ETHICAL ORGANIZATIONAL: IS IT JUST A DISPLAY?

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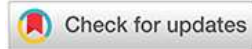
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ABSTRACT

The purpose of this research is to find out what are the antecedents and consequences of organizational ethics in the era of Society 5.0 so that they can assist practitioners in making decisions and academics in conducting research related to organizational ethics. This study used a systematic literature review method of 6 articles from the Scopus database relevant to the research problem's formulation. The results show that two factors can influence ethical organizational existence in the era of Society 5.0 i.e. transformational leadership and servant leadership. Meanwhile, the impact of ethical organizational in the organizational system includes moral agency, promotion focus, authentic leadership, work-related stress, employee well-being, creating an ethical organizational, unethical behavior, and job satisfaction. However, this research is still limited to one database and many other things are important to research. So the researcher suggests further research.

Keywords: *Organizational Ethics; Organizational Behavior; Era of Society 5.0*

INTRODUCTION

It is important to understand that organizational ethics involve more than meeting legal requirements in managing an organization. Organizational ethics involve responsible attitudes and behavior towards society and the surrounding environment. This reflects the awareness that organizations have a wider impact than simply seeking financial gain (la Fuente & Abad-Segura, 2023). First of all, it is important for organizations to realize that an ethical organizational culture starts with strong leadership. Organizational leaders must be exemplary in ethical behavior, integrity management, transparency, and accountability in everything they do. This is in line with research by Treviño et al. (2006), where ethical behavior in organizations is influenced by individual, group, and organizational factors.

In the era of Society 5.0, where technology and social transformation are increasingly influencing our lives, it is important for organizations to adopt relevant values and ethical principles. Society 5.0 emphasizes sustainability, equity, inclusion, and humanity in leveraging technology and realizing social progress. Organizations also need to improve security in terms of protecting customer data, company data, and employee data. In addition, the organization needs to review the ethical values applied in the company/organization so that they are in line with current conditions. Organizations need to ensure that they use technology responsibly and consider its impact on society and the environment (Rivari & Heikkinen, 2022).

Organizations should focus on human interests and sustainability, not just for financial gain. In this context, organizations must also recognize their social responsibility towards society and the environment. Organizations must consider the social, environmental and economic impacts of their operations. This includes managing waste and emissions, respecting human rights, ensuring safe and fair working conditions, and contributing to sustainable development and social empowerment (Shin et al., 2022). Organizations can engage in social initiatives, adopt environmentally friendly business practices, and build partnerships with stakeholders to achieve broader social goals. organizations must also recognize their social responsibility to society and the environment. Organizations must consider the social, environmental and economic impacts of their operations. This includes managing waste and emissions, respecting human rights, ensuring safe and fair working conditions, and contributing to sustainable development and social empowerment (Shin et al., 2022). Organizations can engage in social initiatives, adopt environmentally friendly business practices, and build partnerships with stakeholders to achieve broader social goals.

In dealing with complex situations and ethical dilemmas, organizations need to develop a framework that can assist in making ethical decisions (Khemakhem et al., 2023). This involves a process of critical thinking, moral reflection, and consultation with relevant stakeholders. Organizations must have a clear ethics policy, provide ethics training to employees, and promote a work culture that emphasizes integrity and social responsibility. Overall, organizational ethics involve making decisions that consider social and environmental impacts, maintain ethical values, and be accountable to society.

In the era of Society 5.0, organizations must play an active role in achieving social sustainability and empowerment. In an effort to achieve sustainability and social empowerment, organizations can take concrete steps that incorporate ethical values in every aspect of their operations, including: environmental policies, fair work practices, social engagement, transparency and accountability as well as partnerships and collaboration (Tasoulis et al., 2019). In carrying out all these steps, it is important for the organization to engage and engage employees in the organization's ethics endeavors.

Ethics training, advice, and spaces for dialogue help build collective awareness and commitment to ethical values and social responsibility. transparency and accountability as well as partnerships and collaboration (Tasoulis et al., 2019).

The purpose of this research is to find out what the antecedents and consequent factors of ethical organizations in the era of Society 5.0 so that practitioners and academics are assisted in making decisions, material for consideration, and topics for further research. So, this research is formulated on two things, namely (1) what are the antecedents of an ethical organization? and (2) what are the consequences of an ethical organization?

