Do Organizational Culture and Human Resources Management Practices Decrease Turnover Intention in Microfinance Company?

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ABSTRACT

Organizational culture can be interpreted as an accumulation of basic assumptions, practices, principles, beliefs, norms, and values that govern a person's behavior and action in an organization. Microfinance Institutions (MFIs) in Indonesia are growing very fast which is not accompanied by availability of sufficient competent human resources in this financial industry. This condition has caused employee turnover which tends to increase in the last three years. The research aimed to analyze the organizational culture designed by the company manager compared to the organizational culture according to employee perception and the effect of organizational culture and Human Resources Management (HRM) Practices run by the company on employee turnover intention. The research was a case study in PT DMS, one of MFIs in Indonesia. Primary data were collected from 249 respondents using the census method as a sampling technique. Then, the analysis of organizational culture using the Organizational Culture Assessment Instrument (OCAI) analysis showed that the culture that could be applied was the type of clan. The Structural Equation Model (SEM) analysis shows that organizational culture positively affects satisfaction with the implementation of HRM practices. However, organizational culture has a negative impact on turnover intention. Then, satisfaction with implementing HRM practices has a significant and negative effect on turnover intention. It can be concluded that to decrease turnover intention, companies need to increase employee satisfaction with the implementation of organizational culture and HRM practice, such as creating employee development program.

Keywords: organizational culture, Human Resources Management (HRM), turnover intention, microfinance company

INTRODUCTION

Microfinance Institutions (MFIs) in Indonesia are currently developing very rapidly. Statistical data from the Financial Services Authority (OJK (Otoritas Jasa Keuangan), 2020) show that currently, there are 204 MFIs in Indonesia in the form of cooperatives, corporations, foundations, credit banks, and other banking and non-banking institutions. The condition of the emergence of a new MFI will impact the need for a workforce to run the company's operations. Newly established MFIs certainly need professionals who are experienced in their fields. This situation stimulates the employees' movement from one company or MFI to another. It makes MFIs one of the fields that both groups and individuals want to develop.

Running the microfinance industry requires human resources with skill and experience in the same field, especially for strategic positions. It encourages the turnover of human resources from one institution to another quickly. According to Sun and Wang (2017), turnover intention is the last step in the decision-making process before someone leaves the workplace. Active members consider quitting and looking for other work or alternative professions. A sense of satisfaction at work determines a person's interest in leaving the workplace. The sense of satisfaction at work can be influenced by the organizational culture that runs the company and the level of Human Resources Management (HRM) practices.

Organizational culture can be defined as, "The accumulation of basic assumptions, practices, principles, beliefs, norms, and values that govern the behaviour and actions of a person in an organization, community, or society" (Cronley & Kim, 2017). Organizational culture can underlie the values, beliefs, and principles that serve as the basis for the behaviour and procedures of every organization. It is the basic assumption found and developed by certain groups or organizations. It is quite successfully used as a method to validate new members who enter the organization so that they have the right and the same views on how to understand, think, feel, and perform all activities within the organization (Emerson, 2013). According to Di Stefano, Scrima, and Parry (2019), organizational culture strongly influences employee disposition and organizational success. At the same time, organizational culture can affect employee satisfaction and turnover intention (Belete, 2018). PT DMS is an MFI that has been running for six years. Human resource data in PT DMS have recorded that between 2015 and 2019, the number of resigned employees from the unit manager to the head level has increased significantly. The trend of turnover can be seen in Figure 1.

HRM practices are vital in achieving company goals because the contribution of this governance can impact employees' satisfaction and organizational performance. According to Peluso, Innocenti, and Pilati (2017), HRM practices, including non-monetary recognition, competence development, fair rewards, and information sharing, have a negative and significant influence on turnover intention. In competitive environments, an organization needs a more robust adaptive culture to encourage cooperation and learning by its members (Abdi et al., 2018).

