
Enhancing Performance and Work Ethics of Low-Educated Employees

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Abstract

This research examines strategies to enhance the performance and work ethics of employees with limited educational backgrounds by implementing business ethics and organizational development practices, with a focus on PT Medi Modular Luar Biasa (PT MMLB), an Indonesian healthcare infrastructure company. The research addresses the challenges faced by companies in managing low-educated employees, including cognitive limitations, communication barriers, and difficulties adapting to organisational changes, which often lead to suboptimal performance and ethical lapses. Through qualitative interviews with employees and management, the study reveals significant differences in how employees with varying educational backgrounds understand and implement corporate values such as integrity, and professionalism. The research highlights the need for ethical leadership and structured organisational support to address these challenges. The findings suggest that enhancing the ethical climate and providing tailored training are crucial for improving both performance and work ethics among low-educated employees. The study proposes interventions such as clarifying role expectations, reinforcing ethical guidelines, and fostering a supportive work environment to drive continuous improvement and employee well-being. The research contributes practical recommendations for businesses facing similar challenges, emphasising the importance of ethical leadership in shaping positive employee behaviour and organisational outcomes.

Keywords: *work ethics, organizational development, ethical leadership, employee performance, business ethics*

INTRODUCTION

Background

In today's interconnected world, businesses face complex challenges related to workforce performance and ethical standards, especially in organizations employing individuals with limited formal education. These workers often struggle with understanding complex concepts, engaging in ethical behavior, and adhering to organizational policies. While previous studies (Ermasova, 2021), have explored the impact of educational background on workplace behavior and performance, there is a gap in research focused on how the ethical climate influences employee conduct, particularly in organizations with less educated workers. Additionally, the application of the MARS Model in addressing the unique challenges faced by such a workforce, especially in emerging economies like Indonesia, has not been fully examined. Globally, employees with limited education—those with only high school or vocational training—face challenges like restricted cognitive abilities, poor problem-solving skills, communication barriers, and difficulty adapting to rapid workplace changes, all of which hinder their career progression. Organizations can address these issues by investing in tailored training programs, improving communication, aligning tasks with skill levels, and fostering an

inclusive workplace culture. In Indonesia, these challenges are further complicated by educational system limitations and cultural values that emphasize respect for authority and hierarchical management styles, making ethical leadership crucial for fostering trust and ethical behavior. Understanding and addressing these challenges is key to developing effective strategies that enhance workplace performance and ethics, ultimately benefiting the organizational environment.

Business Issue

PT MEDI MODULAR LUAR BIASA (MMLB) is currently facing significant challenges related to employee performance and ethical conduct, particularly among workers with lower educational backgrounds. According to interviews with the HRGA manager, there have been instances of behavior that could be regarded as ethical violations. While avoiding stereotypes, the manager suggested that these behaviors might be linked to the employees' limited formal education. The report highlights that these individuals often display a basic understanding of their tasks, comparable to manual laborers, and lack the specialized computational skills necessary for more complex production activities. This gap in cognitive abilities not only affects their task performance but also impacts their ethical conduct. For instance, when confronted with unfavorable company policies, some employees bypass standard complaint procedures and escalate issues directly to the executive level, ignoring established HR protocols. Additionally, there have been incidents of misconduct, such as the theft of recyclable production waste, which further indicate a disconnect between employee actions and the ethical standards expected by PT MMLB. This research seeks to fill these gaps by uniquely applying the MARS Model and Ethical Climate theories to a workforce with lower educational backgrounds in Indonesia. The study aims to develop tailored strategies that not only improve performance but also enhance ethical behavior, a combination that has not been extensively explored in the existing literature. By focusing on PT MMLB, a key player in Indonesia's industrial sector, this study offers a novel perspective on how global theories can be adapted to address specific local challenges.

Literature Review

This research leverages the MARS Model and Ethical Climate theory to explore their relevance within PT MMLB. According to (Victor & Cullen, 1988), "ethical climate" refers to the collective understanding within an organization regarding what is considered morally right behavior and how ethical dilemmas should be managed. This concept is critical for understanding how organizational practices and leadership shape employee behavior, particularly among those with lower educational backgrounds. By fostering a strong ethical climate, organizations can encourage moral behavior, strengthen employee commitment, and improve overall performance. Ethical climate, as explained by (Teresi et al., 2019), involves shared perceptions of procedures and policies that guide ethical expectations within an organization. Influenced by leadership and organizational practices, this climate significantly affects ethical decision-making and behavior in the workplace. (Victor & Cullen, 1988) categorize ethical climates based on two dimensions: loci of analysis (individual, local, cosmopolitan) and ethical standards (egoism, benevolence, principle), identifying nine distinct climate types, with research commonly focusing on five main types: instrumental, caring, law and code, rules, and independence climates. These types emphasize different aspects of ethical behavior, and leadership plays a crucial role in shaping how these values are perceived and followed within the organization.

