



# **THE RELATIONSHIP BETWEEN ETHICAL LEADERSHIP, WORK STRESS, CUSTOMER ORIENTATION AND EMPLOYEE PERFORMANCE AT PT KIMIA FARMA DIAGNOSTICS SULAWESI AND MALUKU REGION**

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## **ABSTRACT**

The aim of this research is to clarify ethical leadership mechanisms, which can be used to reduce work stress while improving employee performance at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region. Apart from that, this research is a forum for expanding insight to analyze various research variables for the benefit of a company. This type of research is quantitative with a survey using a questionnaire. The number of samples used was 152 employees at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region. The data processing tool in this research is smart PLS Professional. The results of this study show that ethical leadership and work stress show a significant negative relationship, ethical leadership and employee performance show a significant positive relationship, ethical leadership and customer orientation have no relationship, work stress and employee performance show a significant negative relationship, customer orientation and work stress have no relationship. relationships, customer orientation and employee performance have a significant positive relationship, Customer orientation is not able to mediate the influence of ethical leadership on employee performance, Work stress is not able to mediate the influence of customer orientation on employee performance, Work stress is able to mediate the influence of ethical leadership on employee performance.

**KEYWORDS** – Employee Performance, Work stress, Customer Orientation, Ethical Leadership

## **1. INTRODUCTION**

During the pandemic, all activities that occur in this world have changed. One thing that has really changed is the conditions of activity in the health sector. This sector has an extraordinary role at a time when world public health is poor. Human resources (employees) in this sector are required to always be ready in all conditions and of course dare to take risks when dealing directly with patients infected with Covid-19 [1]. Not a few employees feel that they are not strong enough to face such a situation due to fatigue and never ending it [1]. This is felt by employees who work in the Diagnostics sector at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region.

Data shows that from January 2020 to December 2021, patients who complained of being affected by the Covid-19 virus continued to increase. This is because these years are the years when patients in various health services are very busy, this is because many patients have their body conditions checked to see if they are infected with the Covid-19 virus. According to data from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region had the lowest number of patients who came, reaching 913 people, this occurred in April 2020. Meanwhile, the highest record was in November 2021, when 8167 people checked themselves at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region.

This condition is made worse by most customers complaining of Covid-19 symptoms which basically require complex treatment for each customer. Apart from that, the large queue of customers meant that the Diagnostics business unit at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region part experienced a decline in employee performance for each individual employee. Looking at the conditions that occurred in those years, it triggered several specific conditions regarding how ethical leadership influences work stress and influences the performance of individuals who interact with customers in the health industry, especially the Diagnostics business unit at PT Kimia Farma Diagnostics Sulawesi and Maluku Region. Basically it must also consider the increasing calls to examine the ethics of the health industry [2], coupled with employee exposure to various ethical issues and the high incidence of stress among employees of the Diagnostics business unit at Kimia Farma Diagnostics Sulawesi and Maluku Region.

The aim of this research is to clarify the mechanism by which a particular leadership style, ethical leadership, can be used to reduce work stress while improving employee performance at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region. Apart from that, this research is a forum for broadening insight and knowledge in order to compile and analyze various variables in this research for the benefit of a company or government institution.

## 2. LITERATURE REVIEW

### **Social Exchange Theory**

Social Exchange Theory shows a series of interactions that occur between two parties (such as leaders and followers)[3], usually giving rise to an obligation on the part of one party to give something to another party [4]. In this theory it is also stated that a party will most likely reply to another party according to what both parties want. The concept of ethical leadership explains that an ethical leader is able to communicate the importance of ethical behavior in the form of giving rewards to obedient employees or punishment to employees who violate inappropriate actions, this is a form of responsibility from a leader [5]. Emphasizes that ethical leaders must engage in correct actions and avoid actions that harm others, and their actions must be based on altruistic rather than selfish motives[6].

### **Employee Performance**

Performance means a form of responsibility that employees carry out towards their employers to the fullest[7]. Furthermore, according to the behavioral approach in management science, performance can be analyzed by the quantity or quality of goods carried out by an employee. Another factor determining employee performance is work stress, but in this case work stress produces results that are the opposite of increasing employee performance[8]. Explain that there are characteristics of employees who experience stress, namely anxiety, fatigue and depression[8]. When employees experience this, their performance will decrease.

