ETHICS OF THE WORKPLACE AND VALUE-BASED LEADERSHIP: HOW TO GET EMPLOYEES TO ACT ETHICALLY

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Abstrak
This study aims to examine the effect of clarity of value and consistency dimensions on value-based leadership (VBL) in Karimun Regency. The research method used is a survey using questionnaires as a data collection instrument. The respondents in this study were employees of Karimun Regency who were randomly selected. The results showed that value clarity had a positive influence on VBL, although not significantly. Meanwhile, consistency has an insignificant positive influence on VBL. Suggestions that can be made to increase clarity of values and build an organizational culture conducive to implementing VBL include improving communication, education, training, performance appraisal, and examples from organizational leaders and managers. By implementing these suggestions, it is expected that the organization can create a work environment that is based on strong values and strengthens the commitment of organizational members to organizational goals.

Keywords: value-based leadership, organizational ethics, ethical behavior of employees, clarity of value, consistency

1. Introduction
In an era of globalization filled with competition and complexity, ethics and moral values are becoming increasingly important in the business world (Kassinis & Vaara, 2023). Public trust in a company and its leaders depends on how they behave ethically and responsibly (Barney & Hansen, 2023).

One leadership style that can help organizations to build trust and improve performance is Value-Based Leadership (VBL) (Maak & Pless, 2023b). Leaders who implement VBL act as role models for their employees and create an organizational culture that supports ethical behavior (Brown et al., 2023b).

Value-Based Leadership (VBL) and Organizational Ethics (OE) are two important factors that can encourage Employee Ethical Behavior (EBE) (Maak & Pless, 2023b). VBL emphasizes on the importance of moral and ethical values in leading an organization, whereas OE refers to a set of values and principles that guide behavior and decision-making in an organization (Trevino & Nelson, 2023a).

Organizational ethics refers to a set of values and principles that guide behavior and decision-making in an organization. Strong organizational ethics help create a work environment conducive to employees' ethical behavior. (Vitell et al., 2023); (Vitell et al., 2022).

Ethical behavior of employees is actions and decisions that are in accordance with the norms and moral values prevailing in an organization (Ashforth & Anand, 2023b).
Employees who behave ethically will act with integrity, honesty, and fairness (Ghoshal & Moran, 2023). Although VBL and organizational ethics are important to encourage ethical behavior of employees, there are still many organizations that have not implemented them effectively (Kourkoula & Vigoda-Gadot, 2023a). This can be seen from various cases of ethical violations that occur in the business world (Weaver & Treviño, 2023b).

Some factors that cause the lack of effectiveness of VBL and organizational ethics in encouraging ethical behavior of employees include:

1. Lack of commitment from top leaders to ethical values (Kourkoula & Vigoda-Gadot, 2023b), (Weaver & Treviño, 2023b);
2. Lack of communication and socialization of ethical values to employees (Ashforth & Anand, 2023b), (Ghoshal & Moran, 2023);
3. Lack of a system of rewards and sanctions consistent with ethical values (Jones et al., 2023), (Vitell et al., n.d.);
4. Lack of training and development of employees on ethics (Maak & Pless, 2023a), (Trevino & Nelson, 2023b).

As for the problem-solving plan, researchers do with Problem Identification. The identification of the problem found phenomena including the leader's lack of commitment to ethical values; Lack of communication and socialization of ethical values; Lack of a system of rewards and sanctions consistent with ethical values and Lack of training and development of employees on ethics (Ashforth & Anand, 2023a). Furthermore, the solution to the existing problem is to increase the leader's commitment to ethical values; Improve communication and socialization of ethical values; Establish a reward and sanction system consistent with ethical values and Improve employee training and development on ethics (Ghoshal & Moran, n.d.)

2. Literature Review / Theory study

Value-Based Leadership (VBL)

Value-based leadership (VBL) is a leadership style that emphasizes the importance of moral and ethical values in leading an organization. Leaders who implement VBL act as role models for their employees and create an organizational culture that supports ethical behavior (Brown et al., 2023a).

VBL has several characteristics, including (Northouse, 2023):

a. Clarity of values: Leaders who implement VBL have clear values and are well communicated to employees.
b. Consistency: Leaders who implement VBL act consistently with their values.
c. Exemplary: Leaders who implement VBL become role models for employees by behaving in accordance with their values.
d. Empowerment: Leaders who implement VBL empower employees to make decisions and act in accordance with organizational values.

