

Tax Policy, Strategy Decision Making, Economic Environment on Finance Performance with Organizational Culture as a Moderator

Finance Performance
with Organizational
Culture as a Moderator

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ABSTRACT

Indonesia's dynamic manufacturing sector is heavily influenced by tax regulations, strategic decisions, and macroeconomic conditions. However, the impact of these factors on company financial performance remains underexplored, particularly in relation to organizational culture as a moderating variable. This study aims to examine the effect of tax policy, strategic decision making, and economic environment on financial performance, with organizational culture as a moderator. The research involved 350 managerial-level respondents from both listed and unlisted manufacturing companies on the Indonesia Stock Exchange (IDX). Data were collected via online questionnaires disseminated through social media platforms and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS. The results reveal that tax policy positively affects financial performance, while economic environment has a negative effect. Strategic decision making, however, does not significantly influence financial performance. Furthermore, organizational culture does not significantly moderate the relationship between tax policy, strategic decision making, or economic environment and financial performance. These findings offer insights for tax authorities and policymakers to refine tax policies, particularly in the context of the harmonization of tax regulations law and business-related incentives. The novelty of this study lies in the inclusion of a new indicator tax rate in the tax policy construct.

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Keywords: Economic Environment, Financial Performance, Organizational Culture, Strategic Decision Making, Strategic Management Accounting, Tax Policy.

ABSTRAK

Sektor manufaktur Indonesia yang dinamis sangat dipengaruhi oleh peraturan pajak, keputusan strategis, dan kondisi ekonomi makro. Namun, dampak dari faktor-faktor ini terhadap kinerja keuangan perusahaan masih kurang dieksplorasi, khususnya dalam kaitannya dengan budaya organisasi sebagai variabel moderasi. Penelitian ini bertujuan untuk menguji pengaruh kebijakan pajak, pengambilan keputusan strategis, dan lingkungan ekonomi terhadap kinerja keuangan, dengan budaya organisasi sebagai moderator. Penelitian ini melibatkan 350 responden tingkat manajerial dari perusahaan manufaktur yang terdaftar dan tidak terdaftar di Bursa Efek Indonesia (BEI). Data dikumpulkan melalui kuesioner daring yang disebarluaskan melalui platform media sosial dan dianalisis menggunakan Structural Equation Modeling–Partial Least Squares (SEM-PLS) dengan SmartPLS. Hasilnya mengungkapkan bahwa kebijakan pajak memengaruhi kinerja keuangan secara positif, sementara lingkungan ekonomi memiliki efek negatif. Namun, pengambilan keputusan strategis tidak memengaruhi kinerja keuangan secara signifikan. Lebih lanjut, kinerja keuangan tidak memoderasi hubungan antara kebijakan pajak, pengambilan keputusan strategis, atau lingkungan ekonomi dan kinerja keuangan secara signifikan. Temuan ini menawarkan wawasan bagi otoritas pajak dan pembuat kebijakan untuk menyempurnakan kebijakan perpajakan, terutama dalam konteks Undang-Undang Harmonisasi Peraturan Perpajakan dan insentif terkait bisnis. Kebaruan studi ini terletak pada dimasukkannya indikator baru tarif pajak ke dalam konstruksi kebijakan pajak.

Kata kunci: Lingkungan Ekonomi, Kinerja Keuangan, Budaya Organisasi, Pengambilan Keputusan Strategis, Akuntansi Manajemen Strategis, Kebijakan Pajak.

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INTRODUCTION

Company performance is essential for ensuring business continuity and supporting national economic growth. It reflects the company's ability to optimize resources and adapt to environmental changes, especially amid global competition. Performance is influenced by both internal and external factors. From an economic perspective, market conditions and competition significantly affect performance, while organizational perspectives highlight the role of behavior, culture, and leadership (Montgomery, 1994). Additionally, factors such as environmental conditions, political and economic situations, human resource management, and organizational structure also shape productivity and overall organizational outcomes (Hussain et al., 2023).