### **Customer Orientation**

Customer orientation as a work value that captures the extent to which employee job perceptions, attitudes and behavior are guided by an enduring belief in the importance of customer satisfaction[9]. In a definition of the sales field, customer orientation varies greatly, most of which emphasize a focus on meeting customer needs to develop lasting customer relationships [10]. Often viewed as sales behavior that connects with specific customers, customer-oriented selling can also be conceptualized as part of a sales organization's culture [11].

### **Ethical Leadership**

Ethical leadership as the demonstration of normatively appropriate behavior through personal actions and interpersonal relationships, and the promotion of such behavior to followers through two-way communication, reinforcement, and decision making[12]. An ethical leader is able to communicate the importance of ethical behavior by giving rewards to obedient employees or punishment to employees who violate inappropriate actions, this is a form of responsibility from a leader [5]. Mindful leaders foster a supportive and welcoming environment through their ability to incorporate employees' ideas

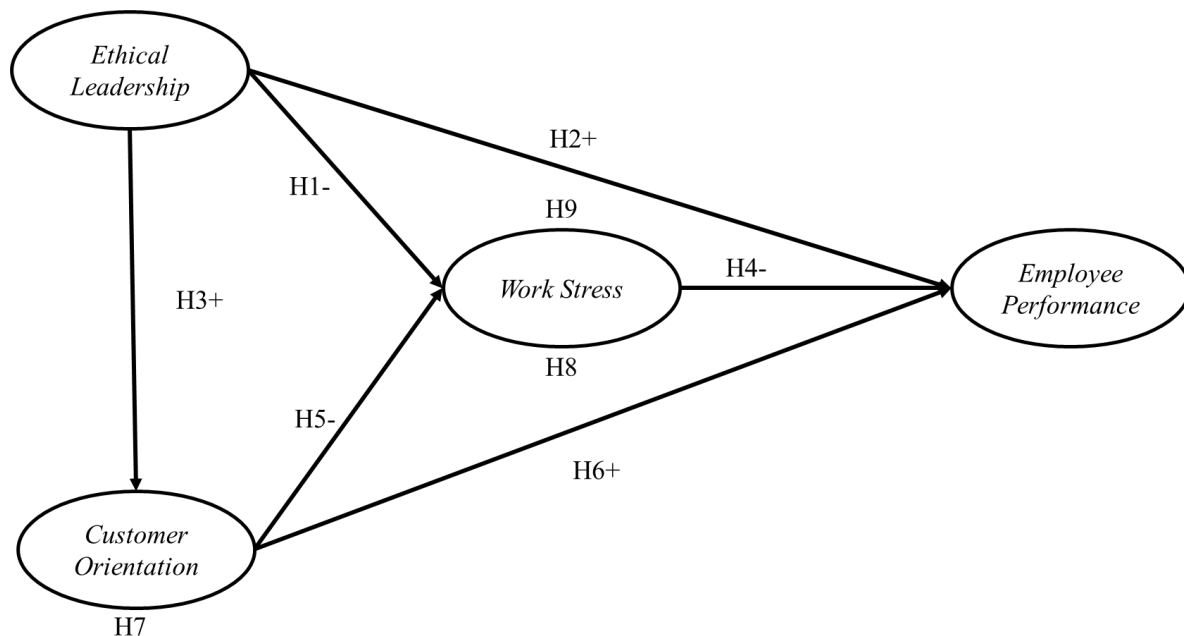
and concerns while providing critical resources, making decisions and collaborating with followers [13].

**Work stress**

Work stress is one of the biggest problems in the global world. Stress is an unexpected reaction that people have to make to overcome pressure [7]. Stress can have a positive influence on employees only in a certain amount that an employee can handle, but most of it exceeds tolerable limits and has a negative impact on employees. Work stress not only impacts company and employee performance but can also form a dire influence when it comes to health care [7]. Work stress produces work stress, including tension, anxiety, and fatigue. So in this case the demands of the workplace, the role of support, interpersonal relationships, and income are important criteria in the occurrence of work stress in the workplace [14].

**Hipotesis development**

The following is a development model from research conducted by [15] who conducted a study on the relationship between ethical leadership variables, work stress, performance and customer orientation.



**Figure. 1 Framework**

**Ethical Leadership and Work stress**

When employees are allowed to influence decisions about their work (i.e. through work participation), which is the case for employees who have ethical leaders, they tend to experience less conflict [16] and role ambiguity [17]. Finally, by making job expectations clear, leaders can reduce work stress[18]. As mentioned previously, ethical leaders clearly outline at least one dimension of work and ethical expectations. This is important considering research that shows that employees are desired by management to provide the best service [8]. Evidence shows that ethical leaders demonstrate the behavior necessary to reduce employee work stress.

