



The influence of ethical leadership and organizational commitment on employee performance at PT. Masaji Tatanan Container Indonesia

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ABSTRACT

Ethical leadership is important in the current industrial development. It involves implementing good behaviors based on morals, setting a good example for employees, and having good value for the company. Ethical leadership is closely related to performance improvement. Additionally, organizational commitment also has a significant influence on performance. The decline in employee performance at PT MTKI is characterized by unachieved rental targets, one of which is due to the lack of enthusiasm for marketing products because employees are less adept at informing the facilities and facilities provided by the company. A study was conducted to determine the influence of ethical leadership and organizational commitment on employee performance at PT MTKI. Based on the research results, it is found that ethical leadership partially has a positive and significant effect on employee performance. Organizational commitment partially has a positive effect on employee performance. Organization partially has a positive effect on employee performance. The contribution of ethical leadership and organizational commitment to employee performance is 82% while the remaining 18% is influenced by other variables outside this study.

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INTRODUCTION

The era of globalization demands higher competition between companies. Therefore, every company must make improvements and improve itself on matters related to the company. Companies must be more sensitive and responsive to existing problems to continue to survive and develop. The efforts that must be made to remain competitive and win the competition are by improving, managing, and utilizing existing resources in the company, especially human resources (AlShehhi et al., 2021; Pasigai, 2022; Rita et al., 2018).

Human resources are very important for companies because almost all company operations are carried out by humans. Human resources are the only resources that have reason,

desire, skills, knowledge, drive, power, and work. For company management to run well, the company must have qualified, knowledgeable, and highly skilled employees and efforts to manage the company as optimally as possible so that employee performance will increase and company goals will be achieved. Employee performance is related to the quality and quantity of work performed by employees or subordinates and related to the conditions of subordinates or employees in a particular organization or company. Every organization or company certainly wants its employees to have good performance so that the process of achieving company goals runs smoothly. In realizing the desired employee performance, many factors can affect employee performance, one of which is leadership in the company (Anggun Cahyani et al., 2020; Mangkunegara, 2013; Putu Fabio et al., 2016; Syahrani et al., 2022).

Leadership is the power of the leader to invite, influence, and mobilize others to carry out something for the achievement of a particular goal. Leadership has a very important and central role in the life of an organization or company. A leader must be able to equalize the perception, vision, and mission of its members. To achieve a common goal, the human resources in the organization or company need to foster and build togetherness by following the direction of the leader. One of the tough challenges that leaders often have to face is how they can move their subordinates to always be willing and willing to exert their best abilities for the benefit of the group and organization. Ethical leadership is one form of leadership style that is interesting to study. Ethical leadership is one of the power holders that shows the level of ethical codes such as morals, responsibility, character, discipline, hard work, and full of truth in influencing and guiding subordinates in achieving common goals (Gidion Bernad Lubis & Ferryal Abadi, 2022; M. Sumarjaya & Supartha, 2017).

Organisational commitment is an attitude of employee loyalty to the organization that can affect its performance. Organizational commitment is influenced by the conditions and situations that exist in the organization. Employees who have high organizational commitment will feel at home and do not want to leave the organization. based on research conducted by abu muna almaududi ausat and Friends (2022) transformational leadership has a positive and significant effect on organisational commitment and employee performance. (Almaududi Ausat et al., 2022; Murty & Hudiwinarsih, 2012; Saifunurmazah et al., 2018).

Based on research conducted by Maudul, A., Pio, R.J., and Runtuwene (2013) performance is influenced by ethical leadership positively and significantly. Not only that, studies from Malik, Awais, Timsal (2016) also prove that there is a positive and significant impact between ethical leadership on performance. A study conducted by Harmoko & Sulisty (2014) provides a difference, namely the results have no significant effect, so there is a gap in conducting research (Harmoko & Sulisty, 2014; Malik et al., 2016; Runtuwene et al., 2018).

Therefore, this study aims to analyze the effect of ethical leadership and organizational commitment on employee performance at PT Masaji Tatanan Kontainer Indonesia (MTKI). This research is based on the results of previous research which shows that ethical leadership and organizational commitment have a positive and significant influence on employee performance.

RESEARCH METHOD

This type of research is descriptive qualitative research. In this study, the sampling technique was non-probability sampling. Data collection In this study, researchers used primary data sources obtained directly from respondents through questionnaires, interviews, and observations and secondary data, namely data that supports primary data in the form of reports, books, organizational structures, the internet, and literature-related to this research problem. Then the data obtained will be tested for hypotheses that have been decided using multiple linear regression analysis, partial test analysis, and simultaneous test analysis.

Multiple linear regression analysis is a linear relationship between one independent variable (X) and the dependent variable (Y). this analysis is to determine the direction of the relationship between the independent variable and the dependent variable whether positive or negative and to predict the value of the dependent variable if the value of the independent variable increases or decreases.

The t-test aims to determine the magnitude of the influence of each independent variable partially (one by one) on the dependent variable and for the F-test is used to determine the significant level of influence of independent variables together (simultaneously) on the dependent variable.

RESULTS AND DISCUSSIONS

A leader with high ethical leadership and good organizational culture can influence individuals or groups to behave following organizational or company goals. Therefore, companies or organizations need to pay attention to matters that include ethical leadership and organizational culture so that employee performance can be developed for the progress of the organization or company (Andayani & Tirtayasa, 2019; Rajagukguk, 2016; Runtuwene et al., 2018).

This research uses quantitative research methods, with a multiple regression analysis approach to determine the level of influence between variables, F-test and T-test seen from the level of significance between variables, namely ethical leadership (X1), organizational culture (X2), and employee performance (Y).

