

Organizational Culture, Decision of Funding and Financial Performance: An Evidence from Small and Medium Enterprises

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Abstract

This study aims to examine the influence of organizational culture on Funding Decision and Company Financial Performance and the effect of Funding Decisions on Company Financial Performance. This research is conducted at the Small and Medium Enterprises (SME) in Bali province, including Wood Crafting and Woodworking Industry and Textile Industry and Textile Products. The study population consists of 173 business units. The sampling technique uses a random stratified proportional random sampling and obtains 121 business units. This study uses a quantitative method that is enriched with a qualitative approach, especially on Organizational Culture from the concept of local knowledge in Bali, which is Catur Purusa Artha. The study finds out that organizational culture form by local wisdom in Bali, which is “Catur Purusa Artha”, affects the owner or management of SMEs in the province of Bali in determining Decisions Funding and Financial Performance. This study confirm Resource Based View (RBV) Theory, where the organizational culture excavated from local wisdom (Catur Purusa Artha).

Keywords: Organizational Culture, Decision of Funding, Financial Performance

1. Introduction

In an effort to improve financial performance, Small and Medium Enterprises (SME) may face difficulties to meet the credit requirements. SMEs do not have audited financial statements and are unable to complete the credit requirements (Scarborough and Zimmerer, 2008: 164). SMEs in Bali province face problems related to the limited amount of capital, lack of knowledge about the source of capital, the value of collateral that does not comply with the capital requirements, difficulties in meeting their credit requirements (Disperindag Bali Province, 2013). The problem faced by SMEs need to be given a solution because it will affect the financial performance of SMEs.

Relationship between Capital (Decisions Funding) with Financial Performance reinforces previous research Abor (2005) in Ghana, Ahmad and Abdullah (2012) in Malaysia, Skopljak and Luo (2012) in Australia, Nirajini and Priya (2013) in Sri Lanka, which found that Funding decisions has a positive effect on financial performance. Funding decisions in previous research use the composition of the debt by the company, to explain the higher level of debt leading to increased use of financial performance. The use of debt may improve financial performance when the use of such debts to increase corporate profits is greater than the cost of the debt. Similar research conducted by Ebaid (2009) in Egypt, Gatsi (2012) in Ghana and Pratheepkanth (2011) have found different results that there is a negative relationship between Decisions Funding and Financial Performance.

SMEs financial performance is also influenced by the patterns of behavior, habits or culture that encourage members of the organization or company to work and interact achieve company goals. Organizational culture plays a role in improving the Financial Performance (Lee and Yu, 2004). Organizational culture influence the development and success of the company both large companies and small companies (Armstrong and Chouke, 2000). Culture of which show values, attitudes, beliefs and norms as well as the prevailing view of life in society may create economic value that can be used as capital for economic activity (Yuliarmi et al, 2012). Development and success of the company both large companies and small companies as SMEs are determined by the prevailing culture and applied (Armstrong and Chouke, 2000).

Organizational culture as the internal resources are intangible (intangible assets) that may improve the performance of a business. Resource Based View (RBV) Theory reveals that the company's internal capabilities as an important factor in managing the unique resources of the company so that the company is able to achieve competitive advantage (competitive advantage) (Barney: 1991) (Schienstock: 2009).

Lee and Yu (2004) in Singapore, Kessapidou and Versakelis (2002) in Greek, Uz Kurt et al (2013) have examined the relationship in Turkey Culture and Organizational Financial Performance Organizational Culture where the concept used is the concept of Organizational Culture Hofstede (1984). Organizational culture in addition to affecting the financial performance may also affect the Funding Decision. Research related to the Organizational Culture Funding Decisions have been conducted in many countries including Chui et al., (2002); Cao and Mauer., (2010); Li et al., (2010); Zheng et al., (2012).

Organizational culture explored in this study are based on the concept of local knowledge about the values in Bali, which is called Catur Purusa Artha. Culture in this research through the support of the depth interviews with key informants' formulated and synchronized meaning to the concept of organizational culture are generally proposed by Schein (2004) and Koentjaraningrat (2005).

The uniqueness of the research is between the relationship of non-financial variables (organizational culture) on Decisions Funding and Financial Performance. Financial research generally examines the relationship between financial variables. Research that examines the relationship between non-financial variables with financial variables is limited, so it makes this study different from the financial research in general. This is because this study is conducted on the SMEs that generally do not have the financial statements audited, so the use of perception data. Financial research generally uses data ratio.

