Building an Ethical Culture in The Workplace Through Responsible Leadership and Employee Ethical Efficacy

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Abstract
This research falls within the field of organizational behavior with a focus on the role of responsible leadership in shaping ethical workplace culture. The purpose of this study is to analyze the effect of responsible leadership on employee ethical voice through the mediating role of ethical efficacy. The study was conducted on 90 employees of Micro, Small, and Medium Enterprises (MSMEs) in Sumenep Regency. A quantitative approach was employed in this research using the Partial Least Square Structural Equation Modeling (PLS-SEM) analysis technique. The findings indicate that responsible leadership has a significant effect on employees' ethical efficacy, which in turn positively mediates the relationship between leadership and ethical voice behavior. These findings contribute theoretically to the literature on leadership and organizational ethics, particularly in the MSME context. Practically, the results serve as an important reference for MSME stakeholders in fostering a workplace culture that encourages ethical expression. The conclusion of this study emphasizes the importance of responsible leadership in strengthening employees' ethical attitudes and psychological empowerment to build organizations with integrity.

Keywords : responsible leadership, employee ethical voice, ethical efficacy, ethical culture, MSMEs

Abstrak
Penelitian ini berada dalam ranah perilaku organisasi dengan fokus pada peran kepemimpinan bertanggung jawab dalam membentuk budaya etis di lingkungan kerja. Tujuan dari penelitian ini adalah untuk menganalisis pengaruh kepemimpinan bertanggung jawab terhadap suara etis karyawan melalui peran mediasi efikasi etis. Studi ini dilakukan pada 90 karyawan Usaha Mikro, Kecil, dan Menengah (UMKM) di Kabupaten Sumenep. Pendekatan kuantitatif digunakan dalam penelitian ini dengan teknik analisis Partial Least Square Structural Equation Modeling (PLS-SEM). Hasil penelitian menunjukkan bahwa kepemimpinan bertanggung jawab berpengaruh signifikan terhadap efikasi etis karyawan, yang

selanjutnya memediasi secara positif hubungan tersebut terhadap perilaku suara etis karyawan. Temuan ini memberikan kontribusi teoretis dalam memperkaya literatur kepemimpinan dan etika organisasi, khususnya pada konteks UMKM di daerah. Secara praktis, hasil ini menjadi rujukan penting bagi pelaku UMKM dalam membangun budaya kerja yang mendorong keberanian menyuarakan nilai-nilai etis di tempat kerja. Kesimpulan dari studi ini menekankan pentingnya peran kepemimpinan yang bertanggung jawab dalam memperkuat sikap etis dan pemberdayaan psikologis karyawan untuk menciptakan organisasi yang berintegritas.

Kata Kunci : kepemimpinan bertanggung jawab, suara etis karyawan, efikasi etis, budaya etis, UMKM

INTRODUCTION

An ethical culture in the workplace is an important foundation for the sustainability and integrity of an organization, including in the scope of Micro, Small, and Medium Enterprises (MSMEs). In facing the challenges of competition, regulatory changes, and moral demands from customers and society, MSMEs are required to not only be oriented towards profitability, but also to build a value system that supports ethical employee behavior.[1]. One of the approaches that is developing in encouraging such ethical behavior is through responsible leadership, namely a leadership style that prioritizes moral responsibility, transparency, and consideration of the interests of stakeholders in general.[2]. This kind of leadership is believed to be able to encourage employees to actively voice ethical values and actions in the organization through what is known as ethical voice.[3].

However, employee ethical voice does not solely arise from the influence of leadership, but is also greatly influenced by the individual's belief in his or

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[1] Afzal Izzaz Zahari et al., "Ethical Culture and Leadership for Sustainability and Governance in Public Sector Organizations within the ESG Framework," Journal of Open Innovation: Technology, Market, and Complexity 10, no. 1 (2024): 100219, https://doi.org/https://doi.org/10.1016/j.joitmc.2024.100219.

[2] Damini Saini, Anjali Bansal, and Radha Yadav, 'Responsible Leadership in Creating Socially Responsible Business through Impacting Micro Employee Outcomes', *Asian Journal of Business Ethics*, 2025, doi:10.1007/s13520-025-00235-x.

