The Effect of Ethical Climate on Employee Performance Mediated by Communication at PT Pos Indonesia Malang

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ABSTRACT
This study aims to examine the effect of ethical climate on employee performance mediated by communication. This research was conducted at PT. Pos Indonesia Malang Branch. The sampling technique used was total sampling with a sample size of 67 employees of PT. Pos Indonesia Malang Branch. Using a questionnaire as a data collection technique. The data analysis technique used Partial Least Square (PLS). The results of the study conclude that there is a significant influence between ethical climate on employee performance. Ethical climate has a significant effect on communication. Communication has a significant effect on employee performance. Communication mediates the ethical climate on employee performance.

Keywords: Ethical Climate; Performance; Communication

INTRODUCTION
The company has qualified or competent human resources, this is a very decisive factor in the company's success in achieving the goals that have been previously set, because the success or failure of the company in achieving its goals is very dependent on the ability of human resource management or employees in carrying out the tasks they are doing. So employee performance is an important component for the success of a company. In both manufacturing and service companies, performance will always be the main focus because performance is the key to the effectiveness and success of a company. A company will have difficulty in achieving its goals without the support of the company's employees. This can happen if the company's performance will not be optimal without the support of optimal employee performance as well. One of the importance of employee work effectiveness for corporations is to improve and advance a company. A company needs to improve the performance of its employees for the success of the company. Increased employee performance will have a positive impact on the company's productivity as well.
According to (Simanjuntak, 2005), the factors that influence employee performance are individual factors, organizational support, and management support. Individual factors, employee qualifications based on motivation, work ethic, willingness, and ability. Organizational support factors can be created by creating a sense of comfort, accompanied by working conditions and conditions. Management support factor, namely the ability to establish a good work system and industrial relations and on the other hand develop employee competencies. Another factor that can affect employee performance is the ethical climate. Based on the research entitled "Ethical Climate Impact on Employee Performance" by (Suryosukmono & Widodo, 2020), it shows that there is a direct impact between the ethical climate on employee performance. The research data shows that creating an ethical climate has a significant effect on the performance of the company's employees.

Ethical climate according to (Victor & Cullen, 1988) is an understanding or mutual agreement that becomes a reference in behaving properly and how an atmosphere with ethical values can develop within the organization. The ethical climate covers the dimensions of the decision-making process and the decision as one aspect. According to the results of observations that have been made, the ethical climate conditions of the company PT. Pos Indonesia Malang Branch, there are employees who are not happy with each other due to the career path in the company. This is crucial for the company, so that employee performance does not have a negative impact within the company.

Factors that create an ethical climate according to (Steers, Richard M. & Porter, 1991) are organizational structure, good interactions between employees and organizations can choose relationship patterns for more coordinated and structured interactions in tasks. Managerial policies and practices, managers instruct employees who can help achieve company goals. Technology, technology builds a more open communication flow that can increase creativity, self-confidence, and employee responsibility. The external environment can affect the goals of the organization itself.

Communication also plays an important role in improving employee performance. In line with the research presented by (Rahmadani et al., 2018) regarding the positive impact of communication on employee performance. The results of observations made indicate that the company has experienced several times of miscommunication, both between employees and superiors. According to (Mangkunegara, 2013), the factors that influence communication are communicators and recipients of information, which can be seen from the skills, attitudes, knowledge and media channels used.

PT. Pos Indonesia is engaged in the provision of services and has been around for a long time. Even though it has been known by the wider community, this company should not be negligent or even left behind in improving the quality of service to consumers. In order not to be left behind in terms of service to consumers, companies must improve the performance of their employees.

PT. Pos Indonesia Malang Branch was chosen as the object of research for the author's final project, where currently competition in goods delivery services is becoming a thing that is being used by the public due to the many marketplaces such as Shopee, Bukalapak, Tokopedia, Lazada, Blibli, and so on. Moreover, coupled with the Covid-19 pandemic which causes people to prefer to buy goods online, so that this goods delivery service is more meritorious for consumers. This raises competition in the delivery of goods such as JNE, TIKI, DHL, and so on. For that we need a good performance from PT. Pos Indonesia Malang Branch is to increase trust in consumers from the services they have provided.

In Table 1 describes how the market share position by showing PT. Pos Indonesia is in third position under JNE and TIKI. This shows that the company needs to improve the performance of its employees in order to compete with its competitors. According to the results of observations made by researchers, there are some employees who are still late for work so
this clearly interferes with the quality of employees in completing their responsibilities in the company.

