

Ethical leadership, organizational climate, teamwork effectiveness, and employee performance

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ABSTRACT

This study aims to analyze the influence of ethical leadership, organizational climate on employee performance with teamwork effectiveness as a variable intervening. This study was carried out to the employees of PT. Misaja Mitra Pati. The population of this study was around 110 employees of PT. Misaja Mitra Pati. Based on purposive sampling there were 110 respondents. Data analysis of this study using SEM-PLS. The result of hypothesis test that shows the influence of ethical leadership on team work effectiveness and organizational climate on team work effectiveness is accepted. The result of hypothesis test that shows the influence of ethical leadership on employee performance and organizational climate on employee performance is accepted. The result of hypothesis test that shows the influence of team work effectiveness on employee performance is accepted.

Keywords: *Ethical leadership; Organizational climate; Team work effectiveness; Employee performance.*

INTRODUCTION

Human resources is a major thing for a company or non-profit organization. The organization's success and effectiveness can be affected by the leader or the quality of the company or organization's human resources. The human resources mostly become an indicator of the company existence. Thus, the company should not consider human resources as a burden, otherwise as organization assets (Angel et al., 2018). The human resources have a vital role in every company,. Therefore, an achieved goal of the company relies on the human

resources itself. Company activity will not run effectively without human resources in it (Hasibuan, 2008). A company's success is reflected on the result of the employee performance. The result will have an effect on improving the company's overall performance. Further, by the improvement of employee performance, it is expected to give an impact on the improvement of the employee's wealth. Based on Imran and Latif (2017) a company has its own goals to develop their business, gain profit, and sustain their life . Therefore, employe performance

is important to measure success in running a business.

According to Indra and Pasaribu (2019), factors that influence one's performance are leadership, employee's ability, motivation, discipline, support, job desk, and relation with the organization. Employee performance is a good work result both in quality and quantity achieved by an individual according to the responsibilities assigned. Hasibuan (2007) identifies from the rate of attendance, the ability to meet targets, and punctuality in completing tasks. Handoko (2014) gives an additional statement that performance is an employee attitude according to their role or job.

The inclination of employee performance degradation relates to several influential factors such as leadership style. Several kinds of leadership style namely democratic, spiritual leadership, ethical leadership, transformational leadership, and so on. Ethical leadership is a leadership which demonstrates attitude normatively demonstrates attitude normatively right through personal acts and interpersonal relation, promotion to the followers through two ways communication, affirmation, and decision making (Van Wyk, 2014). Ethical leadership will create a more comfortable working ambiance in organization, higher productivity, and problem solving in organization.

Five principles of ethical leadership are fairness, transparency, responsibility, efficiency, and no conflict of interest. Ethical leadership can be defined as one's capability and readiness to influence and lead individual or group to gain mutual goals by emphasizing the importance of moral values. The referred moral values such as morality, responsibility, respect, character, discipline, hard work, integrity and religious. Beside ethical leadership variable, another variable that influences employee performance is organizational climate (Elci et al., 2012).

Organizational climate is the quality of internal environment that relatively experienced by the members of organization that influences members' attitude (Ongori & Basire, 2019). Organizational climate is inseparable state of an organization. In essence, it can be analogous with the state or air condition (good or bad, and so on). One will be pleased if he or she is in outdoor area. The organizational climate as well. It is an abstract state that can be considered as pleasant or not pleasant in carrying out the work activities.

Team work effectiveness also gives influence to employee performance. According to Salman & Hasan (2016), teamwork consists of two words which are 'team' and

‘work’. Thus, team work effectiveness is a group of rational people consists of 2 up to 20 persons who meet the requirements of the fulfillment of the agreement to synergize various activities undertaken by the members. Team work effectiveness is an ability to run cooperation in order to attain mutual vision (Elci et al., 2012). In a team, team members are hand in hand, bounding soul, and develop each other’s creativity and imagination (Raksi et al., 2016). Furthermore, the team members inspire and motivate each other, double the effort and individual capability.

Aqsariyanti et al. (2019) carried out a study in order to test the effect of work ethic and organizational climate toward employee performance. Result of the study shows that the first hypothesis is rejected because there is no significant positive effect on the employee performance. It can be concluded that the work ethic does not give real contribution to the employee performance. The second hypothesis is accepted because it shows the result of hypothesis test that is significant positive. It means that organizational climate gives real contribution to the employee performance. The third hypothesis is accepted because organizational climate is the dominant variable. It means that the contribution of organizational climate is bigger than

the work ethic to the employee performance.

