CHAPTER II

CONCEPTUAL FRAMEWORK

2.1 Literature Review

2.1.1 Millennial Generation

Millennial generation, also known as Y, Net, WE, Boomerang, and Peter Pan Generation, is a definition used for the generation born between 1980 and 2000 (Prasasti & Prakoso, 2017). Millennial generation makes up to 40% of entire generations in Indonesia, followed by generation Z with 29.23%, generation X with 25.74%, and lastly baby boomers and veterans for 11.27% (Badan Pusat Statistik Indonesia, 2018). Out of all working forces in Indonesia, millennials contribute 60 million people and stand second after generation X with 69 million people. Millennials still contribute higher than the baby boomer generation with 28 million people (Badan Pusat Statistik Indonesia, 2018). Boston Consulting Group (BCG) conducted a study in the USA with the University of Berkley in 2011 and found that the millennial generation has particular characteristics, including a declining interest in conventional readings for millennials and they prefer to read from smartphones; social media is requisite for millennials as communication tools and center of information; favoring smartphones over televisions; and making consideration and decision by putting their family in the center (Prasasti & Prakoso, 2017). There's a gap between millennials and generation X born between 1961 to 1980 in terms of expertise technology. Millennials are more interested in using video and internet-based advertisements rather than television and media excitement because generally, millennials are a tech-savvy generation (Deloitte, 2019). The exposure to technology, information, and the internet is very high, making millennials' lives more comfortable than the previous generation.

2.1.2 Bank and Risk Management

Banks are business institutions; therefore, banks can't lose money as also mentioned in Article 29, point 3 of Indonesia's Banking Law (UU Perbankan) that banks are obliged to take methods that aren't pernicious for the bank and the interests of customers who entrust their funds (Murwadji, 2016). Article 1 point 3 of Financial Services Authority Regulation (Peraturan Otoritas Jasa Keuangan) Number 18/POJK.03/2016 regarding the implementation of Risk Management for Commercial Banks that risk management is a series of methodologies and procedures to identify, assess, observe, and manage risks arising from all bank's business activities.

ISO GUIDE 73: 2009 has defined risk as the impact of uncertainty on the target and the organization's coordinated effort to manage and control risks (KNKG, 2011). Referring to the latest standard of risk management (ISO 31000:2009), the organization needs to follow and stick to the following principles:

a. Risk management protects and creates added value and improvements in safety aspects, occupational health, compliance with laws and regulations, environmental protection, public perception, product quality, reputation, corporate governance, operational efficiency, and others.

b. Risk management is fundamental for organizational processes and it is an activity related to all activities and processes in the organization to achieve goals.

c. Risk management is needed to make a decision and helping the organization to define priorities for a list of actions and alternatives to be taken. It shows all the risks that may occur and describe whether they are acceptable or need further treatment. Risk management also monitors all risk treatments and uses the information to make a decision.

d. Risk management estimates uncertainty and action needed so it helps the organization to deal with uncertainty aspects.

e. Risk management increases the efficiency and consistency of managing risks because it is systemic, structures, and timely so the results can be compared and improved.

f. Risk management uses available information to make decisions to model the risks and come up with opinions.

g. Risk management is tailored per organization because it must align with organizational values, goals, and risks profiles.

h. Risk management applies in the organization by considering human and cultural factors, organizational capabilities, perceptions, and goals.

i. Risk management should be transparent and comprehensive to make sure that the risk management is relevant and current. Risk management should involve stakeholders' opinions and interests to formulate the risk criteria.

j. Risk management is dynamic, repetitive, and responsive to changes because new risks might emerge, arising or disappear.

k. Risk management continuously improves the organization by developing and implementing updated risk management that matured aligned with the organization's values and goals.