The MARS Model, proposed by (Gustari & Widodo, 2021), provides a framework for understanding how individual behavior influences organizational performance, focusing on four key factors: motivation, ability, role perception, and situational factors. Motivation drives individuals to achieve goals, encompassing both intrinsic and extrinsic

rewards. Ability involves the skills required to perform tasks effectively, highlighting the importance of aligning employee capabilities with job demands. Role perception pertains to how well employees understand their responsibilities, with clarity being vital for preventing confusion and boosting productivity. Situational factors, including work environment and organizational culture, also impact performance but are often beyond the individual's control. In PT MMLB's context, where ethical issues and performance concerns are reported, especially among employees with lower educational backgrounds, fostering a strong ethical climate is essential. A positive ethical environment not only enhances motivation and aligns role expectations with ethical standards but also supports employees in performing effectively. Research indicates that a strong ethical climate can lead to higher job satisfaction, increased organizational commitment, reduced turnover intentions, and improved performance, making it critical for PT MMLB to integrate these concepts to create a work environment that promotes ethical behavior and supports the company's broader objectives.

The objectives of this study are threefold: (1) To analyze how PT MMLB's implementation of core values—integrity, commitment, professionalism, and service excellence—affects the behavior and productivity of employees with lower educational backgrounds; (2) To identify the impact of the ethical climate on employee performance and adherence to organizational policies; and (3) To develop practical strategies that align with the MARS Model to enhance both ethical conduct and performance within this workforce segment.

One of the benefits of this research is to provide a better understanding of the challenges companies face in managing low-educated employees, particularly related to performance and work ethics. Meanwhile, the purpose of this research is to analyze strategies to improve the performance and work ethics of employees with limited educational backgrounds through the application of business ethics and organizational development practices.

RESEARCH METHODOLOGY

Research Design

This study employed a qualitative research approach using a case study method to investigate the root causes of performance issues at PT MMLB. The case study method enabled an in-depth examination of complex problems within a real-world context (Yin, 2009). Data was collected through semi-structured interviews with employees from various departments and hierarchical levels, alongside participant observations. This approach allowed for a thorough exploration of the ethical climate and its impact on performance, with interviews providing detailed insights and observations capturing routine behaviours and interactions (Patton, 2014). To enhance the validity and reliability of the findings, data from interviews and observations were triangulated with literature, ensuring a robust analysis (Bowen, 2009).

Data Collection Method

Primary data was gathered through semi-structured interviews conducted with employees across different levels of PT MMLB, including managers, administrative assistants, and operational staff. A purposive sampling technique was used to ensure participants had relevant knowledge of the ethical climate and performance issues. The interview protocol included questions related to the MARS model, the ethical climate, and employee performance, with flexibility for interviewers to explore responses further. Interviews were conducted at the PT MMLB Office Complex, and the data collected provided crucial insights for the study.

Data Analysis Method

Thematic analysis was used to analyse the interview data, identifying and reporting patterns and themes. The process began with data familiarisation through

transcription and multiple reviews of the interviews. Initial codes were then generated to highlight significant aspects of the data, which were grouped into broader themes reflecting the study's research questions (Braun & Clarke, 2006). These themes were reviewed and refined to ensure they accurately represented the data, and were categorised according to the literature, focusing on the ethical climate and the MARS model. This analysis provided a comprehensive understanding of the performance issues at PT MMLB and the influence of the ethical climate on employee behaviour and organisational performance (Gioia et al., 2013).

