

Ethical Behavior, Management Support and Job Satisfaction: An Exploratory Study on SMEs in Indonesia

Muhammad Idrus Taba¹, Andi Rahmawati², Haeriah Hakim³, Ana Sofiah Aryati⁴, Nurdjanah Hamid⁵ and Idayanti Nursyamsi⁶

Abstract

Organizational ethics influence the formation of a good environmental atmosphere for all members of the organization. The application of ethics in the organization will be able to increase employee job satisfaction. This research aims to investigate the relationship between organizational ethics and job satisfaction in small and medium enterprises (SMEs) in South Sulawesi. This study was analyzed using the multiple regression method by taking research objects from 350 SME actors in three districts, namely Gowa, Wajo and Tana Toraja in South Sulawesi. This study focused on three subjects of study, namely the climate of egoistic ethics, the climate of kindness ethics, and the climate of principled ethics. The results of the study found that there was no effect of business owner support for ethical behavior on job satisfaction. Individual efforts in finding suitability with the work environment create space so that the relationship does not show significant value. The ethical climate with job satisfaction shows a positive significance, but the egoistic ethical climate gets the lowest score. Conversely, a climate of kindness affects employee awareness, creating a sense of satisfaction. The ethical behavior of the company in career success has a significant and negative effect on job satisfaction. Career ethics that are valued or not appreciated, have the opposite effect on the level of job satisfaction. The research implies that the mapping of ethical values and satisfaction can take the form of a code of ethics in doing business that reflects employees' ideas and organizational cultural values which can be taught in Business Ethics courses at all levels of higher education.

Keywords: Ethical Behavior, Management Support, Cognitive Dissonance, Job Satisfaction, SMEs

INTRODUCTION

Over the last decade, research and literature on business ethics have experienced a significant increase. This is not surprising given how complex business ethics are in organizations and the importance of business ethics in the international arena. Business ethics situations are becoming increasingly complex, covering such matters as social expectations, fair competition, protection and legal rights, and social responsibility. Business ethics also has potential consequences for many parties, such as consumers, employees, business competitors, and the general public (Vitell & Davis 1990a; Çağlıyan, V. & Ajdarovska, Z, 2017). In the international arena, the rapid globalization of business is increasingly raising ethical questions in new and different environments (Viswesvaran, Chockalingam (Vish & Ones, Deniz, 2017).

In general, business ethics research investigates the forms and foundations of moral judgments and standards and ethical behavior in situations involving business decisions (Vitell & Davis 1990a). Most business ethics research is normative in nature, dealing with the theoretical underpinnings of business ethics and ethical decision-making models, but the fact remains that empirical research forms are currently more dominant (Randall & Gibson 1990; Robertson 1993; Randall, Donna M. & Gibson, Annetta M. 1991; Tran, D.T., Gibson, A., Randall, D. et al., 2017; Huhtamäki, F. & Sundvik, D, 2022). Currently, many empirical studies have been conducted to determine the determinants of ethical behavior. The most widely investigated determinants in the personal field are quite diverse. These factors include religion, nationality, gender and age, education, work experience, personality, values and beliefs such as Machiavellianism, locus of control, ambiguity and role

¹ Hasanuddin University, Department of Management, Indonesia, <https://orcid.org/0000-0002-2878-6987>

² College of Economics Tri Dharma Nusantara, Department of Management, Indonesia, <https://orcid.org/0000-0002-5925-1651>

³ Hasanuddin University, Department of Management, Indonesia, <https://orcid.org/0000-0002-9038-9907>

⁴ Brawijaya University, Department of Management, Indonesia, <https://orcid.org/0009-0000-0468-4188>

⁵ Hasanuddin University, Department of Management, Indonesia, <https://orcid.org/0000-0003-3730-0886>

⁶ Hasanuddin University, Department of Management, Indonesia, <https://orcid.org/0000-0003-4512-5184>

conflict. This includes reference groups such as professional groups, and central management, as well as rewards, sanctions and so on such as codes of conduct, types of ethical decisions and organizational factors.

Research related to the determinants of ethical behavior is important because it can add to our knowledge about factors related to business ethics and ethical decision-making. Besides these antecedents, the consequences of business ethics and ethical decision-making are also areas of research that should not be neglected, especially research on organizational results of business ethics. At the corporate level, we can gain much from studying the relationship between a company's ethical behavior and its performance, for example, financial performance. At the individual level, consequences such as job satisfaction, stress, motivation, commitment or work performance can have a significant impact on the company. Although the research fields above are really useful, not much research has been directed there, especially in Indonesia.

In addition, more research on business ethics is carried out in developed countries (especially western countries) where the research results cannot be applied to developing countries such as Asian countries. As Asian countries began to open their doors to foreign trade and investment, there has been a growing interest in business ethics research for this region (eg, Zabid & A'lsagoff 1993; Cyriac & Dharmaraj 1994; Honerycutt et.al. 1995; Visweswaran & Deshpande 1996 & 1998; Kang, J.H., Matusik, J.G. & Barclay, 2017). Thus, empirical research on organizational ethics in Indonesia is very important, because Indonesia is known as a country in Asia that has a bad reputation regarding corrupt practices based on a poll held by Transparency International based in Berlin, Germany.

This research aims to investigate the relationship between organizational ethics and job satisfaction in small and medium-scale companies called SMEs (small and medium enterprises, SMEs) in South Sulawesi Province. This research serves to fill in the gaps that exist in the business ethics literature which is still lacking. In addition, job satisfaction is an important organizational concept that needs to be studied because it relates to employee motivation, performance, absenteeism rates and turnover intentions (eg, Bullen & Flamholtz 1985; Saks & Blake 1997 Judge, T. A., et.al. 2017). So it is important to investigate whether corporate leaders can create favourable organizational results through their role in organizational ethics.

