

The Effect of the Ethical Leadership toward Organizational Culture in Student Organization of Business Administration in School of Communication and Business Telkom University

Alex Winarno

Telkom University, School of Communication and Business, Jalan terusan Buah Batu, Bandung, Indonesia

Mahendra Fakhri*

Telkom University, School of Communication and Business, Jalan terusan Buah Batu, Bandung, Indonesia

Dita Puri Utami

Telkom University, School of Communication and Business, Jalan terusan Buah Batu, Bandung, Indonesia

Abstract

This study aims to determine the effect of the ethical leadership toward organizational culture at Himpunan Mahasiswa (Student College Association) of Business Administration on Faculty of Communication and Business Telkom University or called HIMA ADBIS. HIMA ADBIS is one of the student organizations at Telkom University. This research uses a quantitative method. The types of data required for this research are primary and secondary data. This research uses a saturation sampling method with 52 respondents consisting of all organizers of HIMA ADBIS, and simple linear regression analysis for data analyzing. The results showed that ethical leadership is in the position of 84,08% with a number of very high category and organizational culture in the position of 86,27% with a number of very high category. The result of partially showed that ethical leadership influences organizational culture amounted to 22,5% and from other variables amounted to 77,5% are not researched in this research.

Keywords: Leadership; Ethical leadership; Organizational culture.



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1. Introduction

Education is one of the most important elements that will become an asset for human in order to have a better life. University provides a level of higher education which is responsible for shaping the student behavior and mindset. The higher education also responsible to create future leaders, society needs leaders who possess skills to confront challenges and changes ahead (Amiranzadeh, 2012). University has unique challenges and authorities to train their students facing with diversity and complex social situation (Lavelle and Richord, 1999). Students education are not only in term of the academic and formal system but also non-academic activities such as extracurricular, choir, student organization, etcetera. It is important for students especially in university to stay active and find their spirit of competition and expect it will guide them to a better future.

Student leadership development is a process to help students developing their skills and talent (Day, 2004). Leadership development empowers the students to increase level of maturity and develop ability facing leadership complexity, integration and proficiency through a period of time (Miller, 1997). Student organization especially HIMA (Student College Association) provide a place for college students to develop their leadership talent and social skills. Training their leadership skills can develop their abilities such as how to communicate effectively, increase their competences, interpersonal communication skills in various environment (Amiranzadeh, 2012).

HIMA Business Administration Faculty of Communication and Business University of Telkom or can be called with HIMA ADBIS is student organization which is in S-1 Program of Business Administration. The organization is led by a CEO and General Manager who oversees a number of Managers, Supervisors, and Staff in order to accommodate student interests and aspirations within.

According to the results of questionnaires distributed to nine respondents namely the core organizers of HIMA ADBIS, in general, can be seen the picture of leadership in HIMA ADBIS Faculty of Communication and Business Telkom University are as follows:

Table-1. Respondents' Responses on Ethical Leadership

Questions	Yes	No
Do leaders serve members and organizations well?	89,9%	11,1%
Is the leader's service to members and the organization running in a balanced manner?	77,8%	22,2%
Does the leader develop his vision based on input about the needs, values, and ideas of members?	89,9%	11,1%
Do leaders act / behave in ways that are consistent with their values?	55,6%	44,4%
Is the leader willing to take risks and personal action to achieve the mission or achieve the vision?	100%	0%
Does the leader openly disclose any information?	55,6%	44,4%
Do leaders always carry out critical evaluations to find solutions to problems in the organization?	77,8%	22,2%
Does the leader always nurture, assist, and train to develop the abilities of its members?	89,9%	11,1%

The least say 'yes' response here is about the leader acting or behaving in a manner consistent with the values held and the leader disclosing any information openly which is only 55.6% for 5 people. The largest 'yes' response is 100% for 9 people who agree that the leader is willing to take risks and personal actions to achieve the mission or achieve the vision.

Knowing the culture of an organization can be done by studying and reviewing the cultural layer. The first layer is an artifact. Artifacts as the first layer are the most visible dimension in organizational culture, which is the physical and social environment of the organization. One category of artifacts is a verbal manifestation contained in organization motto (Wardiah, 2016). The tagline of HIMA ADBIS is "kita, keluarga, jaya bersama" which becomes the identity of this organization and set forth in organization statute. Here's the response of the 9 core organizers regarding the implementation of organizational culture as embodied in the tagline:

