

THE INFLUENCE OF ORGANIZATIONAL CULTURE ON JOB SATISFACTION THAT IMPACT ON FINANCIAL PERFORMANCE

Rahmatia¹, Mutmainnah Nurdin²

¹) Faculty of Economics and Business, University Hasanuddin, South Sulawesi, Indonesia

²) Institut Teknologi Amanna Gappa

e-mail: rahmatiayunus04@gmail.com

Abstract

Organizational culture determines the company's success in achieving maximum performance. The better the organizational culture, the more satisfied the employees and the better the company's performance. The purpose of this study is to find out how organizational culture influences job satisfaction, which has an impact on financial performance. The Village Credit Institution in Gowa Regency conducted this research. LPD 15 and reactive 135 were used for purposive samples. Data was collected using a questionnaire. Data analysis was performed using a structural equation model (SEM). The results of the study show that organizational culture positively and negatively influences employee satisfaction on financial performance. Meanwhile, employee satisfaction as an intervention variable influences financial performance positively.

Keywords: *Organizational Culture, Job Satisfaction, Financial Performance.*

INTRODUCTION

The importance of leadership is achieving company goals. It is possible that the company's performance evaluation can be used as a basis for making decisions for internal and external parties. According to Nainggolan Idi and Wiagustin (2010), financial performance is one aspect of assessing the condition of company ownership. Annual financial reports, for example, are used to evaluate company performance by using data and as an expression of the company's situation. Comprehensive loss statements, evaluations, cash flows, changes in equity, and additional information in the annual financial statements provide an overview of the company's financial condition. To assess the financial performance of a company, indicators are very important for Iberupa analysis tools.

By establishing a good organizational culture, employees are more involved in their work to achieve better performance. According to Sami et al. (2011), the presence of culture in the organization increases job satisfaction and the level of creativity. Job satisfaction is supported by corporate culture and management styles that are well used and accepted by all employees of the organization. According to Toto (2006), job satisfaction is an important practical concept because it is the result or effect of efficiency and performance. According to Locke's Saleem et al. (2010), job satisfaction is an emotional state that makes people happy with their roles and helps them achieve organizational goals.

The Village Credit Institution is a local financial institution based on Hindu beliefs, philosophical beliefs and beliefs from an Indian. It is based on culture, especially Balinese beliefs. According to Suartana (2013), LPD is the only microfinance institution in Bali that has an indigenous economic ownership system. This village financial institution has received national and international recognition as a microfinance institution.

With good LPD management, LPD's financial performance can be improved, and it can also be better. As stated by part I (2011), the method used is to gain insight into the financial performance of banks, particularly through analysis of bank financing reports. Karunia (2013) found that analysis of the banking industry shows how important implementation is to assess and measure the performance of the national banking sector. Profitability is an indicator that assesses a bank's financial performance, which includes spending institutions such as LPD. Profitability, according to Defri (2012), is a company's ability to generate profits.

LITERATURE REVIEW

Organizational culture

According to Barney in Mansor and Muhamad (2010), organizational culture is a collection of beliefs, assumptions, values, and symbols used in an organization that determines how a company runs its business. According to Soedjono (2005), organizational culture can be a means and goal for competitive advantage if the culture supports strategy and is able to handle and overcome environmental challenges appropriately and quickly.

Job satisfaction

According to Koesmono (2005), satisfaction is a feeling about something, if what is expected occurs or if what is received is more than expected. While work is a person's efforts to achieve goals through achievement, income, or compensation for payment to the organization. According to Luther, Idi, Cecilia (2008), job satisfaction has three aspects that I must understand: first, work results determine employee satisfaction. Second, job satisfaction is a type of employee response to their workplace. Third: Job Satisfaction in relation to the attitudes of other employees. According to ICohrs et al. (2006), job satisfaction can be defined as the result of integrating personal quality and work quality.

Financial performance

Financial Performance has three aspects that I must understand: first, work results determine employee satisfaction. Second, job satisfaction is a type of employee response to their workplace. Third: Job Satisfaction in relation to the attitudes of other employees. According to Cohrs et al. (2006), job satisfaction can be defined as the result of integrating personal quality and work quality.

