

The Impact of Paternalistic Leadership as a Mediating Factor in BUMN on Organizational Commitment with an Ethical Climate

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ABSTRACT

The purpose of this study is to examine how Paternalistic mediating Organizational Commitment with an ethical climate. Quantitative approaches are employed in this study. using methods for gathering data such as interviews and questionnaires. The study included 180 workers from BUMN as respondents. Path analysis is the analytical technique employed. The research's analysis's findings demonstrate that paternalistic leadership significantly enhances organizational commitment and the ethical atmosphere.

Keywords:

Paternalistic
Leadership;
Organizational
Commitment; Ethical
Climate

INTRODUCTION

Employees have their own perception of the ethical climate (individual ethical climate) while the company has its own perception of the ethical climate as well or is often called a universal ethical climate, such as research conducted by Dane, KP (2021). As time goes by, differences in perceptions of the ethical climate and perceptions of the universal ethical climate will be felt by each employee. Differences in perceptions of the ethical climate will influence organizational commitment, therefore we will examine how much influence differences in perceptions of the ethical climate have with organizational commitment. Employee retention and organizational commitment are positively impacted when both perceptions are nearly identical. Conversely, employees who perceive a conflict between their personal ethical climate and the perception of the universal ethical climate will experience a decline in organizational commitment. Nevertheless, some employees have chosen to leave the company. This action occurs because employees feel they are no longer capable and are stressed in their work, in stressful conditions like this employees certainly need a leader who can look after and understand the needs of employees, so in this research two more new influences emerge, namely between a paternalistic leadership style and an ethical climate.

The present study aims to investigate the extent to which a paternalistic leadership style can mitigate the perceived difference between an individual's ethical climate and a universal ethical climate. Additionally, the relationship between a paternalistic leadership style and organizational commitment will be examined. Two correlation models explain this influence relationship: the first holds that organizational commitment is directly impacted by paternalistic leadership style, while the second holds that ethical atmosphere acts as a mediating factor between the two. The greater the difference in perceptions of the two ethical climates, it creates work pressure which causes a decrease in organizational commitment and an increase in employee turnover rates, as in research conducted by Dane, KP (2021), but in research by Kathleen, D. and Marilyn, LF (2018) , different research results were obtained, namely that an ethical climate that pressures employees has no effect on organizational commitment and in research conducted by Gul, SE and Ayse, BG (2018), stated that

the ethical climate influences employee habits and attitudes such as satisfaction, performance, commitment and quality commitment. The findings from the three earlier studies produced conflicting conclusions. While research by Kathlen, D. and Marilyn, LF (2018) indicated that there is no relationship between ethical climate and organizational commitment, studies by Dane, KP (2021) and Gul, SE and Ayse, BG (2018) claimed that there was.

Leadership and ethical climate are elements that influence each other. These two elements also influence organizational commitment itself. Ethical climate is an antecedent that greatly influences organizational commitment. Even though we know that leadership and ethical climate influence organizational commitment, previous research has focused more on the influence of work stress and employee turnover.

Thus, we will investigate the relationship that paternalistic leadership, an ethical workplace culture, and organizational commitment have. The author's curiosity about the interplay between these variables is indicated by the description given above. The Influence of Paternalistic Leadership on Organizational Commitment with an Ethical Climate as a Mediator in BUMN is the title that the author chose as a result.

METHOD

The research focused on examining the dynamics of paternalistic leadership, organizational commitment, and ethical climate within BUMN staff in Cirebon City, utilizing a purposive sampling method to select 180 permanent employees with a tenure of at least 5 years. To ensure methodological robustness, the study employed established measurement tools endorsed by leading scholars in the field. For instance, Gul Selin Erben and Ayse Begum Guneser's (2019) framework on paternalistic leadership provided a comprehensive lens through which to assess leadership styles, encompassing dimensions such as good paternalism, moral paternalism, and authoritarian paternalism.

Furthermore, Fusun Bulutlar and Ela Unler Oz's (2019) validated scales for organizational commitment and ethical climate offered a rigorous approach to measure commitment levels and ethical perceptions among employees, incorporating indicators like affective commitment, continuance commitment, and ethical climate dimensions including role clarity, protection, instrumentality, independence, and profit orientation. By adhering to these methodological standards and drawing upon the latest advancements in organizational research, the study aimed to yield insights into the interplay between leadership practices, employee commitment, and ethical climate within BUMN settings, contributing to the advancement of scholarly knowledge in the field (Erben & Guneser, 2019; Bulutlar & Oz, 2019).

RESULTS AND DISCUSSION

1. Results of tests for validity and reliability

Based on validity testing (CFA), it calculated t value was > 0.40 with the output having a perfectly extracted rotation, this indicates that all question items/statements in each variable were all declared valid (Hair, et.al., 2022). Every variable under investigation has a Cronbach alpha value > 0.60 , according to the reliability testing findings displayed in the above table. This indicates that every instrument in the study has extremely high reliability values (Ghozali, 2021).

