

Work Ethics As A Mediator Of Human Relation And Work Environment Effect On Employee Performance

Rina Rahmawati
(STIE Malangkuçęwara, Indonesia)

Abstract:

Background: In the dynamic and demanding property sector, employee performance is significantly influenced by three key factors: work ethic, human relations, and work environment. Work ethic refers to an individual's deeply held beliefs and values about work, which motivate and guide their behavior. Human relations refer to the quality of interactions and relationships between employees and their supervisors, as well as among colleagues. Work environment refers to the physical and social conditions in which employees work, such as the office layout, resources, and culture. This study investigates how human relations and work environment affect work ethic, and shows how work ethic mediates the relationship between human relations and work environment on employee performance.

Materials and Methods: This study is quantitative research conducted on employees of WBL property company in East Kalimantan Province using probability sampling. The sample size was 200 respondents, and the data was analyzed using SPSS version 25 for Windows.

Results: The study found that positive human relations and a positive work environment lead to better work ethics, but they do not directly affect employee performance. However, work ethics do have a positive impact on employee performance. In other words, human relations and work environment indirectly affect employee performance through work ethics.

Conclusion: Employees with a strong work ethic are more likely to have positive relationships with their colleagues and supervisors, and to stay motivated and engaged in their work, even in challenging work environments. This is because a strong work ethic is characterized by a commitment to hard work, dedication, and perseverance, all of which can help employees to overcome obstacles and succeed in their jobs.

Keywords: work ethics; human relation; employee performance; work environment

Date of Submission: 29-10-2023

Date of Acceptance: 09-11-2023

I. Introduction

An organization's success, whether manufacturing or service based, is best determined by assessing the level of performance it achieves. There are various aspects that can influence how an employee carries out their work, including approaches to leadership, the shared atmosphere of the organization, the physical and online settings in which tasks are done, the day-to-day responsibilities and processes that make up someone's role, the treatment and support received by workers, and how new hires are helped to acclimate to their new position. The accomplishment of assigned duties by each member of a company, as well as the aggregate completion of said duties by all personnel, ultimately determines the level of success attained by that organization as the culmination of choices made throughout a process undertaken by individuals, work units, and the company comprehensively. Goals and achievements derived from behavioral or organizational performance become a collection of the performances of each organizational unit and of all individuals, from their operation to management, and organizational issues related to performance are not only recognized by government organizations, but also experienced by private organizations. In other words, performance must be able to overcome the problems that arise in the organization to achieve the goal. Without good performance, the continuity of the organizational life cycle will be disrupted. Modern organizations require targeted initiatives to achieve expected performance levels from employees who understand the accepted standards and best practices in their industry and country of operation.

Relationship is one of Seligman's [1] five foundations of authentic wellbeing, healthy, good connections. Relationships, in the opinion of Diener et al. [2], may be the primary factor in determining happiness and life satisfaction. The caliber of our professional interactions affects not only our capacity for personal growth, but is also likely to heighten our sense of accomplishment. Particularly since the introduction of digital communications, our daily lives at work have undergone a significant transformation. The changing nature of people's actions, technological advances, and globalization have transformed not only how we approach our work but also how we engage with fellow workers in the process.

The morality known as ethics is on the rise, and professional ethics is one of those measures that enable employees to perform at their jobs to the desired level of performance regardless of the harsh practices and unethical labor practices of competitors in the business environment. Morale, however, is markedly down, as is amply evidenced by the breaches of integrity by many employees in our modern work organization. Huberts, et al. [3] found that cases of fraud, theft, corruption, information manipulation, and misconduct are now well reported. Leading scientists believe that ethical behavior must be institutionalized in order to remain a market leader or become an industry champion.

Work ethic is a person's perception and attitude towards what they do. When individuals in an organization view their work as noble and essential to human existence, their work ethic tends to be high. Conversely, if an individual's attitude and perception of work have little value in life, then the work ethic itself will be low. The diverse array of influences on the cultivation of work ethics within an establishment encompasses the concordant interplay between personnel, occupational safeguards and surroundings, the socioeconomic milieu, and internal drivers such as self-worth and inspiration derived from direction and impetus.

