

## The Influence of Organizational Culture on Implementation of Good Governance in Improving Financial Information Systems Quality at the Regional Revenue Agency of West Java Province

Shantyo Raharjo Wihatmono<sup>A</sup>, Harry Suharman<sup>B</sup>, Daryanto<sup>C</sup>

### Abstract

Organizational culture is important in the successful implementation of good governance. This study aimed to determine the influence of organizational culture on the implementation of good governance in Improving the Quality of Financial Information Systems. The research sample was 126 people spread across four representative districts/cities (One-stop Administrative System) and the West Java Province Regional Revenue Agency. The results of the study indicated that there was a positive and significant influence of organizational culture on the implementation of good governance and impact to the quality of the financial information system in the West Java Province Regional Revenue Agency. The conclusion of the study indicates that there is a significant positive influence between organizational culture and the implementation of good governance at the Regional Revenue Agency of West Java Province. This is in accordance with the results of the descriptive analysis, which shows that organizational culture, in general, gets a good rating, as well as the implementation of good governance gets a good rating. It means that good organizational culture will have an impact on the implementation of good governance as well.

**Keywords:** *Organizational Culture, Implementation of Good Governance, West Java Province Regional Revenue Agency, Samsat.*

### INTRODUCTION

Organizational culture is important in the successful implementation of good governance. Organizational culture consists of the beliefs and expectations shared by members of an organization. Common norms, values, and perspectives among individuals within a group define its culture. Several factors influence organizational culture, including structure, leadership, mission, and strategy. A strong organizational culture fosters unity and purpose among employees, helping teams navigate complex and dynamic changes (Chalmers et al., 2025) good organizational culture can also increase cooperation and collaboration between employees, reduce interpersonal conflicts, and

<sup>A</sup>Faculty of Economics and Business Padjadjaran University, Bandung, Indonesia

<sup>B</sup>Department of Accounting, Faculty of Economics and Business Padjadjaran University, Bandung, Indonesia

<sup>C</sup>Indonesia Financial and Development Supervisory Agency, Jakarta, Indonesia

create an inclusive work environment. Through a strong organizational culture, companies can inspire employees to adopt high performance standards, innovation, and customer orientation, which in turn can increase the company's competitive advantage (Muis et al., 2018).

Organizational culture is a habit that lasts a long time and is used and applied in life work activities as one of the drivers for improving the quality of work of employees and company managers. An organization basically goes through stages from time to time, or what is commonly called the organizational cycle. This means that an organization that grows and develops will undergo a life process or living organism (Fahmi, 2016).

Organizational culture has a function or role within the company. According to (Robbins, Stephen, P, and Coulter, 2012) culture carries out a number of functions within the organization. The five functions of organizational culture are: Culture has a role in setting boundaries, meaning that culture creates clear differences between one organization and another. Culture provides a sense of identity to organizational members. Culture facilitates commitment to something wider than one's personal self-interest. Culture increases the stability of social systems, meaning that culture becomes the social glue that can unite the organization by providing appropriate standards for what employees should say and do.

(Wibowo, 2006) stated that an organization grows and develops because the organizational culture can stimulate the human resources work spirit so that the organizational performance increases. (Schein, 2004) stated that organizational culture is where people's general values and behavior are considered tools that lead to the successful achievement of organizational goals. (Robbins, 2003) argued that organizational culture is a value system that is followed and carried out by organization members so that such things can distinguish these organizations from other organizations. The value system is built by seven characteristics, which are innovation and risk-taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, and stability.

The culture within an organization is very important, playing a large role in whether it is a happy and healthy environment in which to work. In communicating and promoting the organizational ethos to employees, their acknowledgement and acceptance of it can influence their work behavior and attitudes. When the interaction between the leadership and employees is good, the latter will make a greater contribution to team communication and collaboration, and will also be encouraged to accomplish the mission and objectives assigned by the organization, thereby enhancing job satisfaction (Tsai, 2011).

The characteristics and values inherent in good governance are to provide an optimal role to non-government parties in government activities so that synergy is created between parties. In practice, good governance contains values such as efficiency, justice, and

responsiveness that enable the government to work more effectively to realize the welfare of the community (Sakapurnama & Safitri, 2012).

The Regional Revenue Agency of West Java Province has implemented good governance in the Governor's Regulation Number 22 of 2022 concerning the Position and Composition of the Regional Apparatus of West Java Province, which is assigned to carry out the duties and authorities of the West Java Provincial Government in the field of Regional Taxation and other Regional Revenue. Its implementation is adjusted to the applicable laws regulations, and policy guidelines implemented by the Central Government and Regional Government. Currently, the Regional Revenue Agency of West Java Province is very concerned about conducting continuous evaluations of good governance through the quality of a transparent and accountable financial system in accordance with the principles of good governance established by the UNDP (United Nations Development Program).

The vision of the West Java Province Regional Revenue Agency itself is "To Become a Trustworthy and Responsible Regional Revenue Manager". The meaning of this vision is that the leadership can be trusted not only by the agency environment but also by the community environment. Moreover, the leadership can fulfill the principles of good governance, namely accountability, where the leadership itself applies standards in financial management as determined by the central government. One of the missions carried out by the Regional Revenue Agency of West Java Province is to Realize Innovative Governance and collaborative leadership between the Central Government, Province, and Regency/City. What is meant by collaborative leadership is leadership that involves all stakeholders with full responsibility, mutual trust, and transparency in providing service progress to the community. Meanwhile, the strategy set by the Regional Revenue Agency of West Java Province is to increase the effectiveness of the management of regional original income, balancing funds and other legitimate regional income and optimizing the fulfillment, quality, and implementation of supporting elements of public services, including service systems, mechanisms, and procedures; service completion time; service costs/rates; service type product specifications; service implementer or application competency; service implementer or application behavior; handling of complaints, suggestions, and input; and service facilities and infrastructure. Optimizing planning, measurement, reporting, evaluation, and performance achievement, as well as coaching and improving the supporting capacity of work facilities and infrastructure and the competence and performance of the apparatus.