LITERATURE REVIEW

Theory and Hypothesis: Paradigm of Ethics and Morality

The term ethics can be viewed from at least two perspectives. First, ethics is considered a principle of behavior that governs individuals or groups. Second, ethics is related to the study of morality. Morality is defined as a guideline owned by an individual or group regarding what is meant by right and wrong, good or evil. The belief that something true is good and that something evil is not good refers to a standard or guideline. Moral guidelines include the norms that we have regarding the types of actions that we believe are morally right or wrong and the values that we apply to objects that we believe are morally good or bad.

Guidelines or moral standards are obtained for the first time in childhood, namely family, friends, and social interactions such as religion, school, television, magazines, music and community gatherings. Furthermore, as adults, experience, learning, and intellectual development will direct adults to review these standards. Some were discarded and new values were adopted to replace them. Through this maturation process, a person will develop standards that are intellectually adequate and more suitable for dealing with moral dilemmas in adult life.

The Conception of Ethical Climate

Certain values and beliefs of an individual can influence the behavior of daily decision-making. Individuals and groups can influence each other related to values or beliefs collectively. This total value forms the ethical climate of the group. The ethical climate can be viewed as the moral atmosphere of an organization which is characterized by shared perceptions of right and wrong, as well as assumptions about how moral issues should be handled (Cohen, 1993; Newman, A. et.al., 2017; Pagliaro, S. et.al., 2018; Mojdehi et.al., 2019).

The ethical climate of a company is not just a feeling or attitude, but a shared perception of group members based on their observations about how the organization perceives and resolves ethical dilemmas (Wimbush &

Shepard, 1994; Lu, & Lin, 2013; Taquette & Souza, 2022). Overall, a company's ethical climate helps to determine (1) the problems that organizational members perceive as ethical issues, and (2) what criteria they use to understand, weigh, and resolve these issues. That is why, to achieve strategic goals, the climate has a significant influence on company behavior. In addition, the ethical climate can be an indicator of whether the policies implemented are not only aimed at the interests of owners and managers but also to protect the interests of all stakeholders (Ruppel & Harrington, 2000); Yasin, R. (2021).

Certain expectations and behaviors are influenced by day-to-day decision-making. Ethical behavior is strongly related to an organizational climate that emphasizes morality and principles. Conversely, on the other hand, various actions that violate moral standards are caused by an unethical organizational climate. In addition, the personal well-being of organizational members is also related to the ethical climate of the organization. In various studies, it has also been found that a stress reaction at work is strongly influenced by an ethical climate that is not in harmony with one's personal moral and ethical development (Pagliaro, et.al., 2018).

In addition, differences in these values can lead to lower job performance and higher turnover. Therefore, since it impacts performance and behavior, leaders need to understand and identify the ethical climate that exists within their organization. To form an appropriate and effective climate, it is important to identify the corporate ethical climate (Adger et.al., 2017). The main basis behind ethical climate theory is ethical behavior in organizations.

In the theory of Ethical Climate developed by Victor and Cullen (1988), the questions posed in the questionnaire identify the type of ethical climate that influences organizational groups and sub-groups. The ethical climate is a dimension in the structure of the work climate when members believe that ethical reasoning or behavior is the norm expected in making decisions within the organization (Cullen, Parboteeah, & Victor, 2003). Thus, the ethical climate can be found in the daily activities of its members when they are attentive as part of the organizational group, department or division.

In building their conceptual thinking, Victor and Cullen (1988) define nine types of ethical climate based on ethical theory and locus of analysis. Ethical egoism, virtue, and principles are three theories that interact with three loci of analysis namely individual, local and cosmopolitan to form a matrix of nine types of ethical climate. Each of the nine climate types provides relevant information about perceptions that can influence organizational behavior.

The first ethical theory is egoism. Specifically, egoism can be defined as a consideration of the needs and preferences of oneself, the organization, or the larger social system that is influenced by the desire for personal gain, self-defence, corporate advantage, strategic advantage, or increased efficiency (Victor & Cullen, 1988). Said Martin & Cullen (2006), "Egoism is related to self-interest behavior and self-interest maximizing". In this climate, decisions will be taken by individuals based on what is best for themselves, regardless of the impact on others (Victor & Cullen; Barnett & Schubert, 2002). Egoism also shows individual behavior based on seeking the highest pleasure and personal pain avoidance (Malloy & Agarwal, 2003). A selfish climate can lead individuals to make decisions in their self-interest with little concern for organizations, professional codes, or even laws (Barnett & Vaicys, 2000).

The second ethical theory is a virtue. The climate of benevolence shows the behavior of an individual who, in making decisions, is more concerned with outside his interests and considers the effects of his actions on others (Barnett & Schubert, 2002). This climate includes behavior that gives greater pleasure or pain to direct work groups, companies, and society (Malloy & Agarwal, 2010). These behaviors are identified as the virtues of friendship (individual), team interests (local), and social responsibility (cosmopolitan). A good climate will encourage others to consider the direct work group, all members of the organization, the organization's customers, and other stakeholders (Barnett & Vaicys, 2000).

The final ethical theory is known as a principle. Victor and Cullen (1988) describe this climate as being guided by principles that are influenced by self-ethics (individuals), company rules or procedures (local), and legal systems or professional standards (cosmopolitan). Decision-making is judged on absolute adherence to universal principles or morality, not on outcomes or consequences. (Barnett & Schubert, 2002). Acceptance of

behavior, if they comply with these universal principles. Personal interest, on the other hand, is not an acceptable consideration (Barnett & Vaicys, 2000). In this climate, the application and interpretation of a rule or law become the dominant form of reasoning (Victor & Cullen, 2000).