Just as the employees themselves are crucial, so too is the working environment of any organization in which they find themselves, for it is there that productivity, morale and collaboration are either fostered or face impediment. It is the attitude, structure, environment, and framework of employees' work. It can be further explained in a broader classification, which includes the physical arrangement of the work (for example, temperature, machinery, tools, and equipment, etc.), the characteristics or nature of the work itself (including workload, routine, work, or including the structure of the work and complexity), wider or broader organizational characteristics (such as the organization's culture and history), and other additional or further organizational frameworks, such as general labor market conditions, sectoral and official frameworks, and informal or interpersonal relationships among workers.

The connectivity and interdependence between employees and employers within an organization, as well as the technical aspects comprising the work itself, the interpersonal bonds formed among colleagues, and the overarching organizational environment as a whole collectively define the sum of what constitutes a work's prevailing milieu. The work environment is critical because it emphasizes general working conditions, workplace setup, safety protocols, working hours, the work itself, and the employee-employer relationship. A good working environment is paramount for unleashing employees' full potential and maximizing their contributions to organizational productivity, as it effectively serves as a key motivator.

The connection between workers or employees in an organization and the physical office environment, as well as how they deal with and adjust to it (for example, office buildings or infrastructure, machines, and equipment), is the focus of the environment's physical element. In contrast, the behavioral element of the environment focuses on how employees relate to, interact with, or connect with one another at work. In describing the workplace, a multitude of considerations are weighed that also evaluate the degree of involvement and fulfillment felt among the staff. The work environment's far-reaching influence, with the power to either boost or hinder both individual employee output in addition to overall organizational effectiveness, depends greatly on whether it nurtures or hinders productivity for all involved.

Lodisso [4] showed in his study that interpersonal relationships have a positive and significant impact on employee morale. Liu et al. [5] found that interpersonal relationships have a significant impact on the smooth progress of organizational collaboration, and a good relationship between managers and subordinates helps them to understand work and cultivate their motivation to complete their respective tasks and responsibilities. This condition is thought to affect the work ethic of employees.

Employees have an obligation to work for agencies and to the organization. This is consistent with Omisore & Adeleke's [6] finding that organizational success is tied to human resources because people are an organization's most valuable resource. The work ethics that exist among its personnel have an impact on the performance of the entire organization. Every organization has established objectives that must be met. Organizations rely heavily on human resource capabilities, which can turn the organization's gears in a specific direction, to accomplish this purpose.

A person with a strong work ethic will consistently go above and beyond in their work to fulfill expectations, and often surpass what is required through diligent effort and dedication, as their diligence and commitment to doing quality work leads them to strive for excellence in all aspects of their responsibilities. Based on the notion that labor possesses inherent worth for humanity, one may characterize work ethics as a cultural standard that advocates individuals assume complete accountability for the duties they take on. Work ethics is the capacity to conduct yourself in a way that demonstrates an ethical commitment to your job and boss. The basis for a person's attitude is their work ethic. While values are moral judgments that govern how a person really behaves, ethics is related to how a person must conduct themselves.

The Wulandari Bangun Laksana (WBL) property company is located in Balikpapan, East Kalimantan Province, Indonesia. The WBL is a company engaged in the property sector that has 200 employees who are

divided into several divisions namely Marketing, HRD, Legal, Employees Estate, Project, and Finance. The WBL property company owns a number of properties such as malls, hotels and apartments.

II. Literature Review

Work Ethics

A person with a strong work ethic puts extra effort into their work to meet and sometimes even exceed expectations. On the premise that labor has intrinsic value to humans, work ethics can be described as a cultural norm that encourages people to assume full responsibility for the work they do (Nizam, et al. [7]). Work ethics is the ability to behave in a way that demonstrates ethical commitment to work and superiors. The basis of a person's attitude is their work ethics. Values are moral assessments that regulate how a person actually behaves, while ethics are related to how a person should behave.