The vision, mission and strategy set by the West Java Provincial Bapenda are a manifestation of the leadership's commitment, in this case, the Head of the West Java Province Regional Revenue Agency, in realizing good governance. One manifestation of the leadership's commitment set by the Head of the West Java Province Regional Revenue Agency is the appreciation of the Governor of West Java Province regarding the regional revenues' increasing trend, which

continues to elevate. In addition, in a press release delivered by the public relations of the West Java Province Regional Revenue Agency, the Governor of West Java, Ridwan Kamil, appreciated the performance of the West Java Bapenda, which was able to maintain a positive trend, even exceeding the target in terms of managing tax revenues. One of the factors in the use of tax money is for infrastructure improvements, such as roads that have been halted for restoration during the COVID-19 pandemic. "Bapenda's performance is solid and good, making West Java's income normal and even exceeding the target. The benefits are for delayed road paving for development. The point is that tax money must be returned (used for the benefit of the people" (Barat, 2023). In addition, the form of success of the Head of the West Java Province Regional Revenue Agency is the Smart Tax for Smart People program, where this program aims to provide services oriented toward customer satisfaction. The leadership of the West Java Province Regional Revenue Agency must face challenges; according to the Strategic Plan of the West Java Province Regional Revenue Agency, namely, there are a number of corruption cases within the Regional Government and Central Government agencies, which have the potential to reduce the level of public trust and resistance to regional and national tax policies, as well as the absence of an information system for managing regional revenue potential that is truly accurate and tested.

One form of the organizational culture implemented by the West Java Provincial Bapenda, namely the KIJANG (*Commitment, Excellence, Honesty, Expertise, Normative and Ideas*) culture, which consists of Commitment, Excellence, Honesty, Expertise, Normative, and Ideas. The meaning of KIJANG itself comes from Sundanese culture, where leaders and employees must have ethics when working and providing services to the community, as well as having sharpness and critical thinking and having better ideas or innovations for the benefit of the community and in accordance with applicable provisions. In addition, the West Java Provincial Bapenda itself has the tagline "Working Together, Smiling Eternally," which means the spirit of working, moving quickly, moving together and utilizing local potential. This organizational culture is expected to be an example for other agencies in West Java Province, and it is hoped that employees have a productive, adaptive work spirit and are ready to develop West Java Province in a better direction.

In addition to KIJANG, Bapenda has three organizational cultural values, namely tie, *Batik* and *patrakomala flower*. *Tie* means, binding and uniting the community and reflecting wealth and diversity but still within the framework of unity. *Batik* means good devotion, which is the authority of Bapenda Jabar. While *patrakomala flower* is an ecosystem balancer that has many uses for the community, as shown in the following picture in figure 1:



**Figure 1. The Value of Organizational Culture in the Regional Revenue Agency of West Java Province**

In the figure 1, The key values of organizational culture that are believed and contain characteristics brought by members of the organization into their organization, which becomes a value system, so that the organization has a personality as a system that is accepted together and will create an effective organization with a strong culture that is different from other organizations (Anggraini et al., 2024). In this case, the process of formation to internalization of organizational values and culture is a long process, so it requires an effective strategy, Kang Penda and Neng Penda represents a sharp work culture and critical power in life and also symbolizes the strength and courage to protect rights and truth.

Organizational culture is a pattern/system in the form of attitudes, values, behavioral norms, beliefs, language, and rituals that are formed, developed, and passed on to all members of the organization as an organizational personality that will distinguish it from other organizations. Organizational culture will also determine how the group feels, thinks, and reacts in various environments that function to overcome internal and external adaptation problems (Jatmiko, 2021).

A quality financial information system is highly dependent on a clear and capable organizational culture. This is in line with what Romi et al. stated, that there are significant differences in 4 types of organizational culture, namely adhocracy culture, clan culture, hierarchy culture, and market culture, with information systems success factors such as system quality, information quality, service quality, system usability and user satisfaction (Romi, 2011).

Good organizational culture need to be supported by ease of use for system users. Ease of use itself is defined as the extent to which the system can be useful and run easily. This aims to ensure that the financial information system is of high quality. This research was conducted at the West Java Province Regional Revenue Agency and four

(4) Samsat Representatives of Regency/City, namely Samsat Pajajaran, Soreang, Padalarang and Haurgeulis.

## **LITERATURE REVIEW**

Bahri (2018) Organizational culture is the basic philosophy of an organization that contains shared beliefs, norms, and values that characterize how to do things in an organization

In addition, organizational culture can be interpreted as a set of values, beliefs, assumptions, or norms that have long been agreed upon and followed by its members as a guideline for behaving and solving organizational problems (Sutrisno, 2019).

Moreover, Organizational culture is defined as the values that form the basis for human resources in carrying out their obligations and behavior in the organization (Sulaksono, 2019).

Organizational Culture is a set of norms, values, beliefs, and attitudes that guide the actions of all organization members and have a significant impact on employee behavior (Schein, 1992) Supporting Schein's definition, (Denison et al., 2012) define Organizational culture is the underlying values, protocols, beliefs, and assumptions that organizational members hold, and it is strongly supported by the organizational structure and fundamental principles. In addition, (Denison, D. R., & Mishra, 1995) classified organizational culture as having the following four characteristics: involvement, consistency, adaptability, and mission.

Most Organizational culture definitions commonly specify 'Organizational culture' as a shared characteristic among individuals within the organization (Denison et al., 2015) (Yilmaz, C., & Ergun, 2008). Some examples of these shared characteristics are beliefs, values, behavior norms, customs, rituals, and ways of making sense (Abdalla et al., 2020) Therefore, Organizational culture is a lens that may be used to see and analyze an organization (Elena Parmelli et al., 2011)

Organizational culture, namely how members or a group of employees are able to deal with external and internal problems, therefore organizational culture must be developed and taught to members so that it becomes a guideline for behavior for members in dealing with problems (Iskamto, 2023).

The concept of organizational culture has been extensively examined across multiple disciplines, including psychology, sociology, and management. According to (Schein, 1985) organizational culture consists of a pattern of shared basic assumptions that a group learns as it addresses issues of external adaptation and internal integration. These assumptions, having proven effective, are regarded as valid and are thus imparted to new members as the appropriate way to perceive, think, and feel about these matters. Schein's framework underscores the layers of culture artifacts, espoused values, and underlying assumptions that collectively shape the institutional environment.

Organizational culture expresses shared assumptions, values and beliefs, and is the social glue holding an organization together (Treviño et al., 1999) A strong culture is a system of rules that spells out how people should behave (Deal & Kennedy, 2000) An organization with a strong culture has common values and codes of conduct for its employees, which should help them accomplish their missions and goals.