1.1 Aim of Study

This study aims to examine whether organizational culture determined by Funding Decision and Company Financial Performance and the effect of Funding Decisions on Company Financial Performance

1.2 Significance of Study

This study contributes in enhance the empirical studies on organizational culture form by local wisdom in Bali, which is "Catur Purusa Artha" and confirm Resource Based View (RBV). The remaining of this paper is organized as follows. Section 2 discusses study of literature and hypothesis development. Section 3 describes research methodology, Section 4 explain the results of study and continued by section 5 and 6 with conclusion and recommendations.

2. Theoretical Framework

2.1 Financial Performances

A business organization measures its financial performance by using profit and sales volume (Chong, 2008). Performance measurement can be done with an assessment of respondents' perception on some financial measures, such as the level of sales, sales growth, gross profit, the ratio of gains on sales, return on capital and operating net income (Covin and Slevin, 1989).

Cassar and Holmes (2003) specifically measure the performance of the Small and Medium Industries (SMI) with improved earnings and an increase in the number of assets. Measurement of financial performance of SMEs in the research conducted by Riana (2011) uses increased sales volume, profit growth and asset growth.

2.2 Funding Decisions

Every business needs a start-up capital of the establishment, and when business develops greater additional capital is needed (Nofsinger and Wang, 2011). Meeting the needs of capital is reflected in the funding decisions of the company. Funding decisions are summarized on the capital structure of the company. Capital Structure is in proportion to the amount of short-term debt that is permanent, long-term debt, and stocks (Sartono, 2010: 226). Capital structure decisions are very important for the continuity of operations of the company.

In Pecking Order Theory, companies follow a certain hierarchy in taking financial decisions regarding capital structure. The Company prioritizes the use of internal funding sources before deciding to use funding from external parties (Myers and Majluf, 1984).

Funding in the company's capital structure consists of two parts: 1) equity (internal) that is capital that comes from within the company itself (retained earnings) or the owner of the company (common stock and preferred stock) for a period which is not defined, and 2) from external capital is capital that comes from outside the company or creditors (long-term liabilities) so it is an obligation for the company to pay it off (Brigham and Houston, 2011: 202).

2.3 Organizational Culture

Organizational culture as a common perception held by members of the organization and become a system of shared meaning (Robbins, 1996). Organizational culture are a pattern of behavior or style that encourages new members to follow (Kotter and Heskett, 1997).

Organizational culture is the internal factors that are intangible resources (intangible assets) that can boost financial performance of SMEs in Bali. In the Resource Based View (RBV) Theory, the company's internal capabilities as an important factor in managing the unique resources of the company so that the company is able to achieve competitive advantage (competitive advantage) (Barney: 1991) (Schienstock: 2009).

Organizational culture is a basic philosophy that provides a guidance for employees and consumers in an organization or company (Schein, 2004). Schein divides organizational culture into three levels of the building, which is as follows. The first level is the artifacts (artifact) where culture is invisible to the eye but often cannot be interpreted. The second level is the value (value), which has a higher level of consciousness than artifacts. The third level is the basic assumption (basic assumption) where the culture is taken for granted (taken for granted), the invisible and sometimes unconsciously. Organizational culture can be realized, the first manifestation of the ideal, abstract nature, are in the mind of the community where the culture is growing. Both social systems are composed of human activities that interact, connect, and mingle with each laing, based on the ideal form. The third system is the physical material, concrete nature and form of objects (Koentjaraningrat, 2005).

Organizational culture explored in this study is based on local wisdom Bali as inspiring innovative maintained to improve financial performance. Organizational culture excavated from Bali (Catur Purusa Artha) is a unique resource that is not replaceable, which can boost financial performance of SMEs in Bali. Organizational culture in this study is the cultural values unique local Balinese people about the purpose of life, which is called Catur Purusa Artha. This concept consists of Dharma, Artha, Kama and Moksha (Sudharta, 2009). Referring to PHDI (2011) in an article entitled Catur Purusa Artha as a cornerstone of its business strategy, it has described the universal significance of the elements of Catur Purusa Artha as follows. Dharma is the company's internal business processes realized by operating activities, customer management, and government regulations. Artha, the financial targets that are owned by companies, which is realized by trying to operate efficiently, increase sales volume and business (business). Kama consists of efforts to improve customer satisfaction through competitive prices, prompt delivery, product quality and partnership with customers. Moksha is the purpose of a business (business), which is to increase the value (value) of business realized. Organizational Culture meaning to the concept of local knowledge Bali can be equated with the concept Koentjaraningrat meaning and Schein, as shown by table 1.