The determination of certain ethical dimensions, in the three ethical theories, is analyzed with a certain locus of analysis. Locus of analysis is used in decision-making such as individual, local, or cosmopolitan interests (Victor & Cullen, 1988; Martin & Cullen, 2006). Primary referral refers to the source from which the individual receives cues about what is considered ethically appropriate (Peterson, 2002). The locus of individual analysis and cosmopolitan references are different. The individual analysis reflects a hedonistic orientation, local can represent a direct workgroup, company, or individual community of significant others. Conversely, cosmopolitan references, transcend groups or companies (Malloy & Agarwal, 2003).

Ethical Climate Dimensions

Nine specific climate types Victor and Cullen (1988) define five empirically derived dimensions of ethical climate known as instrumentalism, caring, independence, rules, and laws and codes. The first ethical dimension is referred to as instrumental, combining personal and corporate interests. Instrumental ethics is based on the theory of egoism, with an individual or local locus of analysis. (Treviño et al., 1998). The instrumental climate encourages behavior from a limited and self-serving perspective. In this climate, behavior can harm others, because it will tend to prioritize personal interests that may be affected by that decision (Martin & Cullen, 2006; Wimbush & Shepard, 1994). That is why, the instrumentalist climate can be described by the absence of concern for moral values, a minimal sense of interpersonal responsibility, emphasis on cost control or efficiency, lack of consideration for employee welfare, results based on incentive systems, to the expectation that employees will do whatever necessary for organizational goals (Cohen, 1993).

Various studies have found that the instrumental climate is negatively related to the level of psychological well-being and organizational commitment. This is based on the premise that individuals do not consider external influences such as the law, professional standards, or stakeholder expectations. (Martin & Cullen, 2006; Treviño et al.). As a result of the emphasis on self-interest, it has implications for various types of crimes such as direct or indirect fraud. (Cullen et al., 1989). Even though it has a negative side, the instrumental climate is widely embraced by organizations. Prioritizing self-interest is considered a vital ingredient in a highly competitive business environment and individuals are affected by that environment (Treviño et al., 1998).

In several cases in companies, egoistic attitudes have become a driving force for competitive behavior, especially in sales-oriented businesses where each marketer tries to maximize sales. For example, in a real estate company, where sales and commissions for each person are relatively independent of their organizational unit, organizational commitment is also quite low (Victor & Cullen, 1988). This is also the case in car dealerships and stock brokerage firms, where individuals have the authority to make decisions based entirely on self-interest (Cullen et al., 2003). The constant drive for peak performance, sales volume, and earnings are some of the characteristics of an egoistic climate such as high performance, sales volume, and profits that are often found in companies. Because the result will benefit both individuals and companies. Forms such as commissions, bonuses, prizes and awards are often used as the main drivers for achieving high performance, both individuals and the organization as a whole.

The placement of other people's needs before personal interests is found in various studies (Martin & Cullen, 2006; Wimbush & Shepard, 1994). This becomes the second dimension known as caring. This dimension uses the concept put forward in the virtue theory. This individual attitude supports an environment of friendship, teamwork, and social responsibility over personal or organizational gain. Organizations that have a climate of caring ethics place support for the welfare of others through the policies, practices, and corporate strategies of the actors. In addition, in a caring climate, the organization also emphasizes the interests of other employees or the well-being of the work team (Cullen et al., 1989). Thus, organizations that support an ethical climate through organizational policies and practices will influence the behavior of members of the organization as a whole.

The achievement of more important group goals will adopt the ethical dimensions of caring that are very beneficial in groups. Group needs will override individual desires and goals. For example, a workgroup or

research laboratory requires high teamwork and decision-making that impacts each member of the group on the entire team (Victor & Cullen, 1988). But on the other hand, there are also negative conditions in the caring climate. Those who are more self-conscious do not feel compelled and may not want to be part of an environment that emphasizes the contrary. In addition, losses can also be caused by this climate because those who emphasize virtue, may lack adequate knowledge and skills related to laws, rules, or principles. In addition, the best caring attitude is often debated because it does not match the facts that are often found in the business environment.

The third, fourth, and fifth ethical dimensions have a theoretical basis based on principles with differences relating to a particular locus of analysis. For example, the dimension of independence as a third dimension relates to a focus on the individual, self-chosen principles. Individual drives make firm moral beliefs the basis for ethical decision-making in this climate where external influences are relatively weak (Martin & Cullen, 2006). The downside is a lack of concern for others and individual beliefs that may conflict with company policy, professional standards, or the law. In addition, organizations that embrace a climate of freedom are composed of individuals with very different and conflicting values or moral beliefs that can lead to inconsistent and even detrimental decision-making.

Individuals in the fourth ethical dimension, rules, use internal policies and procedures as a primary influence in the decision-making process. Establishing a foundation for ethical behavior and decision-making is influenced by the rules and policies implemented by the organization (Wimbush & Shepard, 1994). Regulations or Legislation produced by the organization supports this finding because of the emphasis on internal ethical codes (Martin & Cullen, 2006). Conversely, unclear rules have the potential to negatively impact the regulatory climate. Other negative aspects include internal policies that conflict with laws or personal standards and a lack of concern for others in the decision-making process.