2. Path Analysis/ Intervening (Path Analysis)

The purpose of this investigation is to ascertain how an ethical climate mediates the impact of paternalistic leadership on BUMN enterprises' organizational commitment. The SPSS 26.0 software was utilized to facilitate the application of basic regression analysis to ascertain the impact of paternalistic leadership on organizational commitment. The purpose of testing is to ascertain whether the initial hypothesis is accepted or rejected. These two tests' outcomes will create a path, also known as path analysis/mediation (intervening).

The following summary of test findings will provide a detailed description of the outcomes of the data analysis that was done.

Regression Analysis Results

Variable	Coefficient Regression	Standard Error	t-count	P-value
Constant	2,935	6,518	0.450	0.654
X	0.540	0.073	6,410	0,000
Z	0.138	0.063	2,108	0.032
R2 = 0.670 N = 180	F = 47.132			

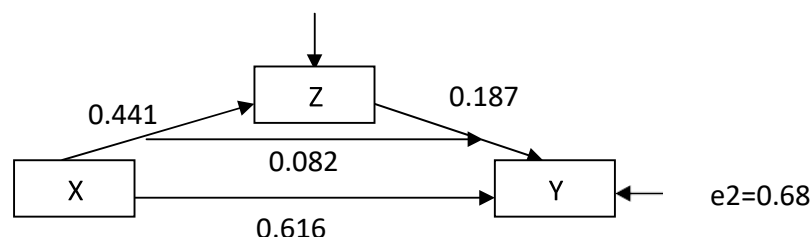
X = paternalistic leadership; Z = ethical climate

The estimated t value of 6.410 with a significance value of 0.000 < 0.05 indicates that paternalistic leadership significantly promotes organizational commitment, as can be observed from the table.

The ethical climate has a considerable impact on raising organizational commitment, as indicated by the computed t value of 2.108 and significance value of 0.032 < 0.05. Based on the two tests above, the complete path analysis results are as follows:

Figure Path Path Analysis

e1=0.90



X = paternalistic leadership; Z = ethical climate; Y = organizational commitment

The direct impact of paternalistic leadership on organizational commitment is 0.616 in terms of size. The immediate impact of a leader The calculation is $0.441 \times 0.187 = 0.082$ to find the indirect impact of paternalistic leadership on organizational commitment through the ethical atmosphere. Paternalistic leadership has an overall influence of $0.636 + (0.441 \times 0.187) = 0.718$.

Discussion

The research's analysis's findings demonstrate that paternalistic leadership significantly enhances organizational commitment and the ethical atmosphere. The premise and findings of earlier studies are supported by these outcomes. One kind of leadership style that considers the needs of employees and workplace morality is

paternalistic leadership. Ayse Begum Guneser and Gul Selin Erben's (2008) research included a paternalistic leadership component.

The 3 influencing indicators are good paternalistic leadership, moral paternalistic leadership, authoritarian paternalistic leadership. With a better leadership style, the ethical climate and organizational commitment of employees will become stronger (better). What is often used as a benchmark for the formation of an employee's ethical climate and organizational commitment is the leadership of the leader. A bad leadership style will create an ethical climate that is less conducive and will reduce employee organizational commitment.

Increasing organizational commitment is significantly influenced by the ethical context. The findings of this study corroborate those of other studies, which claimed that the ethical climate of an organization is an entire emotion encompassing tangible objects, member interactions, and self-control regarding the external and internal environment. In order for the development of employee organizational commitment to be influenced by a positive ethical climate.

CONCLUSION

In conclusion, the findings derived from the data analysis and discussion underscore the significant influence of paternalistic leadership on both organizational commitment and the ethical climate within the organizational context. The empirical evidence indicates that higher levels of paternalistic leadership correlate positively with increased organizational commitment, as well as with an enhanced ethical climate. These results affirm the hypotheses posited in the study, thereby providing robust support for the assertions that paternalistic leadership positively affects both organizational commitment and the ethical climate.

Furthermore, the study reveals the pivotal role of the ethical climate in shaping organizational commitment, with a strong ethical climate contributing significantly to heightened levels of organizational commitment among employees. Moreover, the path analysis demonstrates that paternalistic leadership exerts its impact on organizational commitment through its influence on the ethical climate, indicating a mediated relationship between these variables.

Based on these conclusions, it is recommended that organizations emphasize the cultivation of paternalistic leadership styles characterized by empathy, support, and guidance, as these are shown to foster a positive ethical climate and bolster organizational commitment. Additionally, organizations should prioritize the establishment and maintenance of an ethical climate conducive to trust, integrity, and transparency, as this serves as a crucial driver of organizational commitment. By nurturing a culture of ethical leadership and fostering an ethical work environment, organizations can enhance employee commitment and ultimately achieve sustainable success.

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