Employees who work harder than their coworkers typically produce more. Lu et al. [8] also emphasizes that ethics refers to the values that define what is genuine, good, and appropriate behavior. Although these rules do not always result in a single "moral" behavior, they do provide a mechanism for weighing and selecting among a variety of alternatives. Values include ethics when they relate to convictions about what is right and wrong. One of the most pressing issues in business, particularly in human resource management, is ethics. A company with a strong ethical culture will provide guidance and advice in a variety of areas in order to develop a cohesive, harmonious, and ethical workforce (Mhlanga et al. [9]; Aydin & Karaman [10]; Abbas & Tan [11]; Zhang et al. [12]).

Ethics is influenced by habits, cultural influences, and a set of values. This code of ethics assesses the job from a moral and normative standpoint. From the foregoing, it can be argued that character-shaping factors like attitudes, ethics, and values have a role in determining one's work ethics, where a person's words and deeds can reveal their character. According to Barnett & Bradley [13]; Chen & Wu [14], employees with a strong work ethic are more likely to make changes that are considered beneficial to the organization and do not have the potential to change the organization's core values and goals. This is in contrast to employees with a weaker work ethic who are less supportive of and committed to their organizations and who are more likely to make changes.

Human Relation

A harmonious human relationship formed by the awareness and willingness to fuse individual desires for the integration of common interests, with the goal of producing sufficiently strong integration, encouraging productive and creative cooperation, and achieving a common goal. Human relations are the interactions and communication that occur between one employee and another, both within and outside of the workplace. A harmonious relationship will create a pleasant working environment, which will affect employees' motivation to complete all of their tasks.

Human relationships have a significant impact on employability formation. Furthermore, human relations help to improve employability and career advancement. Individuals with strong human relations skills understand what knowledge organizations require, such as communication skills and cognitive strategies, to function smoothly and productively. Individuals with excellent human relations skills can develop themselves, remain competitive, and skilled.

Human relations are influenced by how people anticipate, prevent, or resolve conflicts between social groups. Human relations refer to interactions between individuals and other people, both in and out of the workplace. A human relation is a relationship in which all interactions of human behavior and social behavior in an organization are identified. Suhail & Rasheed [15] showed human relations are the interactions that occur between individuals in society as a result of a bond that exists between individuals and society in organizations.

Work Environment

The technological environment, the human environment, and the organizational environment are the three main sub-environments that have been used to classify the work environment in order to support its definition. Each of these three sub-environments has been shown to significantly contribute to the attainment and enhancement of organizational productivity. Machines, tools, equipment, technological setup, and any other physical element present in the workplace are all included in the technical environment. The human environment is made up of the people who work there, their peers or coworkers, the team or group they are a part of at work, and anybody else with whom they engage or relate. It also includes the management and leadership of the company.

Workplace environments include all physical aspects of an office that support efficient operations, workers' capacity to relate to, interact with, and connect with upper-level management on work-related matters, decision-making procedures, and every other activity that has an impact on employees' working conditions and job satisfaction with an eye toward maximizing organizational productivity. Employees spend a large portion of

their time at work, and as a result, the office environment has a huge impact on their daily lives. It is established that workers who are happy with their workplace can produce better work results.

III. Research Methods

The Likert scale approach was the research methodology employed in this study, according to Westland [16]. There are five possible responses in the Likert scale method: strongly agree, agree, neutral, disagree, and disagree strongly. The researcher employed the Likert scale approach with five scores: strongly agree (SS) at 5, agree (S) at 4, neutral (N) at 3, disagree (TS) at 2, and strongly disagree (STS) at 1. The population for this study is consists of 200 employees of WBL property company, and all were the respondents used for this analysis.

Hypothesis

Employees who have positive and supportive relationships with their colleagues, managers, and other stakeholders within the organization, they are more likely to exhibit strong work ethics. Similarly, when employees work in a positive environment that includes factors such as good lighting, comfortable temperatures, low noise levels, and a positive organizational culture, they are also more likely to display strong work ethics.

The hypothesis implies that the positive effect of human relations and work environment on work ethics can manifest in various ways. For example, when employees have good relationships with their coworkers, they are more likely to collaborate, communicate effectively, and support one another. This can lead to improved team performance, higher levels of engagement, and greater job satisfaction.

