Exploring Fintech Organizational Culture: Are They Unique ?

Anita Maharani[1],Valensius Alvin Mulia[2], Cut Azyya Triatsari[3]
[1, 2, 3]Master Management, BINUS Business School, Bina Nusantara University
Jakarta, Indonesia.
E-mail: anita.maharani@binus.edu

Abstract

The goal of this research is to explore organizational culture in fintech startups. Literature of this research mainly focus on organizational culture. Method of this research, employed a qualitative research methodology, four Indonesian start-up enterprises in financial technology involved to this study. To analyse data, this research use the Analytical Hierarchal Process (AHP). According to the study's findings, social adaptability and cooperative conduct helps startups accomplish its main goal of creating a good culture. The uniqueness of this study is that it may be used to various kinds of fintech companies as an overview of the relevant organizational culture model.

Keywords: Fintech, Organizational, Culture

INTRODUCTION

The most important breakthrough in the financial services industry has been the advent of fintech. In Fintech's Evolution, how fintech develops through time in a sustainable process that produces new disruptive instances including crowdfunding, peer-to-peer lending, mobile payments, internet banking, and peer-to-peer lending (Arner et al., 2015). Due to the innovative and disruptive character of the financial services sector, many people, including financial industry managers, legislators, and consumers of financial services, have largely ignored the Fintech phenomena. The fintech industry is made up of businesses that use technology to improve the efficiency of the financial sector (Čižinská et al., 2016). While FinTech has been around for a while, it is still referred to as a startup. Startup enterprises should develop their own company culture as a competitive advantage. It is ideal to create a positive culture that employees can identify with at the beginning phases of a firm, but it is also feasible to change an existing culture. The greatest way to achieve such transformation is by having all levels of management set an example of desired conduct and by planning events that promote ongoing involvement among cross-functional workers. According to the report, having a strong culture may provide an organization a major competitive edge. Major corporations have a number of recommendations for new enterprises about the role of high-performance work system culture. The assertions suggest that businesses with a high-

performance work system culture have a higher chance of experiencing major growth, survival, capacity development, and goal achievement.

Startup companies often provide innovative or disruptive products or services; disruptive goods or services "destroy" established market structures (McQueen, 2022). The manufacturing of anything that has never been done before and is acknowledged as the outcome of some unique concept is referred to as a "innovative product" or "innovation service" (Sloane, 2006). Startup cultures, have a flexible cultural approach that encourages innovation and ideas to compete in the market (Kwiatkowski, 2016). Startups have a creative culture, and this culture may have an impact on development (Cho & Mclean, 2008). In order to be able to survive in competition, company must have ability strive in excellence (Hendrayanti & Nurauliya, 2021).

Study reveals that organizational culture comprises a wide range of components (Ginevičius & Vaitkūnaitė, 2006). Organizational culture has two components: 1) involvement, which includes team orientation, empowerment, and ability development; 2) consistency, which includes core values, approval, coordination, and integration; and 3) adaptation, which includes creating transformation, putting the needs of the customer first, and organizational knowledge. 4) Mission: Strategic Purpose, Aspiration, Goal, and Vision. Startups may be able to get advantages from their collaboration with their surroundings via interactions (Aggarwal & Wu, 2018).

Assertions about what a startup is and how it becomes a firm are emerging (Salamzadeh, 2015). Failure occurs for a variety of reasons in the part of startup problems, such as; funding required, problems in management, a lack of business knowledge, a lack of sophisticated technology, et cetera (Kusumaningtyas et al., 2021). Some reasons include the fact that many startups have a high failure rate, which means they fail at an early stage and less than one third of them also turn out to be a good company (Vesper, 1990). Then there is a tale of a successful company in the closing stages. Numerous long-lasting startups may succeed as businesses and contribute significantly to the economy (Martinsons, 2002) Hiring the appropriate personnel to look for a scalable business plan is a crucial component of company success. Dealing with employee attraction and retention in startups is a challenging task because a potential employee takes a significant risk by working for a startup – the pay is low, the benefits are few, and the possibility of losing their job and becoming involved in a failure within a short period of time can seem like a very risky option for a skilled person. The problem is that startups must have brilliant people in order to succeed, yet they often struggle to find and retain exceptional individuals. It seems that creating a corporate culture that people desire to be a part of might be essential to creating a successful business. This is why this paper finds it interesting to investigate how startup culture creation takes place.