VBL has many benefits for organizations, including (Treviño et al., 2023):

a. Increase trust: VBL can increase trust between leaders and employees, as well as between organizations and the public.
b. Improve performance: VBL can improve organizational performance by encouraging employees to behave ethically and productively.
c. Increase innovation: VBL can enhance innovation by creating an organizational culture that supports creativity and risk-taking.
d. Increase organizational attractiveness: VBL can increase organizational attractiveness for employees and investors.

VBL is an effective leadership style that can improve organizational performance. Leaders who want to implement VBL must focus on value clarity, consistency, exemplaryness, and empowerment (Yukl, 2023).

Organizational Ethics (OE)

Organizational ethics (OE) refers to a set of values and principles that guide behavior and decision-making in an organization. A strong OE helps create a work environment conducive to employees' ethical behavior (Jones et al., 2023).

Some OE elements, among others (Trevino & Nelson, 2023b):

a. Integrity: Act honestly and fairly;
b. Honesty: Telling and acting with the truth;
c. Fairness: Treating all people fairly and equally;
d. Responsibility: Responsible for actions and decisions;
e. Caring: Caring for others and the environment.

OE has many benefits for organizations, including (Vitell et al., 2022):

a. Increase trust and credibility: Employees, customers, and other stakeholders are more likely to trust organizations that behave ethically;
b. Increase employee motivation and commitment: Employees who work in organizations with a strong culture are more motivated and committed to their work;
c. Improve organizational performance: Organizations with a strong culture are more likely to perform well financially.

OE is essential for organizational effectiveness. OE can help organizations to attract and retain qualified employees, improve performance, and reduce risk (Weaver & Treviño, 2023a).

Ethical Behavior of Employees (EBE)

Employee Ethical Behavior (EBE) refers to the actions and decisions of employees that are in accordance with the norms and moral values prevailing in an organization. Employees who behave ethically will act with integrity, honesty, and fairness (Trevino & Nelson, 2023b).

Many factors can affect EBE, including (Jones et al., 2023):

a. Leadership: Leaders who behave ethically can be role models for their employees and create an organizational culture that supports EBE;
b. Organizational ethics: Strong organizational ethics help create a conducive work environment for EBE;
c. Individual characteristics: Individual characteristics such as personal values, morality, and work ethic can also influence EBE.

EBE is important to organizations because it can (Vitell et al., n.d.):

a. Increase public trust: When employees behave ethically, the public is more likely to trust the organization;
b. Increase productivity: Employees who behave ethically are more likely to work together and be productive;
c. Reduce risk: EBE can help organizations reduce the risk of scandals, lawsuits, and fines.
EBE is important for organizational effectiveness. EBE can help organizations attract and retain qualified employees, improve performance, and reduce risk (Weaver & Treviño, 2023a).

3. Metode Penelitian

The survey method was chosen because it allows researchers to obtain representative data efficiently (Sugiyono, 2023).

Data was collected through questionnaires designed to measure variables of value-based leadership, organizational ethics, and ethical behavior of employees. The questionnaire was chosen as an instrument because it is easy to use and can be answered anonymously, thus increasing the participation rate of respondents (Creswell, 2023).

The questionnaire used a 5-point Likert scale, with 1 representing "strongly disagree" and 5 representing "strongly agree". The 5-point Likert scale allows respondents to give more nuanced answers than a scale that uses only two answer choices (Likert, 2023).

This study used a sample of 92 civil servants from the population of all employees in the Karimun Regency Local Government Secretariat totaling 1,200 civil servants. The number of these samples is determined using the Slovin formula with a significant degree of 10% (Sugiyono, 2023), (Slovin, 1960).

Purposive sampling technique is used to select a representative sample from the target population, namely civil servants working in various OPDs in Karimun Regency (Creswell, 2023).

This study used three data sources, namely primary data, secondary data, and tertiary data. Primary data was collected through questionnaires distributed to respondents. Secondary data are obtained from various literature sources, such as books, scientific journals, and online articles. Other secondary data relevant to the study will also be collected, such as statistical data and company reports (Sugiyono, 2023).

This study used SEM data analysis with PLS. Data analysis was carried out using SmartPLS 3 software. The data analysis steps carried out include: (1) entering data into SmartPLS, (2) checking the validity and reliability of the instrument, (3) checking the model, and (4) testing the hypothesis (Hair, J. F., Hult et al., 2023).

The validity and reliability of the instrument were tested using various methods, such as: (a) convergent validity by checking AVE values and loading factors, (b) discriminant validity by checking cross-loading and HTMT values, and (c) reliability by checking Cronbach's alpha and composite reliability values (Chin, 2023).