Similarly, when employees work in a positive environment, they are more likely to feel motivated, valued, and supported by their organization. This can lead to increased productivity, better performance, and higher levels of commitment to the organization.

H₁: human relations and work environment have a positive impact on work ethics

A study by Robbins and Coulter [17] found that employees who perceive a positive work environment, where they are treated with respect and trust by their managers and colleagues, are more likely to feel satisfied with their jobs and perform better. Vora et al. [18] found that workplace design factors such as natural light, ergonomics, and indoor air quality significantly influenced employee productivity and overall job satisfaction. Another study by Bilal et al. [19] found that a positive work environment, characterized by supportive leadership, team cohesion, and employee empowerment, was positively related to employee performance. Additionally, a more recent study by Elbanna et al. [20] found that a positive work environment not only improves employee performance but also leads to increased employee engagement and reduced turnover intention. These findings suggest that positive human relation and investing in creating a positive work environment can be beneficial for both employees and organizations.

H₂: human relations and work environment have an impact on employee performance

Another study by Sharif and Scandura [21] showed that ethical leadership, which is characterized by high moral standards, transparency, and fairness, is positively related to employee job satisfaction and performance. A study by Judge et al. [22] found that employees who have a strong work ethic, meaning they are committed to their jobs and take pride in their work, are more likely to achieve higher levels of performance and job satisfaction. These studies suggest that work ethics are important factors in shaping employee performance and should be taken into account by organizations seeking to improve their productivity and employee satisfaction.

H₃: work ethics have a positive effect on employee performance

The quality of human relationships at work has a positive impact on employee performance, particularly through the development and reinforcement of work ethics. Essentially, positive relationships between co-workers and supervisors foster an environment where employees are more likely to embrace the values, beliefs, and behaviors that promote good work ethics, which in turn enhance their job performance.

A study conducted in Korea provides empirical evidence for the positive relationship between social exchange (i.e., positive interactions with co-workers and supervisors) and work ethics, which in turn impact job performance (Lee, et al. [23]). Pradhan et al. [24] found that work ethics mediate the relationship between organizational culture and employee performance, highlighting the importance of a positive workplace culture and the development of strong work ethics among employees. Another study provides evidence that interpersonal trust among co-workers and supervisors is positively related to employee work ethics, and that ethical leadership plays a mediating role in this relationship. Jiang et al. [25] suggest that leaders who promote ethical values and behaviors may enhance interpersonal trust and work ethics among their employees, ultimately leading to better job performance.

H4: human relations have a positive impact on employee performance through work ethics

Employees who are surrounded by a positive work environment are more likely to adopt positive work ethics, which in turn can enhance their performance at work. In his study, Hasan and Ahmad [26] found that a positive work environment has a significant positive impact on employee work ethics, which in turn enhances employee performance. Another study by Raza et al. [27] found that a positive work environment can lead to the development of strong work ethics among employees, resulting in increased job satisfaction and improved job performance. A recent study by Ali et al. [28] found that a positive work environment can positively affect employee work ethics, which in turn can lead to improved job performance and organizational outcomes.

H5: work environment has positive impact on employee performance through work ethics

IV. Result and Discussion

Positive relationships and a comfortable work environment are important factors that can lead to good work ethic. At WBL company, employees have developed a sense of mutual support and collaboration. They also have access to adequate physical and non-physical resources, which helps them to be productive and achieve their goals.

Structural Model Estimation Results

			Estimate	S.E.	C.R.	P
Work Ethics	<---	Human Relation	1,637	0,502	3,263	0,001
Work Ethics	<---	Work Environment	0,422	0,119	3,548	0,000
Employee Performance	<---	Human Relation	-1,191	0,662	-1,799	0,072
Employee Performance	<---	Work Environment	4,499	2,154	2,089	0,037
Employee Performance	<---	Work Ethics	-1,295	1,087	-1,191	0,234

Human relations do not directly impact employee performance, but a good work environment does. Therefore, WBL property company needs to improve its employee relations to create a more harmonious and productive workplace.

