

THE INFLUENCE OF ORGANIZATIONAL COMMITMENT AND ETHICS CLIMATE ON EMPLOYEE PERFORMANCE OF EL FAJR HOUSE OF EDUCATION FOUNDATION PALEMBANG

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ABSTRACT

This study aims to determine the effect of organizational commitment and ethical climate on employee performance at the El Fajr Palembang Quran House Education Foundation. This study uses quantitative primary data. The population in this study used all employees at the El Fajr Palembang Home Qur'an Education Foundation. The sample in this study used a non-probability sampling technique with a sampling technique, namely the saturated sampling method, consisting of 40 respondents. The results of this study indicate that Organizational Commitment affects employee performance, not having a significant effect with a coefficient of 1.347, CR .434. The probability in the first hypothesis yields a value of $.664 \geq 0.5$. While the Ethical Climate affects employee performance, it does not have a significant effect with a coefficient of .790 C.R-.030. The probability in the first hypothesis produces a value of $.976 \geq 0.5$.

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1. INTRODUCTION

Advances in science and innovation today affect different business areas. As technology advances, the level of competition in the business world is also getting higher. Each association has a hope to be able to continue to survive in the midst of competition, to be able to meet these assumptions. The association must enjoy ruthless profits and a business system. There are many ways to gain a competitive advantage, one of which is through efficient human resource management.

Business competition is becoming increasingly stringent in this day and age. This makes every company expected to be able to provide products according to consumer tastes and service to consumers with good quality and service. The ability and quality of a company's human resources cannot be separated from the company's ability to face and survive in the face of intense competition.

Human Resources (HR) is a component especially in organizations and associations because the achievement and adequacy of an organization is very dependent on the Human Resources claimed by an association. Employee performance has an impact on business as well as the quality of determining resources. As a result, optimal company performance requires skilled and qualified human resources. The work results achieved by an employee in carrying out the tasks assigned to him based on skill, experience, sincerity and time are known as employee performance. [1]

An organization has employee performance that can be seen by how far the organization can carry out the vision and mission of the company or the goals set by the company. Employee performance is an act of behavior from the results that can be measured by employees from being bound to something done by the employee himself or the relationship between organizational goals. The factors that influence employee performance include ethical climate and organizational commitment.

According to Mangkunegara, employee performance is the result of work in quality and quantity that is being achieved by an employee in carrying out tasks in accordance with the responsibilities given to him. [2] Meanwhile, Bernardin and Russel in Hasibuan said that employee performance is dependent on the ability of the work effort and employment opportunities as assessed from the output.[3]

2. LITERATURE REVIEW

Employee Performance

According to Armstrong and Baron in Wibowo, employee performance is influenced by several factors such as; personal factors by the level of competence skills possessed by a person, leadership factors by the quality of encouragement or support by managers and team leaders, team factors by the

quality of support provided by colleagues, system factors by the existence of work systems facilities provided by the organization, and situational factors by the high level of pressure and changes in the internal and external environment.[4]

On this basis, employee performance is one of the important factors that must be prioritized to win competition both at the global and national levels. Employee performance itself is measured based on task performance that comes from the technical tasks performed and contextual performance that comes from interpersonal behavior between individuals within the company. By increasing employee performance in consistent service at various times, this will greatly support the El Fajr Palembang Home Qur'an Education Foundation in achieving its expansion goals by placing employees who have good performance as the spearhead. Human resources who have good and consistent performance in the long term are of course very dependent on the job satisfaction they get.

Another factor that affects employee performance is organizational commitment. To be able to maintain employee loyalty within the organization, organizational commitment also plays an important role. Organizational commitment arises from the loyalty that employees have towards the organization where the employee works. According to Mathins and Jackson, organizational commitment is the degree to which employees believe in and also accept organizational goals and will not leave the organization. [5]

Meanwhile, according to Luthans stated that organizational commitment is a strong desire to survive as a member of a particular organization, the desire to try hard and certain beliefs as well as the acceptance of organizational values and goals in employees.[6]

The indicators of organizational commitment are as follows:

- a. Affective Commitment is related to the emotional and involvement of a person in an organization. related to the desire to continue to be associated with the organization, they also agree and have one belief with the goals, objectives and values that exist in the organization so that employees will continue to support the progress of the organization. A person with a high level of effective commitment will also be willing to help the organization achieve its goals.
- b. Continuance Commitment is closely related to the employee's desire to remain in the organization because of the need to continue working in an organization. This commitment is also based on the advantages and disadvantages where the benefits will be obtained more quickly when staying in an organization compared to leaving the organization.
- c. Normative Commitment is a commitment that originates from a norm that exists within a person, such a norm as belief and responsibility to remain in an organization. Employees who have a high level of normative commitment, in these employees will appear feelings that do not want to make their superiors and fellow members of the organization disappointed in themselves. [7]