Table-2. Organizational Culture in Tagline

Questions	Yes	No
Does the organizational culture reflected in the tagline already reflect the characteristics of the association?	100%	0%
Does the organizational culture reflected in the tagline unite feelings and unity in the set?	100%	0%
Does the existence of organizational culture reflected in the tagline make the management more concerned with the principle of togetherness (assist each other, helping each other, and so on)?	100%	0%
Does having an organizational culture in the community create a more kinship atmosphere?	100%	0%
Does the culture of the organization make the organizers succeed together?	100%	0%
Does organizational culture make the unity of the association look great?	89,9%	11,1%
Does the organizational culture make famous associations to another student organizations?	77,8%	22,2%

To strengthen the organizational culture, leaders must be willing to hear the input of its members. Here are the views of 9 HIMA ADBIS core organizers about organizational culture that needs to be improved in organizations:

Table-3. Suggestions from Respondents Concerning Organizational Culture

Respondents	Opinion
1	Kinship in HIMA Adbis stands out the most. Even though it has been going well, I still feel that organizational culture can be developed even better to the level where the set of uniforms as organization identity is used by students voluntarily and the procession of graduates is followed by students because of their appreciation and pride towards Adbis graduates.
2	I think it's good. I feel quite happy here.
3	Professionalism and integrity must be further enhanced.
4	Cultivation of values and culture must be more vital to new students and members.
5	I have experienced a strong organizational culture here.
6	The application of existing values must be increased again.
7	More consistency and realization for both the cultural value of the organization or its SOP.
8	Pay more attention to SOPs and formal rules.
9	Awareness and sensitivity of the members inside the management.

According to organization statute HIMA ADBIS CHAPTER V there is a description of organization's attributes. There is an explanation of logos, jackets, flags, stamps, hymns, and tagline. But in the tagline is not explained literally what the meaning of "kita, keluarga, jaya bersama". Similarly, the value of organizational culture here has not been formed.

In accordance with a series of explanations about the theory of ethical leadership and organizational culture as well as explanation of the practical situation (phenomenon in the organization) above, the researcher is interested to conduct research on "The Effect of the Ethical Leadership toward Organizational Culture at Himpunan Mahasiswa (Student Organization) of Business Administration on Faculty of Communication and Business Telkom University".

2. Theoretical Framework

2.1. Theoretical Approach

2.1.1. Ethical Leadership

According to [Johnson \(2015\)](#), ethical leadership is the ability to model decision –making and behavior that influence followers to behave ethically. This behavior is not stagnant and based upon how situations are perceived, analyzed, and acted upon. It is not enough for a leader to act or behave ethically for their own interest but they must lead others to do such thing ([Brown et al., 2005](#)). Ethical leadership can be categorized as a theory of moral leadership alongside servant leadership, spiritual leadership, and authentic leadership because of its focus on doing the right thing ([Brown and Treviño, 2006](#); [Dinh et al., 2014](#))

2.1.2. Organizational Culture

Since many different definitions have been suggested for organizational culture, many researchers agree that it refers to a system of values, beliefs and behavior shared among employees ([Deshpande and Webster, 1989](#); [Ravasi and Schultz, 2006](#); [Xiaoming and Junchen, 2012](#))

Robbins and Judge on [Danang and Burhanudin \(2015\)](#), defined organizational culture as a system of shared meaning shared by the members of the organization that distinguishes the organization with other organizations.

Organizational culture is a pattern of shared basic assumptions that the group learned as it evolved its problems of external adaptation and internal integration. A fundamental part of every culture is a set of assumptions about what is real and how one determines what is relevant information, and how to determine whether they have enough of it to decide whether or not to act, and what action to take' ([Schein, 2004](#)). A strong organizational culture plays a role as a reliable compass and as a powerful lever to guide and balance member's behavior ([Wilson and Bates, 2003](#)).

2.1.3. The Theory of Relation

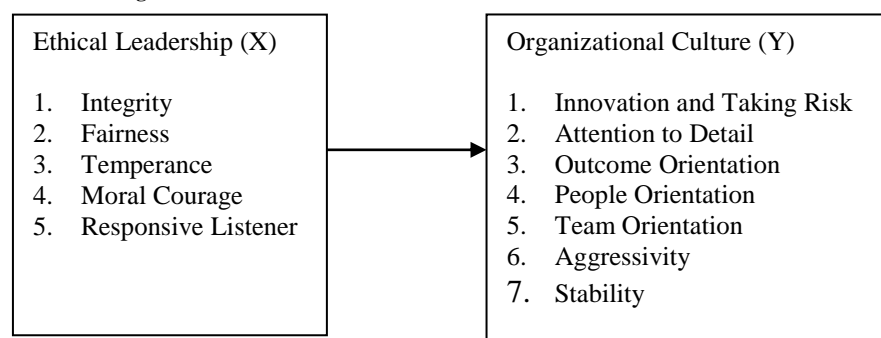
Gilmartin in [DesJardins \(2014\)](#), explained that in thought, Word, and deed, the leader must be clearly and unambiguously both advocate and model ethical behavior. If a leader is perceived to be shirking her or his duties, misusing corporate assets, misrepresenting the firm's capabilities, or engaging in other inappropriate behavior, stakeholders receive the message that this type of behavior is not only acceptable but perhaps expected and certainly the way to get ahead in that organization.