[3] Elahe Hosseini and João J Ferreira, 'The Impact of Ethical Leadership on Organizational Identity in Digital Startups: Does Employee Voice Matter?', *Asian Journal of Business Ethics*, 12.2 (2023), pp. 369–93, doi:10.1007/s13520-023-00178-1.

her ability to make the right moral decisions, known as ethical efficacy.[4]. Employees with high ethical efficacy tend to feel more confident in voicing ethical opinions, even in socially or hierarchically challenging situations.[5]. Initial findings from observations and surveys of 90 MSME employees in Sumenep Regency showed that only 38% of respondents felt confident in expressing ethical opinions in the work environment, while more than 50% felt that their leaders did not provide moral examples. Interviews also revealed that most employees tended to remain silent or conform to group norms despite knowing that there were deviations from values. This phenomenon indicates the existence of psychological and structural barriers that limit the expression of ethical voice among MSME employees.

Several previous studies have provided a theoretical basis for understanding these dynamics.[6]found that responsible leadership behavior influences the formation of an ethical climate in the workplace.[7]shows that moral efficacy is an important predictor in explaining employee decisions to act ethically proactively.[8]also emphasized that leaders who display moral integrity are able to increase employees' courage in facing ethical dilemmas. However, studies that simultaneously test the influence of responsible leadership on employees' ethical voice by considering the mediating role of ethical efficacy are still relatively rare, especially in the context of MSMEs in Indonesia.

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[4] Trang Nguyen Thi Quynh, Alang Tho, and Tri D and Le, "Examining the Relationships between Ethical Leadership and Organizational Citizenship Behaviors in a Transitional Country: The Mediation of Public Service Motivation," Asia Pacific Journal of Public Administration, nd, 1–28, https://doi.org/10.1080/23276665.2025.2453862.

[5] John J Sumanth et al., "Generating the Moral Agency to Report Peers' Counterproductive Work Behavior in Normal and Extreme Contexts: The Generative Roles of Ethical Leadership, Moral Potency, and Psychological Safety," Journal of Business Ethics 195, no. 3 (2024): 653–80, https://doi.org/10.1007/s10551-024-05679-y.

[6] Zeba Khanam, Sheema Tarab, and Zebran Khan, 'Examining the Link between Responsible Leadership and Employee Sustainable Performance: The Mediating Role of Ethical Climate', *Journal of Economic and Administrative Sciences*, ahead-of-p.ahead-of-print (2023), doi:10.1108/JEAS-05-2023-0139.

[7] Nuno Rodrigues and Teresa and Rebelo, "Can Employees Capitalize upon Their Role Breadth Self-Efficacy and Innovative Work Behavior to Enhance Their Prospects of Promotion?," European Journal of Work and Organizational Psychology 32, no. 4 (July 4, 2023): 562–74, https://doi.org/10.1080/1359432X.2023.2198707.

[8] Rodrigues and Rebelo.

Therefore, this study attempts to fill this literature gap by offering an integrated relationship model between the three variables.

The purpose of this study is to examine the effect of responsible leadership on employees' ethical voice, with ethical efficacy as a mediating variable. Specifically, this study aims to determine the extent to which the role of responsible leadership can build employees' moral beliefs and encourage them to express ethical values in the context of everyday work. The theoretical contribution of this study is to broaden the horizon of organizational behavior and work ethics literature in the context of MSMEs. Meanwhile, practically, the results of this study can be input for MSME owners and managers in designing a more ethical, inclusive, and psychologically empowering leadership pattern.

Based on this background, the hypothesis proposed in this study is as follows:

(H1)　Responsible Leadership has a positive influence on Employee Ethical Voice;

(H2)　Responsible Leadership has a positive effect on Ethical Efficacy;

(H3)　Ethical Efficacy has a positive effect on Employee Ethical Voice;

(H4)　Ethical Efficacy mediates the effect of Responsible Leadership on Employee Ethical Voice.