Ethical Climate

Ethics is the main thing that is around us and must exist in carrying out all activities in an organization to reflect the values and morals within the organization. According to Ghosh, ethical climate is a shared perception of ethical behavior and how ethical issues should be handled correctly. Meanwhile, according to Akcan states that the ethical climate is a shared perception of how issues that create moral contradictions can be resolved with appropriate behavior in ethical matters. [8]

Ethics in the company is the most important part that must be considered in the company because the ethical climate in the organization affects the productivity of a company. So, ethical climate is a science that studies the good and bad behavior of a person or individual. Ethics that exist in an organization will shape a climate so that it becomes a characteristic of the ethics of an organization. The ethical climate also reflects a value and also a moral so that it becomes an important thing in an organization. The ethical climate indicators are as follows: [9]

1. Caring (Concern)

Criteria for ethical standards in benevolent policies based on concern for others are the main focus of the ethical climate dimension. If a person has a spirit that cares about government assistance than the individuals who have it can be influenced by their moral choices. If the ethical climate is based on shared concern for the public and employees of other organizations, then it is considered caring from a caring perspective.

2. Instrumentalism (Personal Interest)

The idea of a useful instrument and that the value of an idea is the effectiveness of the idea in explaining and predicting the idea.

3. Independent (Independent)

Because a person acts according to his moral self, this dimension is linked to principled criteria.

4. Law and Code

This aspect is related to moral norms, which are the principles, in this aspect it is implied that in choosing choices that are primarily related to morals, one must be based on material regulations and a set of relevant principles. In the Law and Order dimension, it is believed that the ethical climate will be well formed if it is based on existing laws and regulations.

5. Rules

This aspect is also related to the fundamental ethical standards, or ethical rules that have been established in an organization. Therefore the choice taken by the association depends on the principles in question and a set of rules.

Conceptual framework

Based on the description above, it can be built research framework as follows:

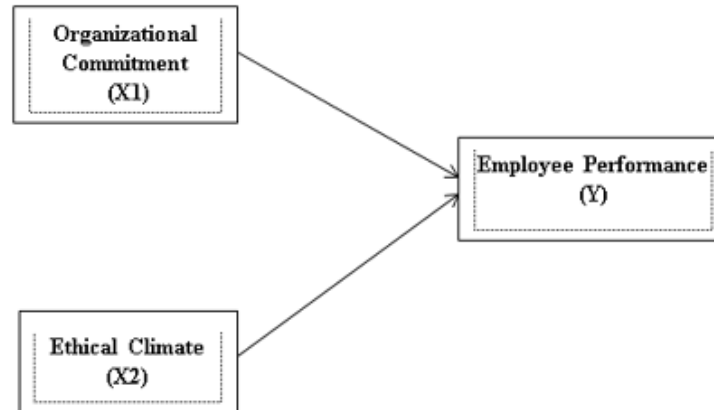


Figure 1. Research Framework

Research Hypothesis

Based on the problem formulation and conceptual framework above, the research hypothesis put forward by the researcher is as follows:

H1: Organizational Commitment has a positive effect on Employee Performance

H2: Ethical Climate has a positive effect on Employee Performance

3. METHOD

This research uses quantitative analysis method. Quantitative analysis is an analysis that uses quantitative analytical tools, namely analytical tools that use models, such as mathematical models (eg multivariate functions), statistical models, and econometrics. In this study using the analysis tool SEM AMOS 24 which has the ability to solve structured problems and is used to test the hypothesis model. This is due to the ability to estimate the known coefficients from linear equations.

This study uses a quantitative descriptive method, namely as a type of research that uses numbering data collection to explain a particular phenomenon. The data sources collected in this study were primary data and used questionnaires to predetermined samples as the data collection technique to be studied.

This research was conducted to examine the user *ecommerce* shopee to students of the Faculty of Economics, University of HKBP Nommensen Medan. The research time starts from December 2022 until the time is adjusted to the field conditions and research objects. which are spread over four (4) study programs, namely Accounting, Management, Development Economics and Amd Taxation who have spent *online* at the shop.

The population in this study were all employees of the El Fajr Qur'an Home Education Foundation in Palembang City. The sample in this study used a nonprobability sampling technique with the sampling technique used in this study was the saturated sampling method.

According to Sugiyono, saturated sampling is a sampling technique in which the entire population is used as a sample. [10] Another term for a saturated sample is a census sample, where members of the population are sampled. Data was collected from primary data sources by distributing questionnaires. This aims to find out clearly and thoroughly related to work ethics and organizational commitment to the performance of the El Fajr Qur'an Home Education Foundation employees.