Organizational culture is grouped based on its culture, namely clan, adhocracy, hierarchy, and market (Abdi et al., 2018). There is research on how turnover is affected by each type of organizational culture. Then, based on Cameron and Quinn (2011), cultural values in organizations can be measured using the Organizational Culture Assessment Instrument (OCAI) method. The results show that the type of organizational culture (excluding market culture) significantly affects the bank employees' turnover intention (Aldhuwaihi & Shee, 2015). It can be said that organizational culture is closely related to turnover intention. The stronger the implementation of organizational culture is by each employee in the company, the lower the employee will intend to leave the company or move to another company (Paro & Gerolamo, 2017). Then, companies must ensure that managers implement the type of organizational culture that has been agreed upon so that the employees can work by the company's expectations and produce more satisfying outputs. Therefore, implementing HRM practices can reduce turnover intention directly and indirectly.
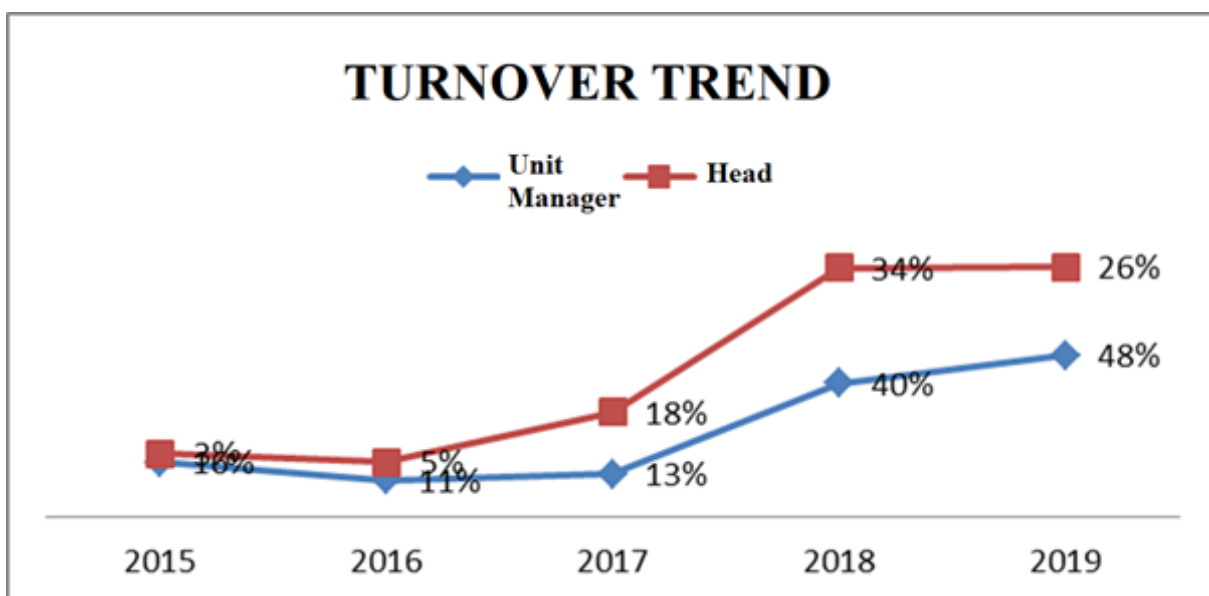

Figure 1 Number of Resigned Employees in PT DMS in 2018−2019

According to Haggalla and Jayatilake (2017), turnover intention is employees' tendency or intention to stop working their jobs voluntarily. The desire to move can be an early symptom of turnover in a company. The turnover process begins in line with the increased employees' dissatisfaction with their job, so the choice to quit their job also increases. There is a negative association between authoritarian organizational culture and turnover intention (Kim, Tam, Kim, & Rhee, 2017). Then, according to Bhayo, Shah, and Chachar (2017), interpersonal conflict and job stress on employees have a significant and positive relationship with turnover intention.

The high intention of leaving and entering a company will affect the implementation of the employees' organizational culture in a company. However, new employees still tend to use the organizational culture in the previous company. Given this problem, PT DMS needs to review and re-evaluate the governance of HRM implemented at PT DMS. HRM practices are vital in achieving company goals that can impact organizational performance. So, organizations must consciously map key cultural elements to the HRM function to motivate employees to participate in the culture supported by management. Similarly, companies must ensure that managers or leaders deal specifically with organizational culture and guide their staff according to the intent of specific cultural practices.

Based on the formulation of the problem, the research aims to analyze the organizational culture designed by the company manager compared to the organizational culture according to employee perception and the effect of organizational culture and HRM practices run by the company on employee turnover intention. For the company, it is expected that the research can provide information about the influence of organizational culture on the HRM practices and turnover intention in PT DMS. Then,

the company can decide on an appropriate policy to maintain the turnover intention in PT DMS.