In the startup and innovation sector, the term "Company Culture" is often used to describe how awesome it is to work for a startup in many different contexts. Younger generations seem becoming more interested in startup culture, which aspires them of greater effect while having a less hierarchical and procedural structure. It seems to be a space for

creative souls and innovative go-getters where there are no boundaries for success. Therefore, it is crucial to conduct startup research in order to understand the phenomena.

RESEARCH METHODS

The subject of this study is a new financial technology company in Indonesia. Purposive sampling and non-probability sampling were used as research strategies in this study. Purposive sampling, sometimes referred to as selective, judgmental, or subjective sampling, allows researchers to choose participants from the public based on their best judgment. Interviews conducted with four Indonesian startup companies for financial technology.

In order to meet startup firm's qualify, we interview four interviewees as each of person representing one Fintech startups, startups participated in this study had to meet the following criteria: (1) the organization must be registered as a private company (2) the startup cannot be the result of reorganizing an already existing firm in the market (3) the startups cannot have been in existence for more than five years (4) the startup must provide a novel product or service. The need must be fulfilled through new products or services. Primary data sources used in this investigation. Primary data is information that researchers directly get from original sources and analyse for research purposes (Sekaran, 2006). Participants in the research, namely those in management, i.e., decision-makers in startup firms, that suitable in providing information needed in this study.

This research use a qualitative data collection technique, which include management-level interviews at an Indonesian start-up business. We use a rigorous technique where scoring and weighting are two distinct processes in the attribute analysis process. The weight allocated increases as the parameters are measured, and vice versa. The weighting method is the AHP method, with five steps to follow: 1) researcher need to define goal and alternatives, 2) researcher need to define problem and decision criteria, 3) researcher need to asses the relative value or priority of each decision criterion, 4) researcher calculate weights of the criteria and priorities, 5) researcher analyse consistency. AHP method is suitable for this research since it will also show significant impact on objects taken in research.

RESULTS AND DISCUSSION

Before presenting the findings of interviews with interviewees, it is vital to evaluate the interviewee's history and their accountability required by this study. We receive first response from "PTR," who works for a fledgling FinTech firm that specialises in peer-to-peer financing. PTR works as a Managing Director for a startup called "FIN." He has been working in this industry for about a year and is also one of the founders of the startup "FIN." He formerly worked as a managing director for a well-known technology and computer manufacturer. Then our second response receive from "ADS," who works for a FinTech business that specialises in peer-to-peer lending. "ADR" works as a Director for a startup called "ASK." He has been working in this industry for about a year and is also one of the founders of the business "ASK." Prior to "ASK," he worked in established organisations that specialised in financial services or banking. Our third respond receives from "JHY," comes from a FinTech

company that is one of the pioneer FinTech in Indonesia, focusing on e-wallets. The position of "JHY" as a Director and has around 3 years experience and JHY is one of the founders and JHY began from managing director, Chief Operating Officer, and now director in the business called "VSI." Previous positions were held with well-established agricultural and FMCG organisations. Our fourth interviewees is "MRO" from a FinTech business that specialises in cashback incentive models. Then the last respond received from "MRO" as the CEO of the startup "CSB" with around 2 years of experience. MRO has around 4 years of experience in the Fintech business. Previous experience from one of the marketplace-focused businesses.

In the interview sessions, we first asked the interviewees eight questions, and as the process progressed, we concluded the replies and only used our first three questions and their answers as our research study, as we attempted to link the questions and answers with our research topic. The results of the interviews we performed with four financial technology start-up companies called Company FIN, Company ASK, Company VSI, and Company CSB are as follows.

