



CIREBON INTERNATIONAL CONFERENCE ON EDUCATION AND ECONOMICS (CICEE)

FOSTERING ETHICAL BEHAVIOR: UNVEILING THE INTERPLAY OF ETHICAL WORK CLIMATE, TRANSPARENT COMMUNICATION, AND PERSON-ORGANIZATION FIT

Syifa Nurayini Amelia¹ and Santi Retno Sari²

¹²Universitas Nasional, Jakarta, Indonesia

*Corresponding author: santiretnosari2023@student.unas.ac.id

Abstract

Recently, there has been a lot of unethical behavior in the world of work. Such as disclosures, acts of corruption, insulting officials, and even the widespread use of harsh and unethical language in the world of work. Therefore, this research proposes a mechanism model that influences ethical behavior in the world of work specifically in the ministry of agriculture environment. The research objective is to examine the influence of an ethical work climate on ethical behavior which is mediated by the formation of transparent communication and strengthened by the existence of person-organization fit. The method used to test this is using PROCESS V.3.5. This analysis technique was chosen because of PROCESS's strength in testing models that contain mediation and moderation by producing a mediation moderation index, as well as the ability to display moderation graphs. The respondents sampled in this research were 122 employees. Employees from various sectors, because sampling uses chain referral sampling which rolls from one respondent to another. The results show that an ethical work climate influences ethical behavior mediated by transparent communication. Furthermore, the better suited employees are to the organization, the stronger the influence of transparent communication on ethical behavior. This language provides benefits by providing insight into the need to organize a work climate that displays ethics, so that employees will be more accustomed to behaving ethically. And the need to promote open communication. Apart from that, organizational harmony with actors or employees also has a role in strengthening the formation of ethical behavior.

Keywords: Ethical work climate, transparent communication, ethical behavior, person-organization fit.

INTRODUCTION

Ethical behavior in organizations has a very important role globally, especially in maintaining reputation, trust and business sustainability. Studies show that organizations that emphasize ethical behavior tend to have higher levels of trust from various stakeholders, including employees, customers, and society at large (Trevino & Nelson, 2021; Kethan & Basha, 2022; Best et al., 2021). On the other hand, violating ethical behavior is a disaster

for individuals and organizations and can even permanently damage reputation and loss of trust that has been built over many years (Mella & Gazzola, 2015).

However, there are still many cases of unethical behavior that occur in various organizations. In Indonesia, based on data from the Corruption Eradication Committee as of January 22 2024, there have been a total of 1,681 criminal acts of corruption handled since 2004 (Putri, 2024). Apart from corruption cases, there are various other types of unethical behavior such as other cases of sexual harassment and abuse of authority which also show that unethical behavior is still a big challenge in the work environment (Syahrial, 2024; Rahayu, 2024; Idris, 2024). The impact of This unethical behavior is very costly, including major financial losses, loss of reputation, and even bankruptcy. On the other hand, ethical behavior has positive impacts such as increasing customer trust and loyalty, creating a positive work environment, and reducing legal and regulatory risks (Bazerman & Tenbrunsel, 2011).

Various previous studies have examined the factors that influence ethical behavior in organizations. Ethical climate, for example, has been identified as one of the key factors contributing to employee ethical behavior (Victor & Cullen, 1988). In addition, transparent communication in organizations acts as an important mediator in strengthening the relationship between ethical climate and ethical behavior (Schaubroeck et al., 2012). Moderation of person-organization fit, or the congruence between individual values and organizational values, has also been found to influence the extent to which employees adhere to established ethical standards (Kristof-Brown et al., 2005).

This research effort will carry out an analysis to confirm the impact of the ethical climate on ethical behavior through the role of transparent communication intermediaries. It is necessary to emphasize and reinforce the absence of such an investigation in the Indonesian context. In the scientific community, it is observed that only one scientific investigation in Indonesia supports this claim (Runtu & Julius, 2023). Although it is acknowledged that transparent communication serves as a mediator for ethical culture, discourses pertaining to the relationship between ethical climate and ethical behavior facilitated by transparent communication are exclusively addressed in this particular study.

Thus, the current research offers an examination that incorporates the mediating variables of transparent communication to validate and confirm the impact of ethical climate specifically through open and transparent communication practices carried out in the Indonesian context. Additionally, a number of studies have integrated moderation; However, this shortcoming was overcome by introducing a mediation model as evidenced in previous research conducted in Iraq (Williams et al., 2020; Halburi et al., 2021). Consequently, combining these two different studies, which have not yet been explored in Indonesia, serves to present a comprehensive perspective indicating the existence of mediation and moderation mechanisms.

