

Relationship between Organizational Behavior and Financial Management of Bank Tabungan Negara, Makassar City

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Abstract

Organizational behavior is the study of the behavior and habits of individuals within an organization. Understanding the behavior of this organization has a profound impact on the organization to achieve its goals. Most organizational activities are closely related to individuals. Therefore, individual behavior and habits before entering the organization need to be taken into account. With organizational behavior, an organization will run effectively and efficiently. This study aims to find out the relationship between organizational behavior and financial management of Bank BTN Makassar City. This study used a qualitative method by conducting an interview with one of the employees of Bank BTN Makassar City. Based on the interview results, there is a relationship between organizational behavior and financial management of BTN Bank. The relationship of BTN bank's organizational behavior with its financial management is that organizational behavior has a very significant effect on BTN bank's financial management. This is because organizational influence can lower the NPL

Keywords : *Organizational Behavior, Financial Management, Non Performing Loan.*

INTRODUCTION

Organizational Behavior is a discipline that studies how individual and group behaviors should occur and how they influence efficiency (whether at the individual, group, or organizational level). The study of organizations is also referred to as organizational behavior. In this field, organizations are examined using methods from economics, sociology, political science, anthropology, and psychology. The definition of organizational behavior according to various experts includes: Organizational behavior is the study of behavioral aspects within a specific organization or group (Thoha, 2011). Organizational behavior is a discipline that studies the influence of individuals, groups, and organizational structures on their behaviors, with the aim of applying this knowledge to improve organizational efficiency (Robbins, 2008). Organizational behavior is essential to understand, explain, predict, and influence/change human behavior in workplace organizations (Edi Sukarno, 2002). Organizational behavior describes the study of what people do in an organization and how these behaviors affect their effectiveness within the organization (Triatna, 2015). Organizational behavior is a discipline that studies individual behavior within organizations and its impact on the performance of individuals, groups, or the organization (Wijaya, 2017). Organizational behavior, as a study related to the behavior of individuals in groups or specific organizations, indicates mutual influence between individuals and the organization (Marisi Butarbutar et al., 2021). It is a discipline that studies the interaction of people within organizations, including systematic research on organizational structures, behaviors, and processes (Indriyo Gito Sudarmo and Nyoman Sudita, 1997).

From these definitions, it can be concluded that organizational behavior is a field of study that examines the behaviors and habits of individuals within an organization.

Understanding organizational behavior greatly impacts an organization's ability to achieve its goals. Most organizational activities are closely related to individuals. Therefore, individual behaviors and habits before entering an organization must be considered. With organizational behavior, an organization can function effectively and efficiently.

In all social sciences, the goal is to control, predict, and explain organizational behavior. The ethical implications of focusing on workers' behavior remain debated. Consequently, those in power sometimes accuse organizational behavior (and fields such as industrial psychology) of being scientific tools. Despite such accusations, organizational behavior plays a crucial role in organizational growth and success.

An organization serves as a platform to accommodate individuals with shared objectives. Organizations undertake various activities to achieve their goals, involving diverse individuals. These activities influence individual behaviors.

Organizational behavior can be established through communication. Within an organization, communication among individuals is necessary to easily understand organizational behavior. Each individual within an organization has distinct behaviors and habits. Organizational behavior can also be understood by considering environmental conditions, technology, and organizational structures that mutually influence one another.

Organizational leaders must pay close attention to organizational behavior by first understanding individual behaviors within the organization. It is possible for actions by individuals in an organization to diverge from the organization's vision and objectives. Organizational behavior helps leaders motivate their members' performance, thus benefiting the organization in treating its members effectively.

Management is understood as all activities related to the functioning of an organization, recognizing that organizations can take many forms, including various types of corporations and non-profit organizations in both private and public sectors. Accounting can be seen as any activity aimed at measuring organizational performance or planning its future performance. It can also include traditional accounting roles such as management, control, and auditing.

In addition to other functional areas, such as human resources, marketing, and production, financial management is also a part of corporate operations. Financial management fundamentally examines the following functional areas:

1. How businesses meet financial needs using various available financial sources to save costs.
2. How businesses utilize funds for valuable investments.
3. How businesses manage their net income, whether distributed as dividends or retained and reinvested in the company.

Accounting and financial management are not the same, but learning financial management requires accounting knowledge. Accounting studies how companies create financial reports, culminating in three main accounts: (1) Balance Sheet, (2) Income Statement, and (3) Cash Flow Statement. The balance sheet portrays the company's financial condition, akin to a snapshot capturing the financial state at a specific moment. The income statement shows the company's sales, costs, and profits during a given period.

