQ) to measure the corporate entrepreneurial culture and leadership characteristic in PT. Bank X within the directorates. Using those three kinds of approaches, author will find the entrepreneurship orientation implemented by employees of the directorate. And also this research finds the leadership characteristic of directorates. This research is focuses on orientation of the employee and the leaders' characteristic. This research paper contains about measuring entrepreneurial culture of PT. Bank X where developing corporate entrepreneurial within the company is a significant way to improve the company performance.*

*Keywords: entrepreneurship, intrapreneurship, EOS, ELQ.*

*Category: Corporate Entrepreneurship*

**Introduction**

In 2008, the European countries experienced another financial disaster. This trend affect the financial performance of almost every nation on the globe. Percentage level of international financial development has decreased considerably. Further result is many companies bank corrupted followed by the surge of lack of employment rate, hardship and other social issues. Therefore all of the company needs excellent human capital, develop corporate business and manage them well as the way to fix the issues.

One of the significant way to improve the performance of the company is developing corporate entrepreneurship within the employees.[2] Therefore, it is important for employees to have entrepreneurial culture in their works. It makes the company grow significantly and of course lead the company to survive the business within the market.

Looking into the economic of Indonesia, there are various ethnic group which its characteristic influence the economic system in Indonesia. This variousity is a challenge for a company that related to economic performance. This kind of company need entrepreneurial culture implemented in its employees, especially leaders. The author decided to measure the corporate entrepreneurial in PT. Bank X as this company is one of the biggest bank in Indonesia which the company performance affect the economy of Indonesia,

because this company is one of the most influential Bank owned by government.

### Literature Study

Understanding the theory of entrepreneurship involved by the broad range of opinions on identifying the theory itself. According to Murray (1938), entrepreneurship is a powerful procedure designed and handled by an personal (the entrepreneur), which aims to manipulate financial advancement to make new value in the marketplace. An entrepreneur is a person, who has entrepreneurial mind with a powerful need for accomplishment.

According to Howard E Haller (1992), intrapreneurship is the use of entrepreneurial methods within a qualified company or company which allow workers to become Intrapreneurs (or corporate entrepreneurs) within the company. The employee/intrapreneur can use their creativeness and impressive concepts to make for their company new products, solutions or new entire departments for the company with the complete support of the company's resources.

Relating to the corporate, there is culture to be implemented by the employees in order to sustain performance. For the definition of corporate culture itself, culture defined as set of norms, knowledge, values and rules that are used by humans to understand the environment and are used to actualize his behavior and can be used to create things for his or her purposes.[3] regarding to corporate culture, It might say that corporate culture are The values and behaviors that determine how a company's employees and management interact and handle outside business transactions. Often, corporate culture is intended, not expressly defined, and develops organically over time from the collective attributes of the people the company hires.

In accordance to Thornberry (2006)[1]. There are 9 dimensions that used to measure the entrepreneurial orientation by using Entrepreneurial Orientation Survey (EOS):

1. Strategic planning
2. Cross-functionality
3. Support for new ideas
4. Market intelligence

5. Risk aversion
6. Speed
7. Flexibility
8. Focus
9. Future

Thornberry (2006)[1] also described two types of leader depending on their role, they are activist and catalyst. Thornberry also separates it into four types of leader depending on their focus:

1. Miners
2. Explorer
3. Accelerator
4. Integrator

### Methodology

This research is use descriptive quantitative method as the way for data collection. Data collection represent the situation that implemented in the directorates of PT. Bank X. Therefore, at the end, data procesing and quantitative analysis draw conclusions for this research. The data collection method is divided into two groups, there are primary data and secondary data.