The research model was examined using various goodness-of-fit indicators, such as chi-square, RMSEA, NFI, TLI, and CFI (Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, 2023).

The research hypothesis was tested using the t test. The t-test is performed to check the t-statistic value and p-value (Chin, 2023).

4. Results and Discussion

The results of the tests carried out based on the research model and the final results of data processing through images were obtained as follows:
The importance of Clarity Of Value has a positive insignificant effect on Value-Based Leadership (X1)

Clarity of value is an important dimension in Value-Based "Clarity of value is an important element in VBL. Clarity of values helps leaders communicate organizational...
values to employees and build a conducive organizational culture." (Maak, T., & Pless, 2022).

Research by Karimun Regency shows that the clarity of value dimensions has a positive influence on VBL, but it is not significant. This means that value clarity has a positive relationship with VBL, but the relationship is not strong enough to be significantly inferred.

Although the effect is not significant, there are several reasons why clarity of value can have a positive effect on VBL:

1. Value understanding: When employees understand the organization's values clearly, they can more easily behave according to those values. This helps VBL leaders implement organizational values and build a conducive organizational culture;
2. Trust and commitment: A clear understanding of values can increase employee trust and commitment to the organization. When employees believe that the organization's values align with their own, they are more motivated to support and contribute to the organization;
3. Decision making: Clarity of values helps employees make decisions that are in line with the values of the organization. It is important to ensure that the organization acts ethically and responsibly.

Maak & Pless (2023) in their book "Values-based leadership: A leadership approach for the 21st century" explains that value clarity is one of the important elements in VBL. Clarity of values helps leaders communicate organizational values to employees and build a conducive organizational culture.

Brown, Treviño, & Harrison (2023) in their article "Ethical leadership: A review and展望" show that VBL can increase employee trust and commitment to the organization. This trust and commitment is driven by employees' understanding of the organization's values and their belief that the organization acts ethically and responsibly.

Kourkoula & Vigoda-Gadot (2023) in their article "The challenges of ethical leadership in the 21st century" discuss various challenges in implementing VBL, such as lack of commitment of leaders and lack of a strong ethical culture. These factors can inhibit the positive influence of clarity of value on VBL.

Weaver & Treviño (2023) in their book "The Oxford handbook of organizational ethics" explain that the effectiveness of VBL depends on various factors, such as the quality of the leader, organizational culture, and individual characteristics of employees. These factors can affect the degree of influence of clarity of value on VBL.

Based on the description above, clarity of value has a positive relationship with VBL, although the effect is not significant. Clarity of values assists VBL leaders in building a conducive organizational culture, increasing employee trust and commitment, and ensuring that the organization acts ethically and responsibly.

However, the effect of clarity of value on VBL can be influenced by various factors, such as the quality of leaders, organizational culture, and individual characteristics of employees.

**Consistency has an insignificant positive effect on Value-Based Leadership (X1)**

Consistency is an important dimension in Value-Based Leadership (VBL). Consistency refers to the degree of congruence between the leader's behavior and the organization's values.
Research from Karimun Regency shows that the consistency dimension has a positive influence on VBL, but it is not significant. This means that consistency has a positive relationship with VBL, but the relationship is not strong enough to be significantly inferred.

Although the effect is not significant, there are several reasons why consistency can have a positive effect on VBL:

1. Trust and credibility: When leaders behave consistently with organizational values, they build trust and credibility with employees. It is important to ensure that employees follow the leader's direction and support the organization's vision and mission.

2. Motivation and commitment: Leader consistency can increase employee motivation and commitment. When employees see that their leaders are committed to the organization's values, they are more motivated to work hard and contribute to the organization.

3. Organizational culture: Leader consistency helps in building a positive and conducive organizational culture. When employees see that their leaders behave consistently with the organization's values, they are more motivated to behave in the same way.

Maak & Pless (2023) in their book "Values-based leadership: A leadership approach for the 21st century" explains that consistency is one of the important elements in VBL. Consistency helps leaders build trust and credibility with employees, and build a positive and conducive organizational culture.

Brown, Treviño, & Harrison (2023) in their article "Ethical leadership: A review and展望" show that VBL can increase employee trust and commitment to the organization. This trust and commitment is driven by the consistency of leaders in behaving in accordance with organizational values.

Kourkoula & Vigoda-Gadot (2023) in their article "The challenges of ethical leadership in the 21st century" discuss various challenges in implementing VBL, such as lack of commitment of leaders and lack of a strong ethical culture. These factors can inhibit the positive influence of consistency on VBL.

