

Ethical Leaderships and Organizational Culture of Student Organization at Indonesian Private University

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Abstract

This study aims to determine the effect of the ethical leaderships toward organizational culture at Himpunan Mahasiswa (Student Organization) of Business Administration on Faculty of Communication and Business at Telkom University or known as 'HIMA ADBIS'. This research uses quantitative method with the types of data required are the combination between primary and secondary data. This research uses 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 influence organizational culture amounted to 22,5% and from other variables amounted 77,5% are not researched in this research.

Keywords: Ethical Leadership, Organizational Culture, Student Management, Personnel Management, Business Administration

1. Introduction

Education is one of the most important elements that will become an asset for human to face life. Not only academic education, but also non-academic. One way to gain knowledge and social skills is to follow the organization or unit of activity that is on campus. Student organization is one of the most popular choice for any student in the university or college mentioned to be the best 'facility' to develop their leadership skills and their social skills. One can learn the ethical leadership and how to develop and maintaining the organization culture itself (Fakhri et al., 2014).

The Telkom University Student Organization (HIMA) of Business Administration from Faculty of Communication and Business is a student organization which is actively running in the Business Administration Bachelor Study Program. This organization lead by a CEO and a General Manager which supervise a Manager, Supervisor and Staffs, with the mission for the organization to accommodate any member talents, aspiration, interests and being a mediator between the students and the study program itself. According to the questionnaire results from 9 respondents which are taken from the core manager of Business Administration Student Association, concludes into some major points. the least 'yes' answers were given by 5 respondents to the questions 'the leader is consistently act under the association rules agreement and being transparent in publishing information' which is 55,6% from the respondents. While the most 'yes' answer were given by 9 respondents which is 100% of the respondent on the questions of 'the leader tend to be ready taking any risky move to complete the organization vision and mission'.

There are many ways to understand the culture of an organization. Some can be done by studying and examining the cultural layer (Panngarso et al., 2017). The first cultural layer is artefact. Artefact the first layer explaining the most visible dimension in an organization, those are, the organization physical environment and social environment of the organization. An exact example of the artefact itself is a verbal manifestation on a tagline (Schein in Wardiah, 2016: 197). The business administration tagline or tagline is "*kita, keluarga, jaya bersama!*" (we are family together to glory!) which is considered as unique identity for the organization and written on the organization Memorandum & Article of Association. Below are the responses of from 9 core organizers concerning the tagline relation to the organizational culture:

To improve an organizational culture to be more powerful, an openness from the leader is needed. Below are the responses of 9 core organizers concerning to the organizational culture in HIMA ADBIS:

According to the Business Administration Student Organization Memorandum & Article of Organization chapter 5 mentioning the organization attribute, the chapter is explaining the details of organization logo, the organization jacket, flags, organization stamps, hymn, and tagline. However, the chapter does not explain the essential of "*kita, keluarga, jaya bersama*" tagline. Also, the organizational culture was not yet formed. According to the explanations concerning the theory of ethical leadership, organizational culture and the explanation of organization phenomenon explained above, me as a researcher is interested in conducting research titled "The Effect of the Ethical Leaderships toward Organizational Culture at Himpunan Mahasiswa (Student Organization) of Business Administration on Faculty of Communication and Business Telkom University"

2. Literature Review

According to Pradana (2016), ethical leadership is the ability to model decision –making and behavior that influence followers to behave ethically. this behavior is not stagnant and is based upon how situations are perceived, analyzed, and acted upon.

Pangarso et al., (2017) defined organizational culture as a system of shared meaning shared by the members of the organization that distinguishes the organization with other organizations.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 (Fakhri et al., 2014).

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 job performance, but also 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 in Yang, et al. 2017, p.1507).

3. Research Method

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

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.

Figure 1 shows the research framework conducted in this research:



Figure 1: Research framework

The type of research used is descriptive research, according to Sugiyono (2015) which is meant by 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 (variables that affect) and the dependent variable (which is affected).

The research method used in this research is quantitative research method. Quantitative research method is a form of scientific research that examines one form of 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 Yuniawati, 2014).

A 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.

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:
 $H_0 : \rho_1 = \rho_2 = 0$ means: There is no significant effect between ethical leadership on the organizational culture of HIMA ADBIS.
- $H_1 : \rho_1 = \rho_2 \neq 0$ 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.
- Coefficient of determination (Priyatno, 2012:55) 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 (Kd) by using the formula according Sugiono (2012: 257) 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 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.

The analysis technique used in this research is simple linear regression. Wardhana (2016), 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 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 Regression Coefficient

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.203	.327		6.733	.000
	Etika Kepemimpinan	.242	.064	.474	3.805	.000

a. Dependent Variable: Budaya 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:

- 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.
- 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. Constant value of 2.203 express that if there is no increase in the value of the variable X then the value of Y is 2.203.

T test

In this research hypothesis partially to be tested are:

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

- 1.) 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.
- 2.) 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 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 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 effect and significant toward the organizational culture in HIMA ADBIS. The relationship between the independent variable

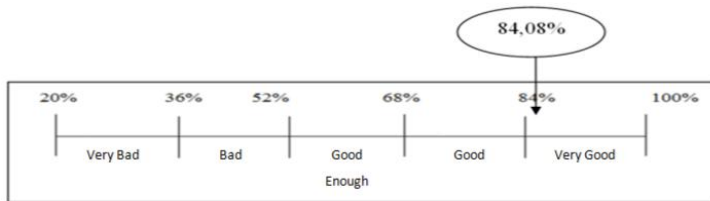
(ethical leadership) against dependent variables (organizational culture) is 22.5%. The value of R Square = 0.225 means 22.5% variable ethical leadership can be explained by organizational culture while remaining 77.5% explained by other variables not examined in this study.

4. Result

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 male respondents male 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 ethical leadership variable can be seen in Figure 2:

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

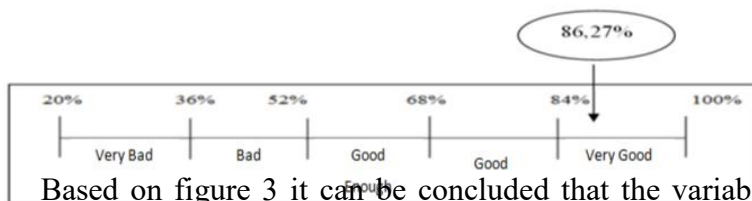


Based on figure 2 it can be concluded that the variable x belongs in very good category or 84.08% with average score is 219.3. This shows that the ethical leadership in HIMA ADBIS has very good quality. This is because leader has strong principles, leader is considered honest in all actions and strong 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 et al. (2016: 3) 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 very good category or 86,27% with average score is 224,3. This shows organizers feel appreciated by the organization when they reach good perform, pleased to provide benefits for 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 Didit (2013: 148). 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 about the effect of Ethical Leadership toward organizational culture of HIMA ADBIS, the conclusion can be obtained as follows: Ethical Leadership at Leader of HIMA ADBIS in the eyes of the respondent as a whole is in a category of very good. Organizational culture in HIMA ADBIS overall into the very good category. Ethical leadership Variable has an influence toward 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 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 an 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.

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 in following SOP. 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. It is also important in creating value the culture of the Organization and reinforces the significance of the tagline "*kita, keluarga, jaya bersama*" (we are family, together toward glory) in the basic principle so that there is a solid foundation for the organization.

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