Tax policy and strategic decision-making play a crucial role in improving organizational performance, particularly in responding to the dynamics of the external environment. Tax policy supports economic growth by considering fairness and allocative efficiency to minimize distortions in economic activity (Bonnyventure, 2022; Kayitesi, 2023). Meanwhile, strategic decision-making helps determine the company's long-term direction, aligned with the organization's vision, mission, and goals. This process contributes to competitive advantage and sustainable growth, while considering its impact on stakeholders, making it a crucial factor in achieving effective organizational performance (Alsmairat et al., 2019). The economic environment impacts a company's profitability and sustainability, depending on factors such as inflation, interest rates, consumer behavior, and employment levels. These conditions can create opportunities and challenges that have varying impacts on a company's financial performance, depending on the economic situation (Yesil & Kaya, 2013; Ali et al., 2017; Savić et al., 2023). Organizational culture strengthens the effectiveness of policies and strategies in improving company performance. Organizations with cultures that align with their operational context tend to demonstrate better financial performance because organizational culture influences economic activity and supports the achievement of strategic goals (Martinez et al., 2015). There remains a research gap regarding the influence of tax policy, strategy, and the economic environment on corporate performance, particularly considering the role of organizational culture as a moderator. A positive organizational culture is believed to strengthen the effectiveness of tax policy, strategic decision-making, and responses to the economic environment, but this moderating relationship has not been extensively and comprehensively studied empirically (Alsmairat et al., 2019; Hussain et al., 2023).

Research on tax policy, the economic environment, and strategic decision-making is still limited, especially considering organizational culture as a moderating variable (Streeter, 2022; Perdana & Haliza, 2024). Tax management strategies such as tax avoidance are used to maintain financial performance, especially amid economic uncertainty (Annida & Firmansyah, 2022; Viantiaraini et al., 2024). Several studies show that tax policy significantly influences corporate financial performance (Ezejiofor et al., 2015; Kuria & Memba, 2016; Putra et al., 2024), but the findings of Putri et al. (2024) differ. A strategic approach to taxation is also emphasized (Artika & Aisyah, 2023; Manrejo & Larasati, 2025). Strategic decision-making has been shown to improve performance, although mixed results have emerged in the public sector (Adnan et al., 2022). Economic environmental factors such as inflation and exchange rates also have a significant influence (Charles & Onouha, 2020; Salisu et al., 2022; Ngozi & Ifeyinwa, 2023; Kuncoro et al., 2024). Finally, organizational culture is also found to affect company performance. Research conducted by Nold (2012), Hisham et al. (2020), and Akpa et al. (2021) shows that a strong organizational culture can improve company performance. In line with this research, Kasfunhuri and Sopiah (2022) emphasizes that organizational culture is not merely symbolic but a strategic instrument in facing complex economic and policy challenges. However, several other studies show that organizational culture does not affect company performance. Based on previous research by Alsmairat et al. (2019), Charles and Onouha (2020), and Putra et al. (2024). There is limited empirical evidence on how tax policy, strategic decision-making, and the economic

environment jointly influence corporate performance, particularly when considering the moderating role of organizational culture, which remains underexplored despite its potential to strengthen these relationships. This study aims to gather empirical evidence on whether Tax Policy, Strategic Decision Making, and Economic Environment affect company performance with organizational culture as a moderator.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Tax Policy, Strategy Decision Making, and Economic Environment

Pressure from the external environment triggers diverse responses from organizations as they seek to gain legitimacy to maintain survival and achieve sustainable growth. From the perspective of endogenous growth theory, fiscal policy, including tax policy, has a significant influence on the level and rate of output growth in an economy. Tax policy is a strategic component in fiscal policy that can directly affect a company's financial performance. Therefore, companies need to understand the implications of tax policy and design appropriate tax strategies to optimize their financial performance. Tax policy that is not formulated properly has the potential to hinder investment, reduce economic competitiveness, and cause market distortions. Conversely, effective tax policy can encourage increased investment, operational efficiency, and create a conducive business climate. Several studies show that tax policy has a significant influence on company financial performance (Ezejiolor et al., 2015; Kuria & Memba, 2016; Putra et al., 2024)

Strategic decision-making is a crucial element in organizational management as it directly affects company performance in both short and long terms (Hair et al., 2022). Decisions based on in-depth analysis and comprehensive consideration can drive sustainable competitive advantages while improving overall company financial performance. Conversely, inappropriate strategic decision-making can potentially cause significant negative consequences such as financial losses, decreased competitiveness, or even bankruptcy. In line with this, previous research shows that strategic decision-making has significant influence on company financial performance (Alsmairat et al., 2019; Bonnyventure, 2022). The economic environment both domestic and international, significantly influences company financial performance through factors like growth, inflation, and political stability (Richard et al., 2013). Favorable conditions support operational continuity, access to capital, and profitability, while unfavorable ones, such as recession or fiscal uncertainty, increase financial risk, costs, and potential bankruptcy, thereby complicating strategic decision making for managers (Salisu et al., 2022; Ngozi & Ifeyinwa, 2023).