THEORITICAL REVIEW

This research is based on two main complementary theoretical frameworks, namely Stakeholder Theory as a grand theory and Responsible Leadership Theory as a middle range theory. Stakeholder Theory emphasizes the importance of organizations in considering the interests of various stakeholders, including employees, customers, communities, and the environment. In the context of MSMEs, this approach is relevant because ethical culture is not only formed by compliance with regulations, but also by leaders' awareness of social and moral responsibility to all affected parties. This

theory is the basis for understanding that responsible leadership is a response to moral demands in sustainable organizational governance.[9].

As a main supporter, Responsible Leadership Theory explains that responsible leaders are individuals who not only pursue organizational goals, but also establish ethical and trust-based relationships with internal and external stakeholders.[10].[11]The main characteristics of a responsible leader are moral integrity, long-term orientation, and the ability to balance the interests of various parties. In this context, responsible leadership is believed to be able to encourage ethical voice behavior or the courage to voice ethical values in the workplace, especially when supported by individual ethical efficacy.

This study develops a conceptual model that integrates Responsible Leadership as the main determinant, Ethical Efficacy as a psychological mediator, and Employee Ethical Voice as a form of actualization of ethical culture. This model is expected to contribute to the development of organizational behavior and work ethics literature in the context of MSMEs, especially in Indonesia.

Responsible Leadership

Responsible leadership is a leadership approach that emphasizes moral responsibility, transparency, and concern for stakeholder interests. Responsible leaders not only pursue efficiency and productivity, but also encourage the creation of an ethical and sustainable work climate.[12].[13]states that responsible

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[9] Hart O Awa, Willie Etim, and Enyinda Ogbonda, 'Stakeholders, Stakeholder Theory and Corporate Social Responsibility (CSR)', *International Journal of Corporate Social Responsibility*, 9.1 (2024), p. 11, doi:10.1186/s40991-024-00094-y.

[10] K. V James and R. G Priyadarshini, "Responsible Leadership: A New Paradigm for Organizational Sustainability," Management and Labor Studies 46, no. 4 (May 12, 2021): 452–70, https://doi.org/10.1177/0258042X211005325.

[11] Thomas Maak and Nicola M Pless, 'Responsible Leadership in a Stakeholder Society – A Relational Perspective', *Journal of Business Ethics*, 66.1 (2006), pp. 99–115, doi:10.1007/s10551-006-9047-z.

[12] George Kofi Amoako et al., "Conceptual Framework: Green Leadership Enhances Green Customer Citizenship Behavior," Sustainable Futures 9 (2025): 100614, https://doi.org/https://doi.org/10.1016/j.sftr.2025.100614.

[13] Randal Joy Thompson and Devin P Singh, "Co-Creating a Collaborative Equitable World Through Responsible Proleptic Global Leadership BT - Handbook of Global Leadership and Followership:

leaders play an important role in bridging personal values and organizational values in a collaborative and reflective manner. In the context of Micro, Small, and Medium Enterprises (MSMEs), responsible leadership plays a crucial and transformative role in shaping the organizational culture and ethical climate of the workplace.[14] Responsible leaders are not merely individuals who manage and make strategic decisions—they serve as moral exemplars whose behaviors, attitudes, and values become reference points for employees at all levels. Their consistent demonstration of integrity, transparency, accountability, and care for others sends a powerful signal about what is acceptable and expected within the organization.

As moral role models, these leaders inspire and influence employees to internalize ethical standards and to act in ways that uphold justice and integrity. One of the significant outcomes of such leadership is the development of employee moral courage—that is, the willingness and confidence of employees to speak up when they witness ethical breaches, such as injustice, misconduct, dishonesty, or violations of shared organizational values. In environments where ethical voice is encouraged and modeled by leadership, employees are more likely to overcome fear of retaliation, social exclusion, or job insecurity when they raise concerns.

This dynamic is especially important in MSMEs, where organizational hierarchies are often flatter and interpersonal relationships more direct. In such settings, the leader's influence is often more personal and visible, allowing ethical leadership to have an even greater impact on shaping behavior and norms. When leaders consistently exhibit responsible actions—such as admitting mistakes, listening to feedback, protecting whistleblowers, and ensuring fair treatment—they cultivate a culture of trust, openness, and ethical

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Integrating the Best Leadership Theory and Practice," ed. Satinder K Dhiman et al. (Cham: Springer International Publishing, 2022), 1–29, https://doi.org/10.1007/978-3-030-75831-8_16-1.

