



THE INFLUENCE OF ORGANIZATIONAL CULTURE ON FINANCIAL MANAGEMENT PERFORMANCE IN REGIONAL FINANCIAL AGENCIES OF KEPAHANG REGENCY

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INTRODUCTION

Culture is a set of values, beliefs, assumptions or norms that have long been in effect, agreed upon and followed by members of an organization as a guideline for behavior and solving organizational problems. Organizational culture is also called corporate culture, which is a set of values or norms that have been in effect for a relatively long time, shared by members of the organization (employees) as behavioral norms in solving organizational (company) problems. In organizational

A B S T R A C T

The purpose of this research is to analyze organizational culture and financial management performance at the Regional Finance Agency of Kepahiang Regency. as well as the influence of organizational culture on financial management performance at the Regional Finance Agency of Kepahiang Regency . This study uses a qualitative method. The informants in this study were all employee management finance at the Regional Finance Agency of Kepahiang Regency . Data analysis in this study consists of Data Reduction, Data Presentation, and Conclusion Drawing (Verification). The results of the study indicate that the culture organization give influence namely innovation and risk taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness and stability . Organizational culture in the Regional Finance Agency of Kepahiang Regency is one of the key factors that can affect financial management performance. A positive culture can encourage a high work ethic, increase professionalism, and create a work environment that is conducive to innovation and continuous improvement. Conversely, a negative culture can lead to low motivation, high levels of job dissatisfaction, and the emergence of non-transparent practices.

culture, values are socialized and internalized within members, inspiring each individual in the organization.

Organizations are required to continue to improve their performance in the era of globalization which is full of dynamics and challenges. This does not only apply to the private sector, but also the public sector, where employee performance is one of the determining factors for the success of carrying out tasks and services to the community. Optimal employee performance cannot be separated from various internal and external factors



that influence it. One very important internal factor is the work culture applied in the organization (Wahyuningsih et al., 2024). There are several aspects of work culture that are believed to have a significant impact on employee performance, namely innovation and risk taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness and stability (Aqmar, 2022; Khotimah et al., 2023; Lakshmi et al., 2024; Opuala-Charles & Seun Samuel, 2023).

Organizational culture in the Regional Finance Agency of Kepahiang Regency is one of the key factors that can affect financial management performance. A positive culture can encourage a high work ethic, increase professionalism, and create a work environment that is conducive to innovation and continuous improvement. Conversely, a negative culture can lead to low motivation, high levels of job dissatisfaction, and the emergence of non-transparent practices.

Previous studies have shown that organizational culture has a significant influence on performance in various sectors, including the public sector. A study conducted by Sudirman et al. (2024) indicated that organizations with a strong and positive culture tend to have better performance. Studies (Ikhzan et al., 2024; Mariyani et al., 2023) revealed that organizational competence and culture have a direct and significant effect on employee performance in regional financial management institutions. This research collectively emphasizes the important relationship between aspects of organizational culture and financial management performance.

This study is expected to contribute to enriching the literature on the relationship between organizational culture and financial management performance in the public sector, especially at the regional level. Then provide recommendations that can be implemented by the Kepahiang Regency Government to create a positive organizational culture and improve financial management performance.

MATERIALS AND METHODS

The method used in this study is a qualitative descriptive method. The descriptive method is a method for examining the status of a group of people, an object, a set of conditions, a system of thought, or a class of events in the present. The purpose of descriptive research is to create a description, picture or painting systematically, factually, and accurately about the facts, nature, and relationships between the phenomena being studied. The selection of informants in this study used purposive sampling and snowball sampling techniques. Data collection techniques were by interview, observation, and documentation. The steps for data analysis in this study were data reduction, data presentation, and drawing conclusions (verification). To test the validity of the data in this study, source triangulation and technique triangulation techniques were used.

RESULTS AND DISCUSSION

The results of the literature study show that there is a significant influence between positive organizational culture and management performance. finance at the Regional Finance Agency of Kepahiang Regency. Robbins and Timothy (2018)



revealed aspects of organizational culture work that is believed to have a significant impact on employee performance, namely:

1. Innovation and risk taking

Innovation and risk taking is the extent to which employees are encouraged to be innovative and take risks . This aspect innovation and risk taking are important aspects, where employees are encouraged to think creatively and dare to take unconventional steps to achieve better results. The Regional Finance Agency of Kepahiang Regency which prioritizes innovation, employees tend to be more adaptive and able to make significant contributions in facing challenges. A work culture that encourages innovation and risk-taking can create an environment where Financial Agency employees Kepahiang Regency area feels encouraged to think creatively and try new approaches. Employees at the Kepahiang Regency Regional Finance Agency are encouraged to step out of their comfort zones and explore innovative solutions that can improve work efficiency and effectiveness . This driven by several aspect innovation and decision making risk that is encouragement For creativity , experimentation and innovation, and tolerance to failure .

2. Attention to detail

Attention to detail is The extent to which employees are expected to demonstrate precision/accuracy . The aspect of attention to detail is also an aspect that is no less

important. Accuracy and accuracy in work can improve the quality of *output* and reduce errors that can harm the organization. (Wahyuningsih et al., 2024) . Agency Employees Kepahiang District Regional Finance works in an environment that pays close attention to detail, which tends to produce high quality *output with minimal* errors. minimize errors and fraud related filing use avoid unwanted possibility Because impact to the way organization of the Regional Financial Agency . This is very important in the organization of the Regional Financial Agency which demands high quality where small mistakes can have a big impact. Some aspects that are indicator aspects attention to the details namely Level of accuracy , Verification and validation process , Neat recording and Error avoidance .

