



Do Strong Work Ethics Always Improve Performance? The Hidden Role of Corruption Intention in Family-Owned Businesses Company

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Abstract: This study investigates the influence of subjective well-being, self-esteem, and social exchange on employee performance within family-owned businesses (FOBs) in the Gerbang Kertosusila region. Unlike traditional family firms, the FOBs in this study are characterized by family members acting solely as shareholders, while operational management is delegated to external professionals and relatives. Using a quantitative causal-explanatory approach, data was collected from 308 employees across 10 family-owned companies and analyzed using Structural Equation Modeling (SEM) with AMOS 26. The findings reveal that subjective well-being, self-esteem, and social exchange each have a significant positive effect on employee performance. These results highlight the importance of psychological and relational factors in enhancing the productivity of employees within family-owned enterprises. By emphasizing emotional well-being, individual self-worth, and mutual workplace relationships, this study provides valuable insights for FOB leaders in fostering a high-performing organizational culture supported by strong internal social dynamics.

Keywords: Family-Owned Businesses, Employee Performance, Work Ethics, Corruption Intention

INTRODUCTION

In today's modern working environment, this way of thinking has led to the perception that an individual's success is largely measured by their job performance. Employee performance plays a crucial role in determining the overall performance of a company. It reflects the extent to which employees are able to carry out the tasks and responsibilities assigned to them by the organization. Furthermore, employee performance serves as a key reference for companies in providing recognition or compensation for the efforts made in completing their duties. Whether an employee deserves such compensation depends on the level of performance they demonstrate. Ultimately, organizational performance is the cumulative result of individual employee performance; therefore, to achieve strong organizational performance, high employee performance is essential (Mangkunegara, 2009:51).

However, current conditions show that an increasing number of employees tend to focus primarily on the personal benefits they gain from their work. They are more inclined to prioritize short-term personal satisfaction rather than collective and long-term well-being. Material gain often becomes the main consideration in their employment relationship with companies or organizations. This phenomenon is supported by a survey conducted by PricewaterhouseCoopers (PwC) between January and February 2014. The survey involved employees from 30 major and well-established banks in Indonesia, representing approximately 80% of the national banking industry. The results indicated that 54% of respondents left their previous employers in pursuit of better compensation and benefits. Meanwhile, 34% of respondents resigned to seek better career advancement opportunities, and another 8% left due to a desire for new challenges and dissatisfaction with their supervisors' leadership styles.

A study entitled "The Effect of Workplace Ethics" revealed important findings indicating that organizational pressure to increase productivity in order to achieve corporate targets, combined with employees' desire for higher income, naturally exerts a significant influence on ethical behavior, integrity, self-discipline, and overall job performance. These factors strongly affect the framework of employee–employer relationships. Moreover, this situation is further intensified by globalization and the growing demands placed on employees to be increasingly productive. As a result, the relationship between organizations and employees tends to become more strained and tense over time, often leading to disharmony. In many cases, employees may prioritize personal interests over organizational goals (Adeyeye, Adeniji, Osinbanjo, & Oludayo, 2015).

Some individuals resort to unethical and improper practices in an effort to enhance their performance and the company's results in the short term; however, such actions ultimately harm the organization's long-term performance. These unethical behaviors often become a serious issue within organizations, as companies that are gradually undermined by such employee conduct may find it difficult to recover from their decline (Salahudin, Alwi, Baharuddin, & Halimat, 2016).

In today's workplace, employees who adhere to strong work ethics may paradoxically experience dissatisfaction, whether due to internal or external factors. Some individuals feel pressured when they attempt to uphold ethical standards, particularly in environments characterized by unethical cultures and deviant practices. In such situations, employees are often faced with two difficult choices: either resisting the prevailing unethical behavior—risking social exclusion or ridicule from colleagues—or conforming to such behavior in order to fit in. Over time, these unethical practices may become normalized and spread easily within the organization (Adeyeye, Adeniji, Osinbanjo, & Oludayo, 2015).