Table 1. Multiple Regression Analysis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	5.170	3.039	
Kepemimpinan_Etis	.504	.068	.642
Komitmen_Organisasi	.666	.178	.325

a. Dependent Variable: Kinerja

The results of the regression equation show the effect of Ethical Leadership (X1) and Organisational Commitment (X2) variables on Performance (Y) at PT Masaji Tatanan Kontainer Indonesia. The results show that both variables have a positive and significant effect on performance, with regression coefficients of 0.504 and 0.666 respectively. This means that the higher the value of the Ethical Leadership and Organisational Commitment variables, the higher the performance value.

Table 2. F-Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1235.776	2	617.888	131.034	.000 ^b
Residual	245.206	52	4.715		
Total	1480.982	54			

a. Dependent Variable: Kinerja

b. Predictors: (Constant), Komitmen_Organisasi, Kepemimpinan_Etis

The results of the F test show that Ethical Leadership and Organisational Commitment have a significant effect on employee performance at PT Masaji Tatanan Kontainer Indonesia. According to a journal written by Roy F. Runtuwene and friends discussing the impact of ethical leadership and organizational culture on employee performance at PT Bumiputera Muda General Insurance 1967. This journal shows that both variables have a positive and significant effect on employee performance, with regression coefficients of 0.504 and 0.666 respectively. This journal

research examines the influence of leadership, motivation, and organizational commitment on employee performance at PT Masaji Tatanan Kontainer Indonesia. This journal found that organizational commitment has a positive and significant effect on employee performance (Nyoto & Rajab, 2022; Runtuwene et al., 2018). The results showed that ethical leadership and organizational culture have a positive and significant effect on employee performance, so the hypothesis that there is an effect of ethical leadership on employee performance, there is an effect of organizational culture on employee performance, and there is an effect of ethical leadership and organisational culture on employee performance is accepted (M. B. Sumarjaya & Supartha, 2017).

Table 3. Results of the t-test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.170	3.039		1.701	.095
Kepemimpinan_Etis	.504	.068	.642	7.414	.000
Komitmen_Organisasi	.666	.178	.325	3.747	.000

a. Dependent Variable: Kinerja

Partial Test of Ethical Leadership Variables

From the table, it can be seen that the value of $t_{hitung} > t_{tabel}$ ($7.414 > 1.673$) with a significant (Sig-t) of 0.000 is smaller than $\alpha = 5\%$ (0.05). So the research results accept H1 and reject H0, meaning that Ethical Leadership partially has a positive and significant effect on employee performance at PT Masaji Tatanan Kontainer Indonesia.

The results showed that Ethical Leadership has a positive and significant effect on employee performance. In this study, Ethical Leadership partially affects employee performance by 7.414. In addition, the results of research by Ghifary (2019) and Pratama (2020) also show that leadership has a positive effect on employee performance (Ghifary & Faizah, 2019; Krisharyuli et al., 2020; Pratama, 2020).

From some of the theories put forward above, it can be concluded that performance is highly dependent on the Ethical Leadership given to employees. If employees get high Ethical Leadership, it will improve employee performance in (Shakeel et al., 2020) carrying out their duties so that company goals are achieved (Gunawan & Setiawan, 2022; Meria et al., 2022).

Partial Test of Organisational Commitment Variable

From the table, it can be seen that the value of $t_{hitung} > t_{tabel}$ ($3.747 > 1.673$) or significant (Sig-t) of 0.000 is smaller than $\alpha = 5\%$ (0.05). So in the research results reject H0 and accept H1, meaning that Organisational Commitment partially has a significant effect on employee performance at PT Masaji Tatanan Kontainer Indonesia.

The results showed that Ethical Leadership and Organisational Commitment together had a positive and significant effect on employee performance. In this study, Ethical Leadership partially affects employee performance by 3.747. In addition, the results of research by Ghifary (2019) and Pratama et al (2020) also show that leadership has a positive effect on employee performance (Ghifary & Faizah, 2019; Pratama, 2020; Raveendran & Gamage, 2019).

From some of the theories put forward above, it can be concluded that performance is highly dependent on the Ethical Leadership and Organisational Commitment given to employees. If employees get high Ethical Leadership and Organisational Commitment, it will improve employee performance in carrying out their duties so that company goals are achieved (Runtuwene et al., 2018; M. B. Sumarjaya & Supartha, 2017).

CONCLUSION

Based on the results of the analysis and discussion that has been described in the previous chapter, the researcher draws the following conclusions. The research conducted at PT. Masaji Tatanan Kontainer Indonesia (MTKI) has shown that ethical leadership and organizational commitment have a positive and significant effect on employee performance. The partial test results indicate that the ethical leadership variable has a positive and significant effect on employee performance, as does the organizational commitment variable. The simultaneous test results show that the Ethical Leadership (X1) and Organisational Commitment (X2) variables have a positive and significant effect on employee performance variables at PT. Masaji Tatanan Kontainer Indonesia (MTKI), with Ethical Leadership being the most dominant factor affecting employee performance. The variations in employee performance variables can be explained by variations in the Ethical Leadership and Organisational Commitment variables of 0.828, which means 82%, while the remaining 18% is a variation of variables by other factors not examined in this study.

The implications that can be applied are PT Masaji Tatanan Kontainer Indonesia can consider implementing ethical leadership and organizational commitment as a strategy to improve employee performance. In addition, the contribution needed for future researchers can consider including other variables besides ethical leadership and organizational commitment as predictor variables for employee performance. This can help in understanding other factors that affect employee performance and can help PT Masaji Tatanan Kontainer Indonesia in developing more effective strategies to improve employee performance.

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