H1: Tax policy has a positive effect on financial performance.

H2: Strategy decision making has a positive effect on financial performance.

H3: Economic environment has a negative effect on financial performance.

Organizational Culture, Tax Policy, Strategic Decision, and Financial Performance

The relationship between tax policy and financial performance is strengthened by the presence of a supportive organizational culture. An organizational culture that emphasizes compliance with tax regulations and creates positive work environments will encourage individuals in organizations to fulfill their tax obligations with integrity and responsibility. This condition ultimately contributes to improved company financial performance. Based on Organizational Learning theory, organizations that have the ability to learn and adapt will be more responsive to government policy changes and able to optimize available opportunities, thus improving financial performance sustainably.

Effective strategic decision-making through proper planning, analysis, and strategy implementation processes has the potential to improve company financial performance. Conversely, inappropriate strategic decisions can negatively impact organizations, such as causing financial losses, decreasing reputation, and leading to bankruptcy. In this context, organizational culture plays an important role in strengthening the influence of strategic decision-making on financial performance. If a company has a culture that

supports innovation and courage in taking risks, then bold and innovative strategic decisions tend to contribute more to performance improvement. Based on fit theory and cultural fit, organizational culture contributes to strengthening the positive relationship between strategic decision-making and financial performance. Fit theory emphasizes that organizational strategy must align with internal and external factors including organizational culture to achieve optimal performance. Meanwhile, cultural fit theory highlights the importance of a strong and positive organizational culture as a foundation in supporting strategic decision-making effectiveness and driving financial performance improvement.

H4: Organizational culture strengthens the positive effect of tax policy on financial performance.

H5: Organizational culture strengthens the positive effect of strategic decision-making on financial performance.

Organizational Culture, Economic Environment, and Financial Performance

Organizational culture serves as a critical internal mechanism that can mitigate the adverse effects of external economic fluctuations on a company's financial performance. According to the buffering theory, when an organization faces unstable economic environments such as high inflation, currency volatility, or recession, a strong organizational culture can act as a shield, reducing the negative impact these conditions may have on operational and financial outcomes. A positive organizational culture fosters adaptability, resilience, and a shared sense of purpose among employees. This cultural strength enables the organization to respond more effectively to economic uncertainties by promoting proactive behavior, flexibility in operations, and strategic alignment. For instance, when inflation or interest rates rise, companies with strong cultures tend to exhibit greater cost discipline, innovative problem-solving, and teamwork that collectively sustain performance levels.

Moreover, organizational culture encourages communication, collaboration, and trust, all of which are essential for fast and coordinated responses in times of external pressure. In environments where financial performance might typically decline due to economic stress, organizations with solid cultural foundations are better equipped to maintain morale, productivity, and customer service quality. Thus, a strong organizational culture not only drives internal efficiency and innovation but also reduces the vulnerability of financial performance to external economic disruptions. In short, it moderates or weakens the negative relationship between adverse economic environments and firm performance, aligning with the core proposition of buffering theory.

H6: Organizational culture moderates the negative effect of economic environment on financial performance.