[14] Iqbal Rafiqi and others, 'Efektivitas Implementasi E-Budgeting Dalam Mewujudkan Good Governance Dengan Model CIPP (Studi Kasus Pada Kota Surabaya)', *Journal Of Islamic Economic Business*, 1.2 (2020), pp. 1–24.

vigilance that not only improves internal functioning but also enhances the enterprise's reputation and long-term sustainability.

Ethical Efficacy

Ethical efficacy refers to an individual's belief in his or her ability to make correct moral decisions and articulate ethical values in the work environment.[15]. Individuals with high levels of ethical efficacy will be more courageous to act in accordance with their moral values, even when facing social pressure or personal risks. Ethical efficacy is internal and is greatly influenced by environmental support, especially from leadership figures. Responsible leadership plays a role in increasing ethical efficacy through strengthening moral reasoning, psychological empowerment, and validation of employee ethical behavior. Ethical efficacy also functions as a mediating mechanism that bridges the influence of leadership on real actions such as ethical voice.[16].

Employee Ethical Voice

Ethical voice is the proactive behavior of employees in voicing opinions, input, or criticism that aims to maintain and improve ethical standards in the workplace.[17]. Unlike voice behavior in general, ethical voice emphasizes the moral context and courage of individuals to express values of truth, justice, or social responsibility, especially when dealing with unethical practices.[18] This behavior is highly dependent on the ethical climate of the organization and support from leaders. In SMEs that tend to have simple organizational

[15] Long Le Hoang Nguyen, 'Ethical Leadership and Public Service Recovery Performance: The Roles of Thriving at Work and Moral Self-Efficacy', *International Journal of Organization Theory & Behavior*, ahead-of-p.ahead-of-print (2025), doi:10.1108/IJOTB-05-2024-0096.

[16] Qurat-ul-Ain Burhan, Muhammad Asif Khan, and Muhammad Faisal Malik, "'Ethical Leadership: A Dual Path Model for Fostering Ethical Voice through Relational Identification, Psychological Safety, Organizational Identification and Psychological Ownership,'" RAUSP Management Journal 58, no. 4 (January 1, 2023): 341–62, https://doi.org/10.1108/RAUSP-01-2023-0008.

[17] Karolina W Nieberle and Martin P Fladerer, "Voice Echoes: A Critical Review and Future Research Agenda on the Consequences of Employee Voice for Voicers, Their Co-Workers, and Managers," Organizational Psychology Review, March 20, 2025, 20413866251317930, https://doi.org/10.1177/20413866251317929.

[18] Iqbal Rafiqi and others, 'typology of sharia-compliant business capital services to support the economic', *Assyarikah : Journal of Islamic Economic Business*, 5.2 (2024), pp. 272–85.

structures and strong interpersonal relationships, ethical voice can be an important indicator of a healthy and integrity-based organizational culture.[19].

Responsible Leadership and Ethical Efficacy

Previous research shows that responsible leaders are able to increase employee ethical efficacy through providing moral examples, open communication, and creating a work environment that supports moral courage.[20]. Leaders who uphold integrity, respect the opinions of subordinates, and give trust to employees can strengthen individual beliefs to act according to their ethical values.[21] Thus, the relationship between responsible leadership and ethical efficacy is direct and positive, and becomes the foundation for forming sustainable ethical behavior.[22].

Ethical Efficacy as a Mediator of the Influence of Responsible Leadership on Ethical Voice

Several recent studies suggest that ethical efficacy acts as a mediator explaining how ethical leadership influences employee behavior[23]. In this context, ethical efficacy becomes a psychological mechanism that strengthens the relationship between responsible leadership and employee ethical voice. When leaders provide moral support and psychologically empower employees, employees become more confident in voicing their values. Thus,

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[19] Alireza Nazarian et al., "Cross-Cultural Examination of Effects of Ethical Leadership of Independent Hotels Based on Social Exchange Theory," International Journal of Cross Cultural Management 24, no. 3 (August 9, 2024): 463–84, https://doi.org/10.1177/14705958241270817.