### 2.3. Implementation of Good Governance

(Sedarmayanti, 2004), the basic principle underlying the difference between the concept of governance and traditional governance patterns lies in the existence of very strong demands for the role of government to be reduced and the role of society (including the business world and non-governmental organizations) to be increased, and access to it to be more open.

Good governance, or what is often interpreted as good government, is a paradigm shift in post-reform governance that tends to be more effective and more democratic by demanding better governance practices, which open up community participation. The main goal of good governance is to achieve a government condition that can guarantee the interests of public services in a balanced manner by involving cooperation between countries, civil society, community institutions and the private sector. One form of good governance is the creation of an image of a democratic government where every citizen is given freedom of opinion (Yani, 2022).

*Good Governance* or *good government*. In realizing the concept of good governance, synergy is needed between three main actors, namely the government, private sector, and civil society. These three actors have a role in managing resources and social, economic, and cultural environments (Handayani, F.A., Nur, 2019).

### 2.4. Financial Information System Quality

(Laudon et al., 2012) define information systems technically as a collection of interrelated system components in collecting, processing, storing, and distributing information to support decision-making and organizational control. Meanwhile, (O'Brien et al., 2011) explain that information systems are an organized combination of people, hardware, software, communication networks, data resources, policies, and procedures for storing, retrieving, changing, and distributing information in an organization.

Based on the above opinion, an excellent leader's commitment and organizational culture lie in the quality of human resources. Quality human resources will produce qualified and good governance implementation, which can be realized through 3 things, namely: transparency, accountability, effectiveness and efficiency. In conducting these tests, employees must have good quality and experience, and this will produce a reasonable and measurable good governance implementation. The quality of an excellent good governance implementation will not be separated from the role of organizational culture and leader commitment.

## **METHODS**

This study used a quantitative research method with a survey approach. The survey was conducted at the West Java Province Regional Revenue Agency and four Samsat representatives of districts/cities, namely Samsat Pajajaran, Samsat Soreang, Samsat Padalarang, and Samsara Haurgeulis, with a sample size of 126. Consisting of 52 employees from 4 district/city Samsat in West Java, namely 14 employees from the finance and administration division, 14 employees from the control and evaluation division, 14 employees from the planning and development division, 14 employees from the revenue information system center's division and 15 employees from the revenue management division at the West Java Province Regional Revenue Agency. The sampling used a simple random sampling technique due to the conditions in the field; the four research subjects had problems related to organizational culture, government internal control systems and the quality of financial information systems. (Sugiyono, 2017) stated that simple random sampling takes sample members from a population that is carried out randomly without considering the strata in the population.

(Sekaran & Buogie, 2013) define the unit of analysis as an element or a set of elements from the population, namely (people, groups, institutions, and others), where the information will be collected in several stages of sample selection. Based on this understanding, the unit of analysis in this study is the Regional Revenue Agency of West Java Province. Respondents in this study consisted of employees related to the internal control, revenue, and financial work units within the Regional Revenue Agency of West Java Province.

(Sekaran & Buogie, 2013) The data sources used and analyzed in this study are primary and secondary data. Primary data is first-hand data or direct information obtained by researchers on variables of concern for specific research purposes. While, secondary data is data or information taken from existing sources such as performance reports, documentation, achievement reports, and journals related to this study.

In this study, researchers collected primary data through a questionnaire containing a list of questions/statements addressed to respondents to obtain facts and information from respondents. (Sekaran, 2003) questionnaires are an efficient data collection mechanism, especially if researchers are sure of what is needed and how to measure the variables. Secondary data was obtained from government agency performance reports, regional revenue reports, and publications through news carried out by the Public Relations section of the West Java Province Regional Revenue Agency. In addition, researchers also conducted interviews with several related fields, such as the Head of the Performance Control and Evaluation sub-section, the Head of the Expenditure section of the West Java Province Regional Revenue Agency, and the Head of the Finance Subdivision of the West Java Province Regional Revenue Agency.

The data analysis method used in this study was the Structural Equation Model (SEM)—Partial Least Square (PLS) method. (Hair, 2010), PLS is an alternative SEM method that can be used to overcome the problem of relationships between complex variables, but the data sample size is small—less than 30. The PLS approach is distribution-free (does not assume a particular data distribution and can be nominal, categorical, ordinal, interval, and ratio). PLS is a vital factor indeterminacy analysis method because it does not assume that data must be on a particular measurement scale or small sample size. PLS can also be used to explain theories. Compared to covariance-based SEM (represented by LISREL, EQS, or AMOS software), component-based PLS can avoid two major problems faced by covariance-based SEM (CBSEM), namely inadmissible solutions and factor indeterminacy (Ghozali, 2014).

PLS is used to determine the complexity of the relationship between a construct and its indicators. PLS is defined by two equations, namely, the inner model and the outer model. The inner model determines the specification of the relationship between a construct and other constructs, while the outer model determines the specification of the relationship model between the construct and its indicators (Wijayanto, 2008).

## RESULTS AND DISCUSSION

### Descriptive Analysis

In this case, it was explained how each variable in the study influenced, namely Organizational Culture, Good Governance and Quality of Financial Information Systems, both partially and simultaneously. This discussion was carried out based on the results of the hypothesis test shown from the calculation results using SmartPLS 3.0 software.

**Table 1. Recapitulation of Descriptive Analysis Results of Organizational Culture Variables (X<sub>1</sub>)**

Dimension	Number of Items	Mean Score	Interpretation
X1.1 <i>Process Oriented vs Result Oriented</i>	2	3,77	Good
X1.2 <i>Employee Oriented vs Job Oriented</i>	2	3,88	Good
X1.3 <i>Parochial Culture vs Profesional Culture</i>	2	3,55	Good
X1.4 <i>Open System and Closed System</i>	2	3,88	Good
X1.5 <i>Tight Control vs Loose Control</i>	2	3,35	Good Enough
X1.6 <i>Pragmatic vs Normative</i>	2	3,62	Good
Organizational Culture Variables (X <sub>1</sub> )	12	3,68	Good

Based on the Table 1 above, it is known that overall, respondents assessed the Organizational Culture variable with an average score of 3.68, which indicates the ‘Good’ category, indicating that respondents assessed the Organizational Culture at the West Java Province Regional Revenue Agency to be in the “Good” category.