**Table 1. Market Share of PT Pos Indonesia 2018**

<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
<th>Prosentase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>PT. Jalur Negara Ekakurir</td>
<td>43%</td>
</tr>
<tr>
<td>2.</td>
<td>PT. Titipan Kilat</td>
<td>26.2%</td>
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<tr>
<td>3.</td>
<td>PT. Pos Indonesia (Persero)</td>
<td>17.2%</td>
</tr>
<tr>
<td>4.</td>
<td>PT. Dalsey, Hillblom and Lyn Indonesia</td>
<td>2.1%</td>
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</tbody>
</table>

Source: (Yuansandi Dwi Ardhani, 2019)

Based on the description of the background above, the authors decided to raise the title of this thesis, namely: The Effect of Ethical Climate on Employee Performance Mediated by Communication at PT. Pos Indonesia Malang Branch

**LITERATURE REVIEW**

**Employee Performance**

Mangkunegara (2013) argues that employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Indicators according to (Mangkunegara, 2011) argue that there are several assessment indicators for employee performance in a company, namely:

a. Quantity
   - The number of jobs that must be fulfilled by employees as standard obligations in order to meet the company's achievement targets.

b. Quality
   - This indicator serves to ensure that employees meet operational standards in order to produce the best products for customers.

c. Cooperation
   - Employee interpersonal connectivity to solve common problems in the company.

d. Responsibility
   - A sense of ownership and obligation of employees in completing work within the scope and standards that have been determined.

e. Initiative
   - Ideas from themselves by employees to increase effectiveness in achieving company targets.

f. Punctuality
   - Commitment to work and produce according to the target time set by the company, while maintaining quality.

Based on research conducted by (Suryosukmono & Widodo, 2020), (Paulus, 2017), (Kaya & Baskaya, 2016) found that the ethical climate has a significant effect on employee performance. Based on this statement, the researcher makes the following hypothesis:

**H1:** Ethical climate has a significant effect on employee performance

**Ethical Climate**

According to (Victor & Cullen, 1988) ethical climate is an understanding or mutual agreement that becomes a reference in behaving properly and how an atmosphere with ethical values can develop within the organization.

Indicators according to (Simha & Cullen, 2012) state the measures of ethical climate indicators, namely:

1. Concern
Concern can be assessed from the orientation of all individuals in the organization to produce the best for customers and the public by doing things according to existing standards.

2. Law and Code of Ethics
   Compliance with standards and professionalism in doing work is the main thing in this indicator.

3. Rules
   Rules are there to be obeyed in order to achieve the company's common goals.

4. Instrumental
   This indicator shows the willingness of employees to do things that can advance the company regardless of the consequences of personal loss.

5. Independence
   This indicator shows the freedom of employees in making choices without coercion from their superiors.

   Based on research conducted by (Endri Wardhana, Victor P. K. Lengkong, 2019) found that employee performance is influenced by communication and the work environment. Based on this statement, the researcher makes the following hypothesis:

H2: Ethical climate has a significant effect on communication

Communication
   Mangkunegara (2013) defines communication as the process of submitting ideas from the informant to the receiver. This is intended for equalizing perceptions. Indicators according to (Joseph A. De Vito, 1997) state that there are indicators in communication, namely:

1. Openness
   There are two aspects that can be assessed in the openness indicator, namely, openness motivation and the desire to respond honestly.

2. Empathy
   Indicators of empathy are defined as sensitivity to the feelings of others.

3. Positivity
   One indicator of success in interpersonal communication is the existence of a positive attitude towards oneself, which will affect communication with others and will help cooperation in the future.

   Based on research conducted by (Ginting, 2018), (Rahmadani et al., 2018), (Rialmi & Morsen, 2020) found that communication has a significant effect on employee performance. Based on this statement, the researcher makes the following hypothesis:

H3: Communication has a significant effect on employee performance.

   Based on research conducted by (Fauziyyah, 2017), (Rohmatulloh & Satrio, 2017) concluded that employee performance is influenced by the work environment and communication. Based on this statement, the researcher makes the following hypothesis:

H4: Communication mediates the ethical climate on employee performance

RESEARCH METHOD
   The population used is all employees of PT. Pos Indonesia Malang Branch, totaling 67 people. Primary data was obtained through the distribution of this survey questionnaire and facilities to 67 respondents of PT. Pos Indonesia Malang Branch. Secondary data for this survey was obtained through interviews with the Head of the Resources Division of PT. Pos Indonesia Malang Branch. Researchers used data analysis techniques, namely Partial Least Square (PLS). Four research hypotheses were tested using PLS (Partial Least Square). Testing the variables using the SmartPLS 3.0 application. The PLS analysis goes through several stages, namely, the
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design of the internal structural model, the design of the external measurement model, the creation of a path diagram, the conversion of the path diagram to a simultaneous equation, estimation of the coefficient of variation of load and bear, evaluation of goodness and fit, and hypothesis testing.

RESULT AND DISCUSSION

Validity Test

According to (Arikunto, 2010) the questionnaire has a high validity value if the results shown are correct for each instrument. The data shows that the coefficient $r_{xy} > r_{table}$ shows valid results at a significance level of 0.05. Each item has a significance $> 0.05$ which indicates a valid result.