In research conducted ethical leadership has an inverse relationship with work stress[8,15,18]. Therefore, it is recommended that:

*H1. Ethical Leadership has a negative effect on Work stress.*

**Ethical leadership and Employee performance**

Empirical evidence suggests that ethical leadership is positively related to customer contact employee performance. However, some researchers have found factors such as psychological capital and follower and leader goal congruence[19] and leader-member exchange, self-efficacy, and organizational identification [20] to mediate relationship ethics. leadership performance.

In research conducted found a positive relationship between ethical leadership and employee performance[21–23]. This shows that:

*H2. Ethical Leadership has a positive effect on Employee Performance.*

**Ethical leadership and Customer Orientation**

Empirical evidence finds that salespeople who behave unethically tend not to be customer-oriented[24]. It is logical that an ethical leader who practices ethical behavior, leads by example and cares about employees' best interests will foster an environment that emphasizes customer orientation. When leaders develop a work climate that is psychologically supportive, mutually trusting and respectful, helpful and friendly, as may be the case with ethical leaders, salespeople are expected to have a more customer-oriented attitude [25]. Finally, research shows that creating a customer-oriented culture in which the company cares about customers and their needs, will help foster a more customer-oriented service workforce [26].

In research conducted ethical leadership has a harmonious relationship with customer orientation[10,15,26]. Therefore, it is recommended that:

*H3. Ethical Leadership has a positive effect on Customer Orientation.*

**Work stress and Employee performance**

Work stress can have a negative impact on job performance, as tension is physically and emotionally draining. Work stress has a negative impact on employee energy levels [27]. Lack of intellectual and physical energy to effectively fulfill role obligations results in inadequate performance. Additionally, hindrance stress diminishes employees' desire to continue investing in their work relationships[28] (Crawford et al., 2010). Especially relevant to employees who contact customers, research finds that employees exposed to higher levels of stress (e.g., work stress) tend to be more aggressive and less helpful. Specific to the hotel industry, stress due to hindrance stressors (i.e., “bad” stress) was found to be negatively related to extra-role work performance among frontline employees in the hotel industry in Turkey[29]. Together, the evidence to date suggests that work stress resulting from hindrance stressors, such as ethical ambiguity, should have a negative impact on job performance.

In shows that work stress has an inverse effect on the performance of the resulting journalists [7,27,30]. Therefore:

*H4. Work stress has a negative effect on Employee Performance*

**Customer Orientation dan Work stress**

When service personnel have clearly defined roles and tasks, they tend to experience less role ambiguity because they are clear about expectations. Suggest that boundary role conflict should also be reduced as frontline employees identify demands to meet customers' specific needs to be consistent with their job roles[9]. Additionally, allowing the seller autonomy to negotiate compromises between the selling firm and the customer (i.e. meeting unique customer needs) can reduce role conflict [31]. Finally, a recent meta-analysis of boundary-spanning employees found that increasing customer orientation decreased role stress among frontline employees [9].

In research shows that customer orientation has an inverse effect on work stress [9,31,32]. Therefore:

*H5. Customer Orientation has a negative effect on Work stress.*

#### **Customer Orientation dan Employee Performance**

Customer orientation is perceived as a result of the intensity of expectations for market-oriented policies. Companies think that there is an opportunity to shape customer perceptions of the values they build to produce customer satisfaction values[33]. Many studies in management show that employees in a company can be oriented towards customer satisfaction, generally showing more responsive behavior, for example providing after-sales service or responding quickly to customer complaints[34]. The ability of employees in a company to understand and serve consumer needs is a form of customer orientation (Raie et al., 2014).

In research conducted shows that customer orientation has a consistent influence on employee performance[33–35]. Therefore:

*H6. Customer Orientation has a positive effect on Employee Performance.*

#### **Ethical Leadership, Customer orientation and Employee performance**

Previously there had been no studies showing the mediating influence of customer orientation on the relationship between ethical leadership and employee performance. It can be related that leaders act as examples for their employees to provide good service to customers. Having the basic ability of employees in the company to understand and serve consumer needs is a form of customer orientation[35], then in this case a leader will set a good example to employees by showing attitudes and behavior to consumers, and of course to achieve good performance for each individual. Therefore:

*H7. Customer Orientation can mediate the influence of ethical leadership and employee performance*