Firmansyah (2021) analyses the influence of leadership and team work implementation toward employee performance with work satisfaction as intervening variable. This explanatory study uses 60 sample of employee in *Sate Kambing Mas Wal*. The leadership variable is divided into two which are transformational and transactional in order to compare which leadership that is better to be implemented in *Sate Kambing Mas Wal*. Data collecting method uses questionnaire and processed with Partial Least Square (PLS) analysis tool with SmartPLS 3.0 software. The result of the study shows that Leadership Transformational has a positive and significant effect on employee performance and work satisfaction. However, the Leadership Transformational does not effect the employee performance that is mediated by work satisfaction. This result contradicts with the result of Leadership Transactional whose direct effect on the employee performance is not affected. On the other hand, the effect of the Leadership Transactional to the employee performance mediated by work satisfaction has given a positive and significant effect, as well as the effect of team work to the employee performance mediated by work satisfaction. However, the direct

effect of team work to the employee performance is bigger.

Several previous studies still show contradictive result. A previous study shows a significant effect of ethical leadership to employee performance (Malik et al., 2016; Kholilah et al., 2019), while another study shows that the result of ethical leadership does not have a significant effect on employee performance (Makaske, 2015). Furthermore, a previous study has shown that organizational climate has a significant effect on employee performance (Reni & Adi, 2019; Raja et al., 2019), while the other study shows that organizational climate does not have a significant effect on employee performance (Makaske, 2015).

PT. Misaja Mitra Pati is a company engaged in the fishery

product processing industry. The problem faced by the company is the employee performance's result that has not optimal or noted as a bad category for the past few years. This state will give a bad impact to the company and employee if it is not handle well. It can be concluded that the employee performance's level from year to year, from (2016-2020) experienced a fluctuative degradation with the lowest performance level in 2020. The performance level can be categorized in which 'excellent' category consists of 53 persons, 'good' 69 people, 'average' 99 people, and 'poor' 19 people. The employee performance data from quality aspect carried out by the internal analysis department of PT. Misaja Mitra Pati for five years from 2016-2020 is presented as follows:

Table 1. The Employee Performance Data of PT. Misaja Mitra Pati from 2016-2020

Year	Total of employee	Criterion			
		Excellent	Good	Average	Poor
2016	250	53	97	79	21
2017	240	70	97	58	15
2018	230	50	65	96	19
2019	250	58	95	79	18
2020	240	53	69	99	19

Source : PT. Misaja Mitra Pati

Based on the research gap and field phenomenon, the study of the ethical leadership, organizational climate, and team work effectiveness's effect on employee performance, is required to be analyzed. The novelty of this study is

using the team work effectiveness, because performance within a team gives more effective result than work individually. Thus, team work effectiveness requires to be included as a variable that predicts employee performance. Result of the study is

expected to give contribution for theoretical development and idea for the company in taking policies.

Based on the research gap and phenomenon of employee performance degression in past few years in PT. Misaja Mitra Pati that can give a bad impact for both employee and the company if it does not handle well, thus, questions of the study can be elaborated as follows:

1. How is the effect of ethical leadership on team work effectiveness?
2. How is the effect of organizational climate on team work effectiveness?
3. How is the effect of ethical leadership on employee performance?
4. How is the effect of organizational climate on employee performance?
5. How is the effect of team work effectiveness on employee performance?

LITERATURE STUDY

The effect of ethical leadership on team work effectiveness

Ethical leadership is a depiction of a leader who identifies several attitudes, values, and a motif. Besides, a leader must have aptitude or a better ability than his subordinate to lead his subordinate well (Bello, 2012). Ethical leadership is one of factors that influences organizational

performance. Van Wyk (2014), states that the better the ethical leadership, the more increasing the team work effectiveness.