Bank Tabungan Negara (BTN) is a joint-stock company providing banking services, focusing on voluntary housing financing. BTN's ability to adapt to environmental changes and technological developments is reflected in continuous advancements that enhance the company's identity over time. Supported by increasing competition among banks and its unique advantages, BTN seeks to improve service quality and corporate image.

Organizational behavior is a part of performance culture, as behavior gives individuals what they need and want. Organizational behavior facilitates employees' adaptation to the corporate environment and helps them identify appropriate actions in line with the company's dominant values.

The premise of this examination is to determine the relationship between organizational behavior and financial management in BTN Bank. Therefore, the researcher conducted a study with the topic *"The Relationship Between Organizational Behavior and Financial Management at BTN Bank Makassar City."*

METHOD

The research method used is qualitative method. This research is focused on Bank BTN. In this case, the information and discussion to be discussed were obtained from interviews. This interview was conducted with one of the employees of Bank BTN Makassar. The purpose of this study is to determine the relationship between organizational behavior and financial management at Bank BTN.

RESULTS AND DISCUSSION

Bank Tabungan Negara, or BTN as it is commonly known, is a public company owned by the Government of Indonesia that provides banking financial services. In its operations, BTN upholds core values that every employee must adhere to, which are:

1. Adherence to their religious teachings.
2. Continuously seeking information to improve knowledge and skills for the betterment of the company.
3. Prioritizing teamwork in task execution to achieve business objectives with good performance.
4. Consistently giving their best for the company and everyone they work with.

Each of these values holds specific meanings. First, **excellent service** implies that all BTN employees, from the lowest to the highest levels, must provide the best service to their customers, including simple acts of kindness and smiles. BTN employees must always pay attention to their customers' needs and respond accordingly.

Second, innovation means that if services or products provided do not yet satisfy customers, BTN must make improvements. The role of BTN employees is pivotal in fostering this innovation. Third, being a role model entails setting a good example for colleagues and clients, demonstrating a positive culture. Fourth, professionalism requires all BTN employees to perform their duties accurately and responsibly, prioritizing collective interests over personal gains. Fifth, integrity signifies that BTN employees must commit solely to the company and act honestly and with discipline in their work. Lastly, collaboration emphasizes that organizational culture is significantly shaped by teamwork. Employees at BTN must trust and respect one another to work collaboratively.

These six core patterns reflect how BTN's organizational behavior operates. They are designed and demonstrated based on careful and long-term considerations, as organizational behavior typically evolves over time. These patterns are not only theoretical but also applicable in BTN's operations from headquarters to its branches. Thus, the core values must be indirectly implemented.

Organizational behavior is inherently embedded within the core values that all BTN employees must apply in every activity. Consequently, it is no surprise that organizational behavior influences individual performance. If an organization fosters positive and robust organizational behavior, it will positively impact the attitudes, behaviors, and performance

of its members. This is because organizational behavior serves as a mechanism of meaning and control that guides and shapes individual attitudes and behaviors. Therefore, organizational behavior should not be underestimated, as good organizational behavior can influence the success or failure of an organization.

In the first quarter of 2023, Bank Tabungan Negara (BTN) reported a 3.42% increase in net profit, reaching IDR 800.9 billion. However, its net interest and profit-sharing income decreased by 12.43% to IDR 3.08 trillion during the same period. By the end of March 2023, BTN's total assets grew by 9.25% to IDR 401.5 trillion, and credit distribution increased by 8.16% to around IDR 300 trillion, offsetting the decline in income. Operating expenses decreased to IDR 2.06 trillion in the first quarter of 2023, down from IDR 2.32 trillion in the previous quarter. Most housing loans (KPR), amounting to IDR 264.57 trillion in the first quarter of 2023, were subsidized KPR with a growth rate of 10.90%. For BTN's non-subsidized housing loans, the amount reached IDR 88.81 trillion, with a growth rate of 5.37%. By the end of the first quarter of 2023, BTN's third-party funds (DPK) reached IDR 319.60 trillion, a 10.01% increase compared to the same period in the previous year. Low-cost funds or current account saving accounts (CASA) made up about half of BTN's total DPK.