**Table 2. Recapitulation of Descriptive Analysis Results of Good Governance Variables (Y)**

No	Dimension	Number of Items	Mean Score	Interpretation
1	Y.1. Participation	2	4,01	Good
2	Y.2. Rule of Law	3	3,31	Good Enough
3	Y.3. Transparency	2	3,38	Good Enough
4	Y.4. Responsiveness	2	4,09	Good
5	Y.5. Consensus Oriented	2	3,90	Good
6	Y.6. Fairness	2	3,64	Good
7	Y.7. Effectiveness and Efficiency	2	3,18	Good Enough
8	Y.8. Accountability	2	4,03	Good
9	Y.9. Strategic Vision	2	3,39	Good Enough
<b>Good Governance Variable (Y)</b>		<b>19</b>	<b>3,66</b>	<b>Good</b>

Based on the Table 2 above, it is known that overall, respondents assessed the Organizational Culture variable with an average score of 3.66, which indicates the 'Good' category, indicating that respondents assessed the Good Governance at the West Java Province Regional Revenue Agency to be in the "Good" category.

**Table 3. Recapitulation of Descriptive Analysis Results of Financial Information System Quality Variables (Z)**

Dimension	Number of Items	Mean Score	Interpretation
<i>Financial Support</i>	2	4,01	Good
<i>Mentality Support</i>	2	4,04	Good
<i>Human Resource Support</i>	2	4,08	Good
<i>Project Structure Support</i>	2	4,08	Good
<i>Communicating the Project</i>	4	3,95	Good
<i>Regulator Communication with the Project Group</i>	2	3,82	Good
<i>Expressing a true interest and being sufficiently knowledgeable</i>	2	3,76	Good
<b>Financial Information System Quality Variables (Z)</b>	<b>16</b>	<b>3,96</b>	<b>Good</b>

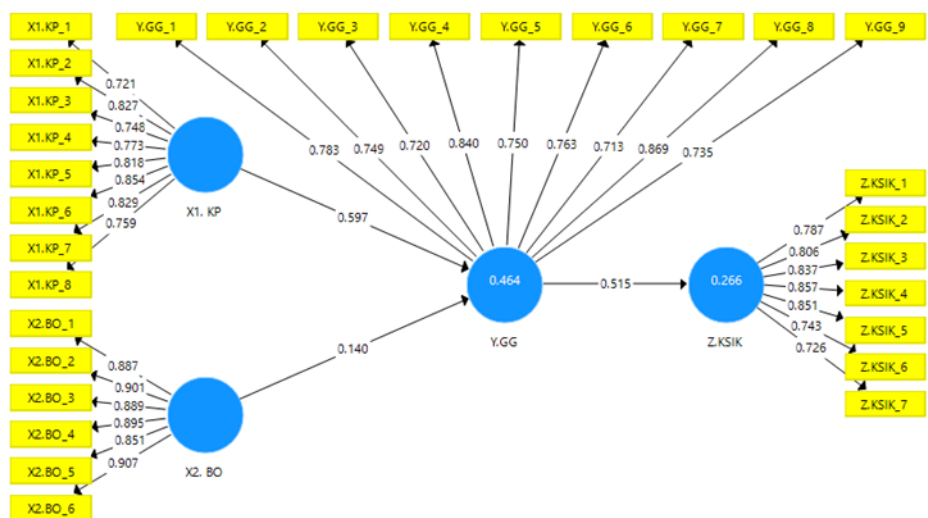
Based on the Table 3 above, it is known that overall, respondents assessed the Financial Information System Quality variable with an average score of 3.96, indicating the 'Good' category of the Financial Information System Quality at the West Java Province Regional Revenue Agency.

### **Inferential Analysis (Hypothesis Testing)**

In this study, hypothesis testing was carried out using the Partial Least Square (PLS) analysis technique with the SmartPLS 3.0 program. There were two parts to the discussion, namely, the outer model and the inner model.

#### **Outer Model (Measurement Model)**

In the Outer model (measurement model test), two tests were carried out: the validity test and the reliability test. The validity test is based on the results of the Convergent Validity and Average Variance Extracted (AVE) values, while the reliability test is based on the results of the Cronbach's Alpha and Composite Reliability values.



**Figure 2. Outer Model**

Based on figure 2 above, it is known that overall, respondents assessed the Organizational Culture variable with an average score of 0,515, which indicates Organizational Culture Influence on Implementation of Good Governance in Improving Financial Information Systems Quality is ‘Good’ category, indicating that respondents assessed the at the West Java Province Regional Revenue Agency to be in the “Good” category.

**Convergent Validity**

The Outer Loadings value is used to test Convergent Validity, whether the statement items on the indicator meet the valid requirements or not. The requirement value is declared valid if the Outer Loadings value is > 0.7 or is green on the SmartPLS 3.0 software display. Alternatively, according to (Ghozali, 2014) the Outer Loadings value between 0.5 - 0.6 is considered sufficient to meet the requirements. The Outer Loadings values that have been recapitulated are presented in the following Table:

**Table 4. Convergent Validity (Outer Loadings)**

Variable	Indicator	Outer Loading Value
Organizational culture (X1)	X2.BO_1	0.887
	X2.BO_2	0.901
	X2.BO_3	0.889
	X2.BO_4	0.895
	X2.BO_5	0.851
	X2.BO_6	0.907
Good Governance (Y)	Y.GG_1	0.783
	Y.GG_2	0.749
	Y.GG_3	0.720
	Y.GG_4	0.840
	Y.GG_5	0.750
	Y.GG_6	0.763
	Y.GG_7	0.713
	Y.GG_8	0.869
	Y.GG_9	0.735

Quality of Financial Information Systems (Z)	Z.KSIK_1	0.787
	Z.KSIK_2	0.806
	Z.KSIK_3	0.837
	Z.KSIK_4	0.857
	Z.KSIK_5	0.851
	Z.KSIK_6	0.743
	Z.KSIK_7	0.726

Based on the Table 4 above, it can be seen that all statement items on the indicators of each variable have an Outer Loadings value > 0.7. It can be concluded that all indicators are declared feasible or valid for use in research and can be used for further analysis. The Outer Loadings value in the Convergent Validity test can also be seen in Figure 3 above on each arrow from the variable that leads to the indicator statement item.