2.4 Relations and Organizational Culture Funding Decisions

Cao and Mauer (2010) have examined the relationship between organizational cultures with Funding Decisions companies in the United States. Organizational culture is explained with leadership patterns and habits formed and implemented by the owner or manager of a policy specifically relating to use of capital. Will brings different management styles, different behavioral patterns in the organization of the Funding Decision companies. Research related to the culture and cultural Organization Funding Decisions made by some researchers including Li et al (2011) have investigated the influence of organizational culture on Funding Decisions foreign joint venture company in China. Found a significant positive relationship between organizational culture and the decision of the company's debts. Organizational culture is a crucial decision- making use of debt foreign joint venture company in China.

Zheng et al (2012) have found a significant positive effect on culture results to company's funding decisions. The culture of an organization that is continually applied will affect the individual to act in taking the decision. Culture in an organization determines the decision to use debt management.

Based on the theories and findings that have been described, a hypothesis can be formulated as follows:

H₁: Organizational Culture has a significant positive effect on the Funding Decisions

2.5 Relationship of Organizational Culture and Financial Performance

The financial performance of a company is determined not only by financial factors but also by non-financial factors, namely Cultural Organization. Organizational culture has an important role for members of the organization because of concerns about the symbols, rituals, myths, stories and legends about the interpretation of events, ideas and experiences that have influenced and formed by groups of people in which they interact

(Frost, 1985). Organizational culture is a pattern of thought, feeling, and action of a social group, which differentiates it from other social groups (Hofstede, 1991).

Research on Organizational Culture associated with financial performance has been a lot done between Lee and Yu (2004) in Singapore, Kessapidou and Versakelis (2002) in Greek, Uz Kurt et al (2013) in Turkey, which found positive results significantly. It means an increasing application of values culture in an organization will increase financial performance. Organizational culture is a key to the achievement of corporate excellence because it is able to create groups within the organization take swift and coordinated action against competitors, customers and processes within the organization. Similar studies with different results found by Farley et al (2008) in South Africa, namely Cultural Organization has no significant effect on financial performance. Organizational cultures are applied in companies in South Africa do not substantially improve the financial performance of the Company.

Based on the theories and findings that have been described, a hypothesis can be formulated as follows:

H₂: Organizational Culture has a significant positive effect on Performance Finance

2.6 Funding Decisions Relations and Financial Performance

In determining financial performance, funding decisions have a substantial influence. Every effort requires efforts to increase capital. Decisions related to capital funding will support the achievement of corporate goals. If there is a shortage of capital then it becomes an unproductive effort so that the achievement of performance is not optimal. Funding Decision and the relationship between financial performance cannot be ignored due to improved financial performance is indicative of the company's achievements in achieving the goals related to the management of funds owned (Gill et al, 2011).

Some related research funding decisions and financial performance have been done before Abor (2005) in Ghana, Ahmad and Abdullah (2012) in Malaysia, Skopljak and Luo (2012) in Australia, Nirajini and Priya (2013) in Sri Lanka, which found that Decision Funding affects significantly to the positive financial performance. It can be explained that the higher level of debt resulted in the increasing use of Financial Performance. The use of debt can improve financial performance when the use of such debts to increase corporate profits is greater than the cost of such debt (Brigham and Daves, 2010: 124). In contrast to Ebaid (2009) in Egypt, Gatsi (2012) in Ghana and Pratheepkanth (2011) has found a significant negative relationship between Decisions Funding and Financial Performance. This means that the increased use of debt resulted in a decrease in financial performance. Increased corporate profits after using a smaller debt than the costs incurred from the debt. The use of debt until it reaches a certain point will improve financial performance but if it passes through the maximum point, the increased use of debt will lower financial performance.

Based on the theories and findings that have been described, a hypothesis can be formulated as follows:

H₃: Funding Decision has a significant positive effect on Performance Finance

3. Research Methods

3.1 Location and Time Research

This research is conducted at the Small and Medium Industries Featured in Bali province, consisting of (1) Manufacture of textile and clothing; (2) Industrial Wood Crafting and Wood Processing. The study population consists of 173 SMEs, with the calculation method Slovin obtains a sample of 121 SMEs. Time data collection research and analysis is conducted March - July 2015.

3.2 Variable Research

The variables in this study consist of Organizational Culture, Decisions Funding and Financial Performance.