2.1.3 Good Corporate Governance

The Indonesian General Guidelines for Good Corporate Governance (Pedoman Umum GCG) were published by KNKG for the first time in 1999 and have been updated twice in 2001 and 2006. Regulators refer to the General Guidelines for GCG to develop regulations that are relevant to corporate governance. In carrying out risk management, the organization can utilize the General Guidelines for GCG to develop systems, structures, procedures, and

guidelines for corporate governance and internal regulations. GCG implementation is needed to ensure that risk management in the organization has been implemented. The risk management process in GCG includes five main activities (communication and consultation, define context, risk assessment, risk treatment, also monitoring and review). Risk management is an integral part of GCG implementation because risk management provides assurance for organizations to achieve business goals. In practice, the principles of good risk management also adhere to the five main principles of GCG, namely: transparent; accountable; responsible; independent; and fairness (KNKG, 2006). Companies must have written policies communicated to all stakeholders (KNKG, 2006). Company policies are better made in written form to present more transparently, fostering trust for the company (Violita & Mustamu, 2016). Good company policies need to be standardized and conveyed in a Standard Operating Procedure (SOP), which contains all company policies in detail. Clarity of functions, structures, systems, and company responsibility needs to be conveyed so that companies can manage risk more effectively (KNKG, 2006).

2.1.4 Video Learning

The importance of independent learning and the need for skill development has been much written in many kinds of research. It can be defined as a system where the learner is autonomous and separated from the teacher and uses print, electronic, or another non-human medium to communicate (Luke & Hogarth, 2011). The approach has been proven to have advantages for lecturers, tertiary education institutions, employers, professional organizations, and students (Luke & Hogarth, 2011). E-learning provides a wide array of online content conveyed in many different forms of instructional media for learners (Costley & Lange, 2017). The learner-centered style was promoted through the online environment, so a blended learning environment through combining conventional and online environments has risen as contemporary education (Das et al., 2019). Technology-based learning that is integrated into learning activities may satisfy mature students.

Moreover, it is suggested to have learning content presented in less than 15 minutes (Lo & Hew, 2017).

Researchers have promoted instructional video to be used as a teaching method. Video instructions provide two benefits: combining audio and visual features dual-modality and students may set their own learning pace (Luke & Hogarth, 2011). Video may help learners to be able to see things that they may not be able to do on their own and through combining audio and visual communication, students are supported with different learning styles and not burdening the cognitive processes (Luke & Hogarth, 2011). Using video for medical students to teach communication, language skill, and cultural competence proved that students can achieve new knowledge easier than traditional learning styles (Diab et al., 2016). Other research also demonstrated that video lecturing had acquired momentum as one of the cores resources for open education in the past few years. Hence, the arising of video lectures made it deployed in various ways for distant education, used for review purposes and preserved learning time through delivering lecture recordings (Pappas et al., 2017). Learners can set their own learning pace conveniently by using video lectures and they can have an enhanced learning experience and that's why many learners utilize video lectures for many reasons and in various ways (Pappas et al., 2017). Another evidence showed that video-based learning (VBL) implementation keeps increasing and is projected at approximately $107 billion for 2015 for the investment of online learning mediums (Mikalef et al., 2016). A new learning approach utilizing video learning like the flipped classroom is effective, attractive, and enjoyable (Abdekhoda et al., 2020). It is proven that the use of video learning, both online or offline improved learning experience and results (Kinash et al., 2015; Yousef et al., 2014)

2.1.5 The Unified Theory of Acceptance and Use of The Technology (UTAUT) Model

In the last two decades, the user acceptance study of new information technology has been studied dominantly using many models that proposed

explanations and predicted users' acceptance of the new technology (Omer et al., 2015). The Unified Theory of Acceptance and Use of the Technology Model (UTAUT) is acquired as a derivation of eight previous technology acceptance models (Venkatesh et al., 2012) and have gained lots of attention for predicting users' adoption of new technology that used in many studies regarding the investigation of users' technology acceptance (Omer et al., 2015). The eight previous models including: Theory of Reasoned Action (TRA), Theory of Planned Behaviour (TPB), Technology Acceptance Model (TAM), combined TAM – TPB (C-TAM-TPB), Diffusion of Innovation Theory (IDT), Social Cognitive Theory (SCT), Motivational Model (MM) and Model of PC Utilization (MPCU). The UTAUT model has been applied to various e-learning domains researches using different technology and in various other contexts (Williams et al., 2015).

