The Effect of Ethical Climates Toward Productivity: The Role of Commitment And Trust As Mediation Variable

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ABSTRACT

This paper aims to determine the factors that can influence a worker in viewing productivity levels. One of the factors discussed in this paper is the work environment. The work environment determines the characteristics of a worker from the work context directly or indirectly and it affects the way a worker does things in his job. Employees will be more committed to the organization when their ethical values match the values that exist within the organization, whereas trust relates to one's assessment of expertise, integrity and fairness. The results of this study are expected to provide practical and theoretical implications for the field of management.

Keywords: Productivity, Ethical climate, Commitment, Trust

1. Introduction

One of the factors that can influence a worker in seeing the level of productivity is that it can be seen from the work environment. A good work environment is logically able to push one's productivity level to a higher level and vice versa. The work environment and workers cannot be separated from each other. Thus the work environment ensures the characteristics of a worker from the work context directly or indirectly and it affects the way a worker does things in his job (Schminke et al, 2007).
Management as an organisation's accomplice is the stewardship of the organization's environment by making rules, policies, assigning roles and ensuring that these are carried out fairly and ethically, and that the spirit behind these rules and policies is respected (Agrawal, 2017). Organizations that are able to maintain a work climate can be an advantage in itself. The working climate in question is certainly a positive work climate. This statement is in line with research conducted by Carr et al., (2003) which states that organizational climate is a valuable resource for organizational effectiveness because it affects employee commitment to the organization. In addition to affecting commitment, research conducted by Agrawal (2017) states that work climate variables tend to affect worker confidence.

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Trust in leaders or management, especially in an organization, is an important thing. A low level of trust can often be interpreted as a reduction in employee commitment, as well as an increase in the level of bad behavior in the workplace and ultimately employee termination (Simha, Aditya & Stachowicz-Stanusch, Agata, 2015). Agrawal (2017) states that trust is related to one's assessment of expertise, integrity and fairness. Meanwhile, trust reflects a special relationship based on emotional bonds between individuals.

The working climate of an organization must have a positive impact on commitment. Employees will be more committed to the organization when their ethical values match the values within the organization (Lau, PYY, Tong, JLYT, Lien, BYH, Hsu, YC, & Chong, CL, 2017). Leaders who can reflect positive behavior will certainly increase the commitment of their employees. Aryati, Ana Sofia., Sudiro, Achmad., Hadiwidjaja, Djumilah., Noermijati, Noermijati., (2018) said that when an employee has a high commitment, it can reduce deviant behavior from the employee.

This study will discuss whether the work climate affects productivity mediated by affective commitment and trust in leaders. The difference with previous research is the absence of affective commitment variables and also the accompanying mediating variables. The previous research referred to is research conducted by Agrawal (2017) where Agrawal suggests making the trust variable as a mediating variable or other variables that can be used as a mediating variable. So the authors take the affective commitment factor as an additional mediating variable. Commitment itself takes from research conducted by Carr, Jennifer Z. Schmidt, Aaron M. Kevin Ford, J. De Shon, Richard P. (2003) commitment includes the belief and acceptance of one's goals and organizational values, one's willingness to exert efforts. considerable size on behalf of the organization, and a strong desire to maintain membership in the organization. This study will take data from online motorcycle taxis, where online motorcycle taxis currently have separate organizations or teams that are divided into various regions. Affective commitment and trust in leaders is something that must be done by these online motorcycle taxis, given that the online motorcycle taxi organization itself is formed due to rejection from various parties who feel disadvantaged. So, according to the author, this becomes very interesting when examined.

2. Literature Review

2.1 Ethical Climate

An ethical work climate is a type of work climate which can be defined as "prevailing perceptions of typical organizational practices and procedures that have ethical content" (Victor and Cullen, 1988). Cullen et al (2003) said that the work climate arises when members believe that certain criteria must regulate ethical reasoning and describe what behavior is in accordance with the expected standards in the company. This work climate consists of five dimensions which include caring (empathy for others), rules (accepted procedures and policies within the organization), laws and codes (accepted codes of ethics and rules governed by professional bodies and the larger social system), independence (individual moral and ethical beliefs) and instrumentalism (great dependence on self-interest) (Victor and Cullen, 1988).

2.2 Performance

Performance is defined as the rate at which an individual helps the organization achieve its goals (Campbell, 1983). Performance is also important for individuals (Sonnentag & Frese, 2005). Completing tasks or jobs and showing high performance can be a source of satisfaction, good mastery and of course a sense of pride in the results completed. Low performance and unable to achieve what is intended will experience a sense of dissatisfaction and feelings of failure. Performance is the main requirement for individuals to reflect on their future self-development and success in obtaining value (Sonnentag & Frese, 2005). Academic performance reflects how well students perform in various academic-related tasks over a certain period of time (Payne et al., 2007).

2.3 Commitment

Organizational commitment is a factor that can influence individual involvement in deviant behavior (Hirshi, 1969 in Aryati, Ana Sofia., Sudiro, Achmad., Hadiwidjaja, Djumilah., Noermijati, Noermijati., 2018). Employees who are more loyal and passionate about their jobs are less likely to leave their jobs, and as a result, they will prevent themselves from engaging in deviant business practices that conflict with laws and regulations. Moreover, increased organizational commitment produces negative effects on both interpersonal and organizational behavior as expressed. Commitment as a psychological state has at least three separable components that reflect (a) a desire (affective commitment), (b) a need (continuation commitment), and (c) an obligation (normative commitment) to maintain a job in an organization (John P. Meyer Natalie J. Allen, 1991).

2.4 Trust

Trust can be defined as "the willingness of a party to be vulnerable to the actions of others based on the expectation that the other party will take certain actions that are important to the giver of trust, regardless of the ability to monitor or control the trusted party" (Mayer, Davis, & Schoorman, 1995, p.712 in Nedkovski, V., Guerci, M., De Battisti, F., & Siletti, E., 2017). Trust is often viewed as a construct of dyads in which one party's behavior affects the perceptions and actions of the other (Yakovleva et al, 2010). The cognitive dimension of trust is related to a person's assessment of the reliability, integrity and fairness of references, while the dimension of affective trust reflects a specific relationship with references and is based on emotional bonds between individuals (McAllister, 1995 in Agrawal, RK, 2017).

3. Discussion

Research conducted by Agrawal (2017) states that trust is very important when organizations want to progress and develop. Meanwhile, commitment is able to increase the sense of loyalty and can reduce the occurrence of unwanted things in the organization (Aryati, Ana Sofia., Sudiro, Achmad., Hadiwidjaja, Djumilah., Noe rmijati, Noermijati., 2018) there are no employees or team members can improve their performance. This study investigates commitment and trust as mediating factors that play an important role in the process of linking work climate to performance. Give an idea that with a high / positive working climate, is it able to affect one's performance. The working climate, through the variables of commitment and trust, can also be believed to be a supplement that can affect performance.

4. Conclusion

Management behavior directly and more deeply to employees affects the perceptions and actions of employees, and vice versa. Beyond belief coworkers, trust in management can positively influence performance and motivate employees to focus on tasks that add value to the company.

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