The collaboration between ethical climate, transparent communication, and person-organization fit creates an environment conducive to ethical behavior in organizations. A strong ethical climate provides a clear foundation of values, while transparent communication ensures that these values are understood and implemented by all members of the organization. Meanwhile, person-organization fit ensures that individuals working in the organization have a congruence of values that encourage them to behave in accordance with expected ethical standards. Thus, the integration of these three variables forms a comprehensive system for promoting and maintaining ethical behavior in organizations.

METHOD

The method used to test this is using PROCESS V.3.5. This analysis technique was chosen because of PROCESS's strength in testing models that contain mediation and moderation by

producing a mediation moderation index, as well as the ability to display moderation graphs. The respondents sampled in this research were 122 employees. Employees from various sectors, because sampling uses chain referral sampling which rolls from one respondent to another.

RESULTS AND DISCUSSIONS

2.1 Ethical Behavior

Based on Lawrence Kohlberg's moral reasoning research (Trevino, 2010) ethical behavior is actions taken by individuals that are in accordance with the moral principles that apply at their stage of moral development. Meanwhile, Trevino and Nelson (2021), ethical behavior involves fulfilling responsibilities to various stakeholders, including employees, customers and the wider community, as well as applying ethical values in daily decision making. From these two definitions, it can be interpreted that ethical behavior is actions that are in accordance with individual moral principles based on their moral development, as well as the obligation to fulfill responsibilities to various stakeholders and apply ethical values in daily decision making.

2.2 Hypothesis Development

The influence of an ethical work climate and transparent communication on ethical behavior Research regarding the mediation of transparent communication on the relationship between ethical work climate and ethical behavior has not yet been researched. However, research that links the influence of an ethical work climate on employee behavior both directly and indirectly has been proven in several studies. As in the research of Kuenzi et al. (2020) proves that an ethical organizational climate influences unit unethicity which is moderated by moral identity. Likewise, an ethical work climate influences employee deviant behavior (Haldorai et al., 2020), helping behavior (Otaye-Ebede et al., 2020), innovative behavior (Asbari et al., 2023), organizational citizenship behavior (Sari et al. , 2022). This is different from the results of Anneta's (2022) research that an ethical work climate does not influence deviant budgetary slack behavior.

H1: An ethical work climate influences employee ethical behavior

In accordance with Kohlberg's moral development theory, a person's ethical behavior will continue to develop, influenced by factors such as the environment and factors within the individual such as intuition (Yilmaz et al., 2021). Furthermore, work climate is often equated with or overlaps with organizational culture even though there are differences in many contexts (Denison, 1996). Therefore, although the influence of work climate on communication has never been studied, based on several studies that have proven how organizational culture influences communication, it is material for logical thinking to propose hypotheses.

Brown and Starkey (1994) explain the mechanisms by which organizational culture influences communication and information. Further research by Gochhayat et al. (2017) proves and supports that organizational culture influences organizational communication which leads to the influence of organizational effectiveness. Further research by Levine et al. (2020) provide additional support for the formation of this research hypothesis by revealing research results that the work climate influences better communication so that employees are more courageous in expressing mistakes, whereas this does not happen due to organizational culture.

H2: An ethical work climate influences employee ethical behavior through transparent communication

The role of person-organization fit (PO Fit)

Research by Halbusi et al. (2021) provides evidence that fit moderates the influence of an ethical work climate on employee ethical behavior. Furthermore, based on moral development theory which is still very lacking in explaining moral judgment – action and also empirical proof (De Tienne et al., 2021), this hypothesis is proposed. An individual's ethical behavior develops following a process that is influenced by external factors and considerations within the individual, such as the perspective of conformity between the norms he brings with his environment, namely the organization (De Tienne et al., 2021). So the compatibility between the individual and the organization will influence a person's ethical behavior.

H3: PO Fit moderates the relationship between transparent communication and ethical behavior.

CONCLUSION

The conclusion obtained from the results of this research is that ethical behavior influences employee ethical behavior directly and indirectly through transparent communication. Furthermore, individual suitability with the organization strengthens the influence of transparent communication on ethical behavior.

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