METHODS

The research is a case study conducted at PT DMS with a quantitative approach. The primary data are collected through questionnaires. Meanwhile, the secondary data are from the library and the company's HR report data. The data include employees' data, performance data, monthly turnover data, and data regarding reasons for resigning from employees.

After that, the obtained data and information are analyzed descriptively and quantitavely. OCAI is used to describe the employees' current and expected values. Then, the relationship between organizational culture, HRM practices, and turnover intention is analyzed using Structural Equation Model (SEM). There are three initial hypotheses to describe the SEM model. The research framework is described in Figure 2.

H1: Organizational culture has a positive influence on HRM practices

H2: Organizational culture has a negative influence on turnover intention

H3: HRM practices have a negative influence on turnover intention

Then, the sample size is taken using a census technique. All employees with the positions of Unit Manager, Regional Manager, Human Resource (HR) Head, Loan Group Head, Finance and Corporate Head, Division Head, and Cluster Manager in PT DMS are used as samples. The number of respondents from the research is 249 respondents. The respondents are all employees in middle management positions.
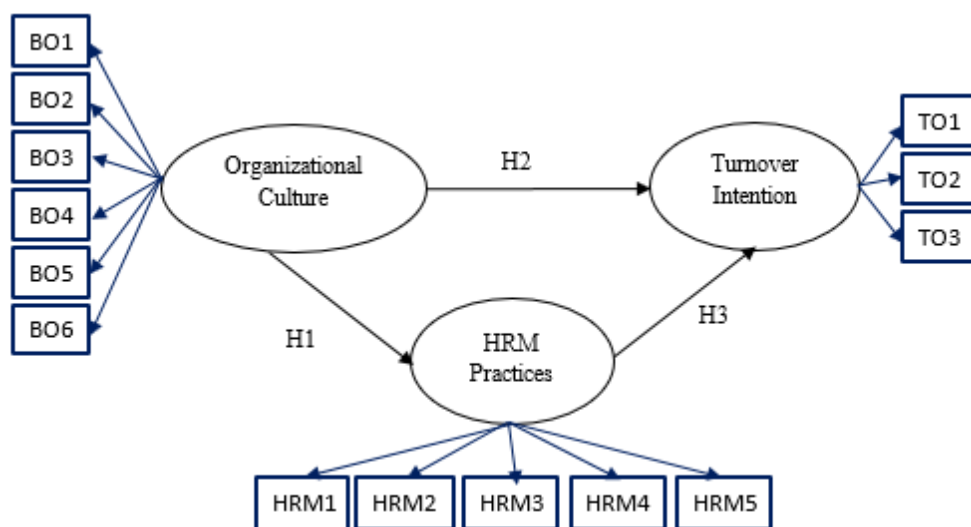

Figure 2 Research Framework

Next, the research uses three variables: two endogenous latent variables (HRM practice (HRM) and turnover intention (TO)) and an exogenous variable (Organizational Culture (BO)). Then, OCAI analysis describes employees' current and expected values using four types of organizations: clan, adhocracy, market, and hierarchy. Each dimension has four alternative statements (A= Clan, B= Adhocracy, C= Market, and D= Hierarchy) (Cameron & Quinn, 2011). Based on these variables, parameters or indicators that represent the influence of each variable are needed, as explained in Table 1.

The relationship between organizational culture and HRM practices with turnover intention is analyzed using the Structural Equation Model (SEM). First, the research model is tested to determine whether the model is considered feasible or not as a research model. The method used to determine the feasibility of a research model is by conducting a feasibility test using a fit index. Figure 3 shows the initial model framework of the SEM structure which will be used as a reference for researchers to confirm the model.

According to Hair, Risher, Sarstedt, and Ringle (2019), SEM is a useful statistical tool for testing theories and conceptual models of the study empirically. The proposed model is the nascent theoretical development derived from several theories. Thus, the prediction between constructs in the proposed model requires the usage of Partial Least Square-Structural Equation Modeling (PLS-SEM). The other advantages of using PLS-SEM are that it operates using a large sample size. It is preferable to use a larger sample size to represent the population and yield more accurate results for model estimation. Then, it can normalize the data for further analysis.