The fifth ethical dimension, law and professional ethics, is based on the perception that organizations support external ethical codes, such as formal laws, scriptures, or other agreed standards of professional behavior (Martin & Cullen, 2006). This type of climate, for example, exists in certified public accounting organizations or lawyers who must comply with laws and professional standards (Victor & Cullen, 1988). Members of professional associations who do not adhere to this code of ethics may jeopardize their membership or lose the respect of others in the group (Wimbush & Shepard, 1994). But there are also negative aspects, as with other dimensions of climate ethics, related to the legal and code environment. In addition, individuals in a climate of strong principles tend to be insensitive to the effects of their actions on others, due to the projected effects of themselves on others (Cullen et al., 1989; Victor and Cullen, 1988). That is since they think it is meaningless, then others should also think so. Various research results support the hypothesis that an ethical climate exists in organizations, which in turn, can affect organizational performance similar to other types of work climate.

In their study, each of the five dimensions of ethical climate is stated as follows. First, perceptions are measured to show distinctly different characteristics across the four companies surveyed. Second, since their initial research, their research has supported the influence of ethical climate on organizational behavior and results. Third, regarding ethical climate and organizational behavior during their research, Victor and Cullen (1988) used organizational and economic theory to propose that ethical climate can be identified.

The concept of Victor and Cullen's ethical climate theory has been used in various relevant studies to examine its effect on organizational behavior and results. For example, Malloy and Agarwal (2003) researched the ethical dimensions of ethics in the context of nonprofit organizations. Barnett and Vaicys (2000) examined the indirect and direct relationships of perceived ethical climate on ethical judgment and behavioral intentions regarding ethical dilemmas. Barnett and Schubert (2002) analyze the relationship between ethical climate and engagement relationships within an organization. These studies and additional research have validated the relevance of Victor and Cullen's ethical climate theory to scientific research and its relationship to organizational behavior and outcomes. The basis for continuing to use the ethical climate theory is that the ethical climate influences organizational behavior. The ethical climate is based on individual perceptions of organizational behavior, policies, and procedures. When individuals feel that unethical behavior is accepted and promoted, they may be more likely to engage in questionable activities.

Ethical Climate and Organizational Commitment

It seems that the ethical climate has influenced organizational commitment in the last decade (Cullen et.al., 2003; DeConinck, 2010; Huang, You, Tsai, 2012; Demirtas & Akdogan, 2015; Schwepker & Schultz, 2015; Lee et. al., 2018; Hefny & Lamiaa, 2021). Research has found a positive relationship between individual perceptions of ethically principled climate and organizational commitment in their study of accounting firms (Cullen et.al., 2003). These relationships can be based on strong professional standards in an industry, which can also provide a foundation for important professional organizations and standards in other industries. The value of high-level commitment may be important for organizational performance. The results of a study involving salespeople from two companies show that although ethical climate does not appear to have a significant direct effect on individual performance, it does appear to indirectly influence performance through organizational commitment (Weeks et.al., 2004).

More importantly, employee satisfaction and commitment can be reduced in the organization if employers tolerate certain individuals' low moral standards because they may be perceived as being above-average performers or there is a tight job market (Babin et al., 2000). The accepted practice for whatever reason will influence the perceived ethical climate. Certain ethical climates also show a relationship with organizational commitment, which in turn can affect performance. The results show that a climate based on egoism is negatively related to organizational commitment and positively related to unethical behavior, while a benevolent climate is positively related to commitment (Treviño et.al., 1998). Research supports a positive relationship between organizational commitment and each ethical climate except instrumental (Martin & Cullen, 2006).

Employees' perceptions of a strong and principled climate are more likely to promote a covenantal relationship with their employer, resulting in shared commitment and loyalty to a shared set of values expressed in the mission statement and organizational goals (Barnett & Schubert, 2002). The perception of a good and compassionate climate can lead to the development of stronger bonds between employees in the organization, which will encourage cooperation, high levels of cohesiveness, and ultimately higher levels of organizational commitment (Appelbaum et al., 2005).

Overall, perceptions of a caring ethical climate are positively related to psychological well-being and organizational commitment (Martin & Cullen), while an ethical climate based on egoism is negatively related to employees' belief in a contractual relationship with an employer (Barnett & Schubert). In a benevolent climate employees may perceive a stronger level of organizational commitment that is felt when the company encourages a high level of concern for the welfare of various shareholders (Cullen et al., 2003). The ethical climate can also influence salespeople's trust in their superiors, which may lead to higher levels of job satisfaction and commitment or lower turnover intention (Mulki et al., 2006). Research has shown that most types of ethical climate are positively related to psychological well-being except instrumental climate (Martin & Cullen). The classical climate also influences communication and trust, which in turn can affect organizational commitment.

Ruppel and Harrington (2000) found that when employees are expected to advance organizational interests as promoted in an instrumental climate, communication decreases but when employees are expected to follow organizational rules and procedures as espoused in a rule climate, communication is enhanced. Therefore, ethical climates of firms not only promote outward behavior, but they can also promote trusting relationships through stronger communication. It is therefore possible that management might be able to establish higher levels of communication simply by promoting and maintaining an appropriate ethical climate. In return, improved communication can provide a basis for expectations of ethical behavior and other positive outcomes such as organizational commitment. The vanguard and members influence the development of a particular ethical climate based on a shared definition of acceptable behavior. There should be less ethical conflict and turnover when sellers perceive that management shares the same ethical values (Schwepker, 1999). However, conflicts in perceptions of personal and organizational ethical climates may exist. For example, because of the focus on self-interest, employees may feel less committed in a selfish environment if they believe the organization is operating outside acceptable ethical boundaries and is inconsistent with societal needs and

expectations (Cullen et al., 2003). Regardless of the circumstances, it is clear that organizational commitment can be influenced by the perceived ethical climate.

