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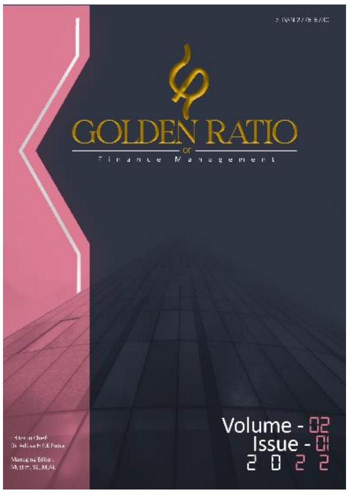

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FINANCE | RESEARCH ARTICLE

The Influence of Organizational Culture on Financial Report Quality at Jakarta Water Resources Office

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Abstract: The study aims to investigate the influence of the organizational culture on the financial report quality at the Jakarta Water Resources Office. It used the quantitative method with the primary data and questionnaires. The study occurred at the Jakarta Water Resources Office from September - March 2021. It uses the questionnaire distribution. This is a causal and comparative study. The study of causality investigates the cause-and-effect relationship between the independent variable (X) and the dependent variable (Y). The population in this study is the forty-two employees of the Jakarta Water Resources office, while the sample is some of them working at the Jakarta Water Resources office. The sample uses the Slovin formulation with 5% margin error. The result of this study states the organizational culture influences the financial report quality at the Jakarta Water Resources office. Human resources became the essential factor in the financial report. Moreover, the corporate culture may affect the quality of the financial statement. The study result reveals the organizational culture positively and significantly impacts the financial report. The suggestions go to companies, financial reports, and further research. The findings suggest that a company improves the organizational culture to produce optimum quality of financial reports.

Keywords: Organizational Culture, Organizational Characteristic, Financial Report Quality,
JEL Classification Code: E44, E43, E31

1. INTRODUCTION

The quality of a financial report lies in completeness, unbiased measurement, and a clear presentation, while its expression must be accurate, detailed, accountable, and transparent. Each transaction needs to be recorded and analyzed for report-making to the financial directors (Furqan et al., 2020; Singh et al., 2022; Yuan et al., 2020). The activities of recording and analyzing are essential to keep watching the financial performances, conditions, and the business progress yearly. Organizational culture and structure ensure that an organization's performance runs well since individual characters in it have a role in affecting it. All individuals in the organization must be obedient to the norms of those elements to generate a productive working culture. Quattrone, (2016) states that an influential culture causes a stable organization to achieve the targeted purposes. Employees are the driving force of the company's operational activities. Employee performance has a significant effect on company performance. The application of organizational culture is one of the factors that can improve employee performance. Corporate culture is in the form of values, rules, habits, or guidelines that follow the company's vision and mission and are implemented by all elements of the company (Suyono & Farooque, 2019). Organizational culture is formed after going through a series of experiences to overcome various problems that arise both internal and external to the organization (Hassan et al., 2021; Karatepe, 2013). An organizational culture that is constantly socialized and taught to every new employee will affect their mindset, motivation, attitude, and behavior at work (Pressgrove et al., 2022). Through corporate culture, employees have guidelines on what to do and avoid, how to interact, and so on (Potnuru et al., 2019). This makes employees work more effectively and behave in line with the company's expectations. Financial information is

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the most widely used benchmark for a company's performance. Generally, a company's performance can be good if it has positive financial reports where income is more significant than expenses (Pontinha et al., 2021). The company's revenue is of various types, for income derived from sales activities is closely related to the work performance of the employees behind it. This is where we will begin to dive into the discussion of the role of organizational culture in improving company performance.

Meanwhile, Jones (as cited in Yasin, 2013) explained the organizational culture as a group of values and norms controlling everyone's interaction inside and outside the organization. Similarly, Mathis and Jackson also mentioned that the organizational culture has its values and agreements serving as the guidance for individuals in the organization (Karatepe, 2013; Potnuru et al., 2019). Also, Tsai et al. (2007) put out that the organizational culture functions as the fundamental philosophy consisting of beliefs, norms, and values; these produce a characteristic to act in the organization. The scholars' point of view shows the importance of organizational culture to reach the expected outcomes. Previous studies proved that the corporate culture influenced financial reports, one of which was the study by Rahayuni et al. (2018) she mentioned that organizational culture influences the financial statements reflected in organizational performance.

Table 1: Research Gap Results

Variables	Researcher	Result
Organizational culture	Rahayuni et al., 2018)	Positive and significant influence
	Palepu & Healy (2013)	
	Mery (2016)	

The above phenomenon inspired the authors to conduct research called the influence of the organizational culture on the financial report quality.