3.3 Variable Operational Definition

- 1) Organizational Culture is the behavior of the owner or management of the Small and Medium Enterprises (SME) Featured in Bali, to the cultural values of Catur Purusa Artha applied in business, which is formed by Dharma, Artha, Kama and Moksha
- 2) Funding Decisions are the composition of the debt on the Small and Medium Enterprises (SME) Featured in Bali.
- 3) Financial performance is the level of achievement or achievements of the company within a certain time period at the Small and Medium Enterprises (SME) Featured in Bali, which is reflected by the sales volume growth, profit growth and asset growth.

3.4 Data Collection Methods

Collecting data in this study uses questionnaires and documentation for quantitative data as well as in-depth interviews and triangulation as a form of qualitative approaches related to in-depth review of applications Culture “Catur Purusa Artha” on SMEs in Bali, from various sources according to this study, literature and results research support.

3.5 Method of Analysis of Data

Methods of data analysis uses Structural Equation Modelling (SEM) approach Partial Least Square (PLS). Here is a picture diagram analyzed structural model line as shown by table 2.

4. Research

4.1 Descriptive Analysis

1) Cultural Organization (X1) in this study consists of four dimensions and 14 indicators. The following table recapitulates Estimate Loading Value and Average Variable Organizational Culture

2) Decisions Funding (X2) in this study are reflected by three indicators. Following tables recapitulate Loading Estimate Value and Average (Mean) Variable Funding Decisions as shown by table 3.

3) Financial Performance (Y1) in this study consists of three indicators

The following table Loading recapitulation Estimate Value and Average (Mean) Financial Performance as shown by table 4.

4.2 Analysis Inferential

Analysis Inferential is shown by figure 1

4.3 Effect of Organizational Culture and Funding Decision

The relationship between the Organizational Culture Funding Decisions has a direct effect, *i.e.* increasing organizational culture can improve Funding Decision. This relationship is also significant at $\alpha = 5\%$ level, which indicated by the value of t-statistic relationship with the Organizational Culture Funding Decisions = 4.4405 > 1.96 (t-table $\alpha = 5\%$). Organizational culture is constructed by Purusa Artha Chess concept, consisting of Dharma, Artha, Kama, Moksha.

Organizational culture with the local concept Catur Purusa Artha in SMEs improved by internal business processes through operating activities active business and the ownership of the legality of the appropriate government regulation (Dharma), has a target financially rational (Artha), show an increase in apparent effort through customer management (Kama) and the efforts to increase the value of the business (Moksha). Application of the values of this culture that encourages companies to create the integrated internal processes, working together to achieve corporate objectives and customer satisfaction through the creation of quality products, in accordance with the needs of consumers. When the funding needs of SMEs increases, internal funding sources will not be sufficient so that SMEs look for additional sources of external funding in the form of loans to non-bank financial institutions and banks. Applications cultural values on SME organizations have directly made SMEs towards the development and clear prospects thereby making it easier to obtain a loan (debt) of creditor or financial institution.

The findings of this research to be interesting considering there is no previous study that examines the relationship between organizational culture described by Catur Purusa Artha on Decisions Funding. The majority of previous studies assessing the effect of Organizational Culture described the general concept of organizational culture using the concept of culture Hofstede (1991) to the Financing Decision.

4.4 Effect of Organizational Culture and Financial Performance

Relations between Organizational Culture with Financial Performance has a direct influence, *i.e.* increasing organizational culture can improve financial performance. This relationship is also significant at $\alpha = 5\%$ level, which is indicated by the value of t-statistic relationship with the Organizational Culture Financial Performance = 5.7687 > 1.96 (t-table for $\alpha = 5\%$). The magnitude of the influence of organizational culture on the financial performance is 31.1%. The better the application of the values of Organizational Culture will improve financial performance of SMEs.

SMEs that implement organizational culture with the local concept Catur Purusa Artha in IKM realized by internal business processes through operating activities active business and the ownership of the legality of the appropriate government regulation (Dharma), has a target financially rational (Artha), show an increase in

apparent effort through customer management (Kama), and efforts to increase the value of the business (Moksha), triggers an increase in financial performance primarily by sales volume growth. Ownership legality of the SMEs in the province of Bali, which produce export commodities, strongly supports the increase in sales volume. The existence of the legality of the business as well as products produced in the form of a business license, documents or permit the sale/delivery of a product, the legality of the raw materials used (in the wooden craft called TLVS = Certification of Timber Legality Verification) internationally has recognized that the demand for increased product and directly increases sales volume. Active business operation activities with the use of appropriate inputs SMEs increasingly high standard means that the higher the level of quality of the product so that the demand for the product increases and directly improves financial performance is the growth or an increase in product sales volume. Given the resulting product is a product oriented SME exports then guarantee a quality product through the use of raw material quality standards will ensure the level of consumer confidence in the products, the sales volume increased thereby increasing financial performance of SMEs.