### Average Variance Extracted (AVE)

In addition, there is also another method to assess the construct validity, namely by looking at the Average Variant Extracted (AVE) value, which is required >0.5 for the model to be said to be good (Ghozali, 2014). The AVE value is able to show the ability of the latent variable value to represent the original data score. The greater the AVE value, the higher its ability to explain the value of the indicator that measures the latent variable. The following is the Average Variant Extracted (AVE) value that has been recapitulated from the three variables studied.

**Table 5. Average Variant Extracted (AVE)**

Variable	Average Variance Extracted (AVE)
X1. Organizational Culture	0,789
Y. <i>Good Governance</i>	0,594
Z. Quality of Financial Information Systems	0,644

Based on the Table 5 above, it can be seen that all research variables have an Average Variant Extracted (AVE) value > 0.5. Thus, it can be said that each variable has met the requirements.

### Composite Reliability and Cronbach's Alpha

(Ghozali, 2014) Composite Reliability is a part used to test the reliability value of an indicator on a variable. A variable can be declared to meet Composite Reliability if it has a value >0.6. The reliability test with Composite Reliability above can be strengthened by using Cronbach's Alpha value. A variable can be declared reliable or meets Cronbach's Alpha if it has a value >0.7. The following are the results of Composite Reliability and Cronbach's Alpha from each variable in this study:

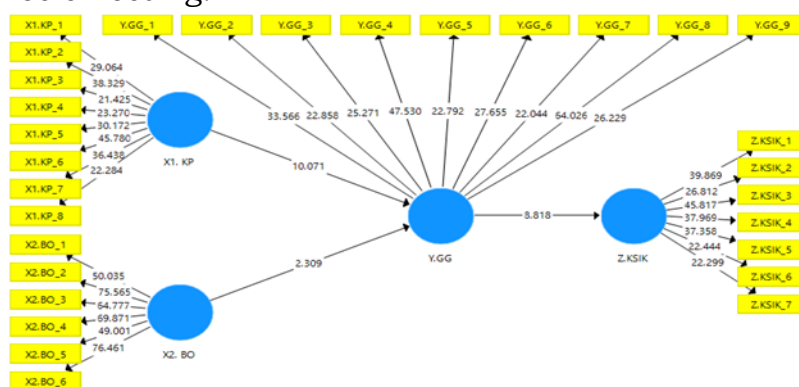
**Table 6. Composite Reliability and Cronbach's Alpha**

Variable	Cronbach's Alpha	Composite Reliability
X1. Organizational Culture	0.947	0.957
Y. <i>Good Governance</i>	0.914	0.929
Z. Quality of Financial Information Systems	0.908	0.927

Based on the Table 6 above, it can be seen that all research variables have an Composite reliability and Cronbach Alpha can be strengthened and good value. Thus, it can be said that each variable has met the requirements.

### Inner Model (Structural Model)

The Inner Model (Structural Model) section aims to predict the relationship between latent variables (Ghozali, 2014). Furthermore, according to Ghozali, PLS is a powerful analysis method because it is not based on many assumptions, the data does not have to be normally distributed, and the sample size does not have to be large or, in this case, refers to the classical assumption test commonly used for normality tests, multicollinearity tests, and heteroscedasticity tests. The discussion in this section will conduct several tests, including the results of the Correlation Between Variables, Determination (R-Square) and Hypothesis Testing.



**Figure 3. Inner Model (t Values)**

Based on figure 3 above, it is known that overall, respondents assessed the Organizational Culture variable with an average score of 2,309 for inner model, which indicates the Organizational Culture Influence on Implementation of Good Governance in Improving Financial Information Systems Quality is ‘Good’ category, indicating that respondents assessed the at the West Java Province Regional Revenue Agency to be in the “Good” category.

### R-Square

The R-Square result is a measure of the proportion of variation in the value of the influenced (endogenous) variable that can be explained by the influencing (exogenous) variable. The R-Square value is between 0 and 1. A value close to 1 means that the exogenous variable contributes almost everything needed by the endogenous variable, (Chin, 1995) if the R-Square result > 0.67 for the endogenous latent variable in the structural model indicates that the influence of the exogenous variable on the endogenous variable is included in the "good" category. Meanwhile, if the result is 0.33–0.67, then it is included in the moderate category, and if the result is 0.19–0.33, then it is included in the "weak" category. The following are the R-Square results in this study:

**Table 7. Determination Test (R-Square)**

Dependent Variable	R-Square
Y. Good Governance	0.464
Z. Quality of Financial Information Systems	0.266

Based on the calculation results in Table 7 above, it can be seen that the R-Square value obtained is 0.464 or 46.4% for the dependent variable Good Governance (Y) and 0.266 or 26.6% for the variable Financial Information System Quality (Z). These results indicate that the contribution of Organizational Culture (X<sub>1</sub>) to Good Governance (Y) is 46.4% and is in the moderate category because it is in the range of 0.33–0.67, while the remaining 53.6% is influenced by other variables not studied.

Meanwhile, the contribution of Good Governance (Y) to the Quality of Financial Information Systems (Z) is 26.6% and is included in the "weak" category because it is in the range of 0.19–0.33, and the remaining 73.4% is influenced by other variables that have not been studied.

**Hypothesis Testing**

In this case, it is explained how each research variable, namely Organizational Culture (X<sub>1</sub>), influences Good Governance (Y) and its impact on the Quality of Financial Information Systems (Z). This discussion is conducted based on the results of the hypothesis test shown from the calculation results using SmartPLS 3.0 software.

**Table 8. Bootstrapping Results of Direct Effect Hypothesis**

Hypothesis	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (  O/STDEV  )	P Values
X1. BO -> Y.GG	0.140	0.061	2.309	0.021
Y.GG -> Z.KSIK	0.515	0.058	8.818	< 0.001

Based on the table 8 above, it can be presented that the hypotheses of this variable all have good values and are in accordance with the answers from the respondents.

In this study, the researcher used criteria based on the calculated value with the Table value. If  $|t_{count}| > |t_{table}|$ , then the independent variable affects the dependent variable. The t-table value used as a reference is 1.960.