RESULTS AND DISCUSSIONS

Most respondents are female, with 90,36%. The result is understandable because this company is a finance company whose main target is women. Most of the respondents are 21−25 years old (58,28%) and 26−30 years (27,71%). Then, married and unmarried respondents have almost the same percentage, 49% and 51%, respectively. For the latest education level, 73,9% are high school or vocational high school in Table 2. The educational qualifications for the Unit Manager, Loan Group Head and Cluster Manager levels are high school or vocational high school. All employees who have occupied these positions have experience or a career in the same field for at least one year. The results can be seen in Table 2.

As the company prioritizes work experience over educational qualifications, the results show that the number of respondents who have worked for less than two years is 48,02%, and two years and over with 51,80%. Moreover, as many as 48,99% of respondents hold a current position for less than one year and 28,51% for 1−2 years. Next, as many as 62,25% of respondents have worked in other companies. It shows that 72,69% of the respondents work at the previous company in a span of fewer than two years. Table 3 describes the behaviour of respondents.

Organizational culture is closely related to the success of an organization. With an organizational culture, companies can implement the values of their organizational culture to support the organization to grow and develop sustainably. By generating the right organizational culture and continuous knowledge management initiatives, leaders will enhance value and increase the organization's competitive advantage (Chatterjee, Pereira, & Bates, 2018).

Table 1 Research Variables and Indicators

Variables	Indicator	Symbol
Organizational Culture	Dominant character	BO1
	Organizational leadership	BO2
	Personnel management	BO3
	Organizational adhesive	BO4
	Strategy emphasis	BO5
	Success criteria	BO6
HRM Practices	Training and development	HRM1
	Promotion and career path	HRM2
	Program rewards and punishment	HRM3
	Employees' complaint management	HRM4
	Compensation and benefit	HRM5
Turnover Intention	Mind to quit work	TO1
	Intention to find a new job	TO2
	Intention to quit work	TO3

Table 2 Respondents' Characteristics

Characteristics of respondents	Frequency	Percentage (%)
Position		
Division Head	8	3,21
Cluster Manager	6	2,41
Group Loan Head	37	14,86
Unit Manager	198	79,52
Gender		
Male	24	9,64
Female	225	90,36
Age		
< 20	13	5,22
21─25	145	58,24
26─30	69	27,71
31─35	14	5,62
> 35	8	3,21
Marital status		
Unmarried	127	51,00
Married	122	49,00
Education		
High school/vocational high school	184	73,90
Diploma	8	3,21
Bachelor	54	21,69
Master	3	1,20

Table 3 Respondents' Behavior

Respondents' behavior	Frequency	Percentage (%)
Length of working		
< 6 months	11	4,42
> 2 − 3 years	59	23,69
> 3 years	70	28,11
1 − 2 years	99	39,76
6 months − < 1 years	10	4,02
Time in the occupied position		
< 6 months	82	32,93
> 2 − 3 years	34	13,65
> 3 years	22	8,84
1 − 2 years	71	28,51
6 months − < 1 years	40	16,06
Have worked in another company		
0	65	26,11
1 − 2 times	155	62,25
3 − 4 times	27	10,84
5 − 6 times	2	0,80
Time in the previous company		
< 1 years	122	49,00
> 1 years	59	23,69
2 − 3 years	68	27,31

Based on the obtained data through a survey using the Organization Culture Assessment Instrument (OCAI), the results show that the average proportion of the overall organizational culture of the company is currently dominated by clan and market types, which are 26,84 and 25,02 respectively. In the expected condition, the analysis results of organizational culture suggest that, on average, the most dominant type of culture is the clan with 28,37. Then, the lowest value is the hierarchy culture type with 23,42.

The basic differences between the current and expected condition of organizational culture can be seen in Table 4. It shows that the clan type of culture that should be increased is the type of culture and increases by 1,53. On the other hand, the type of culture that should be reduced with the number of 25,01 is the type of market culture. Changes in the proportion of organizational culture at PT DMS generally show that clan culture type is expected to dominate. Referring to OCAI, when the current cultural perception assessment is compared to the culture that is expected to have a value difference of less than positive or negative 10 (+/-10), it is not very relevant for cultural change (Chatterjee et al., 2018). However, it does not mean that it can be ignored. Companies need to review the type of organizational culture in accordance with the company's needs.