The primary data gathered by distributing 2 types of questionnaire. First is the Entrepreneurial Orentation Survey (EOS) which spread into the practitioner employee that contribute in purposed directorate. Second, the Entrepreneurial Leadership Questionnaire (ELQ) which spread into the managerial staff that contribute in managing jobs in the purposed directorates. The author decided that the questionnaire is distributed into 6 directorates in PT. Bank X. The author decide to distribute the EOS & ELQ into the following 6 directorates because the 6 directorates is enough to represent the main structure of organization in PT. Bank X. The choosen 6 directorates of PT. Bank X are:

1. Finance & Strategy
2. Technology & Operation
3. Micro & Retail Banking
4. Compliance & Human Capital
5. Treasury, Financial Institution, & Special Asset Management
6. Risk Management

Author decided to has 90 people that work as the managerial staff in 6 purposed directorates to be the respondents. The managerial staff consists of 36 group heads, 1 culture specialist,

1 chief economist, and 52 supervisors are given the Entrepreneurial Leadership Questionnaire (ELQ). Author choose these staff because each role has a job to lead teams with direction from the higher manager.

Author decided to has 90 people that work as practitioner employee in 6 purposed directorates to be the respondents. Practitioner employee are the people who work as the direction of their manager. The practitioner does not manage or supervise any other employee. The practitioner consists of clerk, teller, call center operator, etc. The questionnaire is randomly distributed to the practitioner employee.

Total of all respondent is 180 respondents, consists 90 ELQ respondents and 90 EOS respondents. The EOS questionnaire is as a survey to measure and know the entrepreneurial culture in each directorate of PT Bank X. The conclusion will be drawn from this survey from the existing 9 entrepreneurial dimensions (Thornberry,2006). The average score, related to the EOS grade, capture the strength and the weakness of entrepreneurial orientation in the directorate.

TABLE 3.1 Grade Classification of EOS value

Value	Grade
1,0 – 1,8	Very Bad
1,81 – 2,6	Bad
2,61 – 3,4	Lack
3,41 – 4,2	Good
4,21 – 5,0	Very Good

ELQ consist 4 styles of leaderships that can be identified from the survey. Thornberry (2006) added another variable which is the general entrepreneurial leadership as the combination variables from those 4 types of leaderships. To identified the style of the directorate is by calculate the gap between the average of importance score and the average of frequency score.

The secondary data gathered from books, similar research, various literatures, internet, and some information gathered from Learning Center Group of PT. Bank X.

## Data Analysis

### Entrepreneurial Orientation Survey

In this section, author measure 9 main dimensions - that mentioned in chapter 2 - of entrepreneurial culture in the 6 purposed directorates. From the Entrepreneurial Orientation Survey that gathered from respondents in Finance & Strategy directorate, the data result as shown below

TABLE 4.1 Finance & Strategy EOS Result

Strategic Planning	3,08
Cross-functionality	3,49
Support For New Ideas	3,61
Market Intelligence	3,67
Risk Taking	2,66
Speed	3,63
Flexibility	3,03
Focus	3,64
Future	3,61

Based on the data, Finance & Strategy directorate has the highest score in Market Intelligence dimension with average score 3,67. The directorate has the lowest score in Risk Taking dimension with the average score 2,66. Related to the Grades for Dimension of Entrepreneurial Orientation Survey, it shows that Finance & Strategy directorate's has a "good" grade of the entrepreneurship culture.

From the Entrepreneurial Orientation Survey that gathered from respondents in Technology & Operation directorate, the data result as shown below

TABLE 4.2 Technology & Operation EOS Result

Strategic Planning	3,19
Cross-functionality	3,81
Support For New Ideas	4,16
Market Intelligence	3,95
Risk Taking	2,63
Speed	4,17
Flexibility	3,05
Focus	3,82
Future	3,99

Based on the data, Technology & Operation directorate has the highest score in Speed

dimension with average score 4,17. The directorate has the lowest score in Risk Taking dimension with the average score 2,63. Technology & Operation also reach score 4 in Support for New Ideas dimension, with average score 4,16. Eventhough, related to the Grades classification, both Speed and Support for New Ideas are not classified as “very good” grade, the employees’ entrepreneurship orientation should become a reference to another employee.