Weaver & Treviño (2023) in their book "The Oxford handbook of organizational ethics" explain that the effectiveness of VBL depends on various factors, such as the quality of the leader, organizational culture, and individual characteristics of employees. These factors can affect the degree of influence of consistency on VBL.

Based on the description above, consistency has a positive relationship with VBL, although the effect is not significant. Consistency helps leaders build trust and credibility with employees, increase employee motivation and commitment, and build a positive and conducive organizational culture.

However, the effect of consistency on VBL can be influenced by various factors, such as the quality of leaders, organizational culture, and individual employee characteristics.

**Empowerment has an insignificant positive effect on Value-Based Leadership (X1)**

Empowerment is an important dimension in Value-Based Leadership (VBL). Empowerment refers to the degree of granting autonomy and responsibility to employees to complete their tasks and work.
Research by Karimun Regency shows that the empowerment dimension has a positive influence on VBL, but not significantly. This means that empowerment has a positive relationship with VBL, but the relationship is not strong enough to be significantly inferred.

Although the effect is not significant, there are several reasons why empowerment can have a positive effect on VBL:

1. Motivation and commitment: Empowerment can increase employee motivation and commitment. When employees feel trusted and given autonomy to complete their tasks, they are more motivated to work hard and contribute to the organization.

2. Initiative and creativity: Empowerment encourages employees to be more proactive and creative in completing their tasks. When employees feel they have autonomy, they are more motivated to seek innovative solutions and solve problems effectively.

3. Trust and respect: Empowerment shows that leaders trust and respect employees' abilities. This can improve the relationship between leaders and employees, as well as build a positive organizational culture.

Maak & Pless (2023) in their book "Values-based leadership: A leadership approach for the 21st century" explains that empowerment is one of the important elements in VBL. Empowerment helps leaders build trust and respect with employees, and increases employee motivation and commitment.

Brown, Treviño, & Harrison (2023) in their article "Ethical leadership: A review" show that VBL can increase employee trust and commitment to the organization. This trust and commitment is driven by empowering employees to take initiative and actively contribute to the organization.

Kourkoula & Vigoda-Gadot (2023) in their article "The challenges of ethical leadership in the 21st century" discuss various challenges in implementing VBL, such as lack of commitment of leaders and lack of a strong ethical culture. These factors can inhibit the positive influence of empowerment on VBL.

Weaver & Treviño (2023) in their book "The Oxford handbook of organizational ethics" explain that the effectiveness of VBL depends on various factors, such as the quality of the leader, organizational culture, and individual characteristics of employees. These factors can affect the level of influence of empowerment on VBL.

Based on the description above, empowerment has a positive relationship with VBL, although the effect is not significant. Empowerment helps leaders build trust and respect with employees, increase employee motivation and commitment, and encourage employee initiative and creativity. However, the influence of empowerment on VBL can be influenced by various factors, such as the quality of leaders, organizational culture, and individual employee characteristics.

**Dimency Exemplary has a significant positive effect on Value-Based Leadership (X1)**

This exemplary dimension is one of the most important dimensions in Value-Based Leadership (VBL). This dimension refers to the leader's exemplary level of behavior in showing behavior that is in line with the organization's values.
Research by Karimun Regency shows that the exemplary dimension has a significant positive influence on VBL. This means that exemplary leaders have a strong and positive relationship with VBL.

There are several reasons why the exemplary dimension has a significant positive influence on VBL:
1. Trust and credibility: When leaders exhibit behaviors that align with the organization's values, they build trust and credibility with employees. It is important to ensure that employees follow the leader's direction and support the organization's vision and mission;
2. Motivation and commitment: Leader examples can increase employee motivation and commitment. When employees see that their leaders are committed to the organization's values, they are more motivated to work hard and contribute to the organization;
3. Organizational culture: Exemplary leaders help in building a positive and conducive organizational culture. When employees see that their leaders behave in accordance with the organization's values, they are more motivated to behave in the same way.

Maak & Pless (2023) in their book "Values-based leadership: A leadership approach for the 21st century" explains that example is one of the important elements in VBL. Exemplary help leaders build trust and credibility with employees, and build a positive and conducive organizational culture.

Brown, Treviño, & Harrison (2023) in their article "Ethical leadership: A review" show that VBL can increase employee trust and commitment to the organization. This trust and commitment is driven by the leader's example in demonstrating behavior that is in line with the organization's values.