Based on the data in Table 4, the employees' perception is a mixed culture, while the organization's emphasis is on the clan culture type where the organization or company prioritizes the idea as a place where everyone can share and have commitment. However, the influence of the clan type is not too big because the difference between one cultural type and another is close. So, it can be said that PT DMS still cannot determine the focus of the type of culture to be implemented. The company's confusion in determining its organizational culture certainly impacts its operations for the internal and external problem management. As explained in OCAI, the company needs to determine a cultural focus to be more efficient and effective in dealing with internal and external changes or problems. A successful organization has a congruent culture, whether it is congruent between the dominant culture in the company and the type of culture based on each cultural dimension or between dominant corporate culture and cultural perceptions at every level of position or division within the company (Cameron & Quinn, 2011).

Moreover, a company with a congruent culture experiences fewer internal conflicts and contradictions. PT DMS has a congruent organizational culture between the dominant culture built by the company's management and employees' perspective, namely the clan culture. In the current cultural perspective, there are different perspectives between the managers and employees in each culture, such as clan with 14,33 points, adhocracy with -5,11 points, market with -5,92 points, and hierarchy with -3,31 points based on OCAI. The biggest difference is in the clan-type organizational culture. Meanwhile, the difference in points for each type of organizational culture expected for the company's managers and employees' perspectives is clan with 8,29 points, adhocracy with -8,22 points, market with 5,78 points, and hierarchy with -5,85 points. So, there are differences in understanding the organizational culture that the managers want to implement with the employees' perspective on the current organizational culture.

Employees assess the culture that is currently running and is expected as the almost same cultural quadrant. Each type of culture has an almost equal value for the current cultural perspective and the expected culture. Based on the results of interviews, organizational culture can be reflected through the company's vision and mission, operational systems, and procedures carried out.

Currently, it seems that the company cannot reflect the organizational culture through standards and operational procedures that must be carried out so that employees find it challenging to interpret organizational culture in daily work activities. Moreover, the company still has challenges in running the company, one of which is regarding the detailed formulation of the company's policies and procedures. Another interesting thing is the results of cultural assessment using OCAI. It shows that the dominant organizational culture designed by the company's manager is the clan type. It emphasizes that the company wants to make a place not only for working but also for sharing, participation, and high commitment. OCAI explains that the appropriate type of culture for a financial service company is the market type or hierarchy. Market type focuses on competition and results (Cameron & Quinn, 2011).

Table 4 Differences between Current and Expected Conditions of Organizational Culture in PT DMS

Organizational Culture Types	Current Condition	Expected Condition	Gap
Clan	26,84	28,37	1,53
Adhocracy	24,35	24,50	0,15
Market	25,01	23,71	-1,3
Hierarchy	23,73	23,42	-0,31

As an MFI company, PT DMS is a non-bank financial institution. However, its operations are almost the same as banks. According to OCAI, generally, banking companies apply a hierarchical type of culture that is very systematic, procedural, and in order. The companies also apply a clan culture type that focuses on commitment, participation, and making the company a place to share (Aldhuwaihi & Shee, 2015).

According to the company's management, the company focuses on clans or collaborations because the company is founded not only for profit but also for a social purpose such as improving the micro economy through community development of micro-entrepreneurs. This goal is expected to be followed by all employees to work together in developing partnerships with customers. The company implements a clan culture by conducting coaching, mentoring, and workshops about company values, especially for the unit manager level and above. The company's program is called the Leader Forum and Management Forum.

Processed data from OCAI's organizational culture perspective based on position level (between the unit manager level and the division head level) shows almost the same value for the organizational culture that is currently perceived. The results show that the largest value is clan with 26,99. However, compared to cultural values with almost the same value, it indicates a difference between the Unit Manager and Division Head levels. When viewed from the expected organizational culture for the division head level, it tends to be higher in the clan culture type, which is 29,62. It can happen because the head levels interact more with the board of directors through monthly meetings and workshops held directly or indirectly.

However, the levels give the perception that the market culture type is too high for what is currently carried out. Their expectations should be lowered from 26,30 to 23,19. The company is one of the financial institutions that tend to have a market culture type. However, the company's goal is not only to increase profits but also to improve microeconomic finance in Indonesia.