2. Literature Review and Hypothesis Development

2.1. Organizational Culture

Taghipour & Dejban (2013) defines the organizational culture as the cognitive framework consisting of attitude, values, norms of behavior, and expectations. Schein (2010:18) said this corporate culture was a group of shared basic assumptions for external problem solving linked to the internal issues, which are considered the truth provided to new members. In this way, they can understand, think, and feel the real problems. Meanwhile, Kuraesin, (2015) views the organizational culture as a group of norms and values to take control between members and other organizations. She continues that the corporate culture is a part of knowledge and social organization connected with the rules, norms, and values to shape employees' behavior and attitude. The communication system in the organizational culture functioning as the main element allows the corporate culture to affect the whole individual in the organization. To sum up, the organizational culture is a group of norms and values to control attitudes and behavior so that members may solve external problems and combine them with internal ones. This act is seen as the truth in dealing with existing issues in the organization. Organizational culture is the values that guide human resources in carrying out their obligations and their behavior within the organization (Suyono & Farooque, 2019). These values will answer whether an action is right or wrong and whether a behavior is recommended or not. According to Potnuru et al. (2019), Organizational culture is the result of merging the cultural styles and behavior of each individual that was brought before into a new norm and philosophy, which has energy and group pride in dealing with certain things and goals. According to MacDonald (2013), organizational culture can also be said as a habit that continues to be repeated and becomes a value and lifestyle by a group of individuals in the organization which the next individual follows.

Meanwhile, according to Tsai et al. (2007), organizational culture is defined as norms, values, assumptions, beliefs, philosophies, organizational habits, and so on which were developed over a long time by the founders, leaders, and members of the organization who were socialized and taught to them. New members are applied to organizational activities to produce products, serve

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consumers, and achieve organizational goals. From the theories above, the researcher concludes that organizational culture is the shared habits of values adopted by an organization that is expected to improve the quality of the organization. Organizational culture is one factor that determines an organization's success. Therefore, an organization's success also depends on how good the organizational culture is. Another opinion from Pressgrove et al. (2022) is that organizational culture that is formed, developed, strengthened or even changed, requires practices that can help unite members' cultural values with organizational cultural values. Pressgrove et al. (2022) argues, organizational culture is a belief, attitude, and value that is generally owned, which arises in the organization; put forward more simply, culture is the way we do things here.

Performance indicators are quantitative and qualitative measures that describe the achievement of a target or goal that represents the achievement of a set target or goal by considering the indicators of inputs, outputs, outcomes, benefits, and impact. According to Watad & Will, (2003), a strong organizational culture is needed to support performance. The following are indicators of corporate culture: Self-awareness means that members of the organization consciously work to get satisfaction from their work, develop themselves, obey the rules, and offer high service. Aggressive means Organizational members set challenging but realistic goals. They establish work plans and strategies to achieve goals. The personality means Members are respectful, friendly, open, and sensitive to group satisfaction. Performance means that members of the organization value creativity and fulfill quantity, quality, and efficiency. Team orientation implies that members of the organization work well together and carry out effective communication and coordination with the active involvement of members, which in turn gets high satisfaction results and shared commitment. The process of organizational culture once the organization was founded, the formation of its culture when it started (Gupta et al., 2022). The construction of corporate culture occurs when the organization learns to face external and internal problems concerning the unity and integrity of the organization. The formation of organizational culture does not happen instantly and cannot be nurtured, but the shape of corporate culture must go through processes and stages.

Because of its universal nature, the culture that exists in an organization is influenced by various factors, including environmental, ethnic, social, and religious culture. In an organization, for performance alignment to occur, there must be a cultural balance adopted by an organization (the best) to shape the vision and mission of the organization going forward. This is intended to be able to achieve the targets that have been arranged in the organization's program. According to Hassan et al. (2021), there are several elements that influence the formation of organizational culture: Basic assumptions, which means that the basic assumptions serve as guidelines for members and groups in the organization to behave. Beliefs to be held where in organizational culture, there are views controlled and implemented by members of the organization. These beliefs contain values that can take the form of a slogan or motto, basic assumptions, general goals of the organization/company, business philosophy, or principles that explain the business. Leaders of groups that create organizational culture development where organizational culture needs to be completed and developed by corporate leaders or specific groups within the organization. Guidelines for overcoming problems where in the organization two main issues often arise, namely the problem of external adaptation and internal integration. Both issues can be overcome by assuming the fundamental beliefs shared by members of the organization. Sharing values in organizational culture need to share values about what is most important to want or what is better or more valuable to someone. Inheritance learning process where the basic assumptions and beliefs held by members of the organization need to be passed on to new members as a guide for acting and behaving in the organization/company. Adjustments or adaptations where there is a need for adjustments to the implementation of regulations or norms that apply within the organization, as well as adjustments between the organization and environmental changes.