A study entitled "The Relationship between Work Ethics and Job Performance" revealed a strong connection between work ethics and employee performance. The findings indicate that strong work ethics contribute to higher levels of employee performance and suggest that the implementation of ethical work values can help organizations achieve overall excellence. The results also imply that other factors not examined in the study—such as job satisfaction, job involvement, and organizational commitment—may further influence performance outcomes. In addition, the study demonstrates that the presence of an appropriate code of ethics as a guideline for employees has a significant positive effect on improving performance and encourages the adoption of sound ethical work practices. Ultimately, the researchers concluded that employee performance cannot be enhanced solely through adequate compensation and salary systems; attention to work ethics is also essential (Salahudin, Alwi, Baharuddin, & Halimat, 2016).

Initially, Weber defined work ethics as an individual's dedication to economic activity as a whole, reflecting a comprehensive sense of responsibility toward one's role in society (Lesnoff, 1994:43). This concept was later expanded by Miller et al., who integrated religious

and cultural perspectives into the understanding of work ethics, resulting in a more comprehensive definition.

According to Miller et al. (2002), work ethics refers to “a set of attitudes and beliefs related to industriousness, self-reliance, religion and morality, leisure, asceticism, delayed gratification, and the centrality of work in one’s life.” They further explain that work ethics is a multidimensional construct associated with general work-related activities rather than specific occupations. It is a learned concept, rooted in attitudes and beliefs rather than merely observable behavior, and can be expressed through actions. Moreover, work ethics is considered secular in nature, as it does not refer to any particular religious belief system (Miller, Woehr, & Hudspeth, 2002).

Similarly, Gonzalez defines work ethics as “the attitudes and beliefs held by an individual toward work” (Gonzalez, 2006:58). Both Gonzalez and Miller share the view that work ethics consists of a set of individual attitudes and beliefs regarding work. Based on this perspective, the present study adopts Miller et al.’s definition, as it provides a more comprehensive explanation. Accordingly, work ethics is defined as a collection of individual attitudes and beliefs related to diligence, self-reliance, morality and religiosity, leisure, self-discipline, delayed gratification, and the central role of work in one’s life (Miller, Woehr, & Hudspeth, 2002).

The term performance originates from the English expression job performance or actual performance, which refers to the actual achievements attained by an individual in carrying out a job. Performance can also be understood as the measurable results of one’s work, both in qualitative and quantitative terms, achieved while fulfilling assigned duties and responsibilities. In this sense, performance represents the output or outcome of a work process (Nurlaila, 2010:61). From a behavioral management perspective, performance refers to the quantity or quality of output or services produced by an individual in the execution of their job (Luthans, 2005:133).

Furthermore, Dessler defines performance as work achievement, which reflects a comparison between actual results and predetermined standards (Dessler, 2005:165). Similarly, Mangkunegara explains that performance is the result of work achieved by an individual, both in quality and quantity, in carrying out assigned responsibilities (Mangkunegara, 2002:88).

From another perspective, performance is described as the level of success achieved by an individual within a certain period in carrying out tasks when compared with predetermined standards, targets, or criteria (Rivai & Basri, 2005). Mathis and Jackson further explain that performance essentially refers to what employees do or fail to do in their jobs, encompassing all activities that contribute to improving organizational performance, including individual and group contributions within the organization (Mathis & Jackson, 2006).

In addition, Armstrong views performance as the result of behavior, linking employee outcomes directly to their actions. From this perspective, performance represents human behavior directed toward accomplishing organizational tasks and responsibilities (Armstrong, 2014:66).

Corruption is generally defined as the misuse of power and authority for personal gain (Treisman, 2000:77). It occurs when systemic and strategic influences—whether legally permissible or even ethically tolerated—undermine the effectiveness of institutions or organizations by diverting them from their intended goals or weakening their capacity to achieve those goals (Lessig, 2013:45).

From a psychological perspective, corruption intention refers to an individual’s willingness or intention to influence or persuade others to act, or to refrain from acting, by violating legal principles, social norms, and ethical standards (Tanzi, 1998; Wade et al., 2007; Wahyuni et al., 2015). In other words, individuals may intend to offer or provide material benefits—such as money, assets, or other rewards—in exchange for neglecting duties or

responsibilities that should otherwise be fulfilled (Rabl et al., 2008). This also includes actions aimed at influencing recipients by creating expectations of reciprocal benefits, such as “generalized hope,” “expectations of future rewards,” or efforts to promote goodwill (Abidin et al., 2015).