From the Entrepreneurial Orientation Survey that gathered from respondents in Micro & Retail Banking directorate, the data result as shown below

TABLE 4.3 Micro & Retail Banking EOS Result

Strategic Planning	3,09
Cross-functionality	3,63
Support For New Ideas	3,87
Market Intelligence	3,84
Risk Taking	2,53
Speed	3,87
Flexibility	3,13
Focus	3,57
Future	3,43

Based on the data, Micro & Retail Banking directorate has the highest score in both Speed dimension and Support New Ideas dimension with both average score are 3,87. The directorate has the lowest score in Risk Taking dimension with the average score 2,53. Related to the Grades for Dimension of Entrepreneurial Orientation Survey, it shows that those dimensions of entrepreneurship culture has a “good” grade of the entrepreneurship culture. Eventhough both strategic planning and flexibility score are more than 3, related to the grade classification, The directorate still lack of these dimensions for the entrepreneurship orientation.

From the Entrepreneurial Orientation Survey that gathered from respondents in Compliance & Human Capital directorate, the data result as shown below.

TABLE 4.4 Compliance & Human Capital EOS Result

Strategic Planning	2,87
Cross-functionality	3,40
Support For New Ideas	3,33
Market Intelligence	3,53
Risk Taking	2,72
Speed	3,60
Flexibility	3,00
Focus	3,40
Future	3,40

Based on the data, Compliance & Human Capital directorate has the highest score in Speed dimension with average score are 3,60. The Compliance & Human Capital directorate has the lowest score in Risk Taking dimension with the average score 2,72. There are five dimensions: Cross Functionality, Support for New Ideas, Flexibility, Focus, Future which also have a lack of entrepreneurial orientation by looking at the scores that still not reach the “good” grade, which is less than 3,41.

From the Entrepreneurial Orientation Survey that gathered from respondents in Treasury, Financial Institution, & Special Asset Management directorate, the data result as shown below.

TABLE 4.5 Treasury, FI, & Special Asset Management EOS Result

Strategic Planning	3,05
Cross-functionality	3,59
Support For New Ideas	3,69
Market Intelligence	3,80
Risk Taking	2,50
Speed	3,93
Flexibility	3,19
Focus	3,84
Future	3,64

Based on the data, Treasury, Financial Institution, & Special Asset Management directorate has the highest score Speed dimension with average score 3,93. The directorate has the lowest score in Risk Taking dimension with the average score 2,50. With such a score related to the grade classification for EOS, Treasury, Financial Institution, & Special Asset Management directorate’s entrepreneurship culture is “bad” classified in Risk Taking.

From the Entrepreneurial Orientation Survey that gathered from respondents in Risk Management directorate, the data result as shown below.

TABLE 4.6 Risk Management EOS Result

Strategic Planning	3,13
Cross-functionality	3,68
Support For New Ideas	3,79
Market Intelligence	3,67
Risk Taking	2,73
Speed	3,88
Flexibility	3,08
Focus	3,48
Future	3,60

Based on the data, Risk Management directorate has the highest score in Speed dimension with average score 3,88. The directorate has the lowest score in Risk Taking dimension with the average score 2,73. Eventhough both strategic planning and flexibility score are more than 3, related to the grade classification, The directorate still lack of these dimensions for the entrepreneurship orientation.

*Entrepreneurial Leadership Questionaire*

The author is using the ELQ survey to find about leadership style in the company related to the four types of entrepreneurial leadership in each directorate of PT Bank X. Letter "I" (important) shows how important is the behavior or the role of a manager and a division head in doing his/her job and letter "F" (frequency) shows how often the job is done. The survey is conducted to find the gap between Importance and Frequency. The lowest gap ratio is an indicator for represent the leadership style in the Directorate. The score will be classified into 3 categories: High (H), Middle (M), and Low (L).