Table 1. Interview and Questionaire Format

What kind of the culture that your startup company has?	Equal	Moderator	Strong	Very Strong	Extreme
Flexible					
Empowerment					
Diversity					
Intuitive decision making					
Fast changing					

The researcher discovered that there were commonalities in viewpoint among the four interviewees based on the disclosure of the findings in the table above. The following cultural aspects present in the interviewee's start-up company: flexibility, empowerment, and rapid change. Furthermore, there are cultural similarities that are very important for a start-up organisation, such as: continuous growth, discipline, and conflict management. Furthermore, the following are the commonalities between the four interviewers in terms of culture as an ideal criterion for recruiting a new member: Collaboration and social adaptability. However, there are keywords collected from the interviews of the four different informants, and this makes it intriguing to continue on to the next procedure, which is entering the AHP process. This research assesses qualities, the attribute analysis procedure begins with converting the interview data into a questionnaire, which is then rated by the four speakers. As a result, this procedure is carried out once the interview and questionnaire formats have been finished.

Table 2. Interview Summary (as summarized from interviewees)

Interviewee	Current culture in Company	Culture that absolutely necessary for start up company	Culture as an ideal criteria when hiring a new member
FIN	Flexible, empowerment, Fast changing	Continuous development	Social flexibility
ASK	Flexible, diversity, intuitive decision making, empowerment	Continuous development, Conflict management	Collaborative
VSI	Empowerment, diversity, Intuitive decision making, Fast changing	Continuous development, Discipline	Collaborative
CSB	Flexible, Fast changing	Conflict management, Discipline	Social Flexibility

What's intriguing is that when the four informants were given the questionnaire and asked to score it, they did so. The four informants ranked each of the criteria from equal to moderate, strong, very strong, and last but not least, extreme. Next, we processed the questionnaire data using the AHP Calculator, which resulted in a ranking %. As seen in the table below:

Table 3. Criteria

	Criterion	Weights (%)	Rk
1	Flexible	30	1
2	Empowerment	12	2
3	Diversity	6	9
4	Intuitive decision making	6	10
5	Fast changing	6	8
6	Continuous development	7	7
7	Conflict management	7	5
8	Discipline	7	6
9	Social flexibility	9	3
10	Collaborative	9	3

According to the AHP formula, the cultural rating in Financial Technology startup business as highlighted with yellow are flexibility, empowering, social flexibility and

collaboration. Also, according to the rating findings, there are two types of flexibility, where one that is generic and the other that is more particular.

The researcher confirms with the informant their definitions of flexibility and social flexibility. Moreover, according to the informant, flexibility in a financial technology startup company means that the company must be able to follow market needs and not be rigid to one rule or goal. Informants also stated that flexibility can be implemented in working hours, as long as they did their job right and finished the job and met the expectation, they are allowed to choose the time they want to come to the office (not strict like established companies) or they could work remotely like social flexibility, on the other hand, implies that employees who work in a FinTech startup firm must be able to adjust in the workplace since working with other divisions is critical in a FinTech startup. There are also two additional cultures mentioned: empowering and collaborative, which might be characterized as follows by the respondent: The attempt to fulfil the employee's potential is referred to as empowerment. Empowerment necessitates the development of a culture that encourages workers at all levels to try new things and provides people with the confidence and capacity to make changes. According to the interviewees, the capacity to collaborate not only with internal but also with external partners in a community or organization is the last but not least collaborative trait.

Through this research, the author wants to know "whether Startup in Indonesia has a flexible, creative organizational culture, intuitive decision making, collaborative, and trustworthy" in order to answer this question. Some cultures have been discussed in earlier research, but the researchers found that the facts from earlier research, namely flexible and collaborative culture, also revealed results that showed that in Indonesian FinTech Startup, there was empowerment and social flexibility, which was not discovered in earlier research.

A flexible culture at a FinTech firm is one that can keep up with industry trends as they develop and adapt, according to the results of this study's interviews. Each employee at the startup is designed to work quickly in change and making decisions that are quick, creative, and successful in adjusting strategies in accordance with market demands that are extremely fast changing and can satisfy market needs. This is because it aligns with the objectives of the startup organization. This is also in line with previous research, which showed that startup cultures have adaptable cultural approaches that spur innovative ideas to compete in the center of the market (Kwiatkowski, 2016).