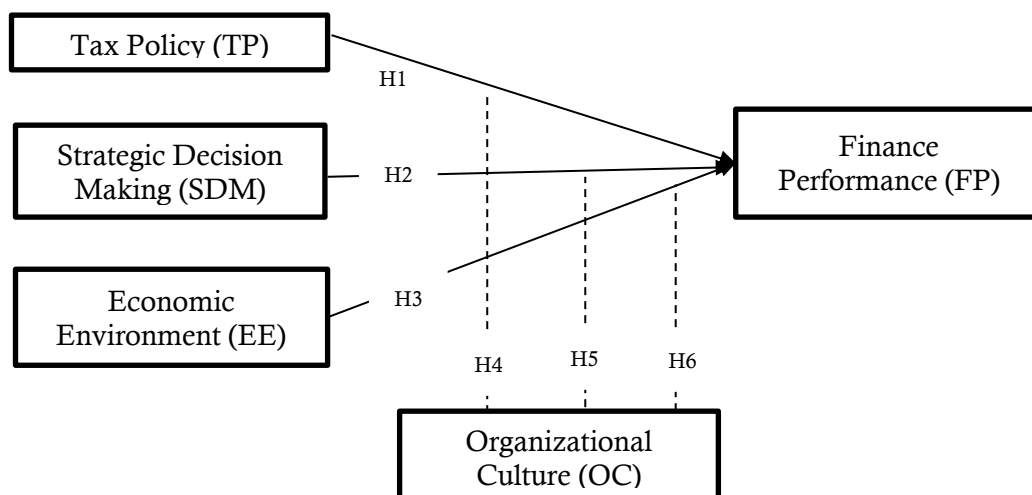


Figure 1. Conceptual Framework

The observation framework in this study is presented in Figure 1. This study examines the relationship between company performance as the dependent variable, and tax policy, strategic decision making, and economic environment as independent variables, with organizational culture serving as a moderating variable. The study adopts Institutional theory as the foundational framework, positing that the external business environment exerts influence on company performance through various pressures (Kinuu, 2014). Thus, organizations respond differently to external pressures while pursuing the legitimacy essential for their continued existence and expansion in their operational environment. This approach explains organizational behavior and strategic choices through non-monetary factors (Yang et al., 2012). Institutional entities such as government bodies and the Central Bank of Nigeria) control economic functions affecting corporate performance by setting fundamental frameworks for manufacturing, commerce, and resource distribution. Thus, manufacturing enterprises must comply with established protocols, cultural norms, and ideological structures within their business landscape to secure legitimacy and effectively employ their resources to adjust to particular institutional conditions, such as economic settings, with the goal of enhancing overall performance.

RESEARCH METHODS

This study adopts a quantitative research approach with the aim of testing hypotheses to examine the influence of Tax Policy (TP), Strategic Decision Making (SDM), and Economic Environment (EE) on Finance Performance (FP), with Organizational Culture (OC) serving as a moderating variable. The quantitative method is appropriate for this research because it allows the systematic testing of relationships among variables using statistical techniques, ensuring objectivity and generalizability of findings. By employing hypothesis testing, the study can validate theoretical assumptions and determine the extent to which each independent variable affects company performance, both directly and through interaction with organizational culture.

Data were collected primarily using structured questionnaires distributed to individuals in managerial positions, particularly those responsible for tax, finance/accounting, production, and marketing functions within manufacturing companies in Indonesia. The sample comprises 350 respondents, drawn from both listed and unlisted manufacturing firms on the Indonesia Stock Exchange in 2024. The use of managerial-level respondents ensures the relevance and accuracy of responses, as these individuals are directly involved in strategic and financial decision-making processes.

The measurement of the dependent variable in this study is Financial Performance. Measurement of the dependent variable, Tax Policy by Putra et al. (2024), Tax Rate by Liu and Mao (2019), Strategic Decision Making is one indicator of Strategic Management

Accounting by Simon and Guilding (2008), Economic Environment Egbunike by Okerekeoti (2018), and Organizational Culture by Van Muijen and Al (1999).

The quantitative data in this study were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with the help of the SmartPLS software. This method was chosen due to its ability to handle complex models and small to medium sample sizes effectively. The path analysis technique was applied to examine the relationships among Tax Policy, Strategic Decision Making, Economic Environment, and Financial Performance, including the moderating role of Organizational Culture within the model framework. The following is the multiple linear regression equation in this study:

$$FP = \beta_1 TP + \beta_2 SDM + \beta_3 EE + \beta_4 OC + \beta_5 TP*OC + \beta_6 SDM*OC + \beta_7 EE*SOD + \epsilon_1$$

Remarks:

FP	= Finance Performance
TP	= Tax Policy
SDM	= Strategic Decision Making
EE	= Economic Environment
OC	= Organizational Culture
$\beta_1, \beta_2, \beta_3, \beta_8$	= coefficient
ϵ	= error