Based on the description above, the hypothesis in this study is as follows:

- H1 : Organizational culture has a positive impact on job satisfaction and financial performance of village credit institutions in IGowa district
- H2 : Organizational culture has a positive impact on the financial performance of village credit institutions in Gowa district.
- H3 : Job satisfaction has a positive impact on financial performance, credit institutions and villages in Gowa Regency.

METHOD

In this study, organizational culture is used as the independent variable, expenditure performance as the independent variable, and employee satisfaction as the intervening variable. This research was conducted in Idi, under the supervision of the Idi Village Credit Institution and in Gowa District. This study uses quantitative and qualitative data derived from primary and secondary data. A purposive sampling method was used for the study population, which includes 122 ILPD in Gowa District. This complies with the criteria established by the village credit institution, which publishes monthly financial reports and is among the largest village credit institutions in Gowa District. The data collection method is to use a questionnaire given to 135 respondents and modified with the Ilikert scale. This study uses structural equation model (SEM) data analysis techniques.

RESULTS AND DISCUSSION

Validity Test and Reliability Test

All instruments used in this study are valid because each variable has an id value above 0.3. In addition, they can also be trusted because each variable has a Cronbach's alpha value above 0.6. In SEM evaluation, several tests, such as the normal dispersion test, are used to determine the normal dispersion of data with an icritical value (cr) above 3.00, and a cortical test to determine the sharpness of the distribution of data with and critical value (cr) above 3. Based on the test results, it can be said that the data is not normally distributed.

In the SEM evaluation, several tests, such as the normal dispersion test, are used to determine the normal dispersion of data with a critical value (cr) above 3.00, and a cortical test to determine

the sharpness of the dispersion of data with a critical value (cr) above 3. Based on the results testing, it can be said that the data is not normally distributed.

1. Multicollinearity Test

Table 1 Multicollinearity Test

Variable Y	VIF (X1)	VIF (X2)	VIF (X3)	Provision	Keterangan
Poverty	1,699	1,970	1,401	≤10	Multicollinearity Does Not Occur

Source: Data processed with SPSS 26

According to the test of the table, there is no symptom of multicollinearity, specifically, a value over the value of variable inflation coefficient (VIF) less than 10 means that there is no multicollinearity symptom.

2. Heteroscedasticity Test

Table 2 Heteroscedasticity Test

Variable Y	Sig2-tailed (X1)	Sig2-tailed (X2)	Sig2-tailed (X3)	Provision	Information
Poverty	0,881	0,960	0,987	≥0,05	Not occur Heteroscedasticity

Source: Data processed with SPSS 26

According to the test in the table above, the independent variables with the common poverty variable are 0.05. Whereas, in a regression model, this can be interpreted as no variable variance.

3. Autocorrelation Test

Table 4 Runs Test

Unstandardized Residual

Test Value ^a	-,23850
Cases < Test Value	5
Cases >= Test Value	5
Total Cases	10
Number of Runs	6
Z	,000
Asymp. Sig. (2-tailed)	1,000

Source: Data processed by SPSS 26

According to this test, the results of the autocorrelation test actually show an Asymp sig (two-sided) value of 1,000, i.e. > vs 0.05. Hence it can be concluded that there is no autocorrelation or no autocorrelation in Run Test.

4. Hypothesis testing

Table 5 Uji F
 ANOVA^a

Mode I	Sun of Squares	Df	Mean Square	F	Sig
Regression	1370,928	3	456,976	24,67	,001
Residual	111,102	6	18,517	9	
Total	1482,030	9			

Source: Data processed with SPSS 26

According to the panel test, the calculated F value is 24,679 and the table F is 4.35, so it can be obtained as $24,679 > 4.35$ with a significance level of 0.001. So the independent variable has an effect on the dependent variable.