A leader in a company has an significant role in the course of management in an organization. An ethical leader even to his subordinates can make the subordinates respect and work voluntarily according to their leader's will. This can create a more effective team work in advancing the organization. This is supported by a study from Raksi et al., (2016) which states that there is a significant effect between leadership and team work effectiveness. This study is supported by Firmansyah (2021) who asserts that a good leadership can improve team work effectiveness. It means, the higher the ethical leadership, the higher team work effectiveness. According to the argument explanation and the similarity with the above study, the hypothesis can be stated as follows:
H1: Ethical leadership has a significant effect on team work effectiveness

The effect of organizational climate on team work effectiveness

Organizational climate is established from the improvement of the method from employee development's strategy through work compliance which in accordance to the field and based on knowledge, skills, and positive work culture (Zaragoza, 2015). Makaske (2015)

explains that organizational climate and organizational support are factors that become representation to create sound, secure, innovative, and effective organizational sphere. Zaragoza, (2015) states that the better the climate of a company, the more increasing the team work effectiveness.

A conducive climate in an organization can give a positive energy for organizational members. This state can encourage employee to work in a team to achieve organizational targets. It is supported by Rusda et al., (2019) who mentions that there is a significant effect between organizational climate and team work effectiveness. According to the argument explanation and the similarity with the above study, the hypothesis can be stated as follows:

H2: Organizational climate has a significant effect on team work effectiveness

The effect of ethical leadership on employee performance

Ethical leadership is a depiction of a leader who identifies several attitudes, values, and a motif. Besides, a leader must have aptitude or a better ability than his subordinate to lead his subordinate well. Ethical leadership is one of factors that influences performance of the employee. Ethical leadership changes an effective thing to motivate employee (Angel et al., 2018). Chandrjeet (2018) asserts that

ethical leadership has a positive significant effect on employee performance.

A leader who can encourage his subordinate to work in accordance with organizational values can trigger the subordinate to achieve organizational advancement. It is supported by a study of Reni and Adi (2019) and Kholilah et al., (2019) who state that there is a significant effect between ethical leadership and employee performance. Firmansyah (2021) justifies the result of this study by showing a result that ethical leadership can improve employee performance. According to the argument explanation and the similarity with the above study, the hypothesis can be stated as follows:

H3: Ethical leadership has a significant effect on employee performance

The effect of organizational climate on employee performance

Organizational climate is established from the improvement of the method from employee development's strategy through work compliance which in accordance to the field and based on knowledge, skills, and positive work culture. Reni and Adi (2019) show that the better the organizational climate, the better the employee performance. Their study shows that there is a positive significant effect of organizational climate on employee performance. Kholilah et al., (2019), Ari &

Bambang, (2017), Kurniawati, (2018), and Septiasari et al., (2020) state that there is a significant effect between organizational climate and employee performance. Aqsariyanti et al., (2019) also justifies the result of this study by showing a result that organizational climate can improve employee performance. According to the argument explanation and the similarity with the above study, the hypothesis can be stated as follows:
H4: Organizational climate has a significant effect on employee performance

The effect of team work effectiveness on employee performance

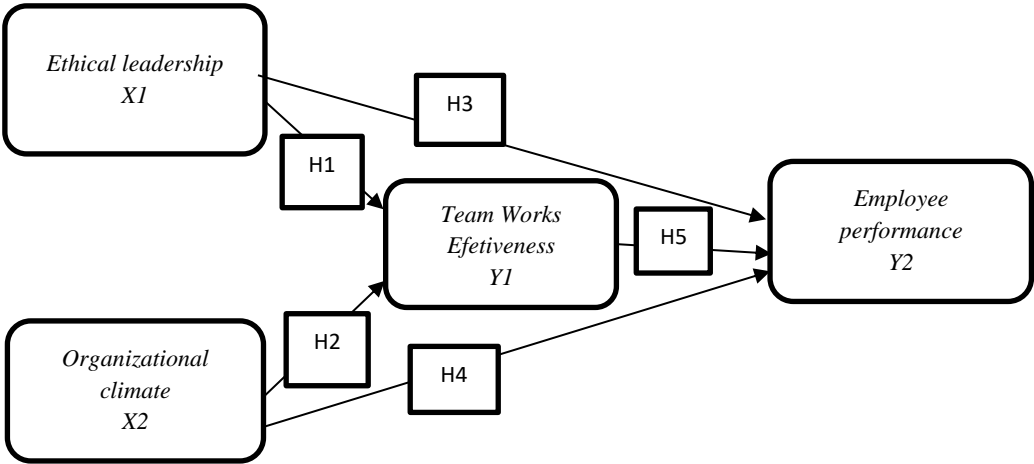
Robbins (2015) asserts that citizenship behavior is a discretionary behavior which contributes in psychological and social sphere in a work place. Thus, a successful organization or company requires employees who are able to surpass their regular responsibilities and able to create performance that exceeds expectations. It is supported by studies of Nana et al., (2020) and