According to Park et al. (2021), there are six essential factors that influence organizational culture: Observed behavioral regularities, namely the regularity of the way members act that appears to be observed. Corporate members may use a common language, terms, or rituals when interacting with other members. Second, norms, namely various existing standards of behavior, including guidelines on how far a job should be done. Dominant values, namely the core values shared by all members of the organization, for example, high product quality, low absenteeism, or high

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efficiency. Philosophy Namely, policies relating to the organization's beliefs in treating customers and employees. Rules Namely the existence of solid guidelines associated with the organization's progress. Organizational climate is an overall feeling that is described and conveyed through spatial conditions, how members of the organization interact, and how members of the organization treat themselves and customers or other people. Specifically, organizational culture is influenced by various factors that can help create a sense of belonging to the organization, complete the identity of corporate members, make emotional attachments between organizations as social systems, and find patterns of behavioral guidelines because of habitual norms in everyday life.

2.2. Organizational Culture Characteristics

Arlis Dewi Kuraesin (2015) explains that the organizational culture has the following characteristic: Innovation and risk-taking: Employees must be able to find new opportunities and take risks. Moreover, they can experiment and not feel objections to performing existing policies and practices. Paying attention to complicated things: keep an eye on employees' accuracy and analysis and investigate complex things. Result-minded orientation: the management stays focused on the results but does not focus on the process and the techniques used to achieve the results. People-minded exposure: management should focus on the people in the organization. Team-minded organization: activities in the organization should lie on teamwork, but it should not be on the individual. Aggressiveness: employees must be aggressive and act competitively but not casually. Stability: it relates to the anticipation and to implement rules connected with behavior. Robbins and Coulter in 2012 mention seven dimensions of the organizational culture: Attention to detail: employees must be accurate, do analysis, and pay attention to complicated things. Outcome Orientation: Managers should focus on outcomes. People orientation: management's policy should positively affect people in the organization. Team Orientation: teamwork is more important than that of individuals. Aggressiveness: employees should be aggressive and competitive. Stability: organizational policies and decisions should maintain the status quo. Innovation and Risk Taking: employees must be innovative and risk-taking (Taghipour & Dejban, 2013).

Griese et al. (2012) defines organizational culture as what employees understand and how that perception creates a pattern of beliefs, values, and expectations. Hess and Sililiano express a similar opinion that organizational culture usually describes a set of beliefs, norms, and values shared by members of the organization (Dasborough, 2019). These beliefs, standards, and values are related to how things work and what is essential in the organization. Moorehead and Griffin state that organizational culture is a set of values that help executive members know what actions are acceptable and unacceptable (Carmeli & Nihal Colakoglu, 2005; Dasborough, 2019). From some of the definitions above, corporate culture contains the meaning of a set of values shared by members of the organization. Kotter and Hasket stated that the critical variable affecting an organization's progress and productivity is not the management factor, task completion functions, or organizational structure but is on the cultural aspect (Paul et al., 2017). Although, in general, people in an organization agree that their organization has a culture and Organizational Culture or corporate culture is significant, they will usually face difficulties if asked to define it abstractly. The same thing, according to Robbins' analysis, is that the main characteristics that differentiate Organizational Culture are: (1) Individual initiative; (2) Tolerance to risky actions; (3) Directions; (4) Integration; (5) Support from management; (6) Control; (7) Identity; (8) System. Rewards; (9) Tolerance to conflict; and (10) patterns of communication.

According to Dechawatanapaisal (2018), culture can be analyzed at three levels: Artifacts (clothing, behavior patterns, physical symbols, organizational ceremonies, and office layout). Namely: all things that can be seen heard and observed by a person and the eyes of the organization's members. Meanwhile, Schein explained that the level of corporate culture could be analyzed in three categories, namely: (1) Artifacts, (2) Values, and (3) Basic Assumptions (Svhein: 2004). Artifacts reflect the company's organizational culture at the surface level and include all phenomena that can be seen, heard, and felt. This group consists of the group's products (works), such as technology design, myths, and company history. This includes values that emerge in the community, such as ritual and ceremonial events. Although, at this level, the various forms of

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corporate culture are easy to see and feel, they are sometimes challenging to explain systematically. Values are married and standardized values so that the solutions that emerge from a leader or influential individual in the organization are intended to solve the organization's problems. When a group is faced with critical organizational problems or issues, the first solutions that emerge usually come from influential individuals in the group, who will interpret, assume, or provide an assessment of the problems faced by the company and will provide solutions both in knowledge, attitudes, and actions that must be carried out. These solutions will work continuously and will become part of the company culture. The basic assumption is part of the company's organizational culture at the deepest level to solve problems that have been running repeatedly and become a value that is taken for granted. These solutions have become an indispensable value and an inseparable part of the organization. These values are believed to be accurate and become part of the organizational culture and eventually develop into corporate culture. Meanwhile, McNamara defines organizational culture as follows; organizational culture is the organization's personality. Culture comprises assumptions, values, norms, and tangible signs (artifacts) of organization members and their behavior (Uddin et al., 2020). To simplify the definition of organizational culture, it can be seen directly in 4 (four) cultural dimensions, namely artifacts, perspectives, values, and assumptions. Corporate culture includes solid guidelines that shape behavior. It performs several essential functions by; Conveying a sense of identity to the organization's members. Facilitate commitment to something greater than oneself. Increase the stability of the social system. Provide premises that are recognized and accepted for decision-making.