Being perceived as having a broad ethical awareness and concern for multiple stakeholders, and using ethical decision processes are also important. Those perceived as ethical leaders do many of the things "traditional leaders" do, but they do that within the context of an ethics agenda. People perceive that the ethical leader's goal is not simply jobbed performance, but also a performance that is consistent with a set of ethical values and principles. Finally, ethical leaders demonstrate caring for people (employees and external stakeholders) in the process.

Ethical leadership has become an area of increasing interest because a leader's ethical or unethical behavior can influence the organization's culture and consequently determine the way that organizational members thought and behavior. Ethical leader treats others with dignity, fully respect their rights, and use power in socially responsible ways. Researchers have argued ethical behavior is a key component in a number of leadership theories such as transformational leadership, servant leadership, and spiritual leadership. (Mendonca dan Kanungo inside [Qi and Hua \(2017\)](#)).

2.2. Research Framework

Figure-1. Shows the research framework conducted in this research:



Source: (Brierton, 2016)

Source: (Robbins and Judge, 2015)

2.3. Research Methods

The type of research used is descriptive research, according to Sugiyono (2015), which is meant by the descriptive method is the statistic used to analyze data by describing or describing the data that has been collected as is without the intention to make conclusions that apply to the public and generalization. This research is causal because it has a causal relationship between independent variables and the dependent variable.

The research method used in this research is a quantitative research method. The quantitative research method is a form of scientific research that examines one form of the problem of a phenomenon, and see the possibility of relationships or relationships between variables in the problem set. The relationship or relationship in question can be a causal or functional relationship (Indrawan and Yaniawati, 2014).

2.4. Population and Sample

All of organizers HIMA ADBIS as many as 52 people because it uses saturated samples.

2.5. Method of Collecting Data

In this study, the authors perform data collection techniques in the form of questionnaires and interviews and secondary data obtained from books, internet, and other sources of information that are considered relevant to the research topic.

2.6. Technical Simple Linear Regression Analysis

Simple regression is based on the functional or causal relationship of an independent variable with a dependent variable. According to Sugiyono (2017), the general equation of simple linear regression is $Y' = a + bX$. Where:

Y' = Subject in the predicted dependent variable.

a = Rate Y when rate $X = 0$ (constant rate).

b = The direction number of a regression coefficient, which shows the increase or decrease in the decrease in the dependent variable is based on the change of the independent variable. If (+) the direction of the line rises, and if (-) then the direction of the line descends.

X = Subject to a variable that has a certain value.

2.7. Hypothesis Testing

a) t test

The t test used to test the effect of the relationship of each independent variable (ethical leadership) really affect the dependent variable (organizational culture) separately or partially. T-test is done by comparing t count with t table. The hypothesis used in this test is:

1.) $H_0 : \rho_1 = \rho_2 = 0$ means: There is no significant effect between ethical leadership on the organizational culture of HIMA ADBIS.

2.) $H_1 : \rho_1 = \rho_2 \neq 0$ means: There is a significant effect between ethical leadership on the organizational culture of HIMA ADBIS.

The testing criteria are as follows:

If $-t_{table} < t_{count} < t_{table}$ and value of Sig. $\alpha > 0,05$ then H_0 accepted and H_a rejected, means there's no significant influence.

b) coefficient of determination

Priyatno (2012), coefficient of determination used to find out how big percentage contribution of independent variables together to the dependent variable. Then used the coefficient of determination (K_d) by using the formula according to Sugiyono (2012), as follows:

$$KD = r^2 \times 100\%$$

Information :

KD = coefficient value of determination

r^2 = the value of the correlation coefficient

If the coefficient of determination zero means an independent variable has no effect on the dependent variable. If the coefficient of determination approaches one, then it can be said that the independent variables affect the dependent variable.

3. Results and Discussions

The analysis technique used in this research is simple linear regression. Sugiyono (2013), states that "Simple linear regression analysis is based on the functional or causal relationship of one independent variable with one dependent variable". Simple linear regression analysis is used to see the influence of independent variable that is Ethical Leadership (X) to a dependent variable that is Organizational Culture (Y) conducted on 52 respondents consisting of organizers of HIMA ADBIS. The output of SPSS 21 is shown in table 4.