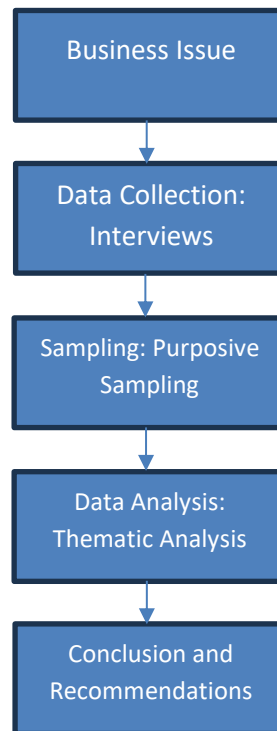


Figure 1. Research Design
(Source: Author, 2024)

RESULT AND DISCUSSION

Corporate Value and Employee Motivation

To analyze the motivation and implementation of Corporate Values at PT MMLB, interviews were conducted with six employees, including three managers, two staff members, and one operator. The three managers, who hold undergraduate degrees, demonstrated a clear understanding of the company's values, such as integrity, commitment, professionalism, and excellent service, and expressed that they have personally implemented these values. For example, the Finance Manager stated, "*Integrity is paramount to me. When we act with integrity, people trust and listen to us because our words align with our actions*". However, despite this understanding, there was a consensus among the managers that the company has not yet fully implemented these values effectively, with the HRGA Manager highlighting challenges in following Standard Operating Procedures (SOPs) due to difficulties in obtaining necessary approvals.

For employees with educational levels below a Bachelor's degree, additional explanation was required for them to fully grasp the corporate values. After further clarification, the Purchasing Staff and HRGA Staff were able to articulate their understanding and application of these values in their roles. The Purchasing Staff, for

example, remarked, "I believe that the company's values help me to be more trusted in managing goods and finances, which can minimize the company's losses". However, the Laser Machine Operator, even after receiving explanations, struggled to fully comprehend and articulate the company's values, though he acknowledged that these values could be useful for achieving better work outcomes.

Based on the initial analysis of understanding Corporate Values at PT MMLB, a further analysis was conducted regarding the motivation of each PT MMLB employee using the coding qualitative analysis method.

Table 1. Generated Code of Employee Motivation Based on Interview Answers

N1	N2	N3	N4	N5	N6
Reward	Honesty	Professionalism	Integrity	Salary Increase	Training
Appreciation	Communication	Opportunity	Commitment	SOP	Work Environment
Praise	Trust	Loyalty	Teamwork	Target	Recognition
Trust	Recognition	Career Advancement	Training	Training	Welfare
Outing (Activity)	Enthusiasm	Allowance	Teamwork	Teamwork	Transparency

Employees at PT MMLB with bachelor's degrees (N1-N3) highly value rewards, appreciation, and praise, as these forms of recognition significantly boost their motivation. They emphasize the importance of honesty and clear communication, believing that trust between employees and management is crucial. Additionally, they are driven by professionalism and growth opportunities, seeking environments that foster skill development and career advancement, which in turn strengthens their loyalty to the company.

In contrast, employees with qualifications below a bachelor's degree (N4-N6) prioritize integrity, commitment, and teamwork, valuing a workplace where everyone collaborates toward common goals. They are motivated by salary increases, clear Standard Operating Procedures (SOPs), and achievable targets, as these provide financial stability and clear expectations. They also place high importance on training, a supportive work environment, and recognition, seeking opportunities to enhance their skills and be acknowledged for their contributions. Overall, PT MMLB's implementation of corporate values related to employee motivation is uneven, with notable areas for improvement in communication, professional development, financial stability, and training support.

To be more understand about the current motivation and find suitable improvement to boost to their performance, more in-depth analysis was conducted by defining themes for employee motivation based on the generated code.

Table 2. Motivation Themes based on Generated Code

Themes	Codes
Recognition and Reward Systems	reward, appreciation, praise, outing
Communication and Trust	honesty, communication, trust, transparency
Professional Growth and Opportunities	professionalism, opportunity, career advancement, education
Financial Stability and Structured Environment	salary increase, SOP, target, allowance
Training and Development	training
Supportive Work Environment	integrity, commitment, teamwork, work environment, welfare, enthusiasm

Based on the table, several key themes emerge that are crucial for improving employee motivation at PT MMLB. These themes include recognition and reward systems, communication and trust, professional growth opportunities, financial stability, training and development, and creating a supportive work environment. Research supports the importance of each of these areas. For instance, meaningful rewards such as recognition and appreciation are known to significantly boost employee motivation by making employees feel valued, which in turn leads to higher job satisfaction and performance. Studies, such as those by (Grawitch et al., 2015) and, (Bakker & Demerouti, 2017) highlight that both tangible and intangible rewards are essential for enhancing motivation and overall job performance.