Organizational culture is strong or weak depending on factors such as the organization's size, how long the organization has been in existence, how many turnover rates are among employees, and the intensity of the origin of the culture. In specific organizations, it is not clear what is essential and what is not – a weak cultural trait. In such organizations, culture is less likely to influence managers. However, most organizations have a moderate to a strong culture. There is excellent agreement on what is important, what determines good employee behavior, what is required for promotion, and so on. One study of organizational culture found that employees in companies with solid cultures were more engaged with their companies than those with weak cultures. Companies with stable corporate cultures typically use recruitment and outreach practices to foster employee engagement. Kolb, Osland, and Rubin also reviewed the same thing. They stated that organizational culture is a model of basic assumptions that provide groups that express and discover or develop in teaching to overcome problems of external adaptation and internal integration. internal integration) and works well enough as a valid consideration, as well as to teach new members the correct way to cope, think and feel concerning these problems (Potnuru et al., 2019).

In other words, organizational culture concerns values such as aggressive or defensive or togetherness so that it turns challenges into opportunities or presents the best. The culture that develops within an organization, which is then termed organizational culture, lays the basis for a pattern concerning the steps exemplified by managers, which then decreases from supervisors to the lowest echelon vertically and develops continuously. Horizontally over a certain period. Organizations with a strong culture are characterized by a tendency for almost all managers to share a standard set of values and methods of running the business. New employees adopt these values very quickly. A new executive may be corrected by his subordinates, as well as by his boss if he violates organizational norms. The styles and importance of culture tend not to change much and have deep roots, even when managers change. Employees in organizations with strong cultures tend to march to the same drummer. Shared values and behaviors make people feel comfortable at work, and a sense of commitment and loyalty makes people try even more challenging. A strong culture provides the structure and control needed without relying on a stifling formal bureaucracy that can suppress the growth of motivation and innovation.

Cho et al. (2020) developed organizational dimensions that can be used as a guide in research: Innovation and risk-taking. This means the extent to which members are encouraged to be innovative and ready to take risks. Attention to detail, meaning the period to which members are expected to demonstrate precision, analysis, and attention to detail. Results orientation refers to the extent to which management focuses on results rather than the techniques and processes used to achieve those results. People orientation is defined as the degree to which management decisions

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consider the impact of results on people in the organization. Team orientation refers to the extent to which work activities are organized on a team basis rather than on an individual basis. Aggressiveness is nothing but the time to which people are aggressive and competitive rather than relaxed. Stability means the extent to which organizational activities emphasize maintaining the status quo rather than growth. From the description above, the synthesis of corporate culture is an employee's assessment of the values, norms, philosophies, and regulations that exist in the group at the institution to carry out the work that has been determined to get mutual success. The dimensions used to measure organizational culture are 1) innovation and risk-taking, with indicators of creativity and creating a work atmosphere, 2) attention to detail, with indicators of completing tasks, reporting tasks, and evaluating work; and 3) result orientation, which includes sharing results and mastery of the field of work, 4) people orientation, with career path indicators and employee recognition, 5) team orientation, with indicators of cooperation with others and the achievement of common goals, 6) aggressiveness, with indicators of work competition and work spirit, and 7) stability, with indicators of responsibility for work and comfort at work.

2.3. Financial Report Quality

According to Furqan et al. (2020), the quality of the financial report is an outcome of the process of identification, measurement, and recording of the financial transaction: it is the company's accounting entity as the information, the financial management accountability, and as the economic decision making conducted by certain parties. Tang et al. (2016) state that a high-quality financial report is based on completeness, unbiased measurement, and clear presentation. Moradi et al. (2020) stated the purpose of the financial statement is to inform the relevant financial standings and all transactions done by an entity during the one-period report. Mohd Sharip et al. (2021) outlined the characteristics of a financial statement as follows: Understandable: the information on the financial report must be understandable, and the detailed financial report information is not issued merely based on the incomplete message. Relevant: the relevant financial report can influence the users' decisions, evaluating the past and current activities and predicting future movements. Reliable: the financial statement must be reliable; it is not a misleading report but is a careful, standardized, fair, and detailed report. Comparable: the economic report information is identical to the previous reports or other general entities.