b. Uji T

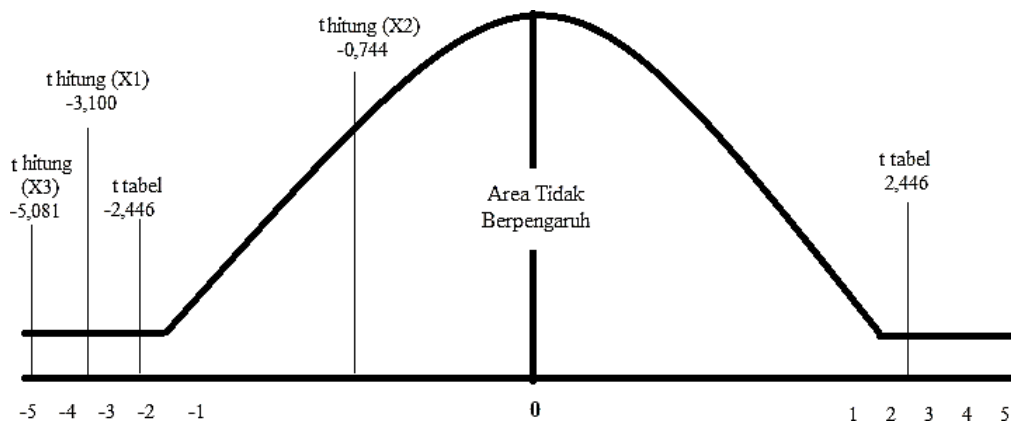


Figure 1. Population Distribution Curve

According to the image of the curve of the impact of population on poverty with t-value of $-3,100 > -2,446$, it can be concluded that population has a negative impact on poverty variables. Relevance to this question is also supported by a significance number of 0.021 0.05, it can be concluded that this has no significant impact on poverty. The final conclusion is that at education level, the calculated t-value is $-5.081 > -2.446$, showing that education level has a negative impact on the variable Poverty. Related to this, the significance value is also enhanced, namely up to $0.001 < 0.05$, which means it has a significant impact on poverty.

c. Coefficient of Determination (R²)

Tabel 6 Koefisien Determinasi

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	0,962	0,925	0,888	4,30315

Source: Data processed with SPSS 26

According to the panel test, the R2 value is 0.888, which means that the independent variable explains 88% of the dependent variable, the rest is explained by other factors.

1. The effect of demographic variables on poverty

Total population on poverty has a significant effect on the dependent variable. This effect was significant with the data obtained by the researchers. Thus, population has a very strong influence on the poverty rate of a territory, the rapidly growing population is poorly controlled and the lack of jobs for the community makes the poverty rate even higher.

In South Sulawesi, for example in Makassar, where Makassar city is the capital of South Sulawesi province, this is one of those places where every community seeks to try their luck for work, but in reality, with The population of Makassar city is increasing, the poverty rate is also increasing, making it impossible for the government to properly control. and recommend them suitable jobs. This is consistent with (Nabawi, 2020), who argues that total population has a significant effect on poverty. If the population decreases, poverty will continue to increase. According to Malthus' theory, the earth's resources are less and less able to meet the needs of a growing population because human needs are limitless. At the same time, it will bring people closer to the poverty line (Agustina et al., 2019).

2. The effect of the unemployment rate variable on poverty

Unemployment rate has a negative effect on poverty but in this test it did not have a significant effect on the dependent variable. Thus, we know that unemployment is one of the factors that increase the poverty rate in South Sulawesi, although in this study there is no significant effect, we know that the higher the unemployment rate, the higher the poverty rate as well. increase as income decreases while expenses increase.

South Sulawesi itself, although the unemployment rate has decreased, it has not been able to reduce the poverty rate. The poverty rate in South Sulawesi province is known to be 316,600 per capita per month in 2022. This shows that the poverty rate is affected by the unemployment rate. Indeed, according to a study supported by (Giovanni, 2018), the unemployed are not necessarily not living enough. Since not all members of a family are unemployed, they are still able to meet their daily needs. Thus, an increase in the unemployment rate is not necessarily due to an increase in the poverty rate.