Freddy, (2020) who state that there is a significant effect between team work effectiveness and employee performance. Firmansyah (2021) also justifies the result of this study by showing a result that team work effectiveness can improve employee performance. According to the argument explanation and the similarity with the above study, the hypothesis can be stated as follows:
H5: Team work effectiveness has a significant effect on employee performance

Theoretical Framework

Based on the theoretical basis above, this study uses an independent variable, which is ethical leadership and organizational climate. The intervening variable is team work effectiveness, and the dependent variable is employee performance. According to the correlation of the variables, the effect of ethical leadership and organizational climate variable on team work effectiveness and the impact on employee performance can be discovered as follows:

Picture 1. Theoretical Framework



RESEARCH METHOD

This study is carried out to the employees of PT. Misaja Mitra Pati. Population of this study is 240 of PT. Misaja Mitra Pati’s employees. According to purposive sampling, 110 respondents are obtained. This study uses SEM-PLS to analyse the data to examine the developed hypothesis. The SEM-PLS is a structural analysis that combines measurement and structural model in one analysis.

RESULT AND DISCUSSION

Data analysis of this study uses SEM-PLS to examine developed hypothesis. The SEM-PLS is a structural analysis by combining measurement model and structural model in one analysis. The measurement model is a model to examine reliability and validity of instrumental measurement. While structural model is analyzed to examine proposed research

hypothesis. SmartPLS 2.0 M3 software is used to simultaneously examine either the measurement model or the structural model to achieve results.

All variables in this study is measured with reflective measurement. Therefore, the first stage the SEM-PLS model is examining the measurement model (outer model) and followed by examining the hypothesis (inner model). The stage of measurement model is carried out by examining the reliability and validity through several steps. First, the reability and validity of the measurement scale will be examined by examining internal consistency, by calculating alpha reability score and composite Cronbach. Second, evaluates convergent validity by comparing AVE reability score to composite. Third, measuring discriminant validity by examining cross loading from confirmatory factor analysis and by comparing square root AVE to its correlation among latent variable.

After attaining the acceptable standard, the following stage is examining causal correlation between exogenous construction (independent) and endogenous (dependent) in structural model (inner model)

Measurement Model (Outer Model)

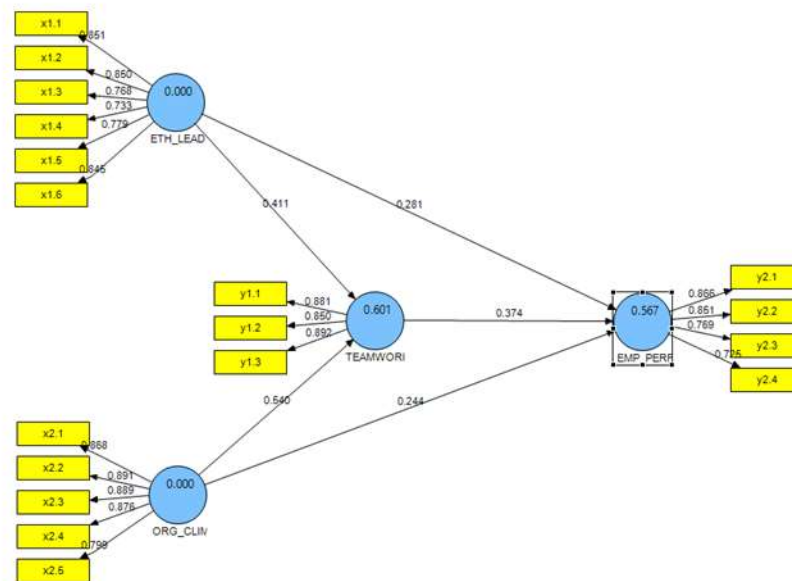
Measurement model in SEM-PLS is used to examine the used indicators material which has good validity. Validity is measured with convergent validity and discriminant. If the result is inconsistent with the

previously defined measurement model, thus, the measurement model must be re-specified and re-analysed.

Single-Item Validity (Convergent Validity)

Single-item validity is measured by examining loading factor. On cross loading result, all high loading factors show that all measurement items are loaded higher on theoretically determined latent variable to measure other latent variables. Loading value comes from structure matrix.