<table>
<thead>
<tr>
<th>Table 2. Test the Validity of Employee Performance Variables</th>
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<tbody>
<tr>
<td><strong>Indicator</strong></td>
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<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td>Quantity</td>
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<tr>
<td></td>
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<tr>
<td>Quality</td>
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<td>Cooperation</td>
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<tr>
<th>Table 3. Validity test of ethical climate (X1)</th>
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<tr>
<td><strong>Indicator</strong></td>
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<td>----------------</td>
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<tr>
<td>Caring</td>
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<td></td>
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<tr>
<td>Law and code of conduct</td>
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<tr>
<td>Rule</td>
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<tr>
<td>Instrumental</td>
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<tr>
<td>Independency</td>
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<th>Table 4. Validity Test of Communication (X2)</th>
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<td><strong>Indicator</strong></td>
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<td>----------------</td>
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<tr>
<td>Transparency</td>
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<td></td>
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<td>Emphaty</td>
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The results of the validity test on the variables of employee performance, ethical climate, and communication showed a value of $r_{count} > 0.5$ which indicated that all items of the
questionnaire instrument were valid.

**Reliability Test**
The following are the results of the reliability test of the research variables:

**Table 5. Reliability Test Results**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job performance</td>
<td>0.856</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Ethical climate</td>
<td>0.927</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Communication</td>
<td>0.956</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

The table above shows that all research items are reliable, with the results of Cronbach alpha > 0.6. Therefore, the variables of employee performance, ethical climate, and communication are reliable and can be used for next level analysis.

Discussion is useful to answer the problems that have been formulated. Next, we will discuss the acceptance of the research hypothesis accompanied by factual support or rejection of the research hypothesis accompanied by the necessary explanations using the PLS method through the help of SmartPLS3.0 software. Overall, testing the relationship between ethical climate variables on employee performance mediated by communication is explained as follows:

**The Effect of Ethical Climate on Employee Performance**

(Robbie & Praharjo, 2020) refers to the ethical climate as a set of norms in an organization that determines how individuals in the organization behave when deciding whether they are ethical and unethical. The ethical climate focuses on the ethical decision-making process, not the ethical decisions themselves. The results of data analysis show a significant relationship between ethical climate and employee performance, with a path coefficient of 0.292 and a P-value of 0.002. Therefore, it can be concluded that the ethical climate has a significant influence on employee performance. Through caring with the highest factor loading value, it can be concluded that the high level of employee concern can be positively correlated with the good performance of employees in the company. The form of concern in the company is that if there are employees who are having difficulties in the work they are doing, other employees will immediately offer assistance so that caring for each other is very close. In addition, indicators of company rules also have a good impact on employee performance, because good rules will
Influence of the Ethical Climate on Communication

Based on the results of data analysis, there is a significant correlation between ethical climate and communication, as evidenced by the path coefficient of 0.633 with a P value of 0.000. Through ethical climate indicators, namely caring which has a correlation with communication indicators, namely empathy. For example, when fellow employees offer assistance, there will be concern and a form of empathy in it, which will have a positive impact on employee performance within the company.

The Effect of Communication on Employee Performance

The process of giving understanding ideas to the recipient is the definition of communication. (T. Hani Handoko, 2013). The results of data analysis show the significance of communication on employee performance with a path coefficient value of 0.432 and a P value of 0.000. This is indicated by the openness indicator which has the highest loading factor value, meaning that if employees speak honestly and openly regarding the work they are doing, it can improve employee performance in the company. In addition, positivity also has an influence in improving employee performance, because after employees communicate, it will make the relationship between employees better so that it can make employee performance increase.

Communication Mediates the Ethical Climate on Employee Performance

The significant effect of ethical climate in improving employee performance and mediating communication was found to be significant in this study. The test results through the PLS3 software show that the communication variable is proven to mediate the effect of ethical climate on employee performance. Based on these data, it can be concluded that with a good ethical climate there will be an increase in performance mediated by smooth communication in the process. At PT. Pos Indonesia Branch Malang ethical climate conditions are quite good, but there are several things that must be considered, namely, companies need to pay attention to employees who are still envious due to the difference in the amount of salary they receive, this can have implications for employee performance. Bosses need to provide good communication to employees who are still jealous of each other, with the creation of good communication, employees will understand the situation they are facing. In this study, it is known that the ethical climate has a significant effect on employee performance and communication mediates between the ethical climate on employee performance, where the better the ethical climate, the better the employee performance, besides that communication also has a significant effect on the ethical climate.

CONCLUSION

Ethical climate has a significant effect on employee performance. The significance of an ethical climate can improve employee performance, which means the better the ethical climate, the better the employee's performance in pursuing company targets. Communication has a significant effect on the ethical climate. Caring has a correlation with empathy where if employees have both, good communication will be established so that the ethical climate in a company is good too. Communication has a significant influence on employee performance. Good communication can create significant optimization of employee performance. Communication mediates the ethical climate on employee performance. The existence of a good communication network will refer to the creation of a good ethical climate. This then mediates the increase in employee performance with the existence of two-way communication.
that is created in the managerial sphere

**SUGGESTION**

1. **For Companies**
   a) Researchers provide suggestions regarding the creation of a good ethical climate, companies need to pay attention to concern among employees and make regulations that employees can obey so that the climate within the company is maintained properly.
   b) Suggestions from researchers regarding communication, namely the empathy indicator with item X2.3 with a loading factor value of 0.939 has the lowest value among other indicators. Therefore, the researcher provides suggestions to increase empathy among employees.

2. **For science**, the results of this research are expected to be an additional reference and enrich the repertoire of knowledge related to communication, ethical climate, and employee performance of a company

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