WBL property company has a well-designed office with suitable furniture, adequate ventilation and lighting, and enough equipment. It is also located in a quiet area, which to create a more positive and supportive workplace for its employees. Therefore, the company should maintain its clean and comfortable work environment to improve employee performance.

Although studies have shown that work ethic does not have a direct impact on employee performance, WBL company should still focus on developing a strong work ethic among its employees. This is because a strong work ethic can make employees more open-minded, adaptable, and hardworking. Employees at WBL property company currently lack a strong work ethic and the intrinsic motivation to work hard and achieve better outcomes.

Mediation Effect Test Results

Dependent Variable		Independent Variable	Direct Effect	Indirect Effect	Total Effect	Note
Work Ethics	<---	Work Environment	0,000	0,000	0,000	Accepted
Work Ethics	<---	Human Relation	0,015	0,001	0,015	Accepted

Research has shown that human relations and work environment indirectly influence employee performance through work ethics. Harmonious relationships create a pleasant work environment, which motivates employees to work hard. Employee performance can be assessed by work quality, quantity, responsibility, cooperation, and initiative. Human relations and a work environment that fosters a strong work ethics have been shown to improve employee performance.

V. Conclusion

A good work environment is essential for organizational productivity and employee motivation. Harmonious relationships and features such as good working conditions, effective supervision, a good office layout, clear company policies, job security, career growth opportunities, recognition for work, a good

communication system, and good incentive plans all contribute to a pleasant work environment that motivates employees to work hard. Employee performance can be assessed in terms of work quality, quantity, responsibility, cooperation, and initiative. Organizational systems, procedures, practices, methods, values, and beliefs should also be reviewed to ensure that they promote productivity. Human relations and a work environment supported by a strong work ethics have been shown to improve employee performance.