Picture 2. PLS Result



All latent variables in this study are measured with reflective measurement so each validity and reliability is measured by examining every loading factor of each indicator.

If loading factor value does not meet the determined requirement, thus, the indicator will be excluded from testing and will be re-carried out. The result of measurement model of this

study is presented in loading factor table for outer loading below:

Table 2. Loading Factor Outer Loading

	ETH_LEAD	ORG_CLIM	TEAMWORK	EMP_PERF
x1.1	0.851	0	0	0
x1.2	0.850	0	0	0
x1.3	0.768	0	0	0
x1.4	0.733	0	0	0
x1.5	0.779	0	0	0
x1.6	0.845	0	0	0
x2.1	0	0.868	0	0
x2.2	0	0.891	0	0
x2.3	0	0.889	0	0
x2.4	0	0.876	0	0
x2.5	0	0.800	0	0
y1.1	0	0	0.881	0
y1.2	0	0	0.850	0
y1.3	0	0	0.892	0
y2.1	0	0	0	0.866
y2.2	0	0	0	0.851
y2.3	0	0	0	0.769
y2.4	0	0	0	0.725

Table 2 shows that all items have loading factor that has exceeded the recommended value that is 0,70. This state shows that every item has a good convergent validity.

Measurement of Discriminant Validity

Discriminant validity is measured with cross loading value to compare the correlation between construct and the square root of average variance extracted (AVE) for

the construct. Cross loading shows that all measurement items are clearly occupied on determined latent variable that is aimed to measure the variable.

In table 3, the value of cross loading on the indicator for match-measured variable has the highest cross loading value compared to the indicator value for mismatched variable. The correlation value of cross loading variable is generated as follows:

Table 3. Cross Loading

	ETH_LEAD	ORG_CLIM	TEAMWORK	EMP_PERF
x1.1	0.851	0.283	0.549	0.513
x1.2	0.850	0.329	0.506	0.515
x1.3	0.768	0.168	0.443	0.395
x1.4	0.733	0.256	0.391	0.388
x1.5	0.779	0.270	0.427	0.451
x1.6	0.845	0.213	0.478	0.502
x2.1	0.195	0.868	0.560	0.450
x2.2	0.342	0.891	0.633	0.545
x2.3	0.230	0.889	0.549	0.504
x2.4	0.277	0.876	0.591	0.499
x2.5	0.311	0.800	0.560	0.519
y1.1	0.492	0.640	0.881	0.667
y1.2	0.562	0.509	0.850	0.510
y1.3	0.481	0.600	0.892	0.649
y2.1	0.436	0.649	0.703	0.866
y2.2	0.552	0.491	0.660	0.851
y2.3	0.515	0.320	0.429	0.769
y2.4	0.338	0.338	0.372	0.725

Table 3 shows correlation matrix for all construct in form of cross loading. The correlation matrix between the measured variable and the latent variable must be greater than correlation element for another variable. This indicates a good discriminant validity (Hair, et.al, 2010). As shown on the table correlation element is greater for every matched-indicator compared to the correlation of another variable. This result shows an adequate discriminant validity for all construct variable in the proposed conceptual

model. According to the undertaken analysis, the measurement model of this study shows adequate discriminant validity. It means that all latent variables proposed in the model have different hypothesis between one another. In total, the measurement model of this study shows adequate convergent and discriminant validity.

Reliability Analysis

Reliability analysis is presented in some gauges which are composite reliability and Cronbach Alpha.

Table 4. Reliability Test

	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	<i>Average Varians Ectracted (AVE)</i>
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EMP_PERF	0.821134	0.879648	0.647485
ETH_LEAD	0.891369	0.917152	0.649273
ORG_CLIM	0.915683	0.937033	0.748794
TEAMWORK	0.846065	0.906761	0.764321

Composite reliability of construct is gained around 0,8796 to 0,9370 which is greater than 0,70 of the recommended value (Hair, et.al, 2010). The greater values of internal reliability consistency estimate is considered acceptable (Ghozali, 2011).

Cronbach's Alpha is used to measure the consistency among measurement items. The table shows the value of Cronbach's Alpha. The value of Cronbach's Alpha of all laten variables is around 0,8211 to 0,9157. This value exceeds the recommended value that is 0,60 (Nunnaly, 1994). Therefore, the result shows that the measurement items are reliable and appropriate for each laten variable.