3. Result orientation

Result orientation It is a description of the extent to which the organization focuses more on *output*. Result orientation can also be interpreted as the extent to which the organization focuses on results rather than on the techniques and processes used to achieve those results. A result orientation spec emphasizes the importance of achieving the targets that have been set. At the Kepahiang Regency Regional Finance Agency, employees are motivated to work hard and efficiently in order to achieve or even exceed the targets that have been set. However, this orientation must be balanced with a people orientation, where employee welfare is still considered. Kepahiang



Regency Regional Finance Agency Keep going notice welfare so that employees tend to be more loyal and motivated to give their best performance in give service to public .

Employees within the Kepahiang Regency Regional Finance Agency who are results-oriented have high motivation to achieve and even exceed performance targets. However, Orientation The results for employees at the Regional Finance Agency of Kepahiang Regency also remain the same restricted Because Results orientation that overemphasizes target achievement without considering the process can cause excessive pressure on employees and lead to burnout, which can ultimately have a negative impact on long-term performance . Indicators of results orientation results This is Focus on achieving targets , Focus on achieving targets , Productivity and Relation of results to rewards .

4. People Orientation

People Orientation is the extent to which management decisions consider the effects of the results obtained by an employee in the organization. Employees at the Kepahiang Regency Regional Finance Agency are expected to be able to know the decisions taken by looking at the effects resulting from the performance of their employees so that they can produce the right decisions for the Kepahiang Regency Regional Finance Agency organization . Therefore, Agustin and Tiawati (2024) emphasize that the aspect of results orientation must be balanced with people

orientation, where employee welfare is still considered. Employees who feel cared for tend to be more loyal and motivated to give their best performance. Indicator from aspect people orientation is Attention to employee welfare , career development , job satisfaction and work-life balance .

5. Team orientation

Orientation Team is a cultural dimension that focuses attention on team strength and work collaboration, which is seen from cooperation in completing tasks in a coordinated manner . The team orientation aspect is also a key factor in improving organizational performance. Mulia et al. (2021) said that a work culture that supports collaboration between employees can create strong synergy and maximize individual potential in a team. Employees in the Kepahiang Regency Regional Finance Agency are encouraged to work together, share knowledge, and support each other to achieve common goals. Because Good teamwork can improve collective performance, encourage innovation, and strengthen internal communication. In addition, team orientation can also increase employee engagement and build a sense of belonging to the organization. Indicators of aspect orientation team that is Collaboration between employees , Open communication , Team synergy and Diversity of opinions .

6. Aggressiveness

Aggressiveness is a condition where members of an organization are more



aggressive and competitive and employees do excessive things to achieve their goals. A spec of aggressiveness in work culture refers to a high level of internal competition and a strong drive to achieve goals quickly (Putri et al., 2021) . Aggressiveness can encourage employees to work harder and faster, it can also create a stressful work environment. If not managed properly, aggressiveness can cause internal conflict, lower morale, and damage teamwork. Therefore, it is important for the Kepahiang Regency Regional Finance Agency to balance aggressiveness with other elements of work culture to maintain a balance between productivity and employee welfare . The indicators of aspect aggressiveness This is Organizational ambition , Internal competition , Speed in decision making and Drive to succeed .

7. Stability

Stability that is The extent to which the activities carried out by the organization emphasize maintaining the status quo/existing conditions in comparison with the growth of the organization . The aspect of stability in work culture is also a factor that cannot be ignored, because it provides a sense of security and certainty for employees (Ahmad, 2020) . Stability in Employees at the Kepahiang Regency Regional Financial Agency is important for creating a conducive work environment and supporting long-term productivity. However, excessive stability can also hinder innovation and the organization's ability to adapt to change . The indicators

of aspect stability This is Job security , Consistency in policies , Employee loyalty and faithfulness and Stable organizational structure .

CONCLUSION

Based on the analysis and findings of this study, it can be concluded that a strong and positive organizational culture influences employee performance in employees at the Regional Finance Agency of Kepahiang Regency. This study adds new insights to the existing literature on the relationship between organizational culture and management performance. finance especially in environment Kepahiang Regency Government . Aspects that influence culture organization that is innovation and risk taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness and stability give significant influence to performance management finances for employees in the Kepahiang Regency Regional Finance Agency . A positive organizational culture can shape constructive attitudes and behaviors among employees. For example, a culture that emphasizes innovation and risk-taking can encourage employees to think creatively and find new solutions to the challenges they face. This can directly increase productivity and work effectiveness. Organizational culture in the Regional Finance Agency of Kepahiang Regency is one of the key factors that can affect financial management performance. A positive culture can encourage a high work ethic, increase professionalism, and create a work environment that is conducive to innovation and continuous improvement. Conversely, a negative culture can lead to



low motivation, high levels of job dissatisfaction, and the emergence of non-transparent practices.

The performance of regional financial management is also influenced by the quality of collaboration between BKD and other agencies, such as technical agencies, DPRD, and the Supervisory Board. Challenges in coordination and communication between these agencies can result in budget misallocation, delays in budget preparation and approval, and obstacles in the implementation of financial policies.

This study is expected to contribute to enriching the literature on the relationship between organizational culture and financial management performance in the public sector, especially at the regional level. Then provide recommendations that can be implemented by the Kepahiang Regency Government to create a positive organizational culture and improve financial management performance.

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