These results are supported by previous empirical studies that have also found similar results that Cultural Organization has a positive and significant impact on the financial performance of the Company (Lee and Yu, 2004; Riana, 2011; Mazzi, 2011; Koszan et al. 2011; Anderson and Eshima 2011). In line with Nold (2012), who has argued that an undertaking in which owners, managers and employees have a high level of consciousness to do its work, it will make concerted efforts to achieve the goals set. Research results Nold (2012) have found that companies with the level of awareness is embedded in all employees whose composition is relatively high in Organizational Culture, jointly carrying out the work in accordance with the objectives set, have better performance compared with a company that has a level of awareness that the low ,

4.5 Effect of Decision Funding and Financial Performance

Relationship between Funding Decisions with Financial Performance has a direct influence, *i.e.* increasing Funding Decisions can improve financial performance. This relationship is also significant at $\alpha = 5\%$ level, which is indicated by the value of t-statistic Funding Decisions relationship with Corporate Financial Performance = $5.3438 > 1.96$ (t-table $\alpha = 5\%$). The amount of influence Funding Decisions and Financial Performance is 34.8%.

Improved SME Funding Decisions will encourage the owner or manager to use these funds as well as possible. IKM will increase activities that support increased sales, improve the supporting facilities of products and marketing processes and cost efficiency of production to sales volume increases, and ultimately improve the financial performance.

Results show the owners and managers of SMEs which have their own capital are limited, so they choose to support business development by using capital Facilities that can be provided by banks and other financial institutions. The use of capital component has a substantial role in setting the financial strategy of the company. A good balance of the use of debt affects the profitability of the company. Profitability is one indicator of financial performance in companies that do not go public (private company). Funding decisions are not careful as the use of debt in a very large number may cause fixed costs in the form of high capital costs, which would result in lower profitability of the company therefore the company is required to use the right amount of debt (Hasnawati, 2005).

Optimal funding decisions are funding that may generate an increase in financial performance of SMEs. Decisions about funding reflects the company's ability to face changes in the competitive environment. Funding decisions play a role in determining the level of corporate risk and fixed costs to be borne by the company. Fixed costs must be under conditions that will be paid by the company, otherwise the companies threatened with bankruptcy. Each company must make good Funding Decisions for profit, improving financial performance and maintaining business continuity (Nirajina and Priya, 2013).

The results are consistent with results of previous studies conducted among others by Abor (2005), Gill et al. (2011), Toraman et al. (2013), Patel and Bhatt (2013), Gatsi (2012), Nirajini and Priya (2013), who have found that the company Funding Decisions are related positively and significantly to the financial performance of the Company.

5. Implications Research

5.1 Theoretical Implications

1) The study is able to develop the concept of organizational culture based on the values of the local culture, which are based on the values contained in the concept Catur Purusa Artha (Dharma, Artha, Kama and Moksha).

- 2) The results of this study provide empirical contributions related on Financing Decision (capital structure) on the Small and Medium Industries (SMEs), which is influenced by non-financial variables (Cultural Organization) to improve the Financial Performance
- 3) The results of this study provide empirical contribution to the Resource Based View (RBV) Theory, where the organizational culture excavated from local wisdom (Catur Purusa Artha) are intangible resources (intangible assets) and unique that can improve financial performance
- 4) The results provide empirical contribution on the development of an integrated model of research on non-financial variables (organizational culture) on Decisions Funding and Financial Performance

5.2 Practical Implications

- 1) The owner of Small and Medium Industries (SMEs) Featured in Bali needs to pay attention to non-financial variables (Culture Organization) as a basis Decision Funding to improve financial performance.
- 2) The Provincial Government of Bali

Bali Provincial Government agencies related to SMEs (Department of Industry and Trade and the Department of Cooperatives and SMEs) to facilitate the development of Small and Medium Industries (SMEs) through ease of access to funding because it has been proven that the Decision Funding may improve the financial performance of SMEs.