Ethical Climate and Ethical Behavior

Research shows that ethical climate can influence behavior. To have an effective ethical climate, it must influence behavior in a way that positively reinforces organizational goals and commitment. Consistency and clarity are important for the long-term effectiveness of any ethical climate (Cullen et al., 1989). An entire organization dedicated to ethical behavior is important because of the formation of an ethical climate within groups and subgroups. This climate influences how individual group members act based on what is considered acceptable behavior in their particular environment. Through shared perceptions of ethical climate, members learn the values that are held by the organization in high esteem and will be valued (Appelbaum, et al., 2005).

To reduce confusion, leaders must not only identify what ethical climates might exist within the organization but must also shape a unified environment based on honesty and integrity. When the culture demands ethical behavior, decisions in that environment will be influenced by accepted ethical standards. Thus, ethical standards develop into an ethical climate. O'Fallon and Butterfield (2005) confirmed through a meta-analytical review that the literature generally supports the notion that ethical climate and culture have a positive influence on ethical decision-making.

Research has confirmed the important role of organizational leaders in creating a climate where managerial decisions are based on formally stated ethical guidelines, which can ultimately lead to higher levels of trust in supervisors, greater job satisfaction, and lower turnover (Mulki et al., 2006). Therefore, to have a positive and ethical organization, leaders and all employees must support a climate that reinforces ethical standards.

Research by Grover and Enz (2005) suggests that both rules and culture work together to promote maximum ethical behavior. A principle-based ethical climate may be useful to organizations as the perception of a climate based on professional rules or codes produces a positive relationship with organizational outcomes when these are perceived to be internalized within the organization (Martin & Cullen, 2006). Research has supported the premise that a climate of egoism, which is based on self-interest, is positively correlated with unethical behavior, while a climate of kindness and principle is negatively related to unethical behavior (Peterson, 2002). The instrumental climate was found to have a significant positive relationship with accomplices in unethical behavior while the climate of independence had a negative relationship with accomplices, disobedience, and lies (Wimbush et al., 1997). Positive correlations were found between the instrumental climate and negative organizational behaviors such as lying, stealing, falsifying reports, and accepting gifts, while negative correlations were found between caring, legal and ethical climate codes, rules and independence (Martin & Cullen). Although ethical climate may not have a direct effect on behavioral intention research does suggest that perceptions of ethical climate may have an indirect effect on unethical behavior, especially when the behavior cannot be perceived as unethical by individuals (Barnett & Vaicys, 2000). Accepted practices within the organization can then be considered ethical by members of the organization even if they may conflict with personal standards. Accepted practice forms the foundation for an ethical climate. Therefore, it is proven that ethical climate is relevant to behavior in a business environment.

Organizational Justice Theory and Cognitive Dissonance Theory

In various kinds of literature, it is found that ethics is related to job satisfaction (Laabs, 1997; Kornfeld, 1999; Traynor, 1999). In this study, the relationship between organizational ethics and job satisfaction will be approached by the theory of organizational justice and cognitive dissonance theory (reasoning discrepancy).

Organizational Justice Theory

The rationale for organizational justice theory states that employee perceptions influence work attitudes and human behavior in organizations. That is why, the concept of organizational justice is important for understanding various kinds of human attitudes and behavior in organizations (Hartman, 1999). Meanwhile, Leigh et al. (1988) concluded that employee job satisfaction is more influenced by the wider organizational environment, not only by the employee's particular role. According to Dailey & Kirk (1992), organizational

justice is often separated into two components, namely: (1) distributive justice which refers to the fairness of managerial decisions about the distribution of results such as salaries and promotions, and (2) procedural justice which emphasizes the basic managerial decision making. It was concluded that perceptions of organizational justice influence work attitudes such as job satisfaction and turnover intention. He found that employees' perceptions of distributive and procedural fairness played an important role in job satisfaction. However, another view finds that distributive justice can predict job satisfaction better than procedural justice (Sweeney & McFarlin, 1993; Hartman et.al., 1999).

In their research on temporary layoffs, job uncertainty, and surviving employee work efforts, Brockner, et.al. (1992) reported that perceptions of distributive justice and perceptions of procedural justice influenced the reactions of employees who survived temporary layoffs in their work efforts. In particular, positive perceptions are associated with increased work efforts. Other studies also report that perceptions of unfair promotion adversely affect work attitudes and organizational outcomes (see Saal & Moore 1993). In the context of selection and hiring, Gilliard (1993) suggests that perceptions of fairness influence individual and organizational outcomes such as hiring and placement decisions, self-perceptions such as self-esteem and self-suggestion, and attitudes and behavior. such as motivation, job performance, job satisfaction and organizational commitment (see also Gilliland 1994; Steiner & Gilliland 1996). Ployhart & Ryan (1997) also proves that fair procedures will result in a more favourable perception, and this is evident if employees also feel the results they receive are fair or appropriate. Also, in their study of part-time employees, Tansky et.al. (1997) found that perceptions of fairness or equity influence employees' attitudes toward the organization.

Conceptually, Lind (1992) states in the heuristic theory of justice that perceptions of justice in one field influence perceptions of justice in other fields. This means that employees who perceive their organization as having ethics will tend to perceive that their organization is also treating them fairly. This will further increase employee job satisfaction. Thus, organizational ethics and job satisfaction are estimated to have a positive correlation. Lind et.al (1993) suggest that fairness judgments influence attitudes, behaviors and decisions in various social contexts and also play an important role in how employees respond to organizational results and organizational processes and procedures. From the above view, if employees feel that there is strong management support for ethical behavior, a pleasant ethical climate, and a close relationship between ethical behavior and career success in the organization, then they will also experience higher job satisfaction. This also applies to vice versa. The role of business owners has also been discussed in various non-ethical literature. In their research, Rodgers & Hunter (1991) and Rodgers et.al. (1993) found that organizational performance, productivity, success and job satisfaction are influenced by the commitment of business owners which will then affect increasing effectiveness in organizational development.