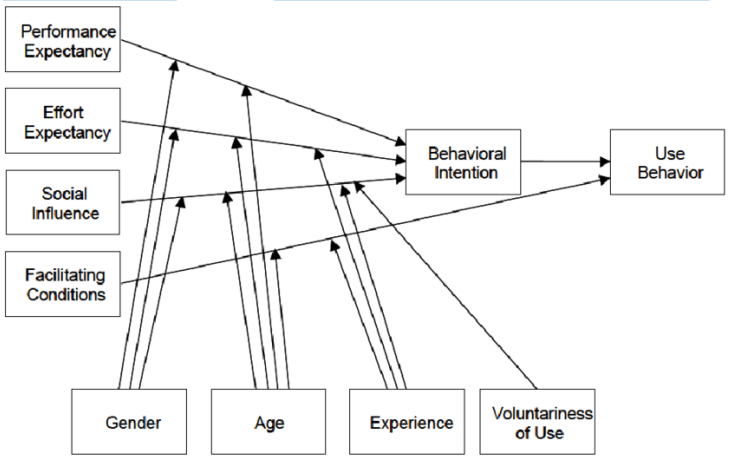

Figure 2.1 The UTAUT Model
Source: Venkatesh et al. (2003)

The UTAUT model utilizes four core determinants and moderating variables, including gender, age, experience, and voluntariness of use that may influence those core determinants. Four core determinants that determine users' behavioural intention (BI) to use technology, including:

a. Performance Expectancy (PE)

PE is identical with the perceived usefulness variable found in TAM, either conceptually or empirically; derived from relative advantage from IDT; extrinsic motivates from MM; and job in SCT (Venkatesh et al., 2012). It measures the degree of users believe that the technology positively impacting performances so they want to use it.

b. Effort Expectancy (EE)

EE is also identical with perceived of use found in TAM (Venkatesh et al., 2012) so it may be defined as the perceived ease of use of a technology (Kohnke et al., 2014). EE also the derivatives of complexity from MPCU, and ease of use from IDT (Venkatesh et al., 2012). It measures the degree of easiness regarding the usage of technology. Other research also mentioned that perceived of use is a positive predictor for technology acceptance (Kohnke et al., 2014) and thus, EE is also predicted to be a positive predictor.

c. Social Influence (SI)

SI is identical with mapped constructs from the prior model and derived from subjective norms found in TRA, TAM2, TPB, and C-TAM-TPB. It also comes from social factors from MPCU and image from IDT (Venkatesh et al., 2012). Research stated that SI is proven as a significant factor in determining users' acceptance and use of technology (Kohnke et al., 2014).

d. Facilitating Condition (FC)

Similar to SI, FC also derived from three identical constructs from prior models including: perceived behavioural control from TPB and C-TAM-TPB; facilitating condition from MPCU; and compatibility from IDT (Venkatesh et al., 2012). Previous studies proved that FC significantly impacted technology acceptance and use (Kohnke et al., 2014). FC is also defined as the degree to

which staff believes that the organization and its technical infrastructure support the use of technology (Venkatesh et al., 2012).

2.1.6 Perceived Interactivity

Media richness and its perception are determined by its topic, experience related to media, communication partner, and the organization's condition, making it crucial for choosing the media adoption (Hew & Kadir, 2016). The richer the media, the faster and more comprehended communication, increasing instructional effectiveness (Hew & Kadir, 2016). Findings also proved that instructional effectiveness of media would increase align with higher interactivity and there's a significant effect of interactivity on perceived learning through online discussion. Indirectly, media richness is also aligned with interactivity influenced by users' perceived interactivity (Shin et al., 2016). Perceived interactivity is the impact of digital technologies in the form of spontaneous subjective feelings that will impact the behavioural intention through some mediating effects (Rodríguez-Ardura & Meseguer-Artola, 2018; Shin et al., 2016).

2.2 Previous Research

To explain the context and how the research methodology was chosen and carried out, the researcher utilized some previous research to be used as references for the current study. The previous researches used includes:

Table 2.1 Previous Research

No	Author(s)	Article's Title	Journal's Name	Research Findings
1	Abdekhoda et al. (2020)	A conceptual model of flipped classroom adoption in medical higher education	Emerald Insight: Interactive Technology and Smart Education	Perceived ease of use, perceived usefulness, subjective norms, perceived enjoyment, and self-efficacy significantly impacting the intention to adopt a flipped classroom.
2	Ayaz & Yanartaş (2020)	An analysis on the unified theory of acceptance and use of technology	Elsevier: Computers in Human Behaviour Reports	Performance expectancy and social influence significantly impacting behavioural