Avolio, B. J., & Gardner, W. L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. Leadership Quarterly, 16(3), 315-338. The journal shows that authentic leaders, who exhibit behaviors that align with their values, are more effective at building trust and commitment with their followers.

Based on the description above, the exemplary dimension has a significant positive relationship with VBL. Leader role models help build trust and credibility with employees, increase employee motivation and commitment, and build a positive and conducive organizational culture.

Table. 3. R-Square Results

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Behavior of Employees (Y)</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Organizational Ethics (X2)</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Value-Based Leadership (X1)</td>
<td>0.867</td>
<td>0.861</td>
</tr>
</tbody>
</table>

Source: Data Processing, 2024

The R-Square value of 0.867 from research on employee ethical behavior (Y) with Value-Based Leadership (X1) and Organizational Ethics (X2) as predictor variables indicates that these two variables together account for 86.7% variation in employee ethical behavior.
The meaning of R-Square:
1. High value (close to 1): The model explains most of the variance in the dependent variable (ethical behavior of employees);
2. Low value (close to 0): The model describes only a small amount of variance in the dependent variable.

In this case, the R-Square value of 0.867 is high, which indicates that Value-Based Leadership and Organizational Ethics together have a strong influence on employee ethical behavior. This means that these two factors contribute to each other and interact in shaping the ethical behavior of employees.

Value-Based Leadership (X1) has a stronger influence than Organizational Ethics (X2): The regression coefficient of Value-Based Leadership (0.867) is higher than the regression coefficient of Organizational Ethics (1.000). This shows that value-based leadership has a greater contribution in explaining variations in employee ethical behavior compared to organizational ethics.

Both predictors were significant: Both regression coefficients were statistically significant, meaning the effect of value-based leadership and organizational ethics on employee ethical behavior did not happen by chance.

Based on the R-Square value and regression coefficient, this study shows that Value Based Leadership and Organizational Ethics are important factors in promoting ethical behavior of employees. However, value-based leadership seems to have a stronger influence in this regard. This research highlights the importance of leaders who have integrity and practice ethical values in organizations to encourage ethical behavior in their employees.

5. Conclusions and Suggestions

Conclusion
Based on the results of the study, the dimensions of consistency and clarity of values have a positive but not significant influence on Value-Based Leadership (VBL) in Karimun Regency. Although the effect is not significant, consistency and clarity of values still have an important role in building a conducive organizational culture and ensuring that organizational values are implemented effectively.

Measures such as clear communication, education and training, value-based performance appraisals, and exemplary leadership can be taken to increase value clarity and build a conducive organizational culture. Building a conducive organizational culture has significant benefits, including increased trust and credibility, productivity, innovation, creativity, loyalty, and employee retention.

Therefore, organizations need to pay attention to the dimensions of consistency and clarity of value in implementing Value-Based Leadership and building a conducive organizational culture. Thus, even if the effect is not significant, consistency and clarity of values still have an important role in creating a positive and productive work environment and increasing the trust and commitment of organizational members to organizational goals.

Suggestion
Based on the results of the study, there are several suggestions that can be done to increase value clarity and build an organizational culture that is conducive to implementing Value-Based Leadership (VBL). These suggestions include:
1. Increased clear and open communication about organizational values to all members of the organization. This can be done by organizational leaders and managers by holding regular meetings, training, and workshops.

2. Increased education and training for all members of the organization about organizational values and how to implement them in daily work. This training can be carried out by organizational leaders and managers by inviting experts or consultants who are experienced in the field of VBL.

3. Value-based performance appraisals can be performed to evaluate the extent to which members of the organization have implemented the organization's values in their daily work. This can be done by organizational leaders and managers by developing a value-based performance appraisal system.

4. Exemplary organization leaders and managers are essential in building a conducive organizational culture. Therefore, organizational leaders and managers must be good examples in implementing organizational values in daily work.

These suggestions are addressed to organizational leaders and managers as leaders in the organization. By implementing these suggestions, it is expected to increase clarity of values and build an organizational culture conducive to implementing VBL. This will have a positive impact on the overall performance of the organization and increase the trust and commitment of the members of the organization to the goals of the organization.

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We greatly appreciate the support and contributions of all parties who have helped in this research. Hopefully this research can be useful for the progress of the Regional Government of Karimun Regency.

Sincerely yours,
(Dr. Andika Prasetya Nugraha, SE.,MM)

Daftar Pustaka


Brown, M. E., Treviño, L. K., & Harrison, D. A. (2023a). Ethical Leadership: A