

THE IMPACT OF WORK ETHIC AND PSYCHOLOGICAL SAFETY ON ORGANIZATIONAL COMMITMENT IN PHARMACEUTICAL COMPANIES PT XYZ IN BEKASI, WEST JAVA

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Abstract : Pharmaceutical companies are one industry that is expected to provide benefits to the wider community. In carrying out its operational activities, pharmaceutical companies use quite a few assets. PT This can cause PT XYZ to become a bankrupt company which is not good for employee continuity while working. This research aims to examine the influence of work ethic and psychological safety on organizational commitment at PT XYZ. The method that will be used in this research is quantitative, data collection was carried out by distributing questionnaires to 166 respondents and using simple random sampling techniques. The research results show that work ethic has a positive and significant effect on organizational commitment, psychological safety has a positive and significant effect on organizational commitment.

Keywords: *Organizational Commitment, Psychology Safety, Work Ethic.*

INTRODUCTION

The pharmaceutical industry in Indonesia is a promising sector as seen during 2015-2021, there was an increase in the number of medical device manufacturers from 193 to 891 companies as reported on indonesia.go.id. The performance of the industrial sector in 2021 is the impact of various fiscal and non-fiscal incentives to stimulate the enthusiasm of industrial players amidst the pandemic. The intention to create a new business can foster creative abilities and will lead to the peak of success (Parlina et al., 2023). Apart from that, the simplification of regulations in all sectors continues to be accelerated. These efforts aim to encourage national economic growth. The current situation has actually encouraged the pharmaceutical and medical equipment industries in a number of countries to compete to increase their production. Including that Indonesia does not want to be left behind, investing more in health research programs and procuring vitamins, supplements and immune-stimulating drugs.

As a result of increasing demand, the government has recognized the medical device and pharmaceutical sectors as part of the priority sectors in order to realize the Making Indonesia 4.0 program. The government is seeking to increase the competitiveness of the medical device and pharmaceutical sectors by encouraging technology-based digital transformation. For example, state-owned pharmaceutical companies have adopted digital technology from the production to distribution stages. This company uses connected systems to expand networks, carry out administrative processes digitally, and stimulate more efficient performance. However, based on GDP, the chemical, pharmaceutical and traditional medicine industries experienced a decline in performance in the first quarter of 2023. This was caused by the decline in retail sales in pharmacies as the Covid-19 pandemic slowed down.

BPS-Statistics Indonesia noted that gross domestic product (GDP) at constant prices (ADHK) from the chemical, pharmaceutical and traditional medicine industries was IDR 57.78 trillion in the first quarter of 2023. This value was corrected by 3.52% compared to the same

period the previous year of IDR 59.88 trillion. The decline in the performance of the pharmaceutical industry was the fourth deepest among other processing industry subsectors in the first quarter of 2023. Its position is above the furniture industry, tobacco processing industry and wood industry which respectively contracted by 8.38%, 7.26% and 6.23% according to data on dataindonesia.id.

One of the companies under the auspices of the Ministry of SOE (BUMN) in the pharmaceutical sector that supports the Indonesian government to continue to improve health services for the community to date is PT XYZ. Founded in 1996 and has its head office and factory located in Cibitung, Bekasi, West Java. Based on financial reports obtained via the Indonesia Stock Exchange website (www.idx.id), in 2020-2021 there was an increase in assets. Total assets in 2020 were IDR 1,713,334,658,849, experiencing an increase in 2021 of IDR 2,011,879,396,142. Meanwhile, in 2022 his assets will decrease to IDR 1,534,000,446,508. The decrease in assets occurred due to a decrease in cash caused by high liabilities and a decrease in equity which was smaller than the liabilities.

Seeing the condition of the amount of debt being greater compared to the total assets like this, it can lead to the potential for bankruptcy in a company and can also cause anxiety for the company parties concerned. Bankruptcy arises due to the company's inability to pay off its obligations when they are due, which causes the company to go bankrupt (Lahallo & Manurung, 2021).