Cognitive Dissonance Theory

According to cognitive dissonance theory (Festinger, 1942), individuals try to minimize discrepancies/incompatibilities in their environment. Or trying to achieve a certain level of balance as the theory of balance (Heider 1958), maintaining harmony or the principle of congruity (Osgood & Tannenbaum 1955) and maintaining incompatibility in certain organizational situations as stated in discrepancy/incompatibility theory (Michalos, 1991). This theory of cognitive dissonance has been widely applied in finance (Goetzmann & Peles, 1997) and marketing (Gerald et.al., 1998). In short, if dissonance occurs continuously in the organization it can lead to disappointment and dissatisfaction with the situation (Viswesvaran et.al., 1998). There is consistency demanded by employees between their ethical value system and the company's ethical climate (Schwepker 1999). Dissonance will arise if these employees lack the support of business owners to behave ethically. For example, employees have tried to behave ethically, but an unfavorable ethical climate remains within their organization. Or, there is no significance between ethical behavior and career success. All of this will reduce employee job satisfaction.

Moral conflict and negative dissonance will arise if there is a mismatch between employees' internal ethical standards and their perceptions of business owners. Why is that? Because the business owner determines the organizational climate which then serves as a reference for employees (Festinger 1942; Dozier & miceli 1985). In the end, it will lead to reducing the level of employee job satisfaction. Sims & Kroeck (1994), Viswesvaran

& Deshpande (1996), and Schwepker (1999) found that a lack of ethical compatibility between employees and their companies will result in job disappointment and dissatisfaction.

Hypothesis

Based on previous research, we propose a null hypothesis (H0) to test the effect of an organizational egoistic ethical climate on employee job satisfaction:

Hypothesis 1: ethical ego climate of the organization has no significant effect on job satisfaction. Employees who believe their organization has a caring climate are more satisfied with their superiors (Deshpande, 1996a). Joseph and Deshpande (1997), a caring climate significantly influence overall employee satisfaction and job satisfaction with salary and supervisors. A good and principled ethical climate contributes to forming a sense of team identification (Meral Elci & Lutfihak, 2009).

Furthermore (Meral Elci & Lutfihak, 2009), found that a good ethical climate related to organizational norms can encourage employees to care about friends, teammates, stakeholders, or the environment. Sims and Kroeck (1994), in testing the hypothesis formulated that employees who achieve harmony between ethical work climate and the expression of their preferences tend to get positive job satisfaction. However, this hypothesis was rejected because there was no significant relationship. Company leaders can foster employee satisfaction at various levels of employees through the perception of an ethical climate except for salary satisfaction (Deshpande, 1996). Salary satisfaction has no relationship with ethical climate. However, perceptions of a principled climate have a positive effect on job satisfaction (Martin and Cullen, 2006). Referring to previous research, a null hypothesis (H0) is proposed to test the effect of an organizational egoistic ethical climate on employee job satisfaction:

Hypothesis 2: a good organizational ethical climate has no significant effect on job satisfaction

A selfish ethical climate causes a negative influence on the identity of all team members, while a good-natured and principled ethical climate contributes to forming a sense of team identification (Meral Elci and Lutfihak, 2009). It is further said that at the level of individual analysis, decisions based on individual rules and principles can be different for each person. At the local level, individuals make decisions in line with standard company rules and procedures. Ethical decisions are heavily influenced by ethical codes from outside the organization (Upchurch, 1998). Koh and Boo (2001) found that the principal type of ethical climate has a significant effect on job satisfaction. Principled climate regulation is not significantly related to aspects of job satisfaction (Deshpande, 1996a). Joseph and Deshpande (1997) reported that company rules and procedural climate were the only of the three organizational climates that had a positive impact on satisfaction. Employee satisfaction at various levels of employees through perceived ethical climate except for salary satisfaction (Deshpande, 1996b). Perceptions of a principled climate have a positive effect on work (Martin and Cullen, 2006). Work ethics have a significant relationship with job satisfaction (Yousef, 2016). Based on previous research, the null hypothesis was proposed to test the effect of an organizational egoistic ethical climate on employee job satisfaction:

Hypothesis 3: principled organizational ethical climate has no significant effect on job satisfaction.

Victor and Cullen's (1988) principled ethical theory describes this climate as one that is guided by principles that may be influenced by self-ethics (individuals), company rules or procedures (local), and systems of law or professional standards (cosmopolitan). Decision-making in a principles-based climate is judged not on outcomes or consequences but on absolute adherence to universal principles or morality (Barnett & Schubert, 2002). Behavior and decisions in this environment are considered acceptable if they adhere to these universal principles, whereas self-interest is not an acceptable consideration (Barnett & Vaicys, 2000). In this climate, the application and interpretation of rules or laws may be the dominant form of reasoning (Victor & Cullen, p. 105). In this study several additional statements were added so that each category was assessed with a 5-point Likert-Scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Materials & Methods

The research design was carried out in the form of a survey using an explanatory approach, in which population and sample were measured in this way:

The research population is the owners, managers and workers of MSME businesses in various business segments (manufacturing, trading and services) in South Sulawesi. The total population of MSMEs in South Sulawesi is 1,565,134 (Sulsel Diskop & UKM, 2021). This study will be focused on Small and Medium Enterprises (SMEs) only. Thus, Micro businesses are ignored in the research. The total population of SMEs in the 3 study areas, namely Gowa Regency, 3,945 businesses, Wajo Regency, 2,868 businesses, Tana Toraja Regency, 187 businesses, so the total SME business population is 7,000 businesses.