No	Author(s)	Article's Title	Journal's Name	Research Findings
		theory (UTAUT): Acceptance of electronic document management system (EDMS)		intention of the implementation of EDMS.
3	Lee et al. (2020)	Consumers' adoption of AR-based virtual fitting rooms: from the perspective of the theory of interactive media effects	Emerald Insight: Journal of Fashion Marketing and Management: An International Journal (1361-2026)	Perceived interactivity indirectly affecting the adoption intention of AR-based virtual fitting rooms.
4	Turan & Cetintas (2019)	Investigating university students' adoption of video lessons	Open Learning: The Journal of Open, Distance and eLearning	Relative advantage and Perceived Enjoyment significantly influence intention to use the adoption of video lessons.
5	Alpert & Hodkinson (2019)	Video use in lecture classes: current practices, student perceptions and preferences	Emerald Insight: Education + Training	Students prefer the videos are not too long, although they will attend longer videos if it's justified and well-integrated into the course and lectures' flow.
6	Chiam et al. (2017)	The behavioural intention to use video lecture in an ODL institution: Insights from learners' perspective	Emerald Insight: Asian Association of Open Universities Journal	Learners have a positive perception of video lectures and their ease of use and usefulness.
7	Shin et al. (2016)	Interaction, engagement, and perceived interactivity in single-handed interaction	Emerald Insight: Internet Research Vol. 26 No. 5, 2016 (p. 1134-1157)	Perceived Interactivity is significantly impacting behavioural intention of single-handed interaction to operate mobile devices.
8	Mikalef et al. (2016)	An integrative adoption model of video-based learning	Emerald Insight: The International Journal of Information and Learning Technology	Effort expectancy and social influence significantly impacting performance expectancy but not behavioural intention of video-based learning. Performance expectancy significantly increases the behavioural intention of video-based learning.

2.3 Conceptual Framework

Based on the research problem and objectives delivered in the previous section, the current study examines and analyzes factors that influenced behavioural intention in the implementation process of Video Learning SOPs in PT. MNO by utilizing the UTAUT model approach. UTAUT model approach was chosen because this model has been used and proved successful in describing the usage variants up to 0.69 compared to the other eight types of technologies acceptance theories and explained behavioural intention to use a technology variants up to 0.70 (Venkatesh et al., 2012). Three out of four core determinants of the UTAUT model used in this study including PE, EE, and SI. FC was excluded because every employee will access the Video Learning SOPs in the same facility with the same condition in each branch of PT. MNO. To give newness and added value in this study, another core determinant Perceived Interactivity (PI) was added. Other research also proved that PI improves user experience so they have a better experience when interacting digitally rather than by doing actual interactions. This study uses Age as moderating variable to make sure that this study aligned with the background of implementing Video Learning SOPs in PT. MNO in which millennials workers are increasing. This research will be focusing on seeing how Age will moderate factors affecting the behavioural intention of Video Learning SOPs implementation for millennials working in PT. MNO.

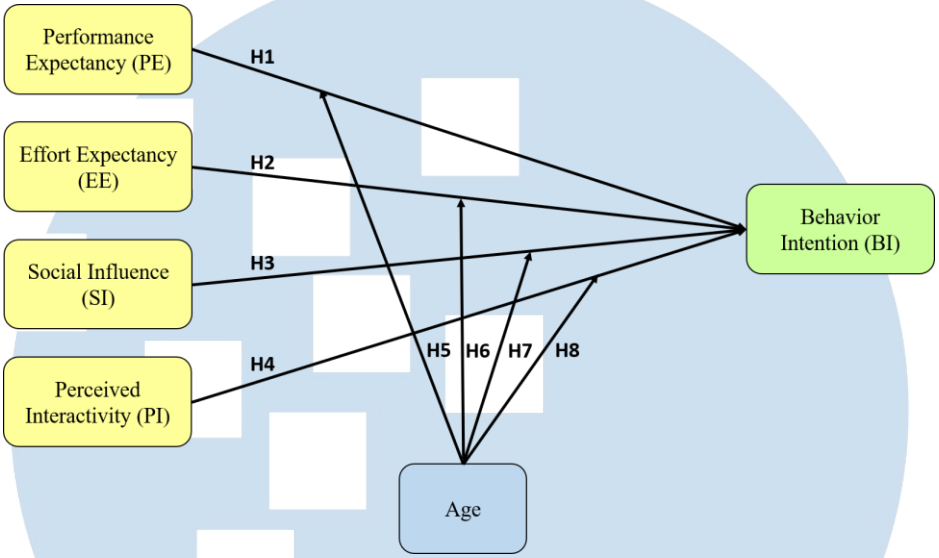

Figure 2.2 Research Conceptual Framework

2.4 Hypothesis

2.4.1 Relationship between Performance Expectancy and Behaviour Intention of Video Learning SOPs implementation in PT. MNO