Average Variance Extracted (AVE)

Average Variance Extracted (AVE) is a measure of variance that is captured by relative indicators to the measurement error. The value of the measure must be greater than 0,50 to justify of using the construct. The AVE is within the range of 0,6475 and 0,7643. The result shows that all constructs are the valid measure according to the paramater estimate which shows a fair convergent validity.

At the first stage, every construct is measured through the

observed variable (the measurement item). At the first stage of model validation, the laten variables are measured in the item reliability and validity using three main properties such as individual item reliability, convergent validity, and discriminant validity.

The individual item reliability is measured with loading factor. The measure of loading factor item exceeds the suggested value that is 0,50. This shows that the individual item reliability is acceptable. The convergent validity is also measured with Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE).

The discriminant validity that is measured with cross loading proves that every factor in the measurement model is empirically distinguishable. By the satisfying result of the reliability and validity, the further stage is undertaking structural model analysis to determine the strength of the proposed explanatory model and to examine the hypothesis of this study.

Structural Model (Inner Model)

According to the results obtained, the measurement model is shown that it has a good individual item reliability, convergent validity,

and discriminant validity. By all values within acceptable standard limits, the measurement model in this study shows capacity to examine the correlation between exogenous and endogenous variable. The further stage is measuring the structural model to determine the explanatory strength of the model and to examine the hypothesis of proposed study.

This stage aims to examine all proposed hypothesis in this study in order to answer the elaborated research questions. The causal structural model is measured to examine effects between the construct that is defined in the proposed model through the estimation of the coefficient of determination (R^2), and the coefficient path.

Both of the R^2 values and the coefficient path (loading and its

significant) shows how well data support the hypothesised model. In the theoretical model of this study, the underlying construct is classified into two classes, namely exogenous and endogenous constructs.

The Valuation of the Coefficient of Determination (R^2) and Relevance Predictive (Q^2)

The value of R^2 determines the strength of model prediction. SmartPLS 2.0 M3 provides the value of R^2 for dependent variable in research model. The R^2 value measures the correlation of latent variable (LV) in explaining variance to its total variance. Table below shows the value of R^2 for each endogenous variable that is defined in proposed theoretical model.

Table 5. The Value of R^2 and Q^2

	R Square	Q Square
<i>Teamwork Effectiveness</i>	0.601351	0.237925
<i>Employee Performance</i>	0.566595	0.157999

The value of R^2 on Teamwork Effectiveness variable shows the number of 0,6014. This means that 60,14% of the Teamwork Effectiveness can be influenced by Ethical Leadership and Organizational Climate variables. The value of R^2 on Employee Performance variable is 0,5666. This means that 56,66% of the Employee

Performance is influenced by Ethical Leadership and Organizational Climate variable, as well as Teamwork Effectiveness variable.

The values of Q^2 on Teamwork Effectiveness and Employee Performance in respectively show the numbers of 0,2379 dan 0,1580. Both values of the Q^2 are greater than 0. Thus, this

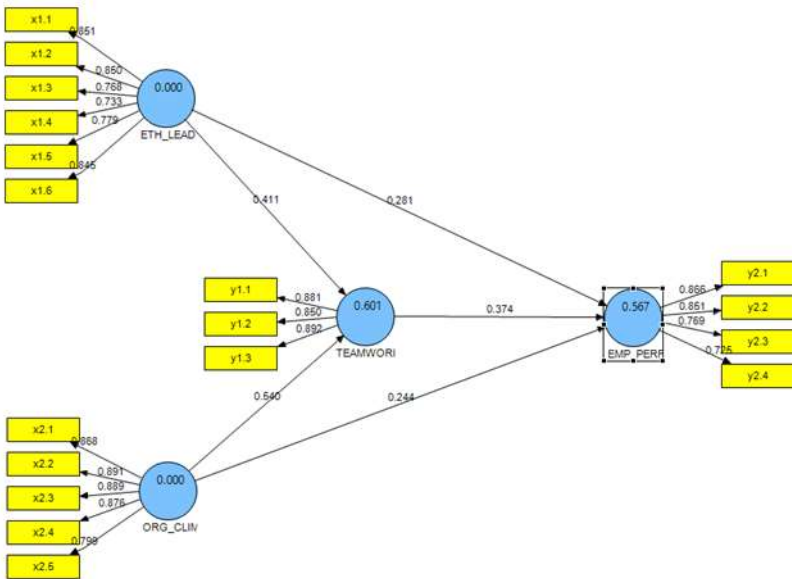
research model has a good Relevance Predictive.