Anxiety conditions can affect the work ethic of employees because they know that the company they work for is unhealthy. According to Ghani et al. (2022) work ethic can be interpreted as a principle or value that defines a person's perspective on something (in this case work) which is formed from the thoughts, values and beliefs that exist within him. Work ethic is the result of the realization of employees' perspective on work which is appropriate to produce maximum work. Employees who have a strong work ethic can increase dedication and commitment to the organization.

Apart from that, another factor related to the conditions that occur at PT XYZ is the psychological safety of employees which can change employee behavior. Psychological safety is an individual's perception of the consequences of the risks taken in doing work (Edmondson, 1999). Employees who are human resources are the biggest source of contribution in forming new business strategies, thinking about how to make the organization more efficient, seeing possible threats, and being able to highlight problems that management may not see or be aware of. Psychological safety can be seen from employees' courage to voice changes or improvements that can help leaders identify errors and find solutions. Companies will become more responsive in overcoming problems that arise and keeping the organization under control. Psychological safety in the workplace will play an important role in fostering organizational commitment.

If work ethic and psychological safety can be implemented by employees at PT XYZ, then organizational commitment will be realized to improve company conditions to advance and achieve organizational goals. According to Watie & Mulyana (2022) organizational commitment is the extent to which employees identify with an organization, its goals, and their hopes to continue to be part of the company. With a sense of certainty about work from the company, employees will be ready to help if needed and are committed and appreciate and respect their respective obligations (Suryadi et al., 2024). This organizational commitment is demonstrated by employees' continuous loyalty to the organization for the success and welfare of the organization.

Based on the explanation of the problem above regarding work ethic and psychological safety on organizational commitment, this research aims to analyze whether work ethic and psychological safety influence the organizational commitment of employees working at PT

XYZ. This research is certainly able to provide information and input for the management of PT XYZ in dealing with the conditions the company is currently experiencing.

LITERATURE REVIEW

Work Ethic

An employee's work performance is greatly influenced by the level of work enthusiasm or work ethic. Employees who have a high level of work ethic tend to work with optimal quality. Work ethic is the work enthusiasm possessed by a worker to achieve the best results in his duties, with the aim of getting added value in the work (Priansa, 2018). Kumar & Rose (2010) emphasize that work ethic is a means to deepen a job adequately. Work ethic is the totality of acceptable and unacceptable actions. Employees who have a work ethic always put effort into the tasks they do, do not give up easily when they experience failure and try to utilize every available time to achieve a goal (Iqbal et al., 2020).

Psychological Safety

Psychological safety is when people become more likely to voice their ideas and take part in crucial organizational choices (Holland et al., 2017). Employees need psychological safety to describe the feeling that employees can show themselves without fear of negative consequences to status, self-image, or career (Kahn, 1990). Individually, if they feel safe and able to share, it means that psychological safety has been obtained, because people tend to act in ways that inhibit learning and knowledge sharing behavior when facing threats (Javed et al., 2019)..

Organizational Commitment

Commitment is a strong psychological relationship between an individual and his company (Islam et al., 2018). The bond that exists between himself and the organization in an effort to maintain his status as a member and help the organization achieve its expected goals is called organizational commitment (Kholiq & Miftahuddin, 2019). Employees who already feel an attachment to the company are naturally willing to participate in developing the business to achieve the organization's vision and mission, as well as making employees feel like they will be members of the organization for a long time (Siregar et al., 2019).

METHOD

This research is descriptive research using a quantitative approach which aims to describe the influence of work ethic and psychological safety on organizational commitment among PT XYZ employees. The operating variables are the independent variable consisting of work ethic (X1) and psychological safety (X2) as well as the dependent variable indicated by organizational commitment (Y). The population in this study was 285 employees of the production division of PT XYZ. By using the Slovin formula, 166 employees were used as samples. The data used is primary data obtained from observations and distributing questionnaires. Meanwhile, secondary data was also used in this research which was obtained from company data and other academic literature. Data analysis was carried out to predict the influence between the variables studied using the Structural Equation Model using the Partial Least Square (SEM-PLS) approach. Researchers used SmartPLS 4.0 software to process and analyze data.