Furthermore, corruption intention reflects a person’s willingness and tendency to exploit their position or authority for personal or group advantage. This includes deliberate consideration of when, where, how, and for how long corrupt actions should be carried out in order to achieve specific objectives (Sardzoska et al., 2012).

According to Ajzen, corruption intention is more closely related to actual behavior than mere perception. Individuals may perceive corruption as a necessary or normalized practice, believe that its negative consequences are minimal, and view it as a common or universal behavior, which in turn strengthens their intention to engage in corrupt actions (Ajzen, 1991:81).

Conceptual Framework

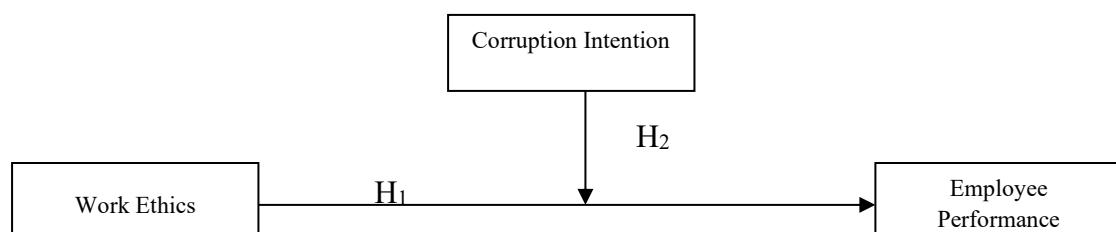


Figure 1. Conceptual Framework

Hypothesis

H₁: Work Ethics has a significant effect on Employee Performance in Family-Owned Businesses.

H₂: Work Ethics has a significant effect on Employee Performance with the Moderating Effect of Corruption Intention in Family-Owned Businesses.

METHOD

This study adopts a quantitative causal-explanatory research design aimed at analyzing and explaining the causal relationships among the independent variables, the dependent variable, and the moderating variable. The main objective of the study is to examine the effects of Work Ethics and Corruption Intention on Employee Performance within the context of Family-Owned Businesses (FOBs).

In this study, Family-Owned Businesses are defined as organizations in which core family members act solely as shareholders, while daily operational and managerial responsibilities are handled by professional executives who are not part of the family. Although family members do not directly participate in daily management, they retain full authority over strategic decisions and the overall direction of the business.

Based on this definition, the research population comprises manufacturing companies classified as Family-Owned Businesses located in the Gerbangkertosusila region, which includes Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo, and Lamongan. A total of 10 FOBs operating within this industrial area were identified, with an overall employee population of 1,346 individuals.

The sample size was determined using the Slovin formula, resulting in a minimum required sample of 308 employees drawn from the ten companies. Primary data were collected through structured questionnaires distributed in various formats, including printed questionnaires, digital files (PDF), and online forms using Google Forms. The collected data

were subsequently analyzed using Structural Equation Modeling (SEM) with the assistance of AMOS software version 26.

RESULTS AND DISCUSSION

Respondent Characteristics Description

Table 1. Respondent Description

	Keterangan	Total	%
Age	< 30 Tahun	58	19.33%
	30 - 39 Tahun	156	52.00%
	40 - 49 Tahun	71	23.67%
	50 > Tahun	15	5.00%
Gender	Laki-Laki	252	84.00%
	Perempuan	48	16.00%
Education Background	SD	20	6.67%
	Madrasah	7	2.33%
	SMP	43	14.33%
	SMA/U/K	187	62.33%
	Diploma	1	0.33%
	Sarjana	42	14.00%
	< 1 Tahun	4	1.33%
	1 - 2 Tahun	24	8.00%
Length of Employment	3 - 5 Tahun	39	13.00%
	6 - 10 Tahun	121	40.33%
	11 - 20 Tahun	88	29.33%
	> 20 Tahun	24	8.00%
Status	Karyawan Kontrak	56	18.67%
	Karyawan Tetap	244	81.33%

Source: Primary Data (2025)

The purpose of describing respondent characteristics is to provide an overall profile of the participants involved in this study. This description helps categorize respondents with the expectation that it will support the researcher in interpreting the research findings more effectively. The respondent characteristics are classified into several key categories: age, position or job title, gender, highest educational attainment, length of service, and employment status.