Based on Table 8 above, the Original Sample value (Path Coefficient) is 0.140, and the T-statistics value ( $t_{count}$ ) is 2.309 > t table (1.960). Likewise, the p-values obtained are 0.021 < 0.05, meaning that Organizational Culture has been proven to have a positive and significant influence on Good Governance. Based on Table 8 above, the Original Sample value (Path Coefficient) is 0.515, and the T-statistics value ( $t_{count}$ ) is 8.818 > t table (1.960), likewise the p-value obtained is <0.001, meaning that Good Governance is proven to have a positive and significant effect on the Quality of Financial Information Systems. Based on Table 8 above, the Original Sample value (Path Coefficient) is 0.072, and the T-Statistics value ( $t_{count}$ ) is 2.102 > t table (1.960). Likewise, the p-value is 0.036, where this value is smaller than  $\alpha$  (0.05),

meaning that Organizational Culture is proven to have a significant influence on the Quality of Financial Information Systems Through Good Governance.

### **Effect of Organizational Culture on the Implementation of Good Governance**

The organizational culture is a system of meaning held by members of an organization that distinguishes it from other organizations. A set of key features that are preserved by organizations make up this system of shared meaning. Organizational culture is created by "founders". people who have been in the organization, where the culture becomes a tradition, an inherent habit, which is embraced by members of the organization (Nurhalim,2022).

Organizational culture will shape the character of employees working in an agency. With a good organizational culture, a good character will be created in employees. If the character is formed well, an agency will easily implement Good Governance in its agency (Nurhazizal et al., 2019).

A strong culture is considered to have a role as a driving force to improve employee performance. Increase employee trust and involvement, reduce workplace stress and improve employee ethical behavior (Saffold, 1998). According to (Alvesson, 1989), the conceptualization of organizational culture depends on two approaches, namely the process-oriented, and the classification approach. Both have in common that culture tends to emphasize a single organizational culture. However, cultural forces have a major impact on conditions in the workplace. The culture inherent in the organization, if it is strong, will have a role in directing the company's goals and will directly improve organizational performance that comes from member contributions (Brooks, 2006).

Organizational culture is often equated with the personality of the organization, depicting employee behavior even when they are not instructed on what to do. It needs to be moderated through leadership whereby openness to experience, agreeableness and neurotic leadership styles will be helpful to the organization. Organizational culture need to be guided by virtues which consist of personal values, job design and motivation among the employees (Sailan Masunka et al., 2022)

This study also supports the theory (Schein, 2010), which states that organizational culture is a set of basic assumptions that develop within an organization and can affect all aspects of operations, including good governance. This theory asserts that cultural elements such as values, norms, and practices can have a significant impact on the quality of information produced by implementation of good governance.

Overall, organizational culture commonly represents the routine activities taking place in an organization (Lundy, O., & Cowling, 1996) More specifically, it refers to the shared set of values and behaviors inside an organization (Deshpande, R., & Webster, 1989) It is also used

to describe the set of assumptions and behaviors employees within an organization have adopted (Martins, E. C., & Terblanche, 2003)

The results of this study strengthen the argument that a good organizational culture can contribute positively to the implementation of good governance, supporting previous research findings and relevant theoretical literature.

#### 4.2.2. Influence of Good Governance Implementation on the Quality of Financial Information Systems

The implementation of good governance and the quality of information systems cannot be separated from the issue of accountability and transparency in financial management to produce quality financial reports. Moreover, quality financial reports cannot be separated from a good financial information system. A good financial information system can be seen from real-time reporting. This is in line with what is stated by Alim, where timely reporting can improve the quality of the information produced, make it more accurate and enable users to make better decisions when evaluating the past or predicting the future (Alim et al., 2012).

The results of this study strengthen the argument that a good organizational culture can contribute positively to the quality of financial information systems, supporting the findings of previous research and relevant theoretical literature.

#### 4.2.3 Influence of Organizational Culture on the Quality of Financial Information Systems through the Implementation of Good Governance

The role of organizational culture is very important in running an organization, namely to determine the direction of the organization, things that must not be violated and obeyed, and to allocate organizational resources (Muis et al., 2018). There are seven main characteristics in organizational culture in the form of courage in taking risks and innovating, paying attention to small things, being results-oriented, people-oriented, team-oriented, being aggressive, and having a form of stability (Sulaksono, 2019). Organizational culture has a positive influence on the quality of financial information systems. In this case, it means that work motivation, implementation of the vision and mission and implementation of company regulations have a positive role (Indrasari, 2023).

Organizational culture affects the implementation of good governance because ethics is the basis for implementing good governance. Internally, ethics are good in terms of values or norms and are part of organizational culture (Azwari et al., 2023).

Good Governance is the implementation of good governance. The government is required to be able to manage its region as well as possible, utilizing all available resources for the welfare of the community (Yusuf, 2009). Good governance is a system that regulates all matters within it related to the rights and obligations of related parties (Hosana et al., 2022).

The implementation of good governance and organizational culture change in local governments in Indonesia aims to enhance

government performance. One of the starting points for assessing government performance is through the quality of the government's financial reporting information system. It requires leadership that is capable of making changes in implementing good governance values and a new organizational culture. The main thing that ensures changes in organizational culture is strong leadership, both in terms of leadership ability and sharpness of vision (Patty, 2019).

The results of this study strengthen the argument that a good organizational culture can make a positive contribution to the quality of financial information systems through the implementation of good governance, supporting the findings of previous studies and relevant theoretical literature.

A productive culture is a culture that can make an organization strong and the organization's goals can be achieved. Through the figures of Kang Penda and Neng Penda, the values of organizational culture can be implemented well and implementing of good governance principles such as transparency, accountability, and responsiveness, will ensure that every apparatus acts in accordance with the public interest and is able to face various challenges in carrying out their duties.

## **CONCLUSION**

The conclusion of the study indicates that there is a significant positive influence between Organizational Culture and the implementation of good governance at the Regional Revenue Agency of West Java Province. It is in accordance with the descriptive analysis which shows that organizational culture in general is rated good, as well as the implementation of good governance as a whole is rated good, with all indicators good. This means that a good organizational culture will have an impact on the implementation of good governance as well.