[20] Beijing Tan et al., "A Dual-Path Model of Ethical Leadership's Influence on Civil Servants' Discretionary Work Behavior: Probing the Social Learning and Social Exchange Processes," Public Personnel Management 53, no. 2 (September 5, 2023): 175–202, https://doi.org/10.1177/00910260231196225.

[21] Helman Suprapto, 'Pengaruh Motivasi Kerja Dan Kepercayaan Terhadap Isu Pemutusan Hubungan Kerja Karyawan Selama Pandemi COVID-19 . (Survey Pada Karyawan Bank Mandiri Pamekasan)', *Masyrif*, 3.1 (2022), pp. 1–14.

[22] Xiaofeng Su et al., "Ethical Leadership and Knowledge Sharing: The Effects of Positive Reciprocity and Moral Efficacy," SAGE Open 11, no. 2 (April 1, 2021): 21582440211021824, https://doi.org/10.1177/21582440211021823.

[23] Quynh, Tho, and and Le, "Examining the Relationships between Ethical Leadership and Organizational Citizenship Behaviors in a Transitional Country: The Mediation of Public Service Motivation."

the mediating role of ethical efficacy becomes important in bridging ethical leadership and more ethical organizational behavior.[24].

RESEARCH METHODS

This study uses a quantitative approach to test the relationship between variables that have been established in the conceptual framework.[25],[26],[27],[28],[29],[30],[31],[32],[33]The independent variable in this study is Responsible Leadership, while the dependent variable is Employee Ethical Voice. The mediating variable tested in this study is Ethical Efficacy.

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[24] Zhiyong Han and others, 'Responsible Leadership and Employee Ethical Voice: Mediating Role of Ethical Efficacy and Moderating Role of Moral Identity', *Current Psychology*, 43.37 (2024), pp. 29516–27, doi:10.1007/s12144-024-06564-7.

[25] Widi Hidayat Zainurrafiqi, Ria Racawati, Devi Lestari Pramita Putri, Enza Resdiana, Endang Widyastuti, Qaiyim Asy'ari, Rusdiyanto, "The Determinants and Consequents of Competitive Advantage Based on Local Wisdom at Micro, Small, and Medium Enterprises: Evidence from Indonesia," Solid State Technology 63, no. 6 (2020): 1604–20, http://solidstatetechnology.us/index.php/JSST/article/view/2260.

[26] Zainurrafiqi and Gazali, 'Supply Chain Digitalization, Green Supply Chain, Supply Chain Re-Silience Toward Competitiveness and MSMEsPerformance', *Jurnal Aplikasi Manajemen*, 22.1 (2023), pp. 175–192, doi:http://dx.doi.org/10.21776/ub.jam.2024.022.01.14.

[27] Zainurrafiqi and Gazali, "The Influence of Supply Chain Digitalization and Green Supply Chain on the Competitiveness of Micro, Small and Medium Enterprises in Pamekasan Regency," Public Corner: Faculty of Social and Political Sciences 18, no. 2 (2023): 69–81, https://doi.org/https://doi.org/10.24929/fisip.v18i2.2973.

[28] Zainurrafiqi & Siti Salama Amar, "The Effect of Innovation Capability and Blue Ocean Strategy on Competitive Advantage and Business Performance," Assyarikah: Journal of Islamic Economic Business 2, no. 2 (2021): 73–100, https://doi.org/https://doi.org/10.28944/assyarikah.v2i2.438.

[29] Zainurrafiqi and Nurul Hidayati, "The Influence of Financial Literacy on Financial Behavior and Firm Performance with Religiosity as a Moderating Variable (Survey on Micro, Small and Medium Enterprises in Madura)," Public Corner 16, no. 2 (2021): 100–118, https://doi.org/https://doi.org/10.24929/fisip.v16i2.2205.

[30] Nur Fadjrih Asyik Zainurrafiqi, Gazali, Zef Risal, Rachman Hakim, Rusdiyanto, "Organizational Resilience, Strategic Foresight, and Green Supply Chain Integration: A Pathway to Sustainable Performance in MSMEs Through Green Competitive Advantage," Journal of Management World 4, no. 856–866 (2024), https://doi.org/https://doi.org/10.53935/jomw.v2024i4.552.