TABLE 4.7 Finance & Strategy ELQ Result

Type		Score	Scale	Gap	Gap Ratio
General	I	30,60	M	5,40	21,43
	F	25,20	M		
Explorer	I	41,07	H	5,53	15,57
	F	35,53	H		
Miners	I	29,40	H	4,80	19,51
	F	24,60	M		

Accelerators	I	36,80	M	6,60	21,85
	F	30,20	M		
Integrator	I	55,80	H	6,40	12,95
	F	49,40	M		

The data shows that the lowest gap ratio is on the Integrator style of leadership. It means that Integrator style is the most dominant leadership style implemented in Finance & Strategy directorate. According to the Thornberry (2006), for organization that engaged in area of finance and planning, Integerator style is the most appropriate to be implemented. According to the data gathered, Financial & Strategy directorate implemented as well as the Thornberry theory.

TABLE 4.8 Technology & Operation ELQ Result

Type		Score	Scale	Gap	Gap Ratio
General	I	30,47	M	4,87	9,01
	F	25,60	M		
Explorer	I	42,73	H	7,40	0,94
	F	35,33	H		
Miners	I	31,20	H	3,47	2,5
	F	27,73	H		
Accelerators	I	40,40	H	6,07	7,67
	F	34,33	M		
Integrator	I	59,87	H	8,07	1,57
	F	51,80	M		

The data shows that the lowest gap ratio is on the Miners style of leadership. It means that Miners style is the most dominant leadership style implemented in Technology & Operation directorate. According to the Thornberry (2006), for organization that engaged in area of operational, Miners style is the most appropriate to be implemented, since the operational area of work is within the company (Internal), and need catalyst orientation at work.

According to the data gathered, Technology & Operation directorate implemented as well as the Thornberry theory.

TABLE 4.9 Micro & Retail Banking ELQ Result

Type		Score	Scale	Gap	Gap Ratio
General	I	31,93	M	4,27	15,42
	F	27,67	M		
Explorer	I	44,93	H	7,13	18,87
	F	37,80	H		
Miners	I	31,67	H	3,60	12,83
	F	28,07	H		
Accelerators	I	41,53	H	5,87	16,44
	F	35,67	M		
Integrator	I	61,80	H	9,73	18,69
	F	52,07	M		

The data shows that the lowest gap ratio is on the Miners style of leadership. It means that Miners style is the most dominant leadership style implemented in Micro & Retail Banking directorate. Since the Micro & Retail Banking is a strategic business unit of PT. Bank X, which one of the job is to build strategies to fulfill the market demand, Micro & Retail Banking Focus is to the market. According to the Thornberry (2006), Explorers is market-focused leadership. It is clearly that the implementation is not meet the theory.

TABLE 4.10 Compliance & Human Capital ELQ Result

Type		Score	Scale	Gap	Gap Ratio
General	I	31,47	M	4,20	15,40
	F	27,27	M		
Explorer	I	40,67	H	6,20	17,99

	F	34,47	H		
Miners	I	30,13	H	3,53	13,28
	F	26,60	H		
Accelerators	I	39,87	H	6,67	20,08
	F	33,20	M		
Integrator	I	59,53	H	6,33	11,90
	F	53,20	H		

The data shows that the lowest gap ratio is on the Integrator style of leadership. It means that Integrator style is the most dominant leadership style implemented in Compliance & Human Capital directorate. Compliance & Human Capital is directorate that focus to the human capital and unit. Meanwhile, according to the Thornberry (2006), Accelerators is unit-focused leadership. It is clearly that the implementation is not meet the theory.

TABLE 4.11 Treasury, FI, & Special Asset Management ELQ Result

Type	Score	Scale	Gap	Gap Ratio
General	32,27	M	3,67	1,282
	28,60	M		
Explorer	42,80	H	4,33	1,26
	38,47	H		
Miners	30,60	H	2,00	6,99
	28,60	H		
Accelerators	40,47	H	3,07	8,2
	37,40	M		
Integrator	59,60	H	5,47	1,01
	54,13	H		

The data shows that the lowest gap ratio is on the Miners style of leadership. It means that Miners style is the most dominant leadership style implemented in Treasury, Financial Institution, and Special Asset Management directorate. Treasury, Financial Institution, and Special Asset Management's job is strongly related to the Bank X condition. According to the Thornberry (2006), Integrators is enterprise-focused leadership. It is clearly that the implementation is not meet the theory.