Effective communication and trust are also vital components for employee motivation. Honest and transparent communication helps build trust between employees and management, which is critical for fostering motivation and organizational commitment. Research by (Men, 2015) and (Dirks & Ferrin, 2002) underscores the role of transparent communication and trust in leadership as key factors in creating a motivated and engaged workforce. Additionally, providing structured opportunities for professional growth and career advancement is crucial for maintaining job satisfaction and employee loyalty. Studies by (Presbitero, 2017) and (De Vos & Van der Heijden, 2017) indicate that career development and continuous learning opportunities are central to retaining a motivated workforce.

Financial stability, through regular salary reviews and clear performance expectations, also plays a significant role in motivating employees. Fair compensation and well-defined guidelines contribute to higher productivity and job satisfaction, as supported by research from (Aguinis et al., 2013). Moreover, investing in comprehensive training programs is essential for maintaining high motivation levels among employees, as continuous learning is highly valued for personal and professional development. This is supported by studies from (Jehanzeb & Bashir, 2013) and (Sung & Choi, 2014). Finally, creating a supportive work environment that fosters integrity, commitment, and teamwork can significantly enhance employee engagement and reduce turnover, as emphasized by research from (Aguinis et al., 2013) and (Kurtessis et al., 2017). Together, these themes highlight areas where PT MMLB can focus efforts to better align corporate practices with employee motivation needs.

The Abilities of Employee

It is evident that employees with a bachelor's degree at PT MMLB generally possess stronger problem-solving skills and can handle workplace challenges more independently, likely due to their broader educational background and diverse work experiences. For instance, the HRGA Manager describes their challenges as enforcing discipline, implementing K3 (Health, Safety, and Environment), and learning quick

calculations for construction tasks outside their typical duties, stating, "I learn and use national regulations so that discipline and K3 implementation can run smoothly". Similarly, the R&D Manager notes the challenge of adapting to different conditions from previous companies, emphasizing the need to understand various departments to identify areas for improvement. In contrast, employees with less than a bachelor's degree tend to rely more on seeking help from superiors when facing obstacles. For example, the Purchasing Staff addresses challenges by "asking a lot of questions, having discussions, and coordinating," while the Laser Operator Staff handles new tasks by "asking a lot of questions and learning from more experienced colleagues." This difference in approach is supported by research, which suggests that employees with a bachelor's degree have better-developed problem-solving skills due to their more comprehensive education, as highlighted by studies like those of (Adeoye & Jimoh, 2023) and (Huber & Kuncel, 2016).

To comprehensively assess these abilities, the author developed questions based on specific indicators associated with the Ability Variable as outlined by (Van et al., 1995), which include education, experience, problem-solving skills, teamwork, and adaptability. These indicators cover an employee's academic background and training, relevant work experience, ability to identify and solve problems, effectiveness in working with others, and capacity to adapt to changes and new situations in the workplace.

Table 3. Employee's Ability Coding Analysis

N1	N2	N3	N4	N5	N6
Management	Accounting	Engineering	Social Science	Communication	Engineering
Discipline	Finance	Research	Retail	Service	Laser
Communication	SOP	Character	Understanding	Complaints	Learning
Psychology	Collaboration	Humanistic	Coordination	Coordination	Coordination
	Flexibility	Patience	Adjustment	Adjustment	Adjustment

Bachelor's degree employees excel in strategic roles with their specialized knowledge, analytical problem-solving, and leadership skills, making them effective in management and long-term planning. In contrast, undergraduate employees are strong in practical, hands-on tasks, excelling in operational roles that require immediate problem-solving and adaptability to dynamic work environments. Both groups bring valuable strengths suited to different functions within a company.

Table 4. Ability Themes based on Generated Code

Themes	Codes
Management Skills	Management, Discipline, SOP
Technical Proficiency	Accounting, Engineering, Finance, Research, Laser
Communication Skills	Communication, Understanding, Complaints
Psychological Insight	Psychology, Character, Humanistic
Collaboration	Collaboration, Coordination
Adaptability	Flexibility, Patience, Adjustment

To improve employee abilities at PT MMLB, several key areas need to be addressed, focusing on enhancing both management skills and technical proficiency. Employees with lower educational qualifications excel in practical management tasks, such

as coordination and customer service, but may benefit from training programs that focus on strategic management, leadership development, and decision-making skills. Research by (Anyidoho, 2020) suggests that such training could bridge the gap between these employees and their bachelor-degree-holding counterparts, who typically excel in strategic management and SOP implementation. For these degree holders, continuous professional development and advanced leadership programs are essential to maintaining their effectiveness in high-level roles (Castelli, 2016).