3. The effect of education level variables on poverty

Education level has a negative and significant impact on the dependent variable. This effect was significant with the data obtained by the researchers. so we know that one of the factors that increases the poverty rate is education, because education has an important role in this case because more and more people are educated, the community thinks that it is better for them but the reality is that there is no suitable job for them. them, where many people want to get a suitable job according to the level of education achieved.

The level of education in South Sulawesi is increasing every year, showing that people are starting to realize how important education is to them. However, those who do not believe that job offers are insufficient or insufficient to create unemployment, many migrate in search of work. People migrate to cities like Makassar in search of good work, which in turn leads to a population buildup that drives poverty rates even higher.

By increasing education, it can be said that poverty rate can be reduced because good human resources (HR) will be created and can compete with each other, education can also provide good jobs for society.

The results of this study are comparable to that of previous research (Trisnu & Sudiana, 2019) which also explains that education has a negative and significant impact on poverty. This

means that the higher the number of studies completed, the higher a person's income, the lower the poverty rate.

CONCLUSION

Organizational culture influences the financial performance of village credit institutions (LPD) in Badung Regency. This shows that culture is not the only variable that influences good financial performance. In addition, organizational culture supported by management cannot improve organizational performance because human resources are limited. As an intervening variable that has a positive impact on the financial performance of the Village Credit Institution (LPD) and Badung Regency, employee satisfaction will improve company performance.

Researchers ask credit institutions to pay more attention to their employees so that job satisfaction can be achieved, realizing the goals of the LPD. With a good young generation in the organization, the company's performance will be improved.

Researchers only conducted research at ILPD in Badung Regency and could not prove that organizational culture affects financial performance. Therefore, researchers must expand their research area to other districts in South Sulawesi Province and add other variables that are considered to affect financial performance, such as limited operational costs.

REFERENCES

- Achmad Selamat I, et al. (2015). Database of Higher Education Unemployment in Southeast Sulawesi. Deepublish. <https://books.google.co.id/books?id=QtSRDwAAQBAJ>
- Adji, A., Hidayat, T., Tuhiman, H., Kurniawati, S., & Maulana, A. (2020). Poverty Line Measurement in Indonesia: Theoretical Review and Proposed Improvements. Central Jakarta: National Team for the Acceleration of Poverty Reduction
- Agustina, E., Syechalad, M. N., & Hamzah, A. (2019). The Effect of Total Population, Unemployment Rate and Education Level on Poverty in Aceh Province. *Journal of Darussalam's Economic Perspective*, 4(2), 265–283. <https://doi.org/10.24815/jped.v4i2.13022>
- Gowa Regency Central Bureau of Statistics. (2022). Poverty.
- South Sulawesi BPS. (2020). South Sulawesi Average Years of School (RLS) (New Method), 2010-2019.
- Fajriawati, F. (2016). Economic Impacts on the Poor in the Nelayan Village, Medan Labuhan District. *Economist: Journal of Economics and Development Studies*, 16(2), 145-154.
- Ghozali I. (2018). *Multivariate Analysis Application with IBM SPSS 21 Update PLS Regression Program*. Semarang: UNDIP.
- Handayani. (2019). *CB-Sem and Sem-Pls Concepts Accompanied by Case Examples - Rajawali Press* (p. 142).
- Jaya, I. M. L. M. (2020). *Quantitative and Qualitative Research Methods: Theory, Application, and Real Research I Made Laut Mertha Jaya - Google Books*. In Great Indonesian Children.
- Mankiw. (2015). *Macroeconomic theory*. erlangga jakarta.
- Nabawi, H. (2020). The Effect of Total Population, Education Level and GRDP on Poverty in Malang City. *OECONOMICUS Journal of Economics*, 4(2), 104–117. <https://doi.org/10.15642/oje.2020.4.2.104-117>
- Prambudi, R. I. (2016). Analysis of the Influence of Economic Growth, Regional Minimum Wage and Unemployment on Poverty in East Java Province.
- Rukhiyati, R. (2019). Faculty of Economics, Diponegoro University, Semarang 2019. DIPONEGORO University. December 13, 2021