Second, there is a significant positive influence of the implementation of good governance on the quality of the financial information system at the Regional Revenue Agency of West Java Province. It shows that increasing the implementation of good governance will be followed by an increase in the quality of the financial information system. This is supported by the findings of the descriptive analysis that respondents' assessment of the implementation of good governance as a whole is in the "Good" category. Each indicator assessed shows a consistent positive perception. Likewise, the quality of the financial information system, overall received a good assessment from respondents, and all indicators are in the positive category, which reflects the existence of good support and communication between various aspects of the financial information system.

Finally, organizational culture influences the quality of financial information systems and has a significant impact on the implementation of good governance at the Regional Revenue Agency of West Java Province. This shows that organizational culture not only directly influences the quality of financial information systems but also

indirectly impacts the implementation of good governance through its influence on the quality of financial information systems. In other words, organizational culture can influence the quality of the financial information system implemented, and the quality of the financial information system influences the implementation of good governance. This result is supported by the findings of descriptive analysis that organizational culture, in general, received a good assessment from respondents, as well as all indicators in the positive category, which reflects the existence of good support and communication between various aspects of the implementation of good governance. Thus, because organizational culture affects the quality of financial information systems and the implementation of good governance, organizations must prioritize the development of a culture that supports the financial information system process and the implementation of good governance. The improvement of organizational culture will have a positive impact on the quality of financial information systems and, in turn, have an impact on the implementation of good governance.

The suggestions put forward in this study are that there needs to be special training on financial reporting management, both at the West Java Province Regional Revenue Agency and at *Samsats*. There needs to be additional employees so that there is a clear separation of functions and job descriptions so that governance can run well. In addition, leaders also need to have a strong commitment to realizing a good organizational culture, good governance, and a quality financial information system. The role of external government is needed in realizing internal supervision and quality financial information systems. Finally, the West Java Province Regional Revenue Agency must be responsive to public complaints.

This study has limitations, first, regarding interviews with the Secretariat Section at the Regional Revenue Agency of West Java Province. This is because the Secretariat Section is the highest decision-making section in the implementation of good governance and financial information systems. Second, in several *Samsats*, a bureaucratic process that was quite complicated and took a long time constrained the collecting data process. Third, during the process of returning the questionnaire data, respondents did not want to use the Google form media when filling out the questionnaire. Fourth, the time constraints of the study were too short and informants seemed unhappy if given detailed information. Further research should be conducted on the implementation of leadership commitment and good governance, as well as the financial information systems quality and the need for in-depth interviews.

## REFERENCES

Abdalla, W., Suresh, S., & Renukappa, S. (2020). Managing knowledge in the context of smart cities: An organizational cultural perspective. *Journal of Entrepreneurship, Management and Innovation*, 16(4), 1-21.

- Alim, Darwanis, & Bakar, U. A. (2012). Pengaruh Penerapan Good Governance dan Standar Akuntansi Pemerintahan terhadap Kualitas Informasi Keuangan SKPD Di Kota Banda Aceh. *Jurnal Akuntansi*, 2302, 164.
- Alvesson, M. (1999). Concepts of organizational culture and presumed links to efficiency. *Omega, Elsevier*, 17(4), 323–333.
- Anggraini, P. K., Septyarini, E., & Purnamarini, T. R. (2024). Pengaruh Motivasi Intrinsik, Budaya Organisasi, Dan Work Life Balance Terhadap Organizational Citizenship Behavior (Ocb). *Jurnal Manajemen Terapan Dan Keuangan*, 13(02), 532–540.
- Azwari, P.C., Nazaina, Barkah, Q., Nuraliati, A. Taufik A, Rizki, M. Mulyani, N. (2023). Organizational Culture, Financial Reporting Quality, And Good Governance : Evidence From Islamic Financial Institutions. *Corporate Governance and Organizational Review*, 7(3), 131–143.
- Bahri, M. S. (2018). *Pengaruh Kepemimpinan, Lingkungan Kerja, Budaya Organisasi dan Motivasi Terhadap Kepuasan Kerja Yang Berimplikasi Terhadap Kinerja*. Jakad Publishing.
- Bambang Jatmiko, S. N. A. (2021). The Influence of The Internal Control System, Organizational Culture, Leadership Style, And Regional Financial Management System On The Implementation Of Good Governance. *International Conference On Sustainable Innovation Track Accounting And Management Science*, 178–184.
- Barat, H. B. P. D. P. J. (2023). *Ridwan Kamil Apresiasi Kinerja Bapenda Jabar Tren Pendapatan Meningkat*. <https://bapenda.jabarprov.go.id/2023/05/07/ridwan-kamil-apresiasi-kinerja-bapenda-%09jabar-tren-pendapatan-meningkat/>
- Brooks, I. (2006). *Organizational Behavior: Individuals, Groups and Organization*. Pearson Education Limited.
- Chalmers R, Marras A, B. G. (2025). *Organizational Culture*. <https://www.ncbi.nlm.nih.gov/books/NBK560543/>
- Deal, T. E., & Kennedy, A. A. (2000). *Corporate cultures: The rites and rituals of corporate life*. Perseus Books.
- Denison, D. R., & Mishra, A. K. (1995). Toward a theory of organizational culture and effectiveness. *Organization Science*, 6(2), 204–223.
- Denison, D., Nieminen, L., & Kotrba, L. (2012). Diagnosing organizational cultures: A conceptual and empirical review of culture effectiveness surveys. *European Journal of Work and Organizational Psychology*, 23(1), 145–161.
- Denison, D. R., Mishra, A. K., Science, O., & Apr, N. M. (2015). Toward a theory of organizational culture and effectiveness toward a theory of organizational culture and effectiveness. *Organization Science*, 6(2), 204–223.
- Deshpande, R., & Webster, F. E. (1989). Organizational culture and marketing: Defining the research agenda. *Journal of Marketing*, 53(1), 3–15.