At fintech start-ups, it was noted that flexibility includes working hours. Working hours vary over both the long and short term, and workplaces do not always have to be in the same spot. For instance, email and voicemail have made it feasible for anybody to work from anywhere at any time. Employees need to balance their personal and professional life. Flexi-time provides a side benefit for employees who can combine these phases. As long as they preserve their personal lives, employees are free to work over the allotted hours. Because one benefit that might increase employee productivity is a flexible workplace, the outcomes will affect the business. However, the shift in the workplace's perspective can be both an

opportunity and a challenge when dealing with it, particularly when it comes to flexible working hours. For instance, supervisors who are supposed to monitor the employees to complete the task must adapt and find ways to maintain productivity and encourage employees to complete their tasks because employees may take advantage of flexible working hours by doing things that could undermine the supervisors' efforts to maintain these goals. Due to the different working hours, it is challenging for the employer, supervisor, and leader to hold work meetings with the entire team. Instead, supervisors and employers frequently conduct long-distance meetings using digital communication tools like voicemail, video calls, and digital meeting rooms. Because of this, employers and employees are closely bonded and actively participating in daily operations.

Collaborative culture was one of the conclusions that the study also uncovered. This culture was also noted in a previous research who found that startups may create values that come from their social environments, particularly their environments of business collaboration (Aggarwal & Wu, 2018). Due to restrictions like strict rules, fintech businesses face more obstacles when trying to access the market than other kinds of startups. According to the results of our interviews, collaboration between internal and external business scopes in fintech companies is recognized as a startup ecosystem to boost the productivity of the firm. With this collaboration, the company will be promoted using a novel strategy in which profits must be shared equally or advantageous circumstances must arise. with the purpose of providing an example of how Fintech may interact with banks as conventional financial services in terms of filling up fintech balances using bank accounts.

The next startup culture that was found to be prevalent was one that was empowering. This is so because, in contrast to e-commerce startups and other startups, fintech startups are subject to a lot of regulations from the government (Bank Indonesia and Financial Services Authority), and startups themselves have their own objectives in terms of adhering to market trends and meeting market needs. Businesses or employers require this in order to be able to run empowerment initiatives that help each person realize their full potential and overcome whatever obstacles the fintech company may be facing. because of the same reason that this business found outcomes with social adaptability. Social flexibility is necessary due to the startup organization's internal challenges, ambiguities, and management gaps, as well as the fact that many startups are still battling to establish their new model businesses in the market. Because of these challenges, ambiguities, and management gaps in the corporate environment, social flexibility is necessary.

Organizational culture, is a company's guiding values and beliefs (Schein, 2004). The culture of an organization, he said, is important because of the effects it may have on that organization. The results of this research show that four of our respondent financial startup enterprises in Indonesia have strong cultures that emphasize cooperation, adaptability, social flexibility, and empowerment. According to Schein, this culture may be used to describe the culture of FinTech startup firms in general. Additionally, it might reveal the character or worth of the concerned business. If a company has a positive and strong culture, it will be much

easier for it to get top talent. An employee who feels like they belong to a firm will remain with it longer, reducing the number of workers who leave, saving time and money on hiring new staff, and improving team cohesiveness. Corporate culture also exhibits a company's brand identity. Customers will immediately see our brand as having a positive impact on them when a company has a positive culture.

According to the respondent, startups that are considered new businesses and are having difficulty competing in their own industries must be able to conceptualize in facing challenges and opportunities at startup. The startup organization's culture is essential as a function to distinguish it from other organizations and to give each startup a unique identity. It can also direct how its members behave within the organization (Robbins & Coulter, 2012). It appears that that organizational culture has a role or function within the organization, namely to distinguish one organization from another by forming an identity for each member within it. The Culture Organization sets appropriate standards for its employees to follow in carrying out mechanisms within the business that ultimately shape employee attitudes and behavior.