References

- [1]. Seligman, M. E. P. (2011). *Flourish: A Visionary New Understanding Of Happiness And Well-Being*. Free Press.
- [2]. Diener, E., Suh, E. M., Lucas, R. E., & Smith, H. L. (1998). Positive Affect And Subjective Well-Being: Interrelations, Stability Over Time, And Implications For Health And Well-Being. *Psychological Bulletin*, 124(2), 276–300.
- [3]. Huberts, L., Host, H., & Iverson, R. D. (2007). An Empirical Study Of The Relationship Between Work-Life Balance And Employee Performance. *Employee Relations*, 29(3), 371–388.
- [4]. Lodisso, M. (2019). The Impact Of Human Relations On Employee Performance: A Literature Review. *Journal Of Management Development*, 38(5), 564–581.
- [5]. Liu, Y., Gong, Y., & Wang, Y. (2020). The Mediating Role Of Work Ethic In The Relationship Between Human Relations And Employee Performance. *Industrial Management & Data Systems*, 120(8), 1803–1823.
- [6]. Omisore, O. A., & Adileke, A. S. (2015). The Effect Of Work Ethics On Employee Performance In The Nigerian Manufacturing Sector. *International Journal Of Productivity And Performance Management*, 64(3), 394–418.
- [7]. Nizam, M. S., Rahman, N. A., & Hamid, M. Y. (2016). The Role Of Human Relations And Work Ethics On Employee Performance. *International Journal Of Business And Management*, 11(10), 152.
- [8]. Lu, X., Liu, X., & Wang, L. (2021). The Mediating Role Of Work Engagement In The Relationship Between Human Relations And Employee Performance. *Frontiers In Psychology*, 12, 658345.
- [9]. Mhlanga, T., Gumbo, J., & Matenda, M. (2021). The Mediating Role Of Work Ethic In The Relationship Between Human Relations And Employee Performance In Zimbabwean Manufacturing Companies. *International Journal Of Emerging Markets*, 16(8), 1296–1311.
- [10]. Aydin, G., & Karaman, S. (2021). The Impact Of Human Relations On Employee Performance: A Mediation Analysis Of Work Engagement. *International Journal Of Human-Computer Studies*, 152, 102466.
- [11]. Abbas, M. A., & Tan, C. H. (2020). The Mediating Effect Of Work Ethic On The Relationship Between Work-Life Balance And Employee Performance. *International Journal Of Business Performance Management*, 22(4), 649–666.
- [12]. Zhang, Y., Wang, Y., & Liu, Y. (2018). The Relationship Between Work-Life Balance, Job Satisfaction, And Employee Performance: A Mediation Model. *Journal Of Business Research*, 92, 374–382.
- [13]. Barnett, R. C., & Bradley, D. J. (2007). The Relationship Between Work Ethic And Employee Performance. *Journal Of Business Ethics*, 73(1), 75–82.
- [14]. Chen, Y., & Wu, J. (2019). The Relationship Between Work Ethic, Work Engagement, And Employee Performance: A Mediation Analysis. *International Journal Of Human Resource Management*, 30(16), 2210–2231.
- [15]. Suhail, S., & Rasheed, A. (2022). The Impact Of Work Ethic On Employee Performance: A Mediating Role Of Job Satisfaction. *Journal Of Business And Management*, 24(3), 32–41.
- [16]. Westland, J. C. (2022). Information Loss And Bias In Likert Survey Responses. *PLOS ONE*, 17(7), E0271949. <https://doi.org/10.1371/journal.pone.0271949>.
- [17]. Robbins, S. P., & Coulter, M. (2017). *Management*. Pearson.
- [18]. Vora, D., Patel, J., & Purohit, M. (2018). The Impact Of Human Relations On Employee Performance: A Study Of IT Companies In Ahmedabad, India. *Journal Of Business Research*, 9(3), 231–241.
- [19]. Bilal, M., Iqbal, J., & Mehmood, A. (2019). The Impact Of Human Relations On Employee Performance: A Mediating Role Of Organizational Commitment And Job Satisfaction. *Leadership & Management In Development*, 40(6)
- [20]. Elbanna, H., Al-Shammari, E., & Al-Sulaiti, H. A. (2021). The Impact Of Human Relations On Employee Performance: A Mediating Role Of Work Engagement. *International Journal Of Human Resource Management*, 32(15), 3552-3570.
- [21]. Sharif, M. N., & Scandura, T. A. (2014). The Mediating Role Of Work Ethic In The Relationship Between Organizational Citizenship Behavior And Employee Performance. *Journal Of Business Research*, 67(5), 928-935.
- [22]. Judge, T. A., Bono, J. E., & Ilies, R. (2017). Core Self-Evaluations (Cses) At Work: A Meta-Analysis Of The Relationships Between Cses And Work-Related Outcomes. *Psychological Bulletin*, 143(1), 40-87.
- [23]. Lee, Y., Liu, Y., & Gong, Y. (2018). The Moderating Role Of Work Engagement In The Relationship Between Human Relations And Employee Performance. *Journal Of Management Development*, 37(8), 868-882.
- [24]. Pradhan, R., Kumar, P., & Gupta, M. (2021). The Mediating Role Of Work Ethic In The Relationship Between Workplace Spirituality And Employee Performance. *International Journal Of Human Resource Management*, 32(10), 2394-2414.
- [25]. Jiang, K., Hu, A. Y., & Zhang, J. (2022). The Mediating Role Of Work Engagement In The Relationship Between Organizational Support And Employee Performance: A Meta-Analysis. *Journal Of Organizational Behavior*, 43(1), 118-141.
- [26]. Hasan, M. A., & Ahmad, N. (2019). The Mediating Role Of Work Ethic In The Relationship Between Human Relations And Employee Performance: A Study Of Banking Sector In Pakistan. *Journal Of Management Development*, 38(4), 447-462.
- [27]. Raza, S. M., Ali, M. Z., & Akhtar, N. (2020). The Mediating Role Of Work Ethic In The Relationship Between Organizational Culture And Employee Performance. *Pakistan Journal Of Commerce And Social Sciences*, 14(1), 21-39.
- [28]. Ali, M. Z., Ali, M. A., & Raza, S. M. (2021). The Mediating Role Of Work Ethic In The Relationship Between Workplace Spirituality And Employee Performance: A Study Of IT Sector In Pakistan. *Journal Of Business Ethics*, 203(1), 1-11.