Financial statements are structured presentations of an entity's financial position and financial performance. Financial statements are part of the financial reporting process. Complete financial statements usually include a balance sheet, income statement, statement of changes in financial position (which can be presented in a variety of ways, for example, as a cash flow statement or statement of funds flows), notes, and other reports and explanatory material that are an integral part of the financial statements (PSAK, 2013). Financial statements consist of 4 essential words: balance sheet, income statement, statement of changes in capital, and cash flow statement. The balance sheet is a periodic report on the assets or assets, liabilities, and own capital of a company at a specific date or time. The income statement is a concise report on the type and amount of revenue or sales results obtained by the company during a particular period, costs during that period, and profits or losses suffered during that period. A statement of changes in capital or retained earnings is a report that shows the beginning and ending balances of retained earnings in the balance sheet, which offers an analysis of changes in the amount of profit over a certain period. The cash flow statement is a report that connects the two balance sheets with the last period's profit or loss statement that can evaluate how much cash the company generates and what the money is used for. The information in the financial statements is free from misleading understanding and material errors, presents every fact honestly, and can be verified. Information may be relevant, but if its nature or presentation is unreliable, then the information's use can be misleading. Reliable information meets characteristics such as Honest Presentation, i.e., information that faithfully describes transactions and other events that it purports to represent or could reasonably be expected to be presented. Verifiability means that the data presented in the financial statements can be tested. If the test is carried out more than once by different parties, the results still show conclusions that do not differ much. Neutrality means that information is directed at general needs and does not interfere with certain parties'

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needs. Comparability means that the information in the financial statements will be more valuable if it can be compared with the economic opinions of the previous period or the financial statements of other reporting entities. Comparisons can be made internally and externally. When an entity applies the same accounting policies yearly, internal comparisons can be made. External comparisons can be made if the entities being compared apply the same accounting policies. If a government entity applies an accounting policy that is better than the current accounting policy, the change is disclosed in the period in which the change occurs. Understandable means that the information presented in the financial statements can be understood by users and is stated in forms and terms that are adjusted to the limits of understanding of the users. For this reason, users are assumed to have adequate knowledge of the activities and operating environment of the reporting entity and the willingness of users to learn the information in question. This study examines the independent variable towards the dependent variable of the influence of the organizational culture on the financial report quality. Following is its framework:

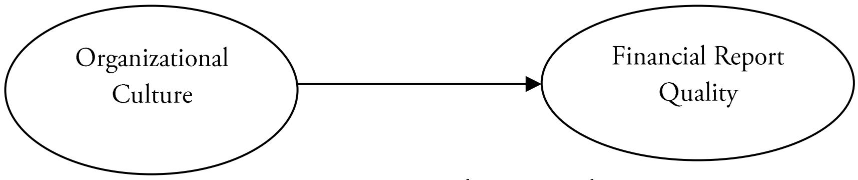

Figure1: Conceptual Framework

The hypothesis based on the above literature review is as follows: The organizational culture has a positive and significant effect on the financial report quality

3. Research Method and Materials

3.1. Materials and Measurement

The study occurred at the Jakarta Water Resources Office from September 2020 to March 2021. It uses the questionnaire distribution. This is a causal and comparative study. The study of causality investigates the cause-and-effect relationship between the independent variable (X) and the dependent variable (Y). The comparative analysis is to compare the organizational culture and the financial report. The quantitative data are taken from the secondary source, the media source. The population in this study is the forty-two employees of the Jakarta Water Resources office, while the sample is some of them working at the Jakarta Water Resources office. The sample uses the Slovin formulation with a 5% margin error, as follows:

$$n = \frac{N}{1 + Ne^2}$$

$$\mathrm{n} = \frac{42}{1{+}.42.0{,}05^2} = 38$$

Info:
n = Minimum sample number
N = Population number
E = Margin Eror 5%

3.2. Data Collection Method

The study uses primary data, and they need processing. Questionnaires with optional answers are employed to obtain the direct data. The respondents tick the answers to questionnaires. The measurement of the responses is the Lickert scale, measuring a group's or someone's perceptions, attitudes, or opinions about a social phenomenon.