In terms of technical proficiency, employees without a bachelor's degree often have strong hands-on skills in specific areas like retail operations or laser technology. Enhancing these skills through vocational training, certifications, and on-the-job learning is crucial (Nugraha et al., 2020). Meanwhile, employees with bachelor's degrees typically possess advanced technical expertise in fields like accounting, engineering, and finance. According to (Li, 2022), ongoing learning opportunities and advanced technical courses are necessary to keep these employees competitive and innovative in their respective fields. Communication skills are another area where targeted improvement can significantly benefit PT MMLB. Employees with lower educational backgrounds often excel in practical communication, such as handling customer complaints. (Bucăța & Rizescu, 2017) suggest that training in advanced communication techniques and conflict resolution could enhance these abilities further. Degree holders, who already possess strong communication skills, can benefit from professional development in public speaking and advanced writing, as (Bambacas & Patrickson, 2008) suggest, to maintain effective workplace interactions and overall communication efficacy.

Psychological insight is an important factor for both groups of employees. Those without a bachelor's degree often develop psychological insights through experience, particularly in teamwork and coordination. Workshops on emotional intelligence and team dynamics, (Aristana et al., 2023), could further refine these skills, fostering more effective collaboration. In contrast, employees with bachelor's degrees generally have a deeper understanding of psychological principles due to their academic training. Further courses in psychology and human resource management, as suggested by (Ra'ed, 2016), would enhance their ability to manage teams effectively and create a supportive work environment.

Lastly, adaptability is crucial for both practical and strategic roles. Employees with lower educational qualifications often demonstrate strong adaptability, which can be enhanced through training in change management and resilience (Seibert et al., 2016). Meanwhile, degree holders, who typically show flexibility and patience, could benefit from professional development in strategic management and transformational leadership, preparing them to lead effectively in dynamic environments, (Dragoni et al., 2014). Overall, these targeted improvements in management skills, technical proficiency, communication, psychological insight, and adaptability will significantly enhance the abilities of PT MMLB's employees.

Employee's Role Perception

Interviews with employees at PT MMLB reveal that those with bachelor's degrees generally have a more structured and clear perception of their roles, relying on analytical skills and their professional background, which results in fewer instances of confusion. For instance, the HRGA Manager mentioned, *"If I hadn't been involved in HRD and GA, maybe up until now, there wouldn't have been any structured regulations in place,"* highlighting the impact of their structured role perception. Similarly, the Finance Manager stated, *"I must have the ability to analyse,"* reflecting their clear understanding of their responsibilities due to their educational background. The R&D Manager also emphasized having *"clear job descriptions and a clear understanding of my field,"* which minimizes confusion in their role.

In contrast, employees without bachelor's degrees often require more external guidance and face more challenges in understanding their roles, leading to more frequent role conflicts and confusion. The HRGA Staff expressed initial difficulties, saying, "At first, I faced many challenges managing two divisions simultaneously," while the Laser Operator Staff mentioned needing to ask colleagues and conduct evaluations to ensure correct understanding. These findings align with research indicating that higher educational attainment contributes to clearer role perception and better job performance (Bauer et al., 2007), while those with less education may experience more role ambiguity and require additional training to bridge this gap (Baldwin & Ford, 1988).

To thoroughly address the Role Perception issue at PT MMLB, interview questions were designed based on specific indicators of Role Perception, including clarity of expectation, understanding of job duties, and role conflict (Anton, 2009). These indicators assess how well employees understand their job expectations and duties, as well as how they manage conflicting demands. A coding analysis was then conducted on employee responses to identify areas for improvement in employee abilities.