The results of the estimated loading factor of the structural model show that the model has reached a high level of conformity (see Figure 3). The results show that the p-value is 0,01186, and the Root Mean Square Error of Approximation (RMSEA) value is 0,044. It can be said that the Structural Equation Model (SEM) model based on the performance theory has achieved excellent Goodness of Fit, so there is no need for model modification. Moreover, the direction of the arrow between latent constructs and indicators looks toward indicators. It shows that the research uses reflexive indicators that are relatively suitable to measure employees' perceptions.

A diagram of the structural model in loading factor estimation shows the relations between organizational culture, HRM, and turnover intention. The results of the t-values of the structural model indicate that there is no red path coefficient, and the values obtained are entirely more significant than the t-count of 1,96, which is the critical t-value with a significance level of 0,05. So, it can be concluded that all path coefficients are significant. If there is a red path coefficient, the value is not significant because it is less than 1,96, which is the critical value of the t-test at the 5% real level (Hair et al., 2019). The criteria for the suitability of the SEM model are described in Table 5. The Goodness of Fit indicates that there is a suitability of the model with a good level of fit.
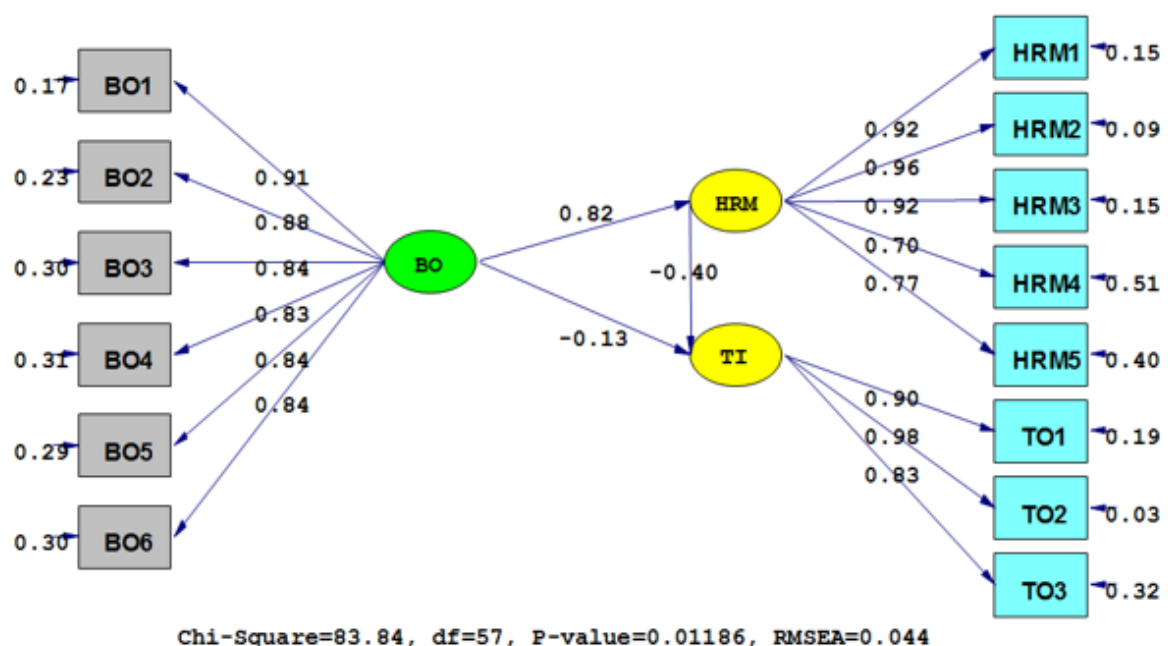

Chi-Square=83.84, df=57, P-value=0.01186, RMSEA=0.044

Figure 3 Path Diagram of the Structural Model Loading Factor Estimation Results

Table 5 The Results of the SEM for Model Suitability Criteria

Goodness-of-Fit	Cut-off-Value	Results	Information
Degree of Freedom (DF)	Positive	57	Good Fit
Chi-Square (χ^2)	Small	83,84	Good Fit
Root Mean Square Error of Approximation (RMSEA)	0,08	0,044	Good Fit
Goodness of Fit (GFI)	0,90	0,99	Good Fit
Adjusted Goodness of Fit Index (AGFI)	0,90	0,99	Good Fit
Comparative Fit Index (CFI)	0,90	1,00	Good Fit