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Table 2: Likert Scale

Likert Scale	Point
Very disagree	1
Disagree	2
Neutral	3
Agree	4
Very agree	5

3.3. Data Analysis Method

It systematically, factually, and accurately describes a particular population's facts or characteristics. The validity and reliability tests are to examine the data quality. The reliability test is to know whether a question is reliable. It is a one-shot measurement, and the results are compared with other questions, or it is known as the correlation among answers. The SPSS software provides a facility to measure the reliability with the statistical testing of Cronbach Alpha (α). A construct or a variable is said to be reliable when it has the score of Cronbach Alpha ≥ 0.70. The data analysis uses the method of double linear regression with SPSS as it can directly conclude the influence of the independent variable on the dependent variable. This sort of test consists of a data normality test, a multicollinearity test, and a heteroscedasticity test. The normality test determines if the distribution of the dependent variable on each independent variable is normal; the error value is normally distributed. The histogram graph and the probability plot (P-Plot) are tools used to identify the normal residual distribution. Ghozali (2011) said that the histogram graph was to compare the observed data with nearly-close normal distribution, while the probability plot was to compare the cumulative distribution of the accurate data with a cumulative and normal distribution. The standard variable has a significance value of more than 0.05. The multicollinearity test is seen from the Tolerance value, the Variance Inflation Factor (VIF), and the correlation among independent variables. The free multicollinearity in the regression model is accepted when the VIF is not more than ten, and the Tolerance value is less than 0.10 (Ghozali, 2013). The heteroscedasticity test has an unstable residual variance. This kind of test causes inefficient interpretation of a regression coefficient; it might have a proper or misleading understanding. A particular graph pattern indicates the presence of heteroscedasticity (Ghozali, 2011). The scatter plot graph has dots to see a certain way; when the dots are randomly distributed without such a particular pattern as a triangle, a square, or a curve, the assumption testing is accepted. It has the T-test (partial test) and the F-test (simultaneous tests). The t-test determines whether the independent variable partially affects the financial report quality. As stated in the research hypothesis, the statistical hypothesis for the partial test is the influence of the organizational culture (X) on the financial report quality (Y). Following are the criteria for the t-test (Ghozali, 2013).

1. The hypothesis test compares the t-test and t-estimated:
   a) When t-estimated < t-estimated or t-test > t-estimated, H0 is rejected; H1 is accepted
   b) When t-test < t-estimated or t-calculated > t table, H0 is accepted; H1 is rejected

2. The hypothesis test is based on significance:
   a) When the significance value is > 0.05, H0 is accepted
   b) When the significance value is < 0.05, H0 is refused

The F-test shows the influence of independent variables on the dependent variables. As in the research hypothesis, the statistical hypothesis for the F-test is the influence of the organizational culture (X) on the financial report quality (Y). When the F-significance level is < α = 0,05 (Sign F < α), H0 is rejected and H1 is accepted. When the F-significance level is > α = 0,05 (Sign F > α), H0 is accepted and H1 is rejected.

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4. Results and Discussion

4.1. Results of Validity and Reliability Tests

Table 3: Questionnaire of Validity Test on Organizational Culture

Statement item	Variable	r-squared	r-estimated 5% (38)	Info
X.1	Organizational Culture	0,788	0,320	Valid
X.2		0,686		
X.3		0,707		
X.4		0,493		
X.5		0,511		
X.6		0,537		
X.7		0,546		

Table 4: Questionnaire of Validity Test on Financial Report Quality

Statement item	Variable	r-squared	r-table 5% (38)	Info
Y.1	Financial Report Quality	0,761	0,320	Valid
Y.2		0,852	0,320	
Y.3		0,867	0,320	
Y.4		0.786	0,320	

The table 3 and 4 shows that all statements are valid because their correlation value is < r-estimated N38, at 0.320. Reports in the instruments are significant and accurate, indicating that the data are correct and deserved for the research.

Table 5: Reliability Testing

Variables	Number of statement	Cronbach's Alpha	Critical Score of Cronbach's Alpha	Info
Organizational Culture (X)	7	0,715	0,700	Reliable
Financial Report Quality (Y)	4	0,833	0,700	Reliable

The reliability test indicates that the measurement meets Cronbach's alpha because its value exceeds the alpha of 0.700. It tells that the respondents' results are consistent.

Table 6: Equation Model of Multiple Linear Regression

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,824	3,174		2,780	,009
	Organizational Culture	,246	,106	,361	2,323	,026
a. Dependent Variable: Financial Report Quality						

The coefficient value of the multiple linear regression results and the Constance indicate that the line of the multiple linear regression is equated with **Y= a+ bX** or **Y= 8,824 + 0,246X**. The equation shows the constant value is 8,824, meaning that the consistency value of the finance report quality variable is 8,824. The X coefficient of 0,246 states that an additional value of 1% in the organizational culture increases the value of financial report quality to 24,6%. Since the positive regression coefficient, the corporate culture positively influences the financial report quality.

The figure 2 shows that the dots are distributed around the diagonal line. It also proves that the regression model for the normality test on the organizational culture and the financial report quality is normal.

