

# Antecedent of Organizational Change and Its' Consequence towards Organizational Performance

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## ABSTRACT

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Even very successful organizations need to constantly change (evolve) due to very dynamic business environment conditions (Pangarkar, 2015). An organization needs to adapt to any changes in technology, economy, demographics, regulations, competition, and consumer preferences that change rapidly (Anyieni, 2016). Dynamic changes also constantly occur in the banking industry in Indonesia. As the central institution in driving economic growth, the bank needs to be more adaptive to changes in the business environment driven by customer expectations, technological capabilities, policies, demographics, and macroeconomic conditions. Over the last ten years, competitive pressures in the industry have put pressure on the level of banking profitability and efficiency issues (Source: SPI 2019, [www.ojk.go.id](http://www.ojk.go.id)). Barquin et al. (2018) also mentioned that technology development had brought a new competitive landscape in the banking industry. Technology has provided more convenience in terms of access to the financial services that also raise concern on the relevance of old-style banking services with high reliance on the conventional branch as access. As an impact of technology development change in financial services, increasing financial technology (fintech) services have emerged another competition platform in the banking industries in recent years. Digital technology will change the competition platform in the financial services industry. If banks are not ready to adapt to the change will be exposed to the shrinking market share ([www. Economy.okezone.com](http://www.Economy.okezone.com), 2019). Fintech is expected to put more pressure on banking lending products, particularly within the retail banking segment, potentially will exist in 2025, as explained by McKinsey ([www.keuangan.kontan.co.id](http://www.keuangan.kontan.co.id), 2018). The commercial lending segment will expose to the competition due to technical support in terms of ease of access. Strong investor support to develop their market in Indonesia is expected to accelerate the change of competition landscape in the small-medium enterprise business ([www.money.kompas.com](http://www.money.kompas.com), 2019).

**Keywords:** Change, Leader, Organizational Commitment, Organizational Change, Organizational Learning, Organizational Performance