- Elena Parmelli, Gerd Flodgren, Fiona Beyer, Nick Baillie, M. E. S. & M. P. E. (2011). The effectiveness of strategies to change organisational culture to improve healthcare performance: a systematic review. *Implementation Science*, 6(33), 1–8.
- Fahmi, I. (2016). *Manajemen Sumber Daya Manusia: Teori dan Aplikasi*. Alfabeta.
- Ghozali, I. (2014). *Structural Equation Modeling, Metode Alternatif dengan Partial Least Square (PLS) Edisi 4*. Badan Penerbit Universitas Diponegoro.
- Hair, J. F. (2010). *Multivariate data analysis (seventh edition)*. Prentice-Hall.
- Handayani, F.A., Nur, M. I. (2019). Implementasi Good Governance di Indonesia. *Publica: Jurnal Pemikiran Administrasi Negara*, 11(1), 1–11.
- Hari sulaksono. (2019). *Budaya organisasi dan kinerja*. Deepublish.
- Hosana, A.T., Rispantyo, Widarma, B. (2022). Pengaruh Good Governance Terhadap Kualitas Laporan Keuangan Dengan Sistem Pengendalian Internal Sebagai Pemoderasi (Studi Kasus Pada Aparatur Organisasi Perangkat Daerah Kab. Karanganyar). *Jurnal Akuntansi Dan Sistem Teknologi Informasi*, 16.
- Indrasari, J.M, I. (2023). Pengaruh Budaya Organisasi, Sistem Pengendalian Internal dan Teknologi Informasi Terhadap Kualitas Laporan Keuangan. *Jurnal Jebaku*, 3(1), 27–38.
- Iskamto, D. (2023). Organizational Culture and Its Impact on Employee Performance. *International Journal of Management and Digital Business*, 2(1), 47–55.
- Ismail M. Romi. (2011). Organizational Culture Impact on Information Systems Success. *St Computer Science On-Line Conference, CSOC*, 42–55.
- Laudon, Kenneth C., and Jane P. Laudon. (2012). *Management Information Systems: Managing The Digital Firm, Global Edition*. Person Education Limited.
- Lundy, O., & Cowling, A. (1996). *Strategic Human Resource Management*. Thompson.
- Martins, E. C., & Terblanche, F. (2003). Building Organizational Culture That Stimulates Creativity and Innovation. *European Journal of Innovation Management*, 6(1), 64–74.
- Muis, M., Jufrizen, J, Fahmi, M. (2018). Pengaruh Budaya Organisasi dan Komitmen Organisasi Terhadap Kinerja Karyawan. *Jesyta*, 9–25.
- Nurhazizal, M., Basri, Y.M, Nazir, A. (2019). Pengaruh Komitmen Organisasi, Budaya Organisasi, Gaya Kepemimpinan dan Kompetensi SDM Terhadap Kinerja Pemerintah Desa: Good Governance Sebagai Pemediasi. *Jurnal Akuntansi*, 8(1), 80–92.
- O'Brien, James, A, & Marakas, G, M. (2011). *Management Information Systems, 10th Edition*. McGraw-Hill/ Irwin.
- Patty, M. (2019). Pengaruh Penerapan Good Governance dan Budaya Organisasi Terhadap Kualitas Laporan Keuangan Dengan

- Kepemimpinan Transformasional Sebagai Pemediasi. *Intelektiva : Jurnal Ekonomi, Sosial & Humaniora*, 1(1), 66–82.
- Robbins, Stephen, P. and Coulter, M. (2012). *Management*. Pearson Education,inc.
- Robbins, S. P. (2003). *Perilaku Organisasi*. Gramedia.
- Saffold, G. S. (1998). Culture Traits, Strength, and Organizational Performance: Moving beyond Strong Culture. *The Academy of Management Review*, 13, 546–558.
- Sailan Masunka, W., Kinyua PhD, G., A., & Muchemi PhD, A. (2022). Organizational Culture as an Antecedent of Organizational Performance: Review of Literature. *International Journal of Managerial Studies and Research*, 10(3), 31–43.
- Sakapurnama, E. & Safitri, N. (2012). Good Governance Aspect in Implementation of The Transparency of Public Information law. *Bisnis and Birokrasi, Jurnal Ilmu Administrasi Dan Organisasi*, 19(1), 69–78.
- Schein, E. H. (1985). *Organizational culture and leadership: A dynamic view*. Jossey-Bass Publishers.
- Schein, Edgar, H. (1992). *Organizational Culture and Leadership*. Jossey-Bass Publishers.
- Schein, Edgar, H. (2004). *Organizational Culture and Leadership*. John Wiley and Sons, Inc.
- Schein, E. . (2010). *Organizational Culture and Leadership (5th ed.)*. Jossey-Bass.
- Sedarmayanti. (2004). *Sumber Daya Manusia dan Produktivitas Kerja*. Mandar Maju.
- Sekaran, U. (2003). *Research Methods For Business: A Skill Building Approach*. John Wiley and Sons, Inc.
- Sekaran, U., & Buogie, R. (2013). *Research Methods For Business*. John Wiley & Sons Ltd.
- Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif dan R & D*. Alfabeta.
- Sulaksono, H. (2019). *Budaya Organisasi dan Kinerja*. Deepublish.
- Sutrisno, E. (2019). *Manajemen Sumber Daya Manusia. Cetak ke sebelas*. Prananda Media Group.
- Treviño, L. K., Weaver, G. R., Gibson, D. G., & Toffler, B. L. (1999). Managing ethics and legal compliance: What works and what hurts. *California Management Review*, 2, 131–151.
- Tsai, Y. (2011). Relationship between Organizational Culture, Leadership Behavior and Job Satisfaction. *BMC Health Services Research*, 11, 98–106.
- Wibowo. (2006). *Manajemen Perubahan Cetakan Pertama*,. PT. Rajagrafindo Persada.
- Wijayanto, S. H. (2008). *Structural Equation Modelling : Dengan Lisrel 8.8- Konsep dan Tutorial*. Graha Ilmu.
- Wynne W. Chin, P. A. T. (1995). On the Use, Usefulness and Ease of Use of Structural Equation Modelling in MIS Research: A Note of Caution. *MIS Quarterly*, 19(2), 237–246.

- Yani, A. & A. (2022). Penerapan Prinsip Good Governance Dalam Penyelenggaraan Pemerintahan di Kantor Kelurahan Jawa Kecamatan Samarinda UU. *Formosa Journal of Applied Sciences (FJAS)*, 1(3), 157–164.
- Yilmaz, C., & Ergun, E. (2008). Organizational culture and firm effectiveness: An examination of relative effects of culture traits and the balanced culture hypothesis in an emerging economy. *Journal of World Business*, 43(3), 290–306.
- Yusuf, D. S. (2009). Pengaruh Good Governance Terhadap Kinerja Pemerintah Daerah Kota Bandung. *Jurnal Ilmiah Ekonomi, Manajemen, Akuntansi*.
-