[31] Zainurrafiqi and others, 'The Effect of Organization Learning Capability and Organizational Innovation on Competitive Advantage and Business Performance', *Russian Journal of Agricultural and Socio-Economic Sciences*, 3.99 (2020), pp. 9–17, doi:https://doi.org/10.18551/rjoas.2020-03.02.

[32] Zainurrafiqi Zainurrafiqi and Ria Rachmawati, "The Influence of Business Ethics, Contingency Factors and Level of Internet Usage on Competitiveness," EKUITAS (Journal of Economics and Finance) 2, no. 4 (2019): 550–71, https://doi.org/https://ejournal.stiesia.ac.id/ekuitas/article/view/426/446.

[33] Zainurrafiqi Zainurrafiqi and others, 'Revitalizing Traditional Crafts: How Innovation and Branding Capability Drive Business Success in Batik SMEs', *Edelweiss Applied Science and Technology*, 9.4 SE-Articles (2025), pp. 2803–12, doi:10.55214/25768484.v9i4.6654.

The subjects in this study were employees working in Micro, Small, and Medium Enterprises (MSMEs) in Sumenep Regency, East Java. The sampling technique was carried out purposively, with the criteria of respondents who had worked for at least one year and had experience in operational decision making or facing ethical dilemmas in the work environment. The number of respondents successfully collected in this study was 90 employees from various MSME business sectors.

The research instrument used a closed questionnaire with a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree), which was arranged based on theoretical indicators of each construct. For the Responsible Leadership variable, the indicators were arranged based on the concept[34], which includes moral integrity, stakeholder inclusion, ethical awareness, and accountability. The Ethical Efficacy variable is measured based on employee perceptions of their ability to make moral decisions consistently, referring to the scale of[35]. Meanwhile, Employee Ethical Voice is measured by indicators of proactivity in voicing ethical issues, moral courage, and participation in ethical discussions, referring to the construct of[36].

Data collection was conducted through direct (offline) distribution of questionnaires to MSME employees who met the criteria. Before the analysis was carried out, the collected data was evaluated for completeness and a data cleaning process was carried out to ensure the validity of the input and consistency of the answers.

The data analysis technique used is Partial Least Square - Structural Equation Modeling (PLS-SEM) with the help of the latest version of SmartPLS software. The analysis stage begins with the evaluation of the measurement

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[34] Han and others, 'Responsible Leadership and Employee Ethical Voice: Mediating Role of Ethical Efficacy and Moderating Role of Moral Identity'.

[35] Han and others, 'Responsible Leadership and Employee Ethical Voice: Mediating Role of Ethical Efficacy and Moderating Role of Moral Identity'.

[36] Han and others, 'Responsible Leadership and Employee Ethical Voice: Mediating Role of Ethical Efficacy and Moderating Role of Moral Identity'.

model (outer model), including convergent validity testing through Average Variance Extracted (AVE), reliability testing using Composite Reliability and Cronbach's Alpha, and discriminant validity testing. Furthermore, testing of the structural model (inner model) is carried out to assess the strength of the relationship between constructs by looking at the path coefficient value and its level of significance through the bootstrapping method. A mediation test is also carried out to determine the extent to which Ethical Efficacy acts as a mediator in the relationship between Responsible Leadership and Employee Ethical Voice.

The steps of this research are arranged systematically so that they can be replicated by other researchers in the context of similar organizations. Replication can be done using research designs and instruments that have been tested, as well as populations and analysis methods that are appropriate to the context of MSMEs.

RESEARCH RESULT

Descriptive Statistics

A total of 90 MSME employees in Sumenep Regency became respondents in this study. The demographic characteristics of respondents were dominated by ages 26–35 years (60%) and a minimum educational background of high school/vocational high school (82%). Most respondents had worked for more than two years (71.1%), indicating a sufficient level of work experience in the MSME environment. The average overall score showed that respondents had a positive perception of all constructs studied: Responsible Leadership of 4.08; Ethical Efficacy of 4.11; and Employee Ethical Voice of 4.19. These values indicate that responsible leadership is perceived as quite strong, followed by a relatively high level of ethical efficacy and employee ethical voice behavior.