Validity Test

The validity test is conducted to determine whether each questionnaire item accurately measures the construct it is intended to assess. This analysis is performed using AMOS version 26. The study applies the Pearson Product–Moment correlation method, in which each item score is correlated with the total score of all items. An item is considered valid if it demonstrates a significant correlation with the total score, indicating that it effectively represents the underlying construct being measured. Specifically, an item is deemed valid when the calculated correlation coefficient (r-count) is greater than or equal to the r-table value, using a two-tailed significance level of 0.05 and a correlation coefficient exceeding 0.4.

Table 2. Validity Test Results Using Pearson Correlation

Variable	Dimension	Indicator	r value	Sig. (Standar)	r table	Information
Work Ethics (X)	<i>Leisure</i>	X1.1	0.530	0.000	< 0.05	Valid
	<i>Self-Reliance</i>	X1.2	0.601	0.000	< 0.05	Valid
	<i>Hard Work</i>	X1.3	0.554	0.000	< 0.05	Valid
	<i>Morality/Ethics</i>	X1.4	0.736	0.000	< 0.05	Valid
	<i>Centrality of Work</i>	X1.5	0.712	0.000	< 0.05	Valid

	<i>Wasted Time</i>	X1.6	0.673	0.000	< 0.05	Valid
	<i>Delay of Gratification</i>	X1.7	0.568	0.000	< 0.05	Valid
<i>Corruption Intention (M)</i>	<i>Family Reference</i>	M1.4	0.609	0.000	< 0.05	Valid
	<i>Association Reference</i>	M1.5	0.865	0.000	< 0.05	Valid
	<i>Peer Reference</i>	M1.6	0.646	0.000	< 0.05	Valid
	<i>Family Experience</i>	M1.7	0.878	0.000	< 0.05	Valid
	<i>Association Experience</i>	M1.8	0.856	0.000	< 0.05	Valid
	<i>Peer Experience</i>	M1.9	0.778	0.000	< 0.05	Valid
<i>Employee Performance (Y)</i>	<i>Process Leadership</i>	Y1.1	0.682	0.000	< 0.05	Valid
	<i>Supervision of Nonexempt Staff</i>	Y1.2	0.720	0.000	< 0.05	Valid
	<i>Coaching</i>	Y1.3	0.625	0.000	< 0.05	Valid
	<i>Team-Building Consultation</i>	Y1.4	0.669	0.000	< 0.05	Valid
	<i>Assessment Instrument Feedback</i>	Y1.5	0.724	0.000	< 0.05	Valid
	<i>Product Improvement</i>	Y1.6	0.651	0.000	< 0.05	Valid
	<i>Supports Subordinates' Projects</i>	Y1.7	0.695	0.000	< 0.05	Valid
	<i>Lives Outside of Work</i>	Y1.8	0.627	0.000	< 0.05	Valid
	<i>Encourages Subordinates to Reach Their Goals</i>	Y1.9	0.643	0.000	< 0.05	Valid
	<i>Gets to Know Employees Personally</i>	Y1.10	0.648	0.000	< 0.05	Valid
	<i>Shows Respect for Employees' Work and Home Lives</i>	Y1.11	0.516	0.000	< 0.05	Valid

Source: Primary Data (2025)

Reliability Test

Table 3. Reliability Test Results of Variables Using Cronbach's Alpha

Variable	Cronbach Alpha Coefficient	Standard Alpha	Result
Work Ethics	0.902	0.60	Reliable
Corruption Intention	0.925	0.60	Reliable
Employee Performance	0.953	0.60	Reliable

Source : Primary Data (2025)

The reliability analysis was conducted using AMOS version 26. Instrument reliability is reflected in the reliability coefficient, which indicates the internal consistency of the measurement items. A high level of reliability is generally demonstrated by a Cronbach's Alpha value of at least 0.60, while a coefficient of 0.70 or higher is widely regarded as acceptable. Given that the research instrument consists of questionnaire items measured on an ordinal scale, Cronbach's Alpha was employed to evaluate the reliability of the instrument.