Hyphotesis Test

After the validity of the structural model is confirmed, the further step is measuring the proposed path of structural model. Picture 3 shows the structural model and the analysis result. Every path is

corresponding to each hypothesis that is proposed in this research. Test of every hypothesis is attained by seeing the sign, size, and statistic significance of the coefficient path (b) between laten variable and its dependent variable. The higher the coefficient path, the stronger the effect of LV on dependent variable.

Picture 3. The Result of Research Model



The result of the coefficient path’s test of the tested model based on the result of PLS analysis of the

SmartPLS software is presented on the table below:

Table 6. Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ((O/STERR))
ETH_LEAD -> EMP_PERF	0.4353	0.4392	0.0902	0.0902	4.8254
ETH_LEAD -> TEAMWORK	0.4111	0.4233	0.1113	0.1113	3.6942

ORG_CLIM -> EMP_PERF	0.4458	0.4454	0.0896	0.0896	4.9768
ORG_CLIM -> TEAMWORK	0.5403	0.5234	0.1070	0.1070	5.0499
TEAMWORK -> EMP_PERF	0.3741	0.3709	0.1387	0.1387	2.6975

The results show on the table can be explained as follows:

1. The first hypothesis examines the effect of ethical leadership on teamwork effectiveness that shows the coefficient of 0,4111. The value of t-statistic of the bootstrap test method shows the number of 3,6942. If it is calculated, the t value is greater than 1,96. This shows that the Ethical Leadership has a positive effect and significant on the teamwork effectiveness. Therefore, hypothesis 1 is accepted.
2. The second hypothesis examines the effect of organizational climate on teamwork effectiveness that shows the coefficient of 0,5403. The value of t-statistic of the bootstrap test method shows the number of 5,0499. If it is calculated, the t value is greater than 1,96. This shows that the organizational climate has a positive effect and significant on the teamwork effectiveness. Therefore, hypothesis 2 is accepted.
3. The third hypothesis examines the effect of ethical leadership on employee performance that shows the coefficient of 0,4353. The value of t-statistic of the

bootstrap test method shows the number of 4,8254. If it is calculated, the t value is greater than 1,96. This shows that the ethical leadership has a positive effect and significant on the employee performance. Therefore, hypothesis 3 is accepted.

4. The fourth hypothesis examines the effect of organizational climate on employee performance that shows the coefficient of 0,4458. The value of t-statistic of the bootstrap test method shows the number of 4,9768. If it is calculated, the t value is greater than 1,96. This shows that the organizational climate has a positive effect and significant on the employee performance. Therefore, hypothesis 4 is accepted.
5. The fifth hypothesis examines the effect of teamwork effectiveness on employee performance that shows the coefficient of 0,3741. The value of t-statistic of the bootstrap test method shows the number of 2,6975. If it is calculated, the t value is greater than 1,96. This shows that the teamwork effectiveness has a positive effect and significant on the employee performance.

Therefore, hypothesis 5 is accepted.

Discussion

The results show that ethical leadership able to increase teamwork effectiveness. This shows that the better ethical leadership is able to increase teamwork effectiveness. The result of this study shows that the leader of PT. Misaja Mitra Pati plays a significant role in the running of the management in an organization. The leader of PT. Misaja Mitra Pati has good ethics including to his subordinates, he is able to cause his subordinate to give respect to him and work voluntarily based on the order of the leader. Those states make the teamwork easier and more effective in advancing PT. Misaja Mitra Pati. The leader of PT. Misaja Mitra Pati has high humility that makes the teamwork more efficient. The leader is willing to motivate the team in attaining their targets and is able to delegate the job to the subordinates well. The result of this study is in accordance with Raksi et al. (2016) and Firmansyah (2021) studies.