Table 5. Employee's Role Perception Code

Code 1	Code 2	Code 3	Code 4	Code 5	Code 6
Role	Analyzing	Work	HRGA	Managing	Validation
Finance	Needs	Experience	Learning	Asking	Adjusting
Job Description	Information	Challenges	Managing	Division	Superior
Regulatory	Conflict	Independent	Cross-check	Manager	Control
Confusion	Professional	Cordinating	Tasks	Position	Self
Understanding			Purchasing	Responsibility	

The role perception at PT MMLB highlights the need for clearer role definitions and structured job descriptions. Employees with strong analytical skills and experience excel, while others often struggle with confusion and role conflicts. To address this, the company should foster a learning environment that promotes ongoing education and encourages independence, along with effective management practices that include guidance from supervisors. Improved coordination and communication between departments are crucial to prevent role overlap, and clear accountability mechanisms should be established to help employees understand and take ownership of their roles. These steps will enhance job satisfaction, productivity, and overall organizational effectiveness.

Table 6. Role Perception Themes based on Generated Codes

Themes	Codes
Role Clarity and Understanding	Role, HRGA, Managing, Validation
Analytical Skills and Needs Assessment	Finance, Needs, Adjusting
Work Experience and Challenges	Job Description, Information, Challenges, Managing, Divison, Superior
Managing and Regulatory Tasks	Regulatory, Conflict, Independent, Cross-check, Manager, Control
Interpersonal Interactions and Coordination	Professional, Coordinating, Tasks, Position, Self
Self-Management and Control	Understanding, Purchasing, Responsibility

To address Role Perception issues at PT MMLB, several key areas require improvement, starting with enhancing Role Clarity and Understanding. Employees with bachelor's degrees generally have a clearer grasp of their roles and use more structured approaches, while those without degrees often face initial challenges and require additional

guidance. Implementing clear and detailed job descriptions, along with regular role-specific training, can help bridge this gap and reduce role ambiguity, leading to improved job performance and satisfaction (Bauer et al., 2007).

Additionally, the development of Analytical Skills and Needs Assessment is crucial. Bachelor's degree holders typically have stronger analytical skills, allowing them to assess needs independently, whereas non-degree holders rely more on external guidance. Providing targeted analytical skills training, encouraging continuous learning, and fostering mentorship programs can enhance the analytical capabilities of non-degree employees, promoting a culture of self-reliance and continuous improvement (Locke & Latham, 2002). Furthermore, offering opportunities for diverse work experiences and proactive information-seeking behaviors can help non-degree holders manage challenges more effectively, aligning with (Morrison, 2002) emphasis on experiential learning.

Improvements are also needed in Managing and Regulatory Tasks, Interpersonal Interactions and Coordination, and Self-Management and Control. Bachelor's degree employees tend to manage tasks more efficiently and understand regulatory requirements better, while non-degree employees often struggle with role conflicts and require more validation. Offering advanced training in regulatory compliance and management, along with robust feedback mechanisms, can improve task management skills across the board (Bombina, 2022). Strengthening interpersonal skills and encouraging teamwork can enhance coordination and confidence in task execution, (De Dreu & Weingart, 2003). Lastly, implementing self-management training programs and fostering a culture of autonomy will empower all employees to take ownership of their responsibilities, ultimately improving overall job performance and satisfaction (Gagné & Deci, 2005).

Situational Factors (Ethical Climate) of Employees

Employees with bachelor's degrees at PT MMLB often express discomfort related to professional relationships and the lack of transparency within the workplace. They value clear communication and structured working conditions, emphasizing the need for well-defined roles and responsibilities. For example, the R&D Manager noted a desire for *"a better reward system and opportunities for self-development through the improvement of a fair system."* They focus on improving operational efficiencies and adhering strictly to Standard Operating Procedures (SOPs), recognizing that non-compliance can have serious consequences. The HRGA Manager highlighted the importance of feedback and thorough planning, stating, *"It's important to have a boss who is open to two-way feedback."*

In contrast, employees without a bachelor's degree focus more on immediate, practical concerns, such as having clear job tasks and a stable work environment. They express discomfort when faced with unclear expectations or sudden changes in workload, as noted by the Purchasing Staff, who felt uncomfortable with *"last-minute and urgent requests."* These employees tend to view workplace decisions through the lens of how they directly impact their day-to-day tasks, often discussing the practical challenges of adhering to SOPs when these conflict with immediate job demands.

The ethical climate at PT MMLB varies between these two groups. Bachelor's degree holders emphasize benevolence by fostering collaboration and considering the broader impact of their decisions on team harmony, while non-degree holders express benevolence more practically, focusing on clear communication and immediate team dynamics. In terms of egoism, degree holders balance personal and organizational interests, prioritizing long-term goals and fair processes, whereas non-degree holders focus on how decisions affect their daily work. Both groups value principles and rules, but degree holders tend to adhere strictly to SOPs, while non-degree holders apply these principles more flexibly to meet the practical demands of their work.