PE is defined as a degree in which learners consider that e-learning may improve learners' academic performance. It is also proven that PE significantly increases behavioural intention to implement video-based learning (Mikalef et al., 2016). When learners sense that they'll gain value from particular technology, they will consider it and use it regularly to improve their knowledge and skills. Therefore, the hypothesis will be:

H1: Performance Expectancy significantly relates to behavioural intention of Video Learning SOPs implementation in PT. MNO.

2.4.2 Relationship between Effort Expectancy and Behaviour Intention of Video Learning SOPs implementation in PT. MNO

EE is defined as the ease of users in using new system/ technology. Prior study shows that EE was impacting PE significantly that PE was significantly impacting BI in the implementation of video-based learning (Mikalef et al., 2016).

EE, which is identical to perceived ease of use (PEOU) also predicted to influence BI because PEOU was significantly impacting BI in the adoption of video learning (Chiam et al., 2017) and adoption of the flipped classroom (Abdekhoda et al., 2020). Thus, the hypothesis will be:

H2: Effort Expectancy significantly relates to behavioural intention of Video Learning SOPs implementation in PT. MNO.

2.4.3 Relationship between Social Influence and Behaviour Intention of Video Learning SOPs implementation in PT. MNO

SI uses to define the perception of approving the use of technology for learners. Previous research showed that SI significantly influences PE where PE significantly impacts BI of the implementation of video-based learning (Mikalef et al., 2016). Ergo, the hypothesis will be:

H3: Social Influence significantly relates to behavioural intention of Video Learning SOPs implementation in PT. MNO.

2.4.4 Relationship between Perceived Interactivity and Behaviour Intention of Video Learning SOPs implementation in PT. MNO

PI is described as a spontaneous subjective feeling resulting from digital technology that impacting and causing involvement of experience and flow that influences the BI through mediating effects (Shin et al., 2016). The previous study shows that PI indirectly affects the adoption of AR-based virtual fitting rooms (Lee et al., 2020); and significantly impacts BI of single-handed interaction of mobile devices operation (Shin et al., 2016). Thus, the hypothesis will be:

H4: Perceived Interactivity significantly relates to behavioural intention of Video Learning SOPs implementation in PT. MNO.

2.4.5 Relationship between Age and Performance Expectancy of Video Learning SOPs implementation in PT. MNO

Prior study reveals that Age significantly impacted seven core determinants on mobile internet utilization in Latvia (Fuksa, 2013). Therefore, it is also predicted that Age will moderately affect performance expectancy and so the hypothesis will be:

H5: Age has significant relation on moderating Performance Expectancy in determining behavioural intention of Video Learning SOPs implementation in PT. MNO.

2.4.6 Relationship between Age and Effort Expectancy of Video Learning SOPs implementation in PT. MNO

In the previous study about mobile technologies and services development, Age acted as a moderating effect that influenced EE, which significantly impacted BI and the use of the internet (Fuksa, 2013). Ergo, the hypothesis will be:

H6: Age has significant relation on moderating Effort Expectancy in determining behavioural intention of Video Learning SOPs implementation in PT. MNO.

2.4.7 Relationship between Age and Social Influence of Video Learning SOPs implementation in PT. MNO

Prior study shows that social influence significantly affecting the continuance intention of mobile data services and Age influence SI moderately (Zhou, 2011). Hence, the hypothesis will be:

H7: Age has significant relation on moderating Social Influence in determining behavioural intention of Video Learning SOPs implementation in PT. MNO.

2.4.8 Relationship between Age and Perceived Interactivity of Video Learning SOPs implementation in PT. MNO

A prior study shows that interactivity can be perceived as fun and useful for customers as they are accustomed to interactive features through various media of

digital technologies (Javornik, 2016; Lee et al., 2020). Users may come from different Age sections, so it can be predicted that Age will moderately influence perceived interactivity. Thus, the hypothesis will be:

H8: Age has significant relation on moderating Perceived Interactivity in determining behavioural intention of Video Learning SOPs implementation in PT. MNO.