RESULTS AND DISCUSSION

Respondent Characteristics

To get an idea of the object under study, this research classifies respondents into four different categories, namely based on gender, age, length of work and highest level of education. The following is a description of respondents based on the categories that have been classified:

Table 1. Respondent Characteristics

Category	Characteristics	Frequency	Percentage
Gender	Male	100	60,2%
	Female	66	39,8%
Age	<20 years	5	3%
	20-30 years	26	15,7%
	31-40 years	46	27,7%
	41-50 years	77	46,4%
	>50 years	12	7,3%
Length of Work	<3 years	11	6,6%
	3-6 years	20	12%
	7-10 years	16	9,6%
	>10 years	119	71,7%
Education	High School/equivalent	32	19,3%
	D3	17	10,2%
	S1	111	66,9%
	S2	6	3,6%

Source: Data that has been processed by the author (2024)

Instrument Test

Table 2. Validity Test Results

Variable	Indicator	Outer Loadings	Remarks
Work Ethic (X1)	EK1	0,591	Valid
	EK2	0,822	Valid
	EK3	0,765	Valid
	EK4	0,595	Valid
	EK5	0,741	Valid
Psychological Safety (X2)	KP1	0,699	Valid
	KP2	0,643	Valid
	KP3	0,840	Valid
Organizational Commitment (Y)	KO1	0,869	Valid
	KO2	0,742	Valid
	KO3	0,565	Valid
	KO4	0,605	Valid
	KO5	0,799	Valid
	KO6	0,672	Valid

Source: Data that has been processed by the author (2024)

The table above is the result of a validity test which is used to determine whether the statements in the research are valid and can be tested or not. Convergent validity measurements

are carried out using outer loadings parameters. Ghozali & Latan (2015) defines a reflective individual measure which can be said to have a correlation if the value is more than 0.5 for the construct to be measured. Based on this table, it can be concluded that all statements used to assess work ethic, psychological safety and organizational commitment are valid and can be tested.

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability	Remarks
Work Ethic	0,752	0,832	Reliable
Psychological Safety	0,583	0,774	Reliable
Organizational Commitment	0,803	0,861	Reliable

Source: Data that has been processed by the author (2024)

From the data above, the variables Work Ethic and Organizational Commitment have high reliable values of 0.7-0.9. Work Ethic has a value of 0.752 and Organizational Commitment has a value of 0.803. Meanwhile, the Psychological Safety variable has a reliability value of 0.583, which can be said to have moderate reliability. Meanwhile, all Composite Reliability values for the research variables are >0.7, which can be concluded as reliable.

Table 4. Multicollinearity Test Results

Variable	Indicator	VIF Value	Remarks
Work Ethic (EK)	EK1	1,425	Qualify
	EK2	1,764	Qualify
	EK3	1,771	Qualify
	EK4	1,167	Qualify
	EK5	1,384	Qualify
Psychological Safety (KP)	KP1	2,666	Qualify
	KP2	1,853	Qualify
	KP3	1,495	Qualify
Organizational Commitment (KO)	KO1	1,301	Qualify
	KO2	2,491	Qualify
	KO3	1,581	Qualify
	KO4	1,161	Qualify
	KO5	1,190	Qualify
	KO6	1,197	Qualify

Source: Data that has been processed by the author (2024)

The purpose of the multicollinearity test is to test whether a correlation is found between the independent variables. A good model has a model in which there is no correlation between the independent variables. To test multicollinearity, you can use the Variance Inflation Factor (VIF) measurement with a tolerance limit value of <10. In the table above it can be concluded that there is no multicollinearity so the regression model is accepted because the VIF value meets the requirements, namely less than 10.

Table 5. Coefficient of Determination Test Results

Variable	R-Square	R-Square Adjusted
Organizational Commitment	0,477	0,471

Source: Data that has been processed by the author (2024)

The table above is the result of testing the coefficient of determination which aims to find out how much the percentage of the independent variable can explain the dependent variable. The R-Square value in the table is 0.477 or 47.7%. It can be concluded that the influence of Work Ethic and Psychological Safety on Organizational Commitment is 47.7%, while the remaining 52.3% is influenced by other variables not used in this research.