6. Conclusions and Recommendations

6.1 Conclusions

- 1) Cultural Organization has a positive and significant impact on the financial performance of the Company. This shows that the implementation of organizational culture based on the values contained in the concept Catur Purusa Artha (Dharma, Artha, Kama and Moksha) is getting better, which is able to improve the Financial Performance of Small and Medium Enterprises (SME) in Bali measured from growth sales volume, profit growth and asset growth.
- 2) Cultural Organization has a positive and significant effect on Funding Decision. This means that the implementation of organizational culture through values Catur Purusa Artha concept (Dharma, Artha, Kama and Moksha) is getting better, which is able to increase Funding Decisions Small and Medium Industries in Bali as measured by the composition of the company's use of debt.
- 3) Funding Decisions has a positive and significant impact on the company's financial performance. Funding Decisions grow, which is measured with the use of debt, to improve financial performance Small and Medium Industries in Bali as measured by sales volume growth, profit growth and asset growth.
- 4) Organizational Culture excavated from local wisdom Bali "Catur Purusa Artha" has a significant and positive influence in the determination of Funding Decision and improves financial performance of SMEs.

6.2 Recommendations Research

This study has a limitation, which examines only one non-financial variables (organizational culture) against Decisions Funding and Financial Performance. The development of future research needs to consider other non-financial variables that need more attention by the company as a basis for taking Funding Decision and improving financial performance as Competence of Human Resources (HR) and Quality Products. The higher the HR Competency employed, enterprises need greater funding that is expected to improve the financial performance of the Company. Higher-quality product requires greater funding, which is expected to improve financial performance.

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Table 1 Concept Of Local Knowledge Bali

| Catur Purusa Artha | Koentjaraningrat | Schein |
|---------------------------|-------------------------|--------------------------|
| <i>Moksa</i> | Ideas system | <i>Basic Assumptions</i> |
| <i>Dharma dan Kama</i> | Social systems | <i>Values</i> |
| <i>Artha</i> | Material systems | <i>Artifacts</i> |

Sumber : Schein (2004), Koentjaraningrat (2005), Sudharta (2009)

Table 2. Estimate Loading Value and Average Variable Organizational Culture

| Dimension | Indicator | Estimate | Average | |
|-------------------------------------|---|--------------|-------------|-----------|
| | | Loading | Indicator | Dimension |
| <i>Dharma</i> (X ₁₁) | X ₁₁₁ Input accordance with company standards | 0,856 | 4,56 | 4,57 |
| | X ₁₁₂ Output according to customer needs | 0,835 | 4,63 | |
| | X ₁₁₃ Output unique and competitiveness | 0,677 | 4,63 | |
| | X ₁₁₄ Business legality | 0,860 | 4,46 | |
| <i>Artha</i> (X ₁₂) | X ₁₂₁ The operational efficiency of business | 0,826 | 4,63 | 4,61 |
| | X ₁₂₂ Increase in sales volume | 0,882 | 4,64 | |
| | X ₁₂₃ Increased profits | 0,839 | 4,57 | |
| <i>Kama</i> (X ₁₃) | X ₁₃₁ Competitive prices | 0,778 | 4,56 | 4,60 |
| | X ₁₃₂ Timely service | 0,812 | 4,61 | |
| | X ₁₃₃ Product and service quality | 0,813 | 4,61 | |
| | X ₁₃₄ Partnership with customers | 0,831 | 4,60 | |
| <i>Moksa</i> (X ₁₄) | X ₁₄₁ Improved business reputation | 0,868 | 4,67 | 4,62 |
| | X ₁₄₂ Increased business growth | 0,842 | 4,68 | |
| | X ₁₄₃ Increased social responsibility to local communi | 0,813 | 4,50 | |

Table 3. Estimate Loading Value and Average Variable Decision of Funding

| Indicator | Estimate | Average | |
|---------------------------|--------------|-------------|-----------|
| | Loading | Indicator | Dimension |
| Debt to Asset | 0,858 | 3,68 | 3,78 |
| Debt to Capital | 0,856 | 3,80 | |
| Long Term debt to capital | 0,802 | 3,86 | |

Table 4. Estimate Loading Value and Average Variable Financial Performance

| Indicator | Estimate | Average | |
|---------------|--------------|-------------|-----------|
| | Loading | Indicator | Dimension |
| Sales Growth | 0,850 | 3,60 | 3,52 |
| Profit Growth | 0,802 | 3,52 | |
| Asset Growth | 0,844 | 3,44 | |

Figure 1. Analysis Inferential