RESULTS

Based on outer model analysis results, the feasibility of a measuring instrument in the measurement model is evaluated through three main criteria: convergent validity, discriminant validity, and composite reliability, as explained by Hussein (2015). Table 1 shows the outer loading or loading factor values of each indicator against the latent variables in the research model, namely Tax Policy (TP), Strategic Decision Making (SDM), Economic Environment (EE), Financial Performance (FP), and Organizational Culture (OC). Each indicator has a loading value above 0.5, indicating that the indicator has a strong contribution in representing the measured construct. For example, indicators EE01–EE03 show very high loadings (above 0.93), indicating that all three strongly represent the Economic Environment variable. Likewise, indicators FP01–FP03, which measure Financial Performance, have loadings above 0.88. The Organizational Culture variable has the largest number of indicators, consisting of four dimensions indicated by codes 1OC to 4OC, with loading values mostly above 0.7, although several indicators, such as 1OC4 and 1OC6, have values approaching the minimum limit of 0.5. Overall, this table shows that the indicators used in this study are convergently valid and worthy of being continued in testing the structural model using SEM-PLS.

Convergent validity shows the extent to which indicators within one construct correlate highly with each other. In this case, an indicator is said to be convergently valid if it has an outer loading value above 0.7. However, according to Hair et al. (2014), indicators with loading values between 0.5 and 0.6 are still acceptable, especially in the early stages of measurement model development or if the construct is still in an exploratory context. This means that these indicators can still be retained as long as they do not disrupt the overall validity and reliability of the construct. Discriminant validity is also important to ensure that different constructs truly measure different things, while composite reliability is used to measure the internal consistency of indicators within a single construct, with an ideal value above 0.7. By meeting these three criteria, the measurement model can be considered valid and reliable for use in further analysis.

Table 1. Outer Loading

Variable	Item	Outer Loading
Tax Policy (TP)	TP01	0.820
	TP02	0.574
	TP03	0.645
	TP04	0.614
	TP05	0.599
Strategic Decision Making (SDM)	SDM01	0.824
	SDM02	0.794
	SDM03	0.835
Economic Environment (EE)	EE01	0.934
	EE02	0.938
	EE03	0.932
Financial Performance (FP)	FP01	0.886
	FPO2	0.930
	FPO3	0.914
Organizational Culture (OC)	1OC1	0.590
	1OC2	0.705
	1OC3	0.737
	1OC4	0.500
	1OC5	0.773
	1OC6	0.590
	2OC7	0.768
	2OC8	0.732
	2OC9	0.724
	2OC10	0.761
	2OC11	0.806
	2OC12	0.767
	3OC13	0.759
	3OC14	0.721
	3OC15	0.741
	4OC16	0.791
	4OC17	0.614
	4OC18	0.782
	4OC19	0.820
	4OC20	0.814
	4OC21	0.842
	4OC22	0.791

Table 2. Average Variance Extracted (AVE) Test Results

Variables	Average Variance Extracted (AVE)	Decision
Tax Policy (TP)	0.500	Valid
Economic Environment (EE)	0.873	Valid
Strategic Decision Making (SDM)	0.669	Valid
Financial Performance (FP)	0.829	Valid
Organizational Culture (OC)	0.543	Valid

Table 2 presents the Average Variance Extracted (AVE) values for each latent variable in the model: Tax Policy (TP), Economic Environment (EE), Strategic Decision Making (SDM), Financial Performance (FP), and Organizational Culture (OC). AVE values are used to measure convergent validity, with a minimum threshold of 0.50. All variables in this table meet this criterion, meaning each construct has a good ability to explain the variance of its indicators. The Economic Environment (EE) variable has the highest AVE value of 0.873, indicating that the indicator used is very strong in representing the variable. Meanwhile, Tax Policy (TP) has an AVE value of 0.500, which is still within the minimum threshold and is still considered valid. Overall, the AVE values listed indicate that the instruments used in this study have met the requirements for convergent validity and can be used in further analysis using SEM-PLS.

AVE values greater than 0.5 indicate that a construct has good convergent validity. This means the construct can explain more than 50% of the variance from its indicators. In other words, these indicators highly correlate with the construct to be measured, or

each of the research variables has demonstrated strong convergent validity (Sekaran & Bougie, 2016).