Table 1

Outer Model Testing

Construct	Loading Factor	AVE	Composite Reliability
Responsible Leadership	> 0.70	> 0.50	> 0.70
Ethical Efficacy	> 0.70	> 0.50	> 0.70
Ethical Voice	> 0.70	> 0.50	> 0.70

Source: processed primary data (2025)

Evaluation of construct validity and reliability shows that all items have loading factors above 0.70, AVE values above 0.50, and Composite Reliability (CR) values above 0.70. This indicates that the research instrument meets adequate convergent validity and internal reliability. In addition, the results of discriminant validity based on the Fornell-Larcker and HTMT criteria show all values below 0.90, which means that each construct is conceptually different and there is no multicollinearity.

Table 2

Inner Model Testing

Connection	Path Coefficient (β)	p-value	Significance
Responsible Leadership → Ethical Efficacy	0.541	< 0.001	Significant
Ethical Efficacy → Ethical Voice	0.497	< 0.001	Significant
Responsible Leadership → Ethical Voice	0.133	> 0.05	Not Significant

Source: processed primary data (2025)

The results of the path coefficient test show that Responsible Leadership has a significant effect on Ethical Efficacy ($\beta = 0.541$; $p < 0.001$), and Ethical Efficacy has a significant effect on Employee Ethical Voice ($\beta = 0.497$; $p < 0.001$). However, the direct effect of Responsible Leadership on Ethical Voice is not significant ($\beta = 0.133$; $p > 0.05$). This indicates that Ethical Efficacy acts as a full mediator in the relationship.

Table 3

Mediation Testing

Mediation	Mediation Coefficient (β)	p-value	Significance
Responsible Leadership → Ethical Efficacy → Ethical Voice	0.269	< 0.01	Significant

Source: processed primary data (2025)

Mediation analysis using bootstrapping technique shows that Ethical Efficacy significantly mediates the relationship between Responsible Leadership and Ethical Voice ($\beta = 0.269$; $p < 0.01$). This finding strengthens the role of ethical efficacy as a psychological bridge connecting responsible leadership style with employee ethical behavior in the workplace. This result supports the hypothesis of a full mediation effect, where the influence of leadership on ethical voice occurs entirely through increasing employee ethical efficacy.

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DISCUSSION

The Influence of Responsible Leadership on Ethical Efficacy

The results of the study showed that Responsible Leadership had a significant effect on Ethical Efficacy ($\beta = 0.541$; $p < 0.001$). This finding confirms that responsible leaders play an important role in shaping employees' beliefs about their ability to make moral decisions consistently. Leaders who

demonstrate social responsibility, integrity, and concern for the impact of decisions on stakeholders tend to create a work climate that is conducive to the development of moral efficacy. In line with the findings[37], ethical efficacy increases when individuals perceive moral support and value clarity from their leaders. In the context of MSMEs, this is important because a more flexible organizational structure allows leaders to be more personally involved with employees, thus forming strong and empowering ethical relationships.

The Influence of Ethical Efficacy on Ethical Voice

Ethical Efficacy also proven to have a significant effect on Employee Ethical Voice ($\beta = 0.497$; $p < 0.001$), indicating that employees who have high self-confidence in their moral abilities are more likely to voice ethical opinions. Ethical voice behavior includes the courage to express criticism of unethical actions, provide suggestions for improvement, and remind coworkers or superiors of violations of organizational values. This study supports the findings of[38] which states that moral efficacy is a major predictor of ethical courage. With high efficacy, employees not only understand the right values, but also feel able to advocate for them despite social or hierarchical risks.

The Direct Influence of Responsible Leadership on Ethical Voice

Interestingly, the direct effect of Responsible Leadership on Ethical Voice was not significant ($\beta = 0.133$; $p > 0.05$). This suggests that responsible leadership does not directly encourage employees to voice ethical values, but rather through internal psychological processes such as ethical efficacy. This means that even though leaders have responsible characters, without forming individual moral beliefs, ethical voice behavior does not immediately emerge.

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[37] Simon Oldham, "Embedding Owner-Manager Values in the Small and Medium Sized Enterprise Context: A Lockean Conceptualization," Journal of Business Ethics 194, no. 3 (2024): 561–81, https://doi.org/10.1007/s10551-024-05620-3.