The result of the study shows that organizational climate able to increase teamwork effectiveness. This shows that better organizational climate can increase teamwork effectiveness. The result of this study shows that conducive climate in PT. Misaja Mitra Pati can give positive energy in the body of the organization members. This state can encourage

staff to work in a team to achieve organization targets. The power of organizational climate in PT. Misaja Mitra Pati is solidarity in which teamwork among the employees has a high solidarity in completing job responsibilities. This state gives an ease in working as a team. The result of this study is in accordance with Zaragoza (2015), Makaske (2015), dan Rusda et al., (2019) studies.

The result of study shows that ethical leadership able to increase employee performance. This state shows that better ethical leadership can increase employee performance. The result in this study shows that the leader of PT. Misaja Mitra Pati has a far better of aptitude and capacity compare to his subordinates so that he can lead his subordinates well. Furthermore, the leader of PT. Misaja Mitra Pati can encourage his subordinates to work in accordance with the organization values and cause the subordinates to achieve the organizational progress. The leader of PT. Misaja Mitra Pati has a high humility that can encourage the subordinates to work better. Moreover, the leader is willing to give samples to the subordinates in work, and patiently motivates the subordinates to work in accordance with the company standard. The result of this study is in accordance with the study of Angel et al., (2018), Chanderjeet (2018), Reni and Adi (2019), and Kholilah et al., (2019).

The result of the study shows that organizational climate able to increase employee performance. This state shows that better organizational climate can increase employee performance. The result of this study shows that PT. Misaja Mitra Pati can build organizational climate through employee development strategy by complying performance which in accordance with the field based on knowledge, skill, and positive work practice. The power of organizational climate on PT. Misaja Mitra Pati are solidarity in which employee performance is faster and has a good quality when the relation among the employee shows a good solidarity in completing job responsibilities. This state is helpful for an employee who finds difficulty. This going to be easier if another employee gives his empathy in helping his partner. The result of this study supports the study of Reni and Adi (2019), Kholilah et al., (2019), Ari & Bambang (2017), Kurniawati (2018), and Septiasari et al., (2020).

The result of study shows that teamwork effectiveness able to increase employee performance. This state shows that better teamwork effectiveness can increase employee performance. The result of this study shows that PT. Misaja Mitra Pati able to encourage their employee to work in a team by not only prioritizing job responsibilities, but also able to create performance that is above expectations. According to the result

of the study shows that work quality of PT. Misaja Mitra Pati employee has shown a good result so that this state need to be maintained. The result of this study supports the study of Nana et al., (2020) and Freddy (2020).

From the above results, it can be stated that the employee performance variable is a significant variable for a company to make achievements desired by the company. It is supported by other voluntary variables so it can increase performance sustainability quality on the human resources of the company.

CONCLUSION

1. The result of hypothesis test that shows the influence of ethical leadership on teamwork effectiveness is accepted. It shows that the higher the ethical leadership, the higher teamwork effectiveness.
2. The results of hypothesis test that shows the influence of organizational climate on teamwork effectiveness is accepted. It shows that the higher the organizational climate, the higher teamwork effectiveness.
3. The result of hypothesis test that shows the influence of ethical leadership on employee performance is accepted. It shows that the higher the ethical leadership, the higher employee performance.
4. The results of hypothesis test that shows the influence of

organizational climate on employee performance is accepted. It shows that the higher the organizational climate, the higher employee performance.

5. The result of hypothesis test that shows the influence of teamwork effectiveness on employee performance is accepted. It shows that the higher the teamwork effectiveness, the higher employee performance.

Managerial Implication

Based on the result of study, it shows that organizational climate is the most dominant variable that increases teamwork effectiveness. It follows by ethical leadership. Furthermore, teamwork effectiveness can increase higher employee performance. The proposed managerial implications are:

1. The management needs to increase teamwork effectiveness by concerning more to organizational climate and ethical leadership to increase employee performance.
2. The management needs to give space to the leader to increase competence,

knowledge, and insight of the subordinates with the possessed leadership of the leader.

3. The management needs to increase organizational climate by increasing more the frequency of brain storming and soft skill training.
4. The management needs to increase teamwork effectiveness by organizing family gathering every three month to increase cooperation among the employee.

Limitation of Study

The limitation of this study is there still another variable that needs to be inputted as a predictor for employee performance, in which the value of R^2 on employee performance variable shows the number of 0,5666. This means that 56,66% of employee performance can be influenced by ethical leadership, organizational climate, and teamwork effectiveness variables. Furthermore, the study is only carried out on one company, which is PT. Misaja Mitra Pati so the result cannot be generalized.

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