Table-4. Coefficient

Coefficients*					
Model	Unstandardized coefficients		Standardized	T	Sig.
Constant	B	Std. Error		6.733	.000
Etika kepemimpinan	2.203	.327	.474	3.805	.000
Dependent Variable Budaua Organisasi					

Based on data processing table 4 above, it can be obtained the regression equation as follows:

$$Y' = 2,203 + 0,42x$$

Based on the equation can be described as follows:

1) The constant value of 2.203 states that if there is no increase in the value of the variable X then the value of Y is 2.203.

2) The value of the regression coefficient X is positive 0.42, it means that the variable X has a direct relationship with Y and each increase of one unit ethical leadership (X) will affect the increase of organizational culture (Y) as many as 0.42. The constant value of 2.203 expresses that if there is no increase in the value of the variable X then the value of Y is 2.203.

4. Hypothesis Testing

4.1. T-test

In this research hypothesis partially to be tested are:

- 1.) $H_0: \rho_1 = \rho_2 = 0$ means: There is no significant effect between ethical leadership on the organizational culture of HIMA ADBIS.
- 2.) $H_1: \rho_1 = \rho_2 \neq 0$ means: There is a significant effect between ethical leadership on the organizational culture of HIMA ADBIS.

The testing criteria are as follows:

- a) If $-t_{table} < t_{count} < t_{table}$ and value of Sig. $\alpha > 0,05$ then H_0 accepted and H_a rejected, means there's no significant influence.
- b) If $t_{count} > t_{table}$ or $t_{count} < -t_{table}$ and value of Sig. $\alpha < 0,05$ then H_0 rejected and H_a accepted, means there's a significant influence.

For t table can be known by determining the degrees of freedom $df = n - k - 1$, with n is the number of samples and k is the total number of variables. So obtained value $52 - 1 - 1 = 50$. With these provisions obtained t table of 2.006.

The result of t test variable X is 3,805 with significant value of 0.000. Then it can be deduced that $t_{calculate} > t_{table}$ as well as the Sig. < 0.05 i.e., $3.805 > 1.984$ and $0.000 < 0.05$ that means H_0 is rejected and the H_a received. Thus ethical leadership has an effect and significant toward the organizational culture in HIMA ADBIS

4.2. Coefficient of Determination

Coefficient of determination (R^2) is used to know how big the contribution of independent variable (X) that is ethical leadership to dependent variable (Y) that is organizational culture. R^2 calculation results can be seen in table 5 below:

Table-5. Table of Determinant Coefficient Test

Model Summary*				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.474	.225	.209	.58405
a. Predictors: (constant), Etika Kepemimpinan				
b. Dependent Variable: Budaya Organisasi				

The formula of the coefficient of determination is $Kd = r^2 \times 100\%$. Based on the results of the above table known value of r^2 is 0.537. Then the calculation of the coefficient of determination is as follows:

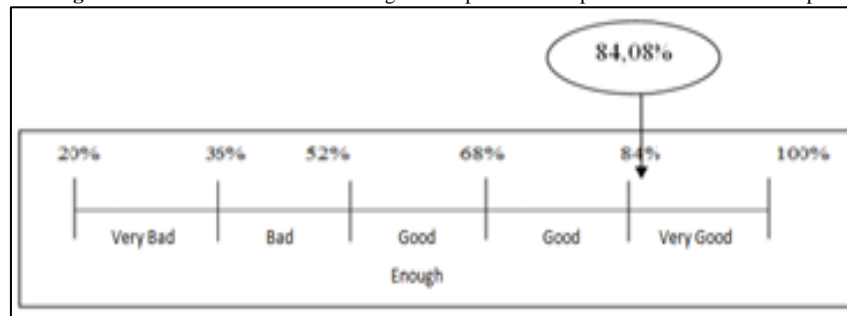
$$KD = 0,225 \times 100\% = 22,5\%$$

The relationship between the independent variable (ethical leadership) against dependent variables (organizational culture) is 22.5%. The value of R Square = 0.225 means 22.5% variable ethical leadership can be explained by organizational culture while remaining 77.5% explained by other variables not examined in this study.

4.3. Results

Characteristics of respondents consisted of 53% or 27 people respondents is the 2016 generation, by as much as 34% or 18 respondents is the 2015 generation, and the remaining 13% or 7 people is the 2014 generation. The majority of respondents are female-sex with a total of 29 people (57%), while for the respondents male-sex with a number of 23 people (43%). And the average age was 18-19 years old organizers with a total of 29 people (57%), while respondents aged 20-21 years with a total of 23 people (43%). A total of 28 questions questionnaire with the composition of 13 for ethical leadership and 15 for organizational culture.