[38] Ahmed Mohammed Sayed Mostafa, 'Abusive Supervision and Moral Courage: Does Moral Efficacy Matter?', *PSU Research Review*, 3.2 (2019), pp. 145–55, doi:10.1108/PRR-08-2018-0024.

This finding is in line with the view[39]that behavior can only be realized if the individual believes himself capable of doing it. In this context, the leader's responsibility is to create conditions that strengthen ethical efficacy as a basis for acting morally.

Ethical Efficacy as a Mediator

The role of Ethical Efficacy as a significant mediator ($\beta = 0.269$; $p < 0.01$) clarifies the indirect influence path of Responsible Leadership on Ethical Voice. This means that responsible leaders create an environment and relationships that psychologically encourage employees to trust their ethical capacity, which then becomes the basis for the courage to voice ethical values. This study supports the framework proposed by[40], where ethical leaders build moral awareness through empowering values and social reflection. In practice, this can be done by giving real examples, providing reinforcement for employee ethical behavior, and creating open ethical discussion forums. These results also broaden our understanding that efforts to create an ethical culture in the workplace are not enough only in structural or regulatory aspects, but must also touch on personal psychological aspects.

CLOSING

This study aims to examine and explain the relationship between Responsible Leadership and Employee Ethical Voice in MSME employees, by considering the mediating role of Ethical Efficacy. Based on the results of the analysis and discussion, it can be concluded that employee ethical behavior is not directly influenced by responsible leadership, but rather through a psychological mechanism in the form of ethical efficacy. This finding suggests that responsible leaders will only be effective in encouraging employee ethical voice if they are able to foster individual confidence in their ability to act

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[39] Dongseop Lee and others, 'Ethical Leadership and Employee Moral Voice: The Mediating Role of Moral Efficacy and the Moderating Role of Leader–Follower Value Congruence', *Journal of Business Ethics*, 141.1 (2017), pp. 47–57, doi:10.1007/s10551-015-2689-y.

[40] Lena Jakobsen et al., "Digital Ethical Reflection in Long-Term Care: Leaders' Expectations," Nursing Ethics 31, no. 6 (August 4, 2023): 1065–78, https://doi.org/10.1177/09697330231191276.

morally. In other words, there is a full mediation effect indicating that ethical efficacy is the key link between ethical leadership and moral courage behavior in the workplace.

The main contribution of this study lies in mapping the psychological mechanisms that bridge the relationship between leadership and ethical behavior in the context of MSMEs—a domain that is still under-explored in the literature on organizational behavior and work ethics. This study enriches the body of organizational psychology by confirming that moral efficacy is not only a personal attribute but is also systematically influenced by leadership style. This theoretical implication opens up opportunities for the development of leadership models that focus more on strengthening employees' psychological capacity to act ethically.

Practically, the results of this study provide important directions for MSME owners and managers to not only display responsible leadership behavior, but also actively foster employee ethical efficacy through training, open dialogue, and empowerment of moral values. Thus, an ethical culture in the workplace can be built sustainably through the synergy between reflective leadership and employee psychological reinforcement in acting according to ethical values.

SUGGESTION

Based on the findings and discussions in this study, it is recommended that MSME actors pay more attention to strengthening responsible leadership practices, especially in terms of value consistency, transparency of decision making, and concern for employee welfare. Responsible leadership development can be done through ethics-based leadership training, the establishment of value discussion forums, and the integration of moral principles in business governance.

In addition, MSME organizations also need to encourage the creation of employee ethical efficacy through psychological empowerment, moral mentoring, and strengthening safe two-way communication. Ethical efficacy

has proven to be key in increasing employee courage to proactively voice ethical values. This effort will have a direct impact on the formation of a strong and collaborative ethical culture in the MSME work environment.

It is important to remember that building an ethical culture requires not only clear structures and policies, but also the process of internalizing values through daily interactions between leaders and employees. Therefore, an approach that integrates psychological and social aspects is crucial in encouraging ethical sound behavior in a sustainable manner.

For further research, it is recommended to consider additional variables such as moral courage, ethical climate, or organizational justice to enrich the understanding of the dynamics of ethical behavior in the workplace. Longitudinal research can also be conducted to observe changes in ethical behavior over time and in various phases of MSME business development.

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