LITERATURE REVIEW

In Burnes's 2023 study (as cited in the Oxford Dictionary of English, 2006), defines ethics as 'the moral principles that govern a person's behavior or the performance of an activity'. Meanwhile in organizational study, ethics are beliefs about what is right or wrong and provide a basis for assessing appropriate behavior or not and guide people in dealing with other individuals, groups, and organizations (Jones et al., 2000, as cited in Burnes , 2023).

The ethical approach consists of 2 perspectives within the philosophical camp, including consequentialist (teleological) and non-consequentialist approaches (deontological; Pettit, 2003; Wood-Harper et al., 1996 as cited in Burnes, 2023). According to the consequentialist perspective, ethical values are meaningless unless they achieve ethical results and focus on results rather than motives and behavior (Burnes, 2023). While non-consequentialists share the same view of the importance of ethical values but deny that right or wrong behavior is determined by its consequences (Burnes, 2023.
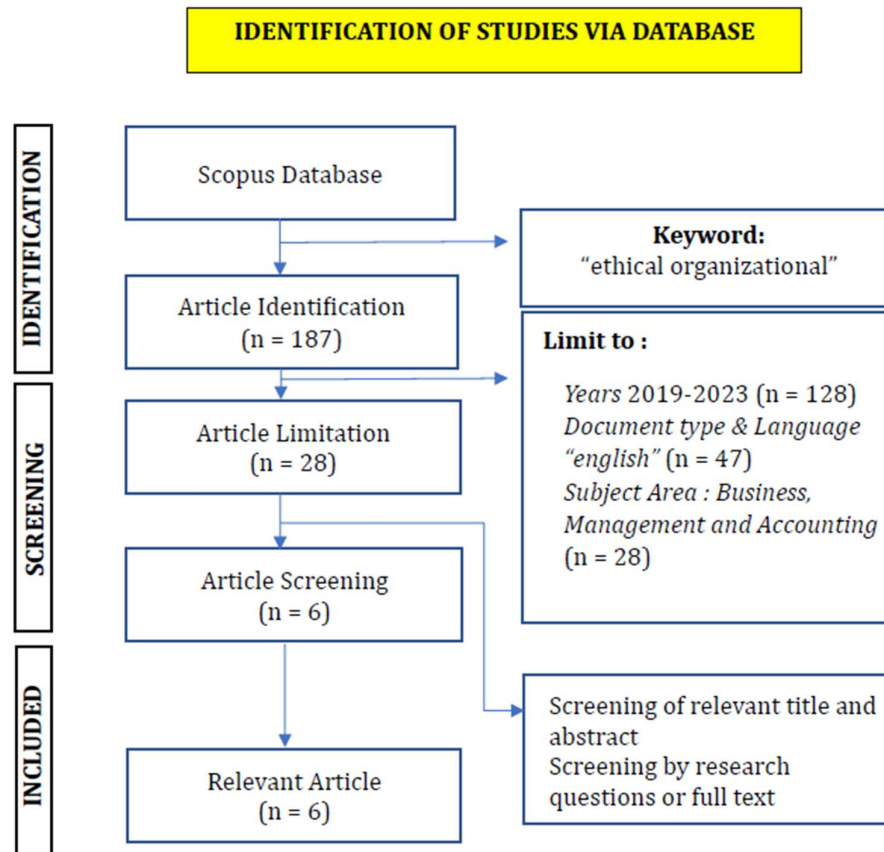
In the era of Society 5.0, ethical organizational has an important role in terms of controlling the use of technology ethically while maintaining privacy and security in all organizational activities. Every organization needs to uphold the value of its trust while maintaining security and comfort.

METHOD

This study examines organizational ethical variables using the Systematic Literature Review (SLR) method. This method is used to analyze the factors that influence organizational ethics. The Systematic Literature Review (SLR) in this study was carried out in accordance with the Preferred Reporting Items for Systematic Review and Meta-Analyses (PRISMA) guidelines in Figure 1.

Systematic Literature Review (SLR) research uses literature from the Scopus database. The first is to write "ethical organization" as the keyword used in the article search and find 187 articles. Furthermore, limitations are carried out in order to obtain relevant articles and make it easier for researchers to find articles that are in accordance with the formulation of the problem and the things that are the research objectives. Restrictions are made by selecting the "year" article from 2019 to 2023 due to the entering the Society 5.0 era which is full of innovation and major changes in the world of information and communication technology in various aspects of human life and the document type is "article" and the publication stage is "final" with the English "journal" Source type so that it is easy to get reference articles. From the results of the limitations

carried out there were 28 articles from the appropriate Scopus database. The next step is to download the 28 articles via the Scopus.