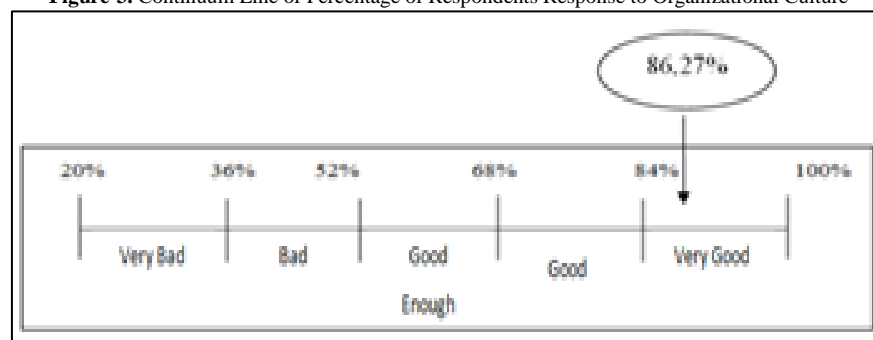
In the continuum, the result of data processing of the ethical leadership variable can be seen in Figure 2:

Figure-2. Continuum Line of Percentage of Respondents Response to Ethical Leadership

Based on figure 2 it can be concluded that the variable x belongs in a very good category or 84.08% with an average score is 219.3. This shows that the ethical leadership in HIMA ADBIS has very good quality. This is because the leader has strong principles, a leader is considered honest in all actions and strong relationships between leader and organizers.

From the results of descriptive analysis, it shows that HIMA ADBIS has a leader with ethics that is in accordance with the virtues described (Brierton, 2016) namely integrity, fairness, temperance, moral courage and responsive listening. Based on the results of questionnaire processing, obtained statement leaders and organizers mutual trust each other as the highest value with a percentage of 87.3% or on points 228.

In the continuum, the result of data processing of organizational culture variable can be seen in Figure 3:

Figure-3. Continuum Line of Percentage of Respondents Response to Organizational Culture

Based on figure 3 it can be concluded that the variable Y belongs in a very good category or 86,27% with an average score is 224,3. This shows organizers feel appreciated by the organization when they reach good perform, pleased to provide benefits for the organization, and always coordinating with others inside and outside the organization to complete her or his tasks. From the results of descriptive analysis, it shows that HIMA ADBIS has a leader with ethics that is in accordance with the characteristics of innovation and the courage to take risks, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and stability based on Robbins's opinion in Robbins and Judge (2015). Obtained statement of the organization gives awards to the organizers with 91.92% points or are at 239 points is the highest point of the questionnaire results.

5. Conclusion

Based on the results of the research which has been described the effect of Ethical Leadership toward an organizational culture of HIMA ADBIS, the conclusion can be obtained as follows:

1. Ethical Leadership at Leader of HIMA ADBIS in the eyes of the respondent as a whole is in a category of very good.
2. Organizational culture in HIMA ADBIS overall into the very good category.
3. Ethical leadership Variable has an influence on the organizational culture of HIMA ADBIS. The magnitude of the influence of ethical leadership for the culture of the Organization was of 22.5% while the rest is influenced by other factors not examined in this study.

Based on the conclusion that has been described above, the researcher can give some suggestion that would be useful for HIMA ADBIS that is:

1. Based on the results of the research, self-control indicators that get the lowest score but fall into the good category is "Leaders have the power to resist temptation and self-satisfaction". It is suggested that the leader can further increase his sense of dissatisfaction of achievement so that the organization and the leader itself can make improvement towards the better. For example, by doing fault evaluations in the execution of tasks and applying them to subsequent task work, listen more to critics and suggestions from set organizers and members of the set for improvement, and create new strategies to improve performance as well as expected achievement.
2. It is expected that leaders can improve organizational culture in terms of the giving of the direction and clear communication as well as detailed in analyzing the work to organizer did not occur a misunderstanding to interpret the message and ambiguity with following Standard Operational Procedure. These things can be

overcome e.g. by means of more outlines the intent, purpose and how to complete tasks that must be done, explain organizer SOP in more detail, as well as frequently performing communication between leader and organizer intensively, mutual listening and mutual understanding of the circumstances in order to create a continuity so there is no longer a wrong perception.

3. Creating value the culture of the Organization and reinforces the significance of the tagline "kita, keluarga, jaya bersama" in the AD/ART so that there is a solid foundation for the organization.

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