To comprehensively assess the Situational Factor at PT MMLB, interview questions were crafted based on specific indicators of the ethical climate, including

behaviors driven by self-interest and organizational gain (egoism), a focus on the well-being of others (benevolence), emphasis on individual moral judgment (principle), adherence to external laws and professional codes, and the following of internal organizational rules and procedures (principle) (Newman et al., 2017).

Table 7. Employee's Situational Factor Code

Code 1	Code 2	Code 3	Code 4	Code 5	Code 6
Self-Development	Harmonious	Moral Considerations	Following SOP	Performance Improvement	Job Satisfaction
Focus on HRGA	Supportive	Ethical Decisions	New Systems	Internal Rules	Company Effectiveness
Effective for the Company	Well-being	Impact of Decisions	Existing Regulations	Decision-making Process	Task Clarity
Quality	Employees	Discussion and Coordination	System Efficiency	Evaluation	Employee Well-being

Table 8. Situational Factors Themes based on Generated Codes

Themes	Code
Personal and Organizational Growth	Self-Development, Focus on HRGA, Effective for the Company, Quality
Supportive and Collaborative Environment	Harmonious, Supportive, Well-being, Employees
Ethical Decision-Making and Integrity	Moral Considerations, Ethical Decisions, Impact of Decisions, Discussion and Coordination
Adherence to Procedures and Guidelines	Following SOP, New Systems, Existing Regulations, System Efficiency
Commitment to Continuous Improvement	Performance Improvement, Internal Rules, Decision-making Process, Evaluation
Job Satisfaction and Well-being	Job Satisfaction, Company Effectiveness, Task Clarity, Employee Well-being

The analysis of situational factors at PT MMLB highlights several areas for improvement to better align personal development with organizational goals, thereby enhancing overall performance. Fostering a culture of continuous learning and career advancement is crucial, as it not only motivates employees but also strengthens the ethical foundation of the organization. Research supports that when employees see their growth as integral to the company's mission, they are more likely to engage in behaviors that uphold ethical standards, creating a committed and ethically aware workforce (Demirtas & Akdogan, 2015).

Improving the supportive and collaborative environment at PT MMLB is another critical area for development. Implementing team-building activities and open communication channels can reinforce a caring ethical climate, where employees feel valued and supported. Studies show that a supportive work environment promotes ethical behavior and increases job satisfaction, which in turn fosters a more ethical workplace culture (Kaptein, 2017). Additionally, enhancing ethical decision-making through clear guidelines, regular ethics training, and open discussions about ethical dilemmas can solidify a culture where integrity is integral to decision-making processes, aligning with research that highlights the importance of a well-defined ethical decision-making framework (Mayer et al., 2009).

Finally, PT MMLB should focus on adherence to procedures and continuous improvement, ensuring that Standard Operating Procedures (SOPs) and internal regulations are clear, accessible, and regularly updated. Supporting research emphasizes the

importance of clear procedures in maintaining an ethical climate, as they provide a structured framework for accountability (Kaptein, 2017). Encouraging employee feedback and innovation can also strengthen the company's commitment to continuous improvement, which is linked to the development of a stronger ethical climate and increased operational efficiency (Kwon Choi et al., 2013). Additionally, prioritizing employee well-being through flexible work arrangements and wellness programs can enhance job satisfaction, further supporting an ethical workplace culture (Demirtas & Akdogan, 2015).

1. Implementation of Corporate Values (integrity, commitment, professionalism, and service excellence) that Influence Employee's Performance.

The implementation of corporate values at PT MMLB—integrity, commitment, professionalism, and service excellence—has a varied impact on employees' performance, especially among those with lower educational backgrounds. These employees often require additional guidance to fully grasp and apply these values, unlike their higher-educated counterparts who tend to align more easily with corporate principles. When understood, corporate values can provide motivation by offering a sense of purpose, but their effectiveness is limited if not clearly communicated and consistently reinforced. Employees with lower educational backgrounds benefit from clear expectations, structured support, and recognition, yet often struggle with problem-solving and independent task management, relying more on external guidance. This reliance suggests a gap in role clarity and understanding of how corporate values translate into daily responsibilities. The situational factors, such as the ethical climate at PT MMLB, are crucial in shaping employee behavior, with those of lower educational backgrounds needing more explicit guidance to navigate ethical challenges. To enhance the influence of corporate values on performance, PT MMLB should focus on tailored training, clear role definitions, and a supportive ethical climate that addresses the specific needs of these employees.