Goodness of Fit Test

Model evaluation is a crucial step in Structural Equation Modeling (SEM) to determine whether the proposed theoretical framework adequately represents the observed data. Therefore, a goodness-of-fit test is conducted to assess the suitability of the model. This test aims to evaluate how well the proposed model fits the empirical data obtained from the study. The assessment is carried out using several fit indices, which are presented in the table below.

Table 4. Goodness of Fit Index Test Results of the Final Structural Model

Goodness of Fit	Cut-off Value	Result	Information
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Chi-Square	0	1557.508	Good
Sig. Probability	≥ 0.05	0.057	Good
CMIN/DF	≤ 2.00	1.693	Good
GFI	≥ 0.90	0.922	Good
AGFI	≥ 0.90	0.904	Good
RMSEA	≤ 0.08	0.048	Good
TLI	≥ 0.90	0.918	Good
NFI	≥ 0.90	0.910	Good
PCFI	> 0	0.660	Good
PNFI	> 0	0.673	Good

Source : Primary Data (2025)

Based on the analysis conducted on a sample of 300 respondents, the chi-square value obtained from the model testing was 1,557.508 with a probability value of 0.057. This result indicates that there is no significant difference between the sample covariance matrix and the population covariance matrix, suggesting that the null hypothesis cannot be rejected (as the probability value exceeds 0.05). Furthermore, the goodness-of-fit indices obtained from the analysis are presented as follows:

1. GFI: 0.922
2. AGFI: 0.904
3. TLI: 0.918
4. NFI: 0.910
5. RMSEA: 0.048
6. CMIN/DF: 1.693

All of these values fall within the acceptable thresholds, indicating that the proposed model demonstrates a good level of fit and is therefore suitable for further analysis.

Measurement Model Analysis

In this study, the strength of the relationship between dimensions and their indicators, as reflected by factor loadings, is interpreted based on the magnitude of the regression coefficients. The classification is as follows: values below 0.40 indicate a weak relationship; values between 0.41 and 0.55 represent a moderate relationship; values ranging from 0.56 to 0.69 indicate a strong relationship; and values above 0.70 reflect a very strong relationship.

A weak relationship suggests that the indicator contributes minimally to the construct. A moderate relationship indicates an adequate contribution, while a strong relationship reflects a meaningful contribution. A very strong relationship signifies that the indicator plays a substantial role in defining the latent variable.

Table 5. Confirmatory Factor Analysis

Variable	Indicator	Loading Factor	Critical Ratio ≥ 2	Probabilitas ≥ 0.05	Information
Work Ethics	X1.1	0.697	11.859	***	Strong
	X1.2	0.700	11.905	***	Very Strong
	X1.3	0.627	10.720	***	Strong
	X1.4	0.718	12.189	***	Very Strong
	X1.5	0.742	12.569	***	Very Strong
	X1.6	0.724	12.292	***	Very Strong
	X1.7	0.689	2.000	***	Strong
Corruption Intention	M1.4	0.761	16.849	***	Very Strong
	M1.5	0.858	20.339	***	Very Strong
	M1.6	0.740	16.182	***	Very Strong
	M1.7	0.840	2.000	***	Very Strong
	M1.8	0.855	20.246	***	Very Strong

Employee Performance	M1.9	0.799	18.129	***	Very Strong
	Y1.1	0.686	2.000	***	Strong
	Y1.2	0.696	11.147	***	Strong
	Y1.3	0.625	10.071	***	Strong
	Y1.4	0.695	11.123	***	Strong
	Y1.5	0.747	11.886	***	Very Strong
	Y1.6	0.679	10.883	***	Strong
	Y1.7	0.711	11.365	***	Very Strong
	Y1.8	0.653	10.497	***	Strong
	Y1.9	0.664	10.658	***	Strong
	Y1.10	0.660	10.610	***	Strong
	Y1.11	0.498	8.119	***	Moderate

Source: Primary Data, 2025

Variable of Work Ethics (X)

Indicators of the Work Ethics variable include: Leisure Time, Self-Reliance, Hard Work, Morality/Ethics, Centrality of Work, Time Utilization, and Delayed Gratification.