Reliability testing results determine whether a measuring instrument, such as a questionnaire, provides consistent and reliable results. If a measuring instrument produces the same or similar results when used under the same conditions, then the measuring instrument is said to be reliable.

Table 3. Construct Reliability

Variable	Cronbach's Alpha	Decision
Tax Policy (TP)	0.724	Reliable
Strategic Decision Making (SDM)	0.759	Reliable
Economic Environment (EE)	0.928	Reliable
Financial Performance (FP)	0.897	Reliable
Organizational Culture (OC)	0.959	Reliable

Table 3 shows the Cronbach's Alpha values for each variable in the study: Tax Policy (TP), Strategic Decision Making (SDM), Economic Environment (EE), Financial Performance (FP), and Organizational Culture (OC). Cronbach's Alpha is used to measure the reliability or internal consistency of indicators within a construct. An alpha value above 0.70 indicates that the construct is reliable. All variables in the table meet this criterion, with the highest value shown by Organizational Culture (OC) at 0.959, indicating very strong indicator consistency. The Economic Environment (EE) and Financial Performance (FP) variables also show a high level of reliability, at 0.928 and 0.897, respectively. Meanwhile, Tax Policy (TP) and Strategic Decision Making (SDM) have Cronbach's Alpha values of 0.724 and 0.759, respectively, which are also included in the reliable category. Thus, all constructs in the model have been proven to have adequate internal consistency for further analysis using the SEM-PLS approach.

Reliability testing with Cronbach's Alpha analysis shows that Cronbach's Alpha values for all constructs are above 0.6, meaning all constructs are reliable. Assessment criteria state that variables are reliable if they have Cronbach's alpha values > 0.7 for each variable.

Table 4. R Square

Statistics	Information
Dependent Variable	Financial Performance
R Square	0.629
Decision	Moderate

R Square testing results for the Financial Performance construct show 0.629, meaning that Tax Policy (TP), Strategic Decision Making (SDM), and Economic Environment (EE) can explain Financial Performance variance by 62.9%. Referring to Chin (1998), the strength of R-Square values is classified as strong when exceeding 0.67, moderate when surpassing 0.33 but below 0.67, and weak when above 0.19 but below 0.33.

Table 5. Hypothesis Testing

Hypothesis	Coefficient	P-Values	Decision
TP -> FP	1.056	0.000	H1 Accepted
SDM -> FP	-0.099	0.025	H2 Rejected
EE -> FP	-0.371	0.000	H3 Accepted
Moderating Effect 1 -> FP	0.062	0.130	H4 Rejected
Moderating Effect 2 -> FP	-0.028	0.273	H5 Rejected
Moderating Effect 3 -> FP	0.001	0.495	H6 Rejected

Table 5 presents the results of hypothesis testing using the SEM-PLS method, which involves direct and moderating influences on corporate Financial Performance (FP). The results show that the Tax Policy (TP) variable has a significant and positive effect on financial performance, with a coefficient of 1.056 and a p-value of 0.000, so that

hypothesis H1 is accepted. Conversely, the influence of Strategic Decision Making (SDM) on financial performance has a negative coefficient of -0.099 and a p-value of 0.025, so that hypothesis H2 is rejected because the direction of the influence is not as expected, even though it is significant. Economic Environment (EE) has a significant negative effect on financial performance with a coefficient of -0.371 and a p-value of 0.000, so that hypothesis H3 is accepted. Meanwhile, all moderating effects of organizational culture on the relationship between Tax Policy, Strategic Decision Making, and Economic Environment on financial performance, namely H4, H5, and H6, are insignificant, with p-values above 0.05. This indicates that organizational culture does not moderate the relationship between the three independent variables and financial performance in the context of this study.