The nonprobability sampling technique with the sampling technique used in this study is the saturated sampling method. The sample in this study were all members of the El Fajar Qur'an Home Education Foundation as many as 40 people. The measurement scale in this study used a Likert scale with answer choices and scores that had four answer choices, namely SS (strongly agree), S (agree), KS (disagree) TS (disagree), and STS (strongly disagree). Then the data was tabulated in Excel and analyzed using the AMOS 24 SEM measurement tool.

The primary data source is by distributing research questionnaires to respondents or research samples. The secondary data in this study are journal articles, books, website government and website validated data relating to the research conducted.

Table 1. Operational Definition of Research Variables

Variable	Definition	Indicator	Size
Organizational Commitment (X1)	Organizational commitment is the degree to which employees believe in and also accept organizational goals and will not leave the organization. (Mathis and Jackson, 2009)	1.Affective Commitment 2.Continuanace Commitment 3.Normative Commitment	Likert
Ethical Climate (X2)	Ethical climate is the science that studies the good and bad behavior of a person or individual. (Ghosh, 2015)	1. Caring 2. Instrumentalism 3.Independent 4. Law and Code 5. Rules	Likert
Employee Performance (Y)	Employee performance is the result of work in quality and quantity that is being achieved by an employee in carrying out tasks in accordance with the responsibilities given to him. (Mangkunegara,2012)	1. Quantity of Work 2. Job Knowledge 3. Quality of Work 4. Personal Qualities	Likert

Measurement Scale

The scale used in this measurement is the Likert scale. To reduce the impact of bias and the occurrence of concentration of data during analysis, the scale used can be seen in the following table:

Table 2. Likert scale

No	Question	Score
1	Strongly Agree (SS)	1
2	Agree (S)	2
3	Disagree (KS)	3
4	Disagree (TS)	4
5	Strongly Disagree (STS)	5

Data analysis was carried out by the method *SEM AMOS 24*. By using the SEM AMOS 24 analysis tool which has the ability to solve structured problems and is used to test the hypothesis model. This is due to the ability to estimate the known coefficients from linear equations. The formula of the linear equation in this study is as follows: [11]

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Note:

Y = Employee Performance

a = Constant Value

b1 = Coefficient of Organizational Commitment

b2 = Coefficient of Business Ethics

X1 = Organizational Commitment
X2 = Coefficient of Business Ethics
e = Standard of Error

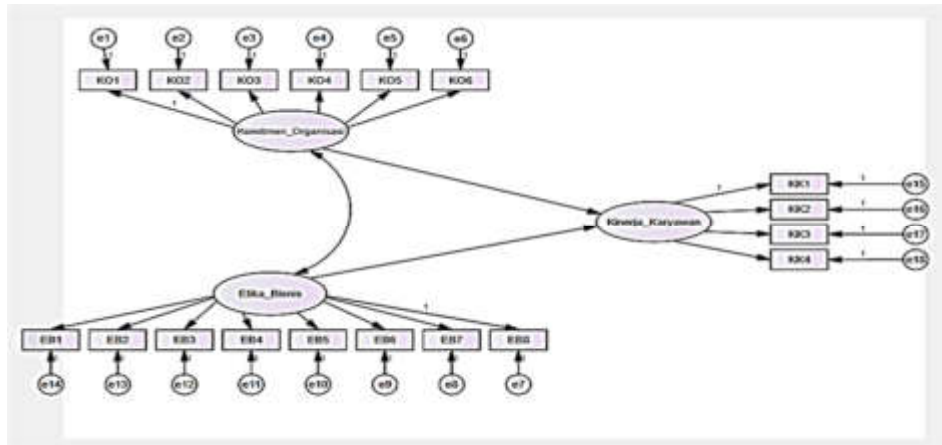


Figure 2. SEM AMOS Results

Hypothesis test

Hypothesis testing using analysis *full model structural equation modeling* (SEM) with smartPLS. *Infull model structural equation modeling* besides confirming the theory, it also explains whether there is a relationship between latent variables (Ghozali, 2012). Hypothesis testing by looking at the calculated value *Path Coefisien* on testing the inner model. The hypothesis is said to be accepted if the significance value 0.05 (α 5%) and the hypothesis is rejected when the significance value 0.05 (a 5%) .[12]

4. RESULT AND DISCUSSION

Table 3. Goodness of Fit Test

Indeks	Goodness Of Fit	Cut-Off Value	Information
Chi Square	441,747		
Probabilitas	000	≥ 0.05	Non fit
CMIN/DF	,515	≤ 2.00	Fit
RMSEA	,371	≤ 0.08	Non Fit
GFI	,248	≥ 0.90	Non Fit
AGFI	,308	≥ 0.90	Non Fit
TLI	,342	≥ 0.95	Non Fit
PCFI	,348	$\geq 0.$	Fit
PNFI	,295	$\geq 0.$	Fit

In Table 3 above, the use of this test is to be able to reliably identify whether the finished model is feasible or still not feasible. SEM analysis has six test indices in conducting research, namely chi-square, RMSEA, GFI, AFGI, TLI, PCFI and PNFI. The six test indices have criteria that can make a model said to be feasible because it is in accordance with the cutoff value. Eligible criteria on the chi-square test. if the chi-square probability \geq level of significant. The RMSEA criterion is said to be feasible if the RMSEA value \leq the cut off value (0.08) while the other four tests are said to be feasible if the goodness of fit value ≥ 0.9 .