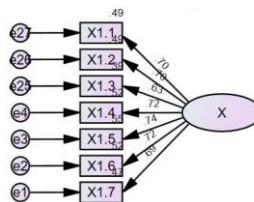


Figure 2. Loading Factor of Work Ethics

Source: Processed Primary Data (2025)

The factor analysis results indicate that the Work Ethics variable is formed by several indicators with the following factor loadings: X1.1 Leisure Time (0.697), X1.2 Self-Reliance (0.700), X1.3 Hard Work (0.627), X1.4 Morality/Ethics (0.718), X1.5 Centrality of Work (0.742), X1.6 Time Utilization (0.724), and X1.7 Delayed Gratification (0.689).

Based on these results, it can be concluded that the indicators demonstrating very strong relationship quality are X1.2 Self-Reliance (0.700), X1.4 Morality/Ethics (0.718), X1.5 Centrality of Work (0.742), and X1.6 Time Utilization (0.724). Meanwhile, the indicators categorized as having a strong relationship quality include X1.1 Leisure Time (0.697), X1.3 Hard Work (0.627), and X1.7 Delayed Gratification (0.689).

Variable of Corruption Intention (M)

The indicators of the Corruption Intention variable consist of Family Reference Beliefs, Peer Association, Supervisors/Co-workers, Family Past Experience, Peer Group Past Experience, and Supervisors'/Co-workers' Past Experience.

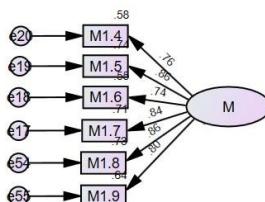


Figure 3. Loading Factor of Corruption Intention

Source: Processed Primary Data (2025)

The factor analysis results show that the Corruption Intention variable is represented by several dominant indicators, namely: M1.4 Family Reference Beliefs (0.761), M1.5 Peer

Association (0.858), M1.6 Supervisors/Co-workers (0.740), M1.7 Family Past Experience (0.840), M1.8 Peer Group Past Experience (0.855), and M1.9 Supervisors'/Co-workers' Past Experience (0.799), as illustrated in Figure 5.6.

Based on these findings, it can be concluded that all indicators demonstrate a very strong relationship quality, as reflected by their high factor loading values. This indicates that each indicator plays a substantial role in forming the Corruption Intention construct.

Variable of Employee Performance (Y)

Indicators of the Employee Performance variable include: Process Leadership, Supervision of Nonexempt Staff, Coaching, Team-Building Consultation, Assessment Instrument Feedback, Product Improvement, Supports Subordinates' Projects, Lives Outside of Work, Encourages Subordinates to Reach Their Goals, Gets to Know Employees Personally, and Shows Respect for Employees' Work and Home Lives.

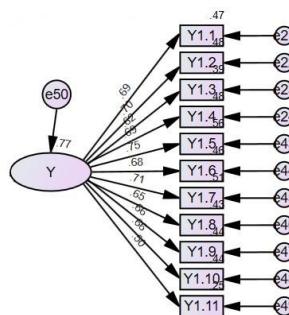


Figure 4. Loading Factor of Employee Performance Variable

Source: Processed Primary Data (2025)

The factor analysis results for the Employee Performance variable indicate several dominant indicators. These include Y1.1 Process Leadership (0.686), Y1.2 Supervision of Nonexempt Staff (0.696), Y1.3 Coaching (0.625), Y1.4 Team-Building Consultation (0.695), Y1.5 Assessment Instrument Feedback (0.747), Y1.6 Product Improvement (0.679), Y1.7 Support for Subordinates' Projects (0.711), Y1.8 Work-Life Balance (0.653), Y1.9 Encouraging Subordinates to Achieve Their Goals (0.664), Y1.10 Getting to Know Employees Personally (0.660), and Y1.11 Respect for Employees' Work and Personal Lives (0.498), as illustrated in Figure 5.