The determination of the sample of research informants was carried out using Non-Probability Sampling, with the Purposive Sampling method of business owners, managers and workers with the following characteristics: Owners or permanent employees of the company, b. Has worked for at least 3 (three) years in the company. Freelancer but consistently working at the company for at least one year.

Based on a total population of 7,000 SME businesses, with an error rate set at 5%, the planned sample size is 350 people.

In the process of data processing, the statistical model used to analyze perceptual data is multiple regression (multivariate regression analysis).

RESULTS

Hypothesis Test

The results of the regression analysis of the influence of the support of business owners (owners), ethical climate and career success on the job satisfaction of SME employees in South Sulawesi are shown in Table 1.

Based on the Table 1, is shown: 1) The relationship between business owner support and job satisfaction has an influence coefficient of 0.074 with a sig value of 0.588 > 0.05. This shows that the variable support of business owners (owners) has no significant effect on job satisfaction. The first hypothesis which says that business owner support for ethical behavior has no significant effect on job satisfaction is accepted (H0 is accepted); 2) The relationship between ethical climate and job satisfaction has a coefficient of influence of 0.142 with a sig value of 0.039 < 0.05. This shows that the ethical climate variable significantly influences job satisfaction. So the second hypothesis which says that the ethical climate has no significant effect on job satisfaction is rejected (H0 is rejected; H1 is accepted); and 3) The relationship between career success and job satisfaction has a coefficient of influence of -0.358 with a sig value of 0.000 < 0.05. This shows that career success significantly influences job satisfaction. So the third hypothesis which says that career success has no significant effect on job satisfaction is rejected (H0 is rejected; H1 is accepted)

Table 1. The results of the t-test influence the support of business owners (owners), ethical climate and career success on job satisfaction.

		Coefficient			
		B	Std. Error	Beta	
1	(Constant)	69.719	3.424	20.362	.000
	Owner Support	.074	.137	.029	.588
	Ethical Climate	.142	.068	.111	.039
	Job Satisfaction	-.358	.089	-.214	.000

Dependent Variable: Job Satisfaction

DISCUSSION

The relationship between business owner support for ethical behavior and job satisfaction

Regression analysis shows that there is no effect of business owner support for ethical behavior on job satisfaction. This relationship provides new information about organizational behavior. The organizational

principle is where the business owner has recognized authority and employees are expected to carry out the business owner's orders, even though the order is contrary to the truth of their stance (Trevino, 1986). Managerial practice in the application of corporate ethical climate determines the ethical relationship (Parboteeah et. al. 2010) state that there is a relationship between managerial practice and organizational ethics. Support from business owners in implementing ethical values is needed, especially in terms of strictness and ethical standards. Equitable employee management from the perspective of justice theory indicates that management in managing organizations is seen as supporting ethical behavior. This will result in a higher level of employee job satisfaction. Vitell & Davis (1990b) found evidence of a relationship between business owner support for ethical behavior and job satisfaction. However, in India, Viswesvaran et al.'s (1998) study of managers did not show this relationship. Amzat and Idris (2012), assume that management is the first predictor of job satisfaction.

The relationship between top management (owners) for ethical behavior which is not significant for job satisfaction illustrates the impact of the existing distortions. Cognitive dissonance theory by Festinger in 1942, states that individuals seek to minimize discrepancies in their environment. Individual efforts in finding compatibility with the work environment create a silent space so that the relationship does not show significant value. Extrinsic motivation put forward by Herzberg such as salary, supervision, policies, management, co-workers, working conditions and security and others creates a distinct impression on the company (Amzat and Idris, 2012). Relation to the employee exchange relationship with the organization (can be in the form of owner support), is through the perception of organizational support (Jawahar and Hemmasi, 2006).

Relationship Between Organizational Ethical Climate and Job Satisfaction

The results of the regression analysis obtained the effect of ethical climate on job satisfaction. This relationship has a positive sign indicating that the application of a good ethical climate will result in good job satisfaction as well. Deshpande (1996) found that organizations can affect their employees' job satisfaction by manipulating their ethical climate. Equity theory states that employees who feel that their company is more concerned with the interests of the company at the expense of employee interests and ethical values will feel that their fundamental values and personal rights have been violated. For employees who get personal satisfaction by behaving ethically, dissonance will arise if organizational norms require employees to put aside their ethical values to fulfil organizational goals. This will also reduce the level of job satisfaction and vice versa.

The ethical climate of the organization provides collective norms that guide behavior (Trevino 1986). The ethical climate in this study is built from three main dimensions, namely 1) egoistic, which emphasizes the interests of the company; 2) Kindness, which emphasizes the interests of employees; and 3) principled, which emphasizes adherence to regulations and standards operating procedures (Cullen, Victor and Bronson, 1993). The results of the description of the respondent's assessment of the three dimensions show that the climate of egoistic ethics gets the lowest score. This indicates that the organizational community does not accept the application of a selfish ethical climate in the company. However, the application of a good ethical climate shows a positive trend in job satisfaction as seen in the description of the comparison of the mean values of the research variables (not showing an effect).

Empirical results show that the ethical climate influences the job satisfaction of nurses in non-profit hospitals (Joseph & Deshpande, 1997). Decisions made within the company contribute to the interests of organizational progress in terms of the owner's interests will always exist in the company (self-interest) (Harris, and Robbins, 2005). Schwepker (1999) found that a lack of ethical compatibility between employees and their companies will result in job dissatisfaction and disappointment. The individual-organizational fit theory (Pervin 1968), Sims & Kroeck (1994) tested several hypotheses, one of which formulated that employees who achieve harmony between their ethical work climate and their preference expression tend to get positive job satisfaction (not significant).