Table 6 The Contribution of Latent Forming Factors that Affect Performance

	Hypothesis	Path Coefficients	T-Count	Information
H_1	BO → HRM	0,82	26,19	Significant and positive
H_2	BO → TI	-0,13	-2,53	Significant and positive
H_3	HRM → TI	-0,40	-3,97	Significant and positive

*Significant effect (T count > 1,96)

The results of the hypothesis test are described in Table 6. The organizational culture has the most significant path coefficient with 0,82. It indicates that the direction of the relationship between organizational culture and HRM is positive and strong. The significance level also shows a significant effect with the t-count value of 26,19, which is greater than the t-table (1,96). Based on the results, it can be concluded that the hypothesis showing that organizational culture has a positive effect on HRM is accepted.

The results align with Aldhuwaihi and Shee (2015), stating a positive effect of organizational culture on employees' job satisfaction, especially satisfaction with HRM practices. According to Aburumman, Salleh, Omar, and Abadi (2020), there is a symbiotic relationship between HRM policies and organizational culture. Four areas of human resource policy, such as staffing, training, compensation, and employee evaluation, significantly influence organizational culture.

The results of the OCAI analysis show that the implementation of organizational culture in the form of the clan culture still has many shortcomings and has not met the respondents' expectations. It is because the clan culture focuses more on relationships and the family system (clan), which is friendly (family characteristics). Then, the developed leadership style is more likely to facilitate (facilitators) conflicts or all problems in the organization.

Moreover, teamwork and employee participation are essential points. The analysis results show that the dominant character and organizational leadership have the most influence on organizational culture. Respondents want improvement in terms of teamwork, human resource development, employee commitment and concern, and leadership that can provide mentoring and facilitate employee self-development. Suppose the company wants HRM practices to be carried out well by all employees. In that case, the company must re-evaluate its organizational culture and ensure that all employees understand the adopted organizational culture. Thus, all employees can understand the organizational culture in the company and choose strategies and behaviours according to their personalities and adapt them to the daily activities at work.

According to Cooke (2018), HRM in organizations requires understanding both the internal and external environment. The internal environment is related to the internal work culture, while the external environment is the institutional culture. Then, based on Ho and Kuvaas (2020), if HRM practices are not in accordance with the organizational values adopted by employees, they will feel dissatisfied, uncomfortable, and uncommitted. Hence, it results in low performance because of their different values from the company's expectations. The organizations do not achieve cultural change by chance but with a defined strategy for high involvement and a measurable action plan (Davis & Cates, 2018). It is also pointed out that leaders and leadership teams are key elements that shape organizational culture (Groysberg, Lee, Price, & Cheng, 2018). Some tools for shaping organizational culture include effective communication, recognition, community development, and building a communal identity (Cooke, 2018).

The second hypothesis is the influence of organizational culture on turnover intention. The results of the t-test with a significance level of 5% (0,05) show that organizational culture has a significant effect

with the t-count value of -2,53 on turnover intention if the t-count is absolute greater than the t-table (1,96). Then, the path coefficient value is -0,13. It indicates that the direction of the relationship is negative and not too strong. The results prove that organizational culture has a negative effect on turnover intention. The hypothesis is accepted.

The results are in line with the results of Emerson (2013) and Bosomtwe and Obeng (2018) that organizational culture has a significant negative effect on turnover intention. Referring to Lin and Huang (2021), when assessing the current cultural perceptions with the expected culture, there is a difference in the positive or negative value. The research compares the current organizational culture with the expected culture of PT DMS. Then, it is not very relevant for cultural change, but that does not mean it can be ignored. The company needs to review the type of organizational culture in accordance with the company's needs.

According to Paaisal, Tabroni, and Maksum (2018), organizational culture affects employees' turnover by 18%, while other variables such as organizational leadership style have a significant influence by 79%. The results show the indicators that respondents want to improve. There are indicators of organizational culture and leadership. Respondents hope that the leaders can provide mentoring, facilitate, and carry out employee development.