Hypothesis testing

Table 6. Path Coefficient Test Results

Hipotesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
H ₁ : Work Ethic (X1) → Organizational Commitment (Y)	0,426	0,433	0,087	4,905	0,000
H ₂ : Psychological Safety (X2) → Organizational Commitment (Y)	0,364	0,367	0,093	3,929	0,000

Source: Data that has been processed by the author (2024)

The table above is the result of the path coefficient test which aims to test whether there is a direct influence between the independent variable and the dependent variable. The decision making criteria in this test are if the significance value (P values) is smaller than 0.05 or the tcount value (T statistics) is greater than ttable, then H₀ is rejected and H_a is accepted. The significance level is 5% or 0.05, so the ttable used is 1.96. The positive influence can be seen from the Original sample (O) so that based on the calculations from the table, the results of testing the direct influence of the independent variable on the dependent variable can be explained as follows:

The work ethic variable (X1) has a t count of 4.905 which is greater than the t table value of 1.96, and has a significance value of 0.000 which is smaller than 0.05. The original sample value was 0.426. From these results it can be concluded that work ethic (X1) has a positive and significant effect on organizational commitment (Y).

The psychological safety variable (X2) has a t count of 3.929 which is greater than the t table value of 1.96, and has a significance value of 0.000 which is smaller than 0.05. The original sample value was 0.364. From these results it can be concluded that psychological safety (X2) has a positive and significant effect on organizational commitment (Y).

The Influence of Work Ethic on Organizational Commitment

The results of this study show that work ethic can increase organizational commitment by 42.6%. If work ethic increases by one unit, then organizational commitment will increase by 0.426. The work ethic possessed by PT XYZ employees has quite an influence on organizational commitment. The results of this research are supported by previous research which shows that work ethic has a positive and significant effect on organizational commitment carried out by Zulqifli & Syarifuddin (2022), Supriadi (2021), and Udin et al. (2022).

In this research, there was the highest score given by PT XYZ employees in answering the questionnaire given, namely the indicator of a high desire to work hard. Work ethic is part of the job and all employees must do it. When the work ethic is ingrained in each individual employee, the employee will immediately have a commitment to the organization. The mental attitude of each individual like this will be related to the level of loyalty to the organization where they work (Ricky Indra, 2017). If employees have high commitment, they will be able to minimize fraud at work which can result in losses for the company. Employees who have a work ethic will always try to do their work in accordance with the rules that apply in their company and continue to survive in their organization.

The Effect of Psychological Safety on Organizational Commitment

The results of this study show that psychological safety can increase organizational commitment by 36.4%. When psychological safety increases by one unit, organizational commitment will increase by 0.364. The highest value of the psychological safety indicator is a higher sense of learning when accepting a new jobdesk. This reflects that PT XYZ employees feel comfortable and enthusiastic when given challenges. Psychological Safety is very important for Organizational Commitment because it influences employee work life, and makes employees mentally/physically very good in order to create Organizational Commitment (Kim, 2020). The results of this research are supported by previous research which shows that psychological safety has a positive and significant effect on organizational commitment by Kirk-Brown & Van Dijk (2016) dan Li et al. (2022).

Psychological Safety is able to bring about more fundamental changes such as the values, goals and needs of subordinates and provides strong motivation for employees to be involved in Organizational Commitment. Viseu et al. (2023) explains that psychological safety has the potential to reduce boredom in employees' work. Psychological conditions can be reflected in the atmosphere in the work environment, and employees who play a role in creating positive psychological safety will also influence the level of good commitment to the organization. If commitment in the organization where you work is high and you feel comfortable in establishing relationships and supporting each other with fellow co-workers, then the organization's goals will be achieved.

CONCLUSION

The research results show that there is a positive and significant influence between work ethic and organizational commitment. Psychological safety also has a positive and significant influence on organizational commitment. PT employees who have the best achievements, so that it can raise employee enthusiasm in completing their work. Companies must reorganize the performance achievements of each individual to provide work stimulation to employees, because most employees still need work. Leadership factors are also important in reducing negative organizational issues so that employees feel comfortable and focused when working to achieve organizational goals.

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