2. The Effect of Lower Educational Level Employees' Performance to the Production Efficiency

The research reveals that employees with lower educational levels at PT MMLB significantly impact production efficiency due to several challenges. These employees often struggle with understanding and executing complex tasks, leading to higher error rates and delays that create bottlenecks in the production process. Their increased reliance on supervision diverts managerial attention from higher-level tasks, slowing down overall productivity. Additionally, their limited problem-solving skills and adaptability cause minor issues to escalate into significant production delays. Misalignment between their role perceptions and job demands further exacerbates inefficiencies, as tasks may be executed improperly or require rework. Moreover, these employees may struggle to fully grasp the company's ethical standards, leading to behaviors that disrupt production, such as not adhering to procedures. To improve production efficiency, it is essential to address these challenges through targeted training, clearer role definitions, and enhanced supervision.

3. Effective Strategies to Enhance Work Ethics and Reduce Unethical Behavior Among Employees

To enhance work ethics and minimize unethical behavior among employees at PT MMLB, a strategic approach involving several key initiatives is essential. First, clarifying and reinforcing corporate values, such as integrity, commitment, professionalism, and service excellence, is crucial, especially for employees with lower educational backgrounds. Providing clear explanations and structured support helps these employees better integrate these values into their daily work (Demirtas & Akdogan, 2015). Additionally, boosting motivation through recognition and clear expectations can foster a positive environment that promotes ethical conduct. Establishing achievable goals,

recognizing efforts, and clearly communicating expectations are effective ways to increase employee engagement and ethical behavior (Aguinis et al., 2013).

Targeted training and development programs are also vital for equipping employees with the skills necessary to perform their duties ethically. Implementing training that focuses on ethics, problem-solving, and role clarity helps employees, particularly those with lower educational levels, handle ethical dilemmas and follow company policies more effectively (Jehanzeb & Bashir, 2013) and (Sung & Choi, 2014). Creating a supportive ethical environment is another essential strategy, where establishing a culture of transparency, open communication, and adherence to company guidelines promotes ethical decision-making and integrity among all employees (Kaptein, 2017). Enhancing supervision through regular check-ins, feedback, and mentoring also plays a crucial role in maintaining a positive ethical climate and reducing unethical behavior, with supervisors equipped to guide employees, especially those needing more support (Mayer et al., 2010).

To ensure the successful implementation of these strategies, a phased approach is recommended. Starting with preparation and initial training for supervisors and middle management (months 1-2), followed by company-wide training and awareness campaigns (months 3-4) that emphasize ethical behavior and role clarity, the organization can gradually build a solid ethical foundation. Supervisory practices and feedback mechanisms should be enhanced during months 5-6, with ongoing support for ethical mentoring and performance monitoring. Continuous improvement efforts, including regular audits, evaluations, and recognition of ethical behavior, should be maintained from months 7-12, ensuring that the ethical culture is sustained and reinforced across the organization. By systematically rolling out these initiatives, PT MMLB can establish a strong, sustainable ethical climate that reduces unethical behavior and enhances overall work ethics.

CONCLUSION

The study at PT Medi Modular Luar Biasa (PT MMLB) reveals that the implementation of core values—integrity, commitment, professionalism, and service excellence—significantly influences the behavior and productivity of employees with lower educational backgrounds. These employees often face challenges in fully understanding and applying these values, leading to varied levels of performance and ethical conduct. The study highlights that the ethical climate within PT MMLB plays a crucial role in shaping employee behavior, with a positive ethical environment fostering better adherence to organizational policies and improved performance.

To address the specific needs of this workforce segment, the research develops practical strategies that align with the MARS Model, emphasizing the importance of ethical leadership, tailored training programs, and clear role definitions. These strategies are designed to enhance both ethical behavior and productivity, ensuring that employees with lower educational backgrounds can effectively contribute to the organization's goals. Ultimately, the study suggests that by strengthening the ethical climate and providing structured support, PT MMLB can achieve better alignment of employee behavior with its core values, leading to improved overall organizational outcomes.

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