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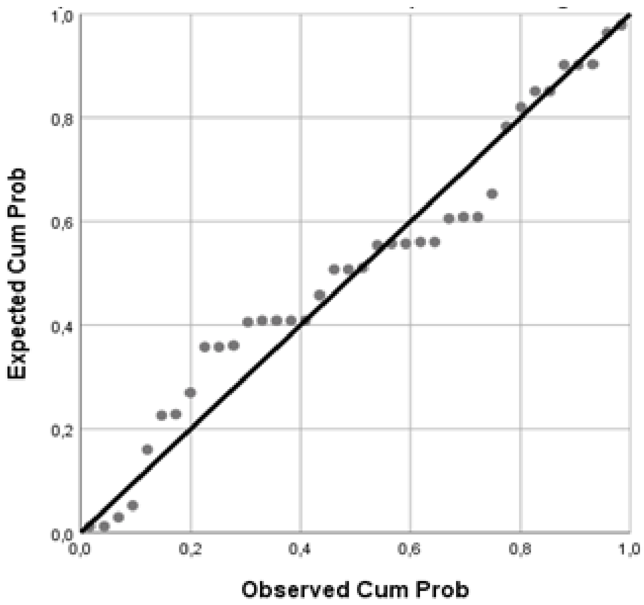

Figure 2: Normality Plot Test

Table 7: Multicollinearity Test

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8,824	3,174		2,780	,009		
	Organizational Culture	,246	,106	,361	2,323	,026	1,000	1,000
a. Dependent Variable: Financial Report Quality								

The table 7 shows no multicollinearity because the tolerance value is 0.10 or 1.000, and the VIF value is 10 or 1.000.

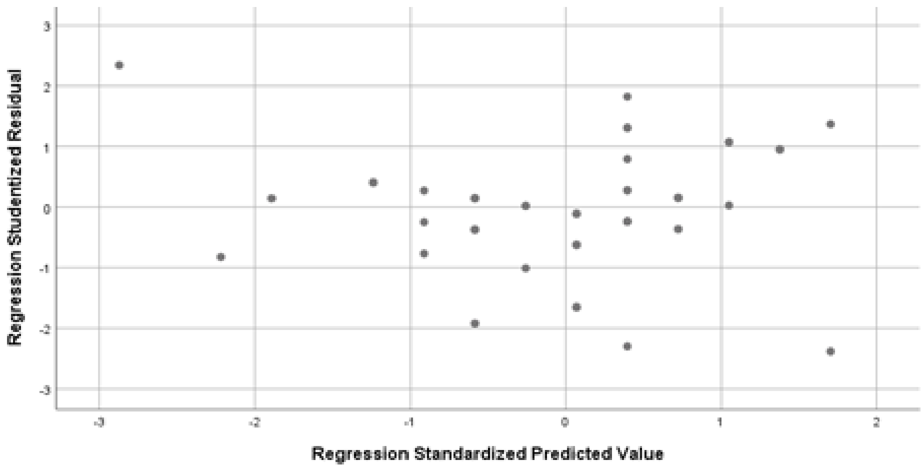

Figure 3: Normality Plot Test

The figure 3 explains that there is no heteroscedasticity because the dots on the scatter plot graph are randomly distributed without a particular pattern; the beads are on 0 and Y.

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Table 8: T-test (partial test)

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8,824	3,174		2,780	,009		
	Organizational Culture	,246	,106	,361	2,323	,026	1,000	1,000
a. Dependent Variable: Financial Report Quality								

The t-square of the above t-test is 2,323, and the t-estimated 5 % significance level is 2,0248. It clearly shows that the t-square is higher than the t-estimated (2,323 > 2,0248), and the significance level is 0.026. The result causes a positive influence of the organizational culture on the financial report quality.

Table 9: F-Test (Simultaneous Test)

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20,992	1	20,992	5,396	,026[b]
	Residual	140,061	36	3,891		
	Total	161,053	37			
a. Dependent Variable: Financial Report Quality						
b. Predictors: (Constant), Organizational Culture						

The table 9 F-squared is 5,396, whilst the F-table with df 1 (2-1=1)=4,10. The F-squared is higher than the F-table (5,396 > 4,10). The significance value is 0.026 (sig<0.05), meaning that the organizational culture significantly affects the financial report quality.

4.2. Discussion

Organizational culture has a role in influencing employee behavior. This can be reflected in the opportunity to innovate and be creative, the chance to express opinions, good relationships, and so on. So that organizational culture can function in providing job satisfaction and optimal performance to achieve organizational goals. Work culture plans to change the attitudes and behavior of existing human resources to increase work productivity to face various challenges in the future. Organizational sustainability is highly dependent on the culture it has. (Susanto:1997) suggests that corporate culture can be used as the mainstay of competitiveness in responding to challenges and changes. Corporate culture can also function as a binding chain in equating the perception or direction of members' views on a problem so that it will become a force in achieving organizational goals. Organizational culture has a role or function in the organization, among others: Culture creates a clear distinction between one organization and another. Culture brings a sense of identity to the members of the organization. Culture facilitates the emergence of commitment to something broader than one's self-interest. Culture is the social glue that helps hold the organization together by providing appropriate standards for employees to live up to. Culture is a meaning-making and control mechanism that shapes employee attitudes and behavior. In addition, organizational culture is the "spirit" of the organization because a philosophy, vision, and mission will become a vital force for the organization to compete. The organizational culture can shape the behavior expected by the organization related to employee performance. A thriving corporate culture unites the people in your company and keeps them in line. Different perspectives can gather behind your culture with a common goal when it is clear. Culture in organizations sets expectations about how people behave and work together and how well they function as a team. Organizational culture will determine how all employees, or all members of the organization do their work. Not only that, but corporate culture also specifies how to interact with each other and the outside world, especially with customers, partners, suppliers, media, and all stakeholders. In