The application of the corporate organizational ethical climate raises new challenges in terms of ethical handling and mutual alignment in an understanding of ethics. The benevolent dimension has an effect on awareness of an employee's needs which then creates a sense of satisfaction. The concept of ethical climate as a shared

perception of organizational behavior (Victor & Cullen, 1987) states that the ethical climate must become a shared understanding. Employee understanding of company sustainability is one of the factors that result in a good climate relationship with job satisfaction, as explained by Giovanni et.al., (2015) that company sustainability strengthens the relationship between increasing ability and work motivation in terms of ethical climate, especially good-natured climate and climate Principle.

The Relationship Between Ethical Behavior and Career Success on Job Satisfaction

Ethical behavior in companies in career success has a significant influence on job satisfaction. This relationship has a negative sign indicating an opposite relationship. This shows that when someone has valued success in a work career, then job satisfaction will show the opposite. Based on the results of the comparison of the mean values of the research variables, provides information that a high career success score (see the Wajo district score) indicates a lower job satisfaction score. Organizations that recognize and value values that are consistent with the intrinsic values of employees, employees will experience high job satisfaction. Cognitive dissonance theory states that the opposite also happens for companies that support unethical behavior. Likewise, from the standpoint of equity theory, ethical employees who are not valued or supported because they do not want to put aside their ethical values will experience frustration that reduces job satisfaction.

The importance of ethical behavior for company success, such as good application of ethical values to the company, was also revealed by Schwepker (1999), who explained that employees want consistency between their ethical value system and the company's ethical climate. Research conducted by Luthans & Stajkovic (1999) concluded that individual behavior is driven by three supporting factors, namely money, feedback, and social recognition. So, in an organization where ethical behavior is closely related to career success, the ethical behavior of employees is the result of the existence of supporting factors. Company employees expect organizational policies to be obeyed by all elements of the organization. The application of company policies regarding ethics in supporting the company will get a positive response if the value is in line with expectations (Schneider, 1987; Tinsley, 2000). Empirical evidence such as that found by Vitell & Davis (1990b) and Viswesvaran & Deshpande (1996) believes that employees are more satisfied when they feel there is a relationship between ethical behavior and career success. In addition, job satisfaction is defined as a person's or a worker's feelings about their career related to emotional feelings and positive responses to their work (Amzat and Idris, 2012). It is important to note that career satisfaction is only one side of job satisfaction (Haar and Brougham, 2013). However, career satisfaction has an important role in an organization (company) because it will have implications for company owners (Yap et al., 2014). So companies need to pay attention to career success in companies such as person- environment (Ballout, 2007), individual characteristics (Schneider, 1987; Tinsley, 2000), a sense of comfort with the organization (O'Reilly, 1989), preferences for organizational mobility (Shea, Monaghan and Ritchie, 2014), the nature of the work itself, satisfaction with supervisors and co-workers, and future opportunities (promotions) (Shea, Monaghan and Ritchie, 2014).

CONCLUSIONS

There is no effect of business owner support on ethical behavior on job satisfaction. The individual's efforts in finding conformity with the work environment create space so that the relationship does not show meaningful value. An ethical climate with Job Satisfaction showed positive significance, but a selfish ethical climate scored the lowest. Conversely, a climate of kindness affects employee awareness, creating a sense of satisfaction. The company's ethical behavior in achieving career success has a significant and negative effect on job satisfaction. Career ethics are valued or not valued, the opposite impact on the level of job satisfaction.

mapping ethical values and satisfaction can take the form of a code of conduct in business that reflects the ideas of employees and organizational culture values that can be taught in business ethics courses at all levels of Higher Education.

Acknowledgment

We would like to thank the co-authors and all those who helped and contributed to the research and preparation of the study. this study still requires constructive input, criticism and suggestions so that in the future it can be perfected.

REFERENCES

- Abdullah, W. M. Z. B. W., Zainudin, W. N. R. A. B., Ismail, S. B., & Zia-Ul-Haq, H. M. (2022). The Impact of Microfinance Services on Malaysian B40 Households' Socioeconomic Performance: A Moderated Mediation Analysis. *International Journal of Sustainable Development and Planning*, 17(6), 1983–1996.
- Anne Karani Iswan, Dr. Robert Arasa, D. J. N. (2020). The Role of Financial Literacy in the Growth of Women Owned Micro Enterprises: A Case Study of Busia County, Kenya By. *Journal of African Interdisciplinary Studies (JAIS)*: ISSN 2523-6725, 4(12), 16–27.
- Bernard, D. T. K. (2020). Entrepreneurial Success for Women through Microfinance and Effect of Education: Evidence from Sri Lankan. *Journal of Economics and Business*, 3(3).
- Carlos, J., Mejía, U., Gutierrez, L. H., & Rodríguez, P. (2023). Financial inclusion and business practices of microbusiness in Colombia. *Eurasian Business Review*, (0123456789).
- Hair, Joe F, Risher, J. J., Sarstedt, M., & Ringle, C. M. (2018). The Results of PLS-SEM Article information. *European Business Review*, 31(1), 2–24.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24.
- Hammawa, Y. M., & Bappi, U. (2019). Towards Improving the Performance of Women Entrepreneurs in Micro Enterprise in Nigeria, 3(1), 47–65.
- Megan Lang, J. S. (2022). The Economics of Women's Entrepreneurship, 1–45.
- Sawad, B. (2022). Effect Of Microfinance On Entrepreneurship Development: A Case Study Of Kanchanpur District By:, (8.5.2017), 2003–2005.
- Tarisha, A., Ardi, K. H., Fatkhurrahman, I. N., & Margaretha, F. (2021). Financial Literacy on Saving Behavior in MSMEs with Social Influence as an Intervening Variable. *Oktober*, 5(2), 24–37.