Financial management at BTN is largely a process where all expenditures and revenues are managed by each employee according to their respective roles and responsibilities. Despite having their distinct duties, employees collectively operate as a cohesive unit. BTN manages both large and petty cash with similar tasks and responsibilities. These cash management systems are given specific purposes or duties, as they are only permitted to store and spend money following the regulations set by the central office.

There is a relationship between BTN's organizational behavior and its financial management. Organizational behavior significantly influences BTN's financial management because it helps the company reduce Non-Performing Loans (NPLs). According to Darmawan (2004), NPLs measure a bank's ability to cover the risk of debtors failing to repay their loans.

NPLs are one of the critical indicators for evaluating a bank's operational performance. High levels of non-performing loans indicate the bank's failure in its efforts, which can result in profit reductions as the bank loses revenue sources and must set aside reserves for bad debts. Additionally, NPLs reflect credit risk, with higher NPL levels signaling greater credit risks for the bank.

The volume of bad loans is one of the causes of financial distress in banks. The lower the NPL ratio, the fewer bad loans the bank has, and the better its position. According to Riyad (2006), the NPL ratio compares the amount of problematic loans to the total loans issued by the bank.

Positive organizational behavior within a company influences employee performance levels and job satisfaction. Improvements in these areas also positively impact the company's profitability. Furthermore, positive organizational behavior can enhance the company's public image. A better public image translates into increased profitability, as seen in Bank BTN Makassar. Therefore, it is essential for BTN to maintain the consistency of its positive organizational image in the community by fostering and sustaining positive organizational behavior within the company.

Discussion

Organizational behavior (OB) is a critical aspect of an organization's success, influencing not only the internal dynamics but also the external perception of the company. According to Robbins and Judge (2019), OB examines the impact of individuals, groups, and structures on behavior within organizations, aiming to improve organizational effectiveness. This concept is closely tied to financial management practices, particularly in financial institutions like Bank Tabungan Negara (BTN).

Positive organizational behavior has been shown to significantly enhance employee performance and job satisfaction (Luthans et al., 2021). Employees who perceive a supportive organizational culture are more motivated to align their goals with the company's objectives, leading to better performance outcomes. At BTN, the core values such as professionalism, collaboration, and integrity create an environment conducive to high performance and innovation, aligning with findings from a study by Carmeli et al. (2020), which emphasized the role of trust and cooperation in fostering organizational success.

The relationship between OB and financial management is evident in the context of reducing non-performing loans (NPLs). High levels of organizational discipline and a culture of accountability contribute to more effective risk management practices. As noted by Darmawan (2004), managing NPLs is critical for maintaining financial stability. Recent studies, such as those by Wang et al. (2022), corroborate this, highlighting how a robust organizational culture can mitigate financial risks through better compliance and operational efficiency.

A strong organizational culture also positively impacts public perception and corporate reputation. Positive public perception, in turn, enhances customer trust and loyalty, leading to increased profitability (Kotler & Keller, 2020). BTN's emphasis on values like excellent service and innovation reflects this principle, demonstrating how cultural alignment with customer expectations can result in tangible financial benefits.

To sustain its growth, BTN must continuously reinforce its core values while adapting to changing market dynamics. Training programs focused on ethical practices, innovation, and collaboration can further strengthen the organizational culture. Additionally, integrating advanced financial management systems and leveraging data analytics can help in maintaining low NPL ratios, as recommended by contemporary research (Xu & Tang, 2023).

The interplay between organizational behavior and financial management underscores the importance of fostering a positive and dynamic organizational culture. For BTN, maintaining such a culture is vital not only for employee performance but also for long-term financial stability and public trust. Future research could explore the specific mechanisms through which organizational culture directly impacts financial outcomes in banking institutions.

CONCLUSION

Organizational behavior plays a pivotal role in shaping the operational efficiency, financial management, and public perception of institutions like Bank Tabungan Negara (BTN). A well-structured and positive organizational culture fosters enhanced employee performance, better compliance, and innovation, directly impacting financial outcomes and risk management, such as maintaining lower non-performing loan (NPL) ratios. Furthermore, a strong organizational culture contributes to building a positive public image, improving customer trust and loyalty, and driving profitability.

For BTN, sustaining its competitive edge in a dynamic financial environment requires continuous reinforcement of its core values, investment in employee development, and adaptation to technological advancements. By effectively integrating organizational behavior principles into its operations, BTN can achieve long-term growth, financial stability, and enhanced stakeholder trust. Future explorations in this area should focus on how specific organizational behavior strategies directly influence financial metrics in the banking sector.

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