IDENTIFICATION OF STUDIES VIA DATABASE

Scopus Database

Keyword:
"ethical organizational"

Article Identification
(n = 187)

Limit to :

Article Limitation
(n = 28)

Years 2019-2023 (n = 128)
Document type & Language
"english" (n = 47)
Subject Area : Business,
Management and Accounting
(n = 28)

Article Screening
(n = 6)

Screening of relevant title and abstract
Screening by research questions or full text

Relevant Article
(n = 6)

IDENTIFICATION

SCREENING

INCLUDED

Source: Researchers analysis, 2023

Figure 1
Flowchart PRISMA

Of the 28 articles, screening and selection were carried out according to the research question. The initial screening is selected through relevance based on the title and abstract related to organizational ethics. Furthermore, the screening process by reading as a whole to get results that are relevant to the problem formulation. Articles that are considered inappropriate will be excluded, the results of the screening leave 6 articles that are in accordance with the problem formulation and then the data analysis process will be carried out.

RESULTS AND DISCUSSION

After carrying out a good and correct screening according to the formulation of the research problem, it is easy for the researcher to find answers to the two formulations of the problem studied, namely as follows:

(RQ1) What are the Antecedents of ethical organization?

Antecedents are factors that influence a research variable. Table 1 describes some of the antecedents of ethical organizations, namely as follows:

Table 1
Antecedent ethical organization

NO.	Antecedents	Source
1	*Transformational leadership*	(Valentine et al., 2023)
2	*Servant leadership*	(Valentine et al., 2023)

Source: Researchers Analysis, 2023

Table 1 explains that there are two factors that influence the existence of an ethical organization in the era of Society 5.0 including transformational leadership and servant leadership. Transformational leadership and servant leadership come from leaders, so leaders will determine the existence of an ethical organization in an organization.

(RQ2) What are the consequences of ethical organization?

Consequences are factors from the presence of antecedent variables (results/paths). Consequences are a measure of the success of the research variable and are the target of the findings.

Table 2
Consequences of ethical organization

NO.	Consequent	Source
1	*Moral agency*	(Hiekkataipale & Lämsä, 2019)
2	*Promotion focus*	(Fladerer & Braun, 2020)
3	*Authentic leadership*	(Fladerer & Braun, 2020)
4	*Work related stress*	(Schwepker et al., 2021)
5	*Employee welfare*	(Schwepker et al., 2021)
6	*Creating an ethical organization*	(Kuenzi et al., 2020)
7	*Unethical behavior*	(Kuenzi et al., 2020)
8	*Job satisfaction*	(Valentine et al., 2023)

Source: Researcher Analysis, 2023

Based on the analysis of Table 2, we can understand that an ethical organization has an impact on various things in the organizational system. The main conclusion that can be drawn is that ethical organizations do not only have an impact on the organization, but also have an impact on the workers or key parties in the organization. Satisfaction and work performance are benchmarks for the successful implementation of an ethical organization within the organization. However, it should be noted that if the ethical organization is not implemented properly, it will have a negative impact on organizational behavior.

CONCLUSIONS AND RECOMMENDATIONS

Organizational ethics that are only used as a display or appearance are worrying because they can cause distrust from stakeholders. Such organizations may only use ethics as a marketing tool to enhance their image. Organizations that are sincerely committed to organizational ethics will implement these values in all of their operations. They uphold human rights, maintain business integrity, protect employees, and strive to have a positive impact on society and the environment.

To assess whether ethical organizations are mere appearances, in-depth research is needed that involves collecting qualitative and quantitative data from various sources. Analysis of reporting reports, interviews with employees and stakeholders, and case studies can help in understanding the actual practices and behavior of an organization.

It is important not to make judgments based solely on assumptions. Instead, a comprehensive viewpoint and careful analysis is needed to reveal whether ethical organizations are simply displaying or displaying. Organizations that pay ethically consistently will gain long-term benefits in the form of a good reputation, the trust of stakeholders, and continued business continuity.

The purpose of this research is to find out what are the antecedents and consequences of an organizational ethics in the era of society 5.0, so that it can assist practitioners in making decisions and academics in conducting research related to this topic. However, this research is still limited to one database and there are many other things that are important to research. So the researcher suggests to do further research.

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