The third hypothesis that influences turnover intention is HRM. From the results of the t-test with a significance level of 5% (0,05), the influence between the HRM and the turnover intention has a significant and negative effect with a t-count value of -3,97, if the t-count is absolute greater than the t-table (1,96). Then, the path coefficient value is -0,40. It indicates that the direction of the relationship between the HRM and the turnover intention is negative and quite strong. Based on this, the hypothesis, which states that the effect of HRM on turnover intention is significant and negative, is accepted.

The results align with Kim et al. (2017) stating the negative impact of HRM practices on turnover intention. Then, according to Busari, Mughal, Khan, Rasool, and Kiyani (2017) and Santhanam, Kamalanabhan, Dyaram, and Ziegler (2017), the lack of speed of promotion and training and development programs that do not contribute to employees' progress and growth are considered as reasons to encourage employees to stop working. When employees realize that the organization's compensation is not in accordance with their needs and desires, there are some unfair performance appraisals, the promotion speed is low, the training and development program does not contribute to improving performance, they will tend to stop working. This observation is also in line with previous results by Yousaf, Sanders, and Yustantio (2018) and Ramaprasad, Lakshminarayanan, and Pai (2018).

The results show that PT DMS has a clan-type organizational culture that focuses on relationships and a friendly family system. However, there is still a misinterpretation of organizational culture at PT DMS. Therefore, the company can strengthen this type of culture by carrying out team engagement programs from the board of directors to the staff level by re-activating the company's bulletins, outing programs, and townhall with management with the main content to provoke creativity and innovation from all employees. In addition, training and opportunities for promotion are attractive for respondents not to leave the company.

The results also show that organizational culture and HRM practices negatively influence turnover intention. It means that the better the company applies the organizational culture and HRM practices, the lower its turnover intention will be. From the HRM practices, the indicator that has not met the respondents' expectations is the management of employees' complaints or, in this case, the employees' ease in submitting complaints. The media for submitting complaints owned by the company is still limited, especially the media for complaints to be submitted to the human resource division. Therefore, the company can provide various communication media to accommodate employees' aspirations and complaints. Furthermore, the media should not only accommodate employees' aspirations and complaints but also how the human resource division can respond to these complaints accurately and in a timely manner.

Last, the data processing results for the HRM practices show that the highest indicators are training and development and promotion and career paths. Therefore, the company can maintain or strengthen training and development programs and provide equal opportunities for promotion programs and employees' career paths. For this training and development program, the intensity can be added in the form of additional training and development content. In addition, it is expected for the employees to remain consistent in improving their performance and ability. So, it can provide equal opportunities for them related to their promotions and career paths. Companies can extend the career path level by implementing a grading system.

CONCLUSIONS

The analysis of organizational culture uses OCAI in a financial service company engaged in microfinance like PT DMS. It indicates that the organizational culture that can be applied is the clan type. It is for the application of current and expected culture in the future. This type of culture focuses on relationships and the family system (clan) which is friendly. This family characteristic is very prominent. The culture is also adapted to business activities that serve micro consumers with a family approach.

Moreover, the results of the SEM analysis show that organizational culture has a positive effect on satisfaction with the implementation of company HRM practices. When companies continue to strengthen

their organizational culture, employee satisfaction will increase, and the implementation of HRM practices will also improve. However, organizational culture also has a negative effect on turnover intention. The better management maintains the implementation and application of organizational culture, the less likely employees will resign from the company.

When the satisfaction with the implementation of the company's HRM practices is high, it will reduce turnover intention. Then, satisfaction with implementing HRM practices has a significant and negative effect on turnover intention. Training and development programs, promotions, and career paths are the most influencing indicators. However, the indicators that still need improvement are employees' complaint management.

Conformity in applying organizational culture between what the company wants and the implementation that employees do will reduce employees' intention to leave the company. Respondents need activities to increase teamwork, trust, and commitment among employees. So, training and opportunities to improve career paths can be chosen as an effort to reduce turnover.

The research limitation concerns with the research' object of a specific company. However, the research is also applicable to the industry as an object. Then, the research does not describe the effect of organizational culture and HRM practices to increase performance and show the efficiency of the cost. Then, further research can add a leadership component, which is considered an example of coordinating, organizing, or running work units smoothly and efficiently to implement organizational culture and its influence on organizational cohesiveness. In addition, further research can analyze the influence of organizational culture and HRM practices on employee performance.

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