Based on the factor loading values, the indicators categorized as having a very strong relationship quality are Y1.5 Assessment Instrument Feedback (0.747) and Y1.7 Support for Subordinates' Projects (0.711).

Indicators classified as having a strong relationship quality include Y1.1 Process Leadership (0.686), Y1.2 Supervision of Nonexempt Staff (0.696), Y1.3 Coaching (0.625), Y1.4 Team-Building Consultation (0.695), Y1.6 Product Improvement (0.679), Y1.8 Work-Life Balance (0.653), Y1.9 Encouraging Subordinates to Reach Their Goals (0.664), and Y1.10 Getting to Know Employees Personally (0.660).

Meanwhile, the indicator with a moderate relationship quality is Y1.11 Respect for Employees' Work and Home Lives (0.498).

Parameter Testing

In this study, the strength of the relationship between dimensions and indicators (i.e., loading factors) is interpreted based on the magnitude of regression values, as follows:

Table 6. Path Coefficients Between Variables

Hypo	Regression Weights		Standardized Estimate	Result	C.R.	P	Ket
H₁	Work.Ethics	--->	Employee Performance	-0,079	rejected	-0,567	0,571
H₂	Corruption.Intention	--->	Employee Performance	0,176	accepted	4,073	***
	Moderation Effect	X	Employee Performance	0,002		2,411	0,016

Source : Primary Data (2025)

The table above shows that the regression coefficient between Work Ethics and Employee Performance is -0.079 , with a Critical Ratio (CR) value of -0.567 and a significance level of 0.571 ($p > 0.05$). These results indicate that Work Ethics does not have a significant effect on employee performance in Family-Owned Businesses. Therefore, the hypothesis proposing a direct influence of Work Ethics on Employee Performance is rejected.

This finding contradicts previous studies conducted by Miswanto et al. (2019), Obicci (2016), Siddiqui et al. (2019), Khan et al. (2021), Salahudina et al. (2019), Osibanjo et al. (2016), Omisore et al. (2016), and Bataineh (2020), which reported that Work Ethics has a significant positive effect on employee performance.

Furthermore, the regression analysis indicates that Corruption Intention has a significant effect on Employee Performance, with a regression coefficient of 0.176 , a CR value of 4.073 , and a significance level of 0.000 ($p < 0.05$). This finding suggests that Corruption Intention significantly influences employee performance in Family-Owned Businesses.

In addition, the interaction effect between Work Ethics and Corruption Intention was found to be significant, with a parameter coefficient of 0.002 , a CR value of 2.411 , and a significance level of 0.016 ($p < 0.05$). This result confirms that Corruption Intention functions as a moderating variable in the relationship between Work Ethics and Employee Performance.

Thus, it can be concluded that although Work Ethics alone does not significantly affect employee performance, its influence becomes significant when moderated by Corruption Intention. Accordingly, Hypothesis 8 is accepted. This finding is consistent with previous studies by Williams et al. (2016), Saithibvongsa et al. (2019), and Nam et al. (2020), which also found that Corruption Intention significantly affects employee performance.

CONCLUSION

- 1) Work Ethics has a significant effect on Employee Performance in Family-Owned Businesses. These findings are further supported by the descriptive analysis of the Work Ethics variable in this study, which shows that the lowest mean value is found in the delay of gratification dimension. This indicates that employees tend to violate work ethics particularly in terms of delaying gratification. In this context, gratification refers to activities such as sleeping, chatting, playing, joking, sitting idly, smoking, drinking, eating, or using personal mobile phones during working hours (Mischel & Staub, 1965).
- 2) Work Ethics has a significant effect on Employee Performance with the Moderating Effect of Corruption Intention in Family-Owned Businesses. These findings are consistent with previous studies by Williams et al. (2016), Saithibvongsa et al. (2019), and Nam et al. (2020), which concluded that Corruption Intention has a significant influence on Employee Performance. Although Work Ethics alone may not exert a significant direct effect, its impact becomes substantial when combined with other behavioral variables. In this context, Corruption Intention serves as a critical moderating factor that enhances the influence of Work Ethics on performance outcomes.

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