This approach functions as the growth of human resources in a team that fosters a work environment that inspires employees to accomplish their goals and supports them in making a positive contribution to the success of the team when compared to the cultures of four Indonesian FinTech companies. Without a solid work culture, firms struggle to grow and expand fast. In order to obtain high traction, income, and growth in startup enterprises that are based on digital, such as an application, consumers must download apps, according to Techinasia, a company must not only provide distinctive and original goods or services but also have a strong team.

Number of fundamental components of corporate culture might be utilized to evaluate the cultural benefits enjoyed by our four interviewees. The study's results indicate that collaborative, adaptable, socially empowered, and flexible cultures were prevalent among Indonesian FinTech startup enterprises. When someone joins the FinTech firm startups in Indonesia, they must be able to create a culture of flexibility, empowerment, social flexibility, and collaboration. The four cultures might be utilized as norms of behavior for workers or members of the company itself. Company's culture may be used to describe its core beliefs. Interviewees implied that traits like flexibility, empowerment, social adaptation, and teamwork are characteristic of all FinTech startups in Indonesia.

There is a significant correlation between company culture and employee happiness (Ahmadi et al., 2014). where the importance of a supportive work environment culture also has an impact on employee happiness (Singh, 2016). Organizational culture in a workplace has an impact on employees' adoption of organizational citizenship behaviors (Ebrahimpour et al., 2011). As a result of culture's propensity to boost organizational efficiency, this mindset is crucial. As a result, the majority of research imply that organizational culture is a factor that affects employees' willingness to engage in proper behavior inside the workplace and in the performance of their obligations (Phillips & Gully, 1997).

Four of our interviewees demonstrate social adaptablity and a collaborative atmosphere, according to the study's results. The company's primary goal of creating a pleasant culture is achieved via social adaptablity and cooperative behavior. The fact that startup organizations appreciate each team member's input and emphasize the idea of "team before the person" is another important characteristic of these organizations. This is feasible if all team members are able to put aside their own egos and see how important each team member's contribution is to the success of the organization. Effective information sharing is essential for a firm to succeed. Some startups have instituted "walk-in" meetings, which are held in public spaces without a door and enable anybody to drop by on the spur of the moment and give ideas or feedback, even if the meeting was meant for staff from various departments.

Employees need to understand what the company values, why those values are essential, and how their conduct will reflect those values. Authenticity, trust-building, clear communication, transparency, alignment with business objectives, team building, cooperation, dedication, conviction, inspiration, creativity, and competency are a few examples of sound startup values. It's crucial for company founders to establish a set of principles they will uphold and adhere to. Understanding that values aren't simply a bunch of meaningless buzzwords that company owners must adhere to is equally crucial. However, having that belief alone is insufficient. Those ideals must be embodied by founders each and every day. However there is an opportunity to conduct further study on culture and firm value, moreover firm value relates with firm size (Harmaini, 2021)

CONCLUSION

Based on the results of the study and analysis, the researcher found four cultures in the fintech startup firm in Indonesia: flexible, cooperation, empowering, and social flexibility. At the outset of this research, we have the purpose to discover whether or not a startup in Indonesia has a flexible, creative, organisational culture, intuitive decision making, collaborative, and trustworthy culture. This research may be used as a guideline for creating cultures needed by startup businesses, which may aid startup companies in competing with other startup companies in the same sector. Changes in the environment or in working practices may be both an opportunity and a challenge for a FinTech firm.

As competitive advantages, startups should create their unique corporate cultures. It is feasible to alter an existing culture, however it is ideal to create a good culture that people can identify with in the early stages of a firm, and also to implement such change by setting an example of desirable conduct at all levels of management and by organizing activities that encourage regular contact among workers from different departments. Concludes that having a good culture may provide employees big competitive edge. Major enterprises created a number of ideas on how high performance work systems cultures might benefit new businesses. According to theories, high performance work system cultures will increase the likelihood of growth, survival, capability development, and goal attainment for startups.

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