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other words, your organizational culture will resonate in all aspects of your business because it represents how you do business. At the same time, identity and image define how people and customers perceive an organization.

The principles of accounting and financial reporting are intended as provisions that are understood and adhered to by standard setters in preparing standards, accounting, and financial reporting providers in carrying out their activities, and users of financial statements in understanding the financial information presented. Keeping human resource competence is the main issue in supporting good financial reporting. Human resource competence includes its capacity, namely the ability of a person or individual, an organization (institutional), or a system to carry out its functions or authority to achieve its goals effectively and efficiently. Capacity should be seen as the ability to achieve performance and to produce outputs and outcomes. The capacity and competence of human resources in carrying out a function, including accounting, can be seen from the level of responsibility and competence of these resources. Commitments can be seen from or contained in the job description. The job description is the basis for carrying out tasks well. These resources cannot carry out their duties properly without a clear job description. Meanwhile, competence can be seen from the educational background, the training pieces, and the skills stated in implementing the task. Competence is a characteristic of someone with the skills, knowledge, and ability to do a job. According to some experts, competence is a characteristic that underlies a person's high performance in his work. Employees who do not have sufficient knowledge will work intermittently, which also results in the wastage of materials, time, and energy. According to Dunnett in Anonymous, skill is the capacity to carry out a series of tasks that develop due to training and experience. Person's skills are reflected in how well a person performs a specific activity such as operating a piece of equipment, communicating effectively, or implementing a business strategy. Human resources are an organization's most asset; leaders say, as we know, that in that organization, cash estimates, fixed assets, and tangible and other non-human tangible assets are controlled by humans. Humans manage a company, humans create added value, and without human resources, companies will not be able to generate profits as added value for the organization itself. Competence is an underlying characteristic of an individual associated with the results obtained in a job. Competence is a characteristic that underlies a person and is related to the effectiveness of the individual's performance in his work.

An understanding of organizational culture cannot be separated from the basic concept of culture itself, which is one of anthropology's most widely used terminologies. Today, in the view of anthropology itself, the idea of culture has experienced a shift in meaning. Today culture is defined as a manifestation of every person's life and every group of people. Now culture is seen as something more dynamic, not something rigid and static. Culture is not defined as a noun; now, it is more interpreted as a verb associated with human activities. Organizational culture is the shared social knowledge within an organization regarding the rules, norms, and values that shape the attitudes and behaviors of its employee. standards, and values that measure the attitudes and behavior of employees). From this, the question arises, what is culture? Culture is a way of living together, a unique way for humans to adapt to the natural environment and is a human strategy for meeting their needs. The word culture has many meanings. Everyone's culture is different from others, and culture will be difficult to explain conceptually and definitively when applied in organizations. Thus, the organization also includes cultural aspects that are manifested in the form of stories, successful business legends, values, and symbols that are meaningful to every person in the organization. Discussing the problem of organizational culture. They state that the essential variables that affect the progress and productivity of an organization or company are not management factors, task completion functions, or organizational structure but are cultural aspects. Although, in general, people in an organization agree that their organization has a culture and organizational culture or corporate culture is very important, they will usually face difficulties if asked to define it abstractly.

5. Conclusion

The authors conclude that the organizational culture influences the financial report quality at the Jakarta Water Resources office. Human resources became the essential factor in the financial

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report. Moreover, the corporate culture may affect the quality of the financial statement. It reveals the organizational culture positively and significantly impacts the financial information. The implementation of a company's work culture will affect various aspects of the company's business. Starting from contract decisions, interactions with employees to how the company treats consumers. Organizational culture will be the identity attached to the company's image. Agencies with a strong image or reputation will more easily attract business opportunities in the future. The function of organizational culture is also to create comfort and a sense of belonging in an agency. Employees with a conducive work environment will be motivated to actively participate in realizing the company's targets. The suggestions go to companies, financial reports, and further research. The findings suggest that a company improves the organizational culture to produce sound financial reports. Further research, more population, variables, and samples are essential for further research to obtain more findings on the influence of the organizational culture on the financial report quality.

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