DISCUSSION

The results of this study indicate that Tax Policy (TP) has a significant positive effect on Financial Performance (FP), with a coefficient of 1.056 and a p-value of 0.000. This means that the higher the perception of tax policy, the higher the perception of the company's financial performance. This finding supports Institutional Theory, which states that pressure from the external environment encourages organizations to seek legitimacy to survive and thrive, as well as the endogenous growth theory, which emphasizes that fiscal policy, including taxes, impacts the growth of output and company productivity. Previous research also confirms that strategically designed tax policies can improve company financial performance (Ezejiolor et al., 2015; Kuria & Memba, 2016; Putra et al., 2024). Santoso et al. (2025) show that tax incentives such as tax benefits can reduce a company's cash burden, increase net profit, and improve the quality of financial reports. Meanwhile, Christiana and Francis (2025) found that incentives such as tax holidays can increase the Earnings Per Share (EPS) of manufacturing companies, strengthening the argument that tax policy serves not only as a government fiscal instrument but also as a strategic tool to strengthen corporate financial performance.

However, different results were found when testing the effect of Strategic Decision Making (SDM) on Financial Performance (FP). A negative coefficient of -0.099 with a p-value of 0.025 indicates a significant negative relationship, thus rejecting hypothesis H2. This is consistent with the findings of Adnan et al. (2022) and Ejigu and Desalegn (2023), which explain that overly dynamic strategies can lead to instability in implementation, thus hindering the achievement of financial targets. Furthermore, Ojra et al. (2021) emphasize that strategies not supported by an adaptive organizational structure and a strong implementation culture will not significantly impact financial performance.

The Economic Environment (EE) variable also showed a significant negative effect on Financial Performance, with a coefficient of -0.371 and a p-value of 0.000. This indicates that economic instability, such as high inflation, recession, and exchange rate fluctuations, can disrupt corporate revenue, increase operating costs, and reduce financial stability (Salisu et al., 2022). Ngozi and Ifeyinwa (2023) also emphasized that companies operating in unstable economic environments tend to experience declining performance due to high uncertainty and adaptation costs. Regarding the moderating role of Organizational Culture, the results show that Organizational Culture does not moderate the relationship between Tax Policy, Strategic Decision Making, or Economic Environment on Financial Performance. The moderation of Organizational Culture on Tax Policy yielded a coefficient of 0.062 (p-value 0.130), indicating that although the relationship is positive, it is not significant. This reflects that organizational culture has not been fully integrated and empowered to strengthen the influence of tax policy on financial performance. Fuadah et al. (2022) and Hasan et al. (2024) show that the effectiveness of culture depends on the organizational context. Furthermore, Organizational Learning theory states that organizations with an adaptive culture are better able to respond to policy changes, but these findings suggest otherwise.

The moderation of Organizational Culture on Strategic Decision Making and Economic Environment was also insignificant ($p = 0.273$ and 0.495 , respectively),

indicating that the existing organizational culture is unable to strengthen the influence of strategy or the economic environment on FP. This finding aligns with studies by Chali and Lakatos (2024), Wiese et al. (2024), and Rahuman and Saif (2025), which highlight the complexity of culture's role in supporting strategy and external adaptation. Overall, the results of this study indicate the need for a more adaptive, collaborative, and innovative organizational culture transformation to effectively support financial performance.

CONCLUSION

This research aims to analyze the effect of Tax Policy, Strategic Decision Making, and Economic Environment on Financial Performance in manufacturing companies listed and not listed on the Indonesia Stock Exchange (IDX), considering Organizational Culture as a moderating variable. Research results show that Tax Policy has a positive effect on Financial Performance, while Strategic decision-making does not provide significant influence. Additionally, Organizational Culture is not proven to moderate the relationship between Tax Policy, Strategic Decision Making, and Economic Environment on Financial Performance.

Theoretically, this research contributes to the development of tax policy theory in Indonesia, particularly through introducing new dimensions in Tax Policy variables. The validity and reliability of the data used support the theoretical relevance of these findings. This research can also be linked to concepts in endogenous growth theory by Paul Romer to strengthen the development of future research variables. Practically, research findings provide valuable input for fiscal policy formulation, especially in optimizing tax policy to improve manufacturing company financial performance. From a regulatory perspective, research results support the importance of pro-business tax policy formulation, as reflected in the Tax Regulation Harmonization Law (UU HPP), as well as other policies such as tax incentives, investment policies, VAT facilities, and refocusing exemptions.

This research is limited to the manufacturing sector, so the findings tend to be homogeneous and cannot yet be generalized to other industrial sectors. To obtain more comprehensive results and broader generalization, it is recommended that future research include various types of industries outside the manufacturing sector, considering differences in sectoral characteristics and more complex external environmental influences.

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