Table 4. Causality Test

			Estimate	S.E.	C.R.	P
Employee Performance	<---	Organizational_commtmenti	,585	1,347	,434	,664
Employee Performance	<---	Etika_bisnis	-,024	,790	-,030	,976
KO6	<---	Organizational_Commitment	1,000			
KO5	<---	Organizational_Commitment	1,742	1,147	1,519	,129
KO4	<---	Organizational_Commitment	,773	,711	1,087	,277
KO3	<---	Organizational_Commitment	2,431	1,515	1,604	,109

The Influence Of Organizational Commitment And Ethics Climate On Employee Performance Of El Fajr House Of Education Foundation Palembang. Malikal Mulki Octadyla, et al

KO2	<---	Organizational_Commitment	,743	,705	1,054	,292
KO1	<---	Organizational_Commitment	3,336	2,016	1,655	,098
EB8	<---	Ethical_Climate	1,000			
EB7	<---	Ethical_Climate	2,019	,726	2,781	,005
EB6	<---	Ethical_Climate	1,907	,722	2,642	,008
EB5	<---	Ethical_Climate	-,041	,367	-,112	,911
EB4	<---	Ethical_Climate	,379	,409	,926	,355
EB3	<---	Ethical_Climate	,707	,446	1,587	,113
EB2	<---	Ethical_Climate	1,370	,553	2,478	,013
EB1	<---	Ethical_Climate	,237	,376	,631	,528
KK1	<---	Employee_Performance	1,000			
KK2	<---	Employee_Performance	,881	,427	2,064	,039
KK3	<---	Employee_Performance	1,412	,549	2,571	,010
KK4	<---	Employee_Performance	1,153	,458	2,517	,012

In Table 4, the causality test is a test conducted to test a hypothesis model. The interpretation of each coefficient in the table above is as follows:

1. Based on the results of the causality test above, the relationship between organizational commitment affects employee performance, not significantly with a coefficient of 1.347, CR .434. Probability in the first hypothesis yields a value of $.664 \geq 0.5$.
2. Based on the results of the causality test above, the relationship between Ethical Climate affects employee performance, has no significant effect with a coefficient of .790 C.R-.030. The probability in the first hypothesis produces a value of $.976 \geq 0.5$
3. The relationship of all latent variable indicators shows a significant value where almost all of them have a probability less than 0.05. These results mean that all indicators are very good at explaining and measuring each variable.

The Effect of Organizational Commitment on Employee Performance

The positive influence of work ethics on employee performance is supported by the following theories. Valentine & Barnett in Komari and Djafar, states that work ethics in an organization is the key to the ethical behavior of its employees. [13]

According to Mangkuprawira, work ethics are normative rules that contain a system of values and moral principles which serve as guidelines for employees in carrying out their job duties within the company. Based on the opinion above, if an employee has a high understanding of the company's value system and moral principles, it will help the employee in providing good performance for the company. [14]

Effect of Ethical Climate on Employee Performance

This is supported by Kaptein's statement, that it is widely known, organizational commitment can create a work environment that encourages social processes, work regulations, and ethical behavior within the organization. [15]

When organizational commitment can create ethical behavior in the organization, work ethics are formed. If work ethics and organizational commitment can run optimally, then employee performance will also be maximized. This will encourage the achievement of the company's role and objectives, namely providing electricity for the public interest and at the same time the accumulation of profits based on the principles of corporate management.

5. CONCLUSION

The conclusion in this study is that organizational commitment has no significant effect on employee performance, with a coefficient of 1.347, CR .434. The probability of the first hypothesis yields a value of $.664 \geq 0.5$. While the Ethical Climate affects employee performance, it does not have a significant effect with a coefficient of .790 C.R-.030. The probability in the first hypothesis produces a value of $.976 \geq 0.5$. So that if an employee has a high understanding of the company's value system and moral principles, it will help the employee in providing good performance for the company. If work ethics and organizational commitment can run optimally, then employee performance will also be maximized. This will encourage the achievement of the company's role and objectives, namely providing electricity for the public interest and at the same time the accumulation of profits based on the principles of corporate

management. The implications for this study suggest to further research to continue this research by adding new variables and more samples.

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