TABLE 4.12 Risk Management ELQ Result

Type		Score	Scale	Gap	Gap Ratio
General	I	30,93	M	2,53	8,92
	F	28,40	M		
Explorer	I	38,93	H	3,93	1,24
	F	35,00	H		

**Conclusion and Recommendation**

From the Entrepreneurial Orientation Survey analysis, author found that in all 6 directorates studied, there are 3 entrepreneurship culture dimensions that lack of implementation. Those 3 dimensions are:

1. Risk Taking
2. Strategic Planning
3. Flexibility

These 3 entrepreneurship culture dimension classified as "lack" of implementation because in all 6 directorates, the scores are nothing that reach the value of 3,41. According to the PT. Bank X corporate culture, TIPCE, which emphasize some of them are Trust, Integrity, Professionalism, and Customer Focus that might create an atmosphere "rather not take the risk". And also this reason might affect the atmosphere of flexibility of the employees. And since the employees is not used to take risk and flexibility, employees are not orienting on the strategic planning. The lack of these 3 dimension also indicate the employees do not want to break their comfort zone.

High-score risk taking is not appropriate in some directorates. Financial & Strategy and

Miners	I	27,80	H	1,00	3,73
	F	26,80	H		
Accelerators	I	36,93	M	2,93	8,63
	F	34,00	M		
Integrator	I	53,73	H	3,80	7,61
	F	49,93	M		

The data shows that the lowest gap ratio is on the Miners style of leadership. It means that Miners style is the most dominant leadership style implemented in Risk Management directorate. Risk Management's area of work is within the company (Internal), and need catalyst orientation at work, according to the Thornberry (2006), for such criteria of organization the most appropriate leadership style is Miners. According to the data gathered, Risk Management directorate implemented as well as the Thornberry theory.

Treasury, Financial Institution, & Special Asset Management are well-likely to have an average value of risk taking. But they need a high-score strategic planning orientation.

From the Entrepreneurial Leadership Questionnaire analysis, author found that there are 3 out of 6 directorates are implementing the appropriate leadership style according to Thornberry (2006). The 3 directorates that meet the Thornberry's theory are:

1. Finance & Strategy : Integrators (Integrator)
2. Technology & Operation: Miners (Miners)
3. Risk Management: Miners (Miners)

The rest 3 directorates that not meet the Thornberry's theory are:

1. Micro & Retail Banking: Miners (Explorer)
2. Compliance & Human Capital: Miners (Accelerator)
3. Treasury, Financial Institution, & Special Asset Management: Miners (Integrator)

These are several recommendation from the author that might help PT Bank Ximprove the corporate entrepreneurial:

- In order to Improve the entrepreneurial culture dimension of risk taking within directorates, the company should improve the reward and punishment that emphasize the courage of risk taking. (not recommended for Finance & Strategy and Treasury, Financial Institution, & Special Asset Management.
- In order to Improve the entrepreneurial culture dimension of strategic planning within directorates, the company should improve the management training to be planning-oriented, and also conduct annual training that consist problem solving with significant reward.
- In order to reduce the comfort zone of the employees, Company should conduct annual motivation seminar lead by well-known motivator with point system that can be related into appropriate reward & punishment system.
- Micro & Retail Banking leaders colaborate more often with the employee to find a innovative way to break the market competition with appropriate reward & punishment system.
- Compliance & Human Capital Management should be more focus into units and annually regenerate the system of reward & punishment.
- Compliance & Human Capital Management leaders must have specialized motivator that work as a mentor for them to be a better internal motivator.
- The leaders of treasury, financial institution, & special asset management need to improve the integrator leadership style by more often and annually conduct general meeting to talk the current company's situation and deliver strategic plans regularly. The meeting expected to find new opportunities together between leaders and the employees.
- The leaders of treasury, financial institution, & special asset management need more cooperate with Risk Management directorate to analyze risk in order to improving the courage of risk-taking.

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