

55% of Banking Still Conservative in Fund Disbursement

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YOGYAKARTA - Four strategic typologies used by banks in disbursing funds are conservative, opportunistic, speculative and progressive. These are done by banks to respond to the change in regulatory aspects in form of company's strategic changes in business environment.

Study on 126 banks from a total of 129 banks that still exist since the crisis in 1999 found that there were many changes in typological strategy done by banks to disburse funds. In 1999, approximately 56% banks were speculative, 23% were progressive and 26% were opportunistic. Furthermore in 2000, 62% banks were progressive, 30% were progressive, 33% were opportunistic and 29% were conservative. Later in 2006 it was identified that 57% banks were conservative, 40% were progressive and 3% were speculative. "And in 2007 there were 55% conservative and 43% progressive," a lecturer of Faculty of Economics, University of Lampung, Ayi Ahadiat, S.E, M.B.A said in open examination of his doctorate at Faculty of Economics and Business, Tuesday (7/2).

Presenting his dissertation entitled *The Role of Tangible and Intangible Resources in Strategic Group Shift in the Banking Industry in Indonesia*, Ahadiyat confirmed that strategic change is influenced by the tangible and intangible resources. Tangible resources include physical resources, financial and performance of the previous year. Further, the intangible resources include technological capacity, human resources, reputation and changes in CEO.

According to Ahadiyat, physical resource has no role either as inhibitor/blocker or as a promoter in strategic change. Meanwhile, financial resources have no effect on the strategic group shift, or fail to act either as an inhibitor/blocker or as a promoter/driver of strategic change. "The performance of previous year had no effect on the strategic group shift. Meanwhile, the technological capacity influences on the strategic group shift," he said.

As for human resource, it has no effect on the strategic group shift. Meanwhile, the reputation and change of CEO influence on strategic change shift.

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