#### **Customer orientation, Work stress and Employee performance**

Previously there had been no studies showing the mediating influence of work stress on the relationship between customer orientation and employee performance. However, it can be seen that the statement from [35] regarding employees having to understand and serve consumer needs, this makes employees worry that it is understandable that consumer demands vary and basically consumers have a low level of patience. This pressure makes employees easily stressed and of course can affect their performance. Therefore:

*H8. Work stress can mediate the influence of Customer Orientation and Employee Performance*

#### **Ethical Leadership, Work stress and Employee performance**

Previously there had been no studies showing the mediating influence of work stress on the relationship between ethical leadership and employee performance. Ethical leadership means setting an example for followers and others about the correctness or injustice of certain actions[36]. Thus, if employees cannot follow the attitudes, characteristics and behavior of their leaders, they will experience work stress, which will certainly damage their performance.

*H9. Work stress can mediate the influence of Ethical Leadership and Employee Performance*

### **3. RESEARCH METHOTDS**

The type of research used is quantitative research, where to find a new concept, the researcher first develops a proposition and hypothesis which in the next step is then tested with quantitative data until finally arriving at the final finding in the form of a new thesis or tested hypothesis[37]. This research will use a survey method on respondents at PT. Kimia Farma in the field of Diagnostics. This survey method is data collection which is carried out by giving a set of questions to respondents to answer[38].

This research uses a structural equation model (SEM), a statistical technique that allows testing a relatively complex series of relationships simultaneously. The software used in this research is smart PLS Professional.

The population of this research is all employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region. Meanwhile, the sample obtained from the Slovin formula consisted of 152 respondents. The method used is the random sampling method. According to [38] random sampling is taking samples from a population without looking at the existing strata in the population. There is a reason for taking this random sampling, because all the population in this study are employees of PT. Kimia Farma Diagnostics Sulawesi and Maluku Region experienced the phenomenon that occurred in this research. So that the randomization process in selecting samples will be able to represent the answers from the population in this study.

The researcher chose to collect primary data, namely data collected directly from the object under study for the purposes of the study in question [39]. In this research, researchers used primary data in the form of collecting data directly on the research object by distributing questionnaires to respondents virtually. The data collection method used in this research is a questionnaire. Questionnaires will be given to 152 employees of PT. Kimia Farma Diagnostics Sulawesi and Maluku Region to obtain data related to this research activity, namely regarding the variables Ethical Leadership, Work stress, Performance Quality and Customer Orientation.

**4. RESEARCH RESULTS AND DISCUSSION**

**Validity Test and Reliability Test**

The results of the validity test and reliability test on the variables ethical leadership, work stress, employee performance and customer orientation have been summarized as follows:

**Table. 1 Validity Test and Reliability Test**

No.	Indikator	Outer Loading	AVE	Crombach's Alpha	Composite Reliability
<b>Ethical Leadership</b>					
1	Ethics Guidelines	0,728			
2	Justice	0,837			
3	Leader Integrity	0,893			
4	Caring Behavior	0,738	0,687	0,923	0,939
5	Division of Power	0,832			
6	Klarifikasi Peran	0,869			
7	Concern for Sustainability	0,888			
<b>Work Stress</b>					
1	Workplace Demands	0,855			
2	Support Role	0,848	0,773	0,879	0,917
3	Interpersonal Relations	0,819			
4	Income	0,902			
<b>Employee Performance</b>					
1	Quality	0,916	0,714	0,868	0,908
2	Punctuality	0,908			

3	Reliability	0,779			
4	Individual Attention	0,765			
<b>Customer Orientation</b>					
1	Understand customer needs	0,905			
2	Providing the best offer	0,772	0,686	0,769	0,867
3	Solve customer problems	0,902			

The test for convergent validity itself can be seen in the individual reflexive measure in the outer loading results showing a value above 0.70 [40], while for the test for discriminant validity it can be seen from the results of the AVE (Average Variance Extracted) value for each variables that show results above 0.5 [40]. The value results for the Crombach's alpha test on the variables ethical leadership, work stress, employee performance and customer orientation show that they are in accordance with the expected criteria, namely above 0.6. These results mean that the variables ethical leadership, work stress, employee performance and customer orientation have met the criteria for Crombach's alpha. The value results for the composite reliability test on the variables ethical leadership, work stress, employee performance and customer orientation show that they are in accordance with the expected criteria, namely above 0.7. These results mean that the variables ethical leadership, work stress, employee performance and customer orientation have met the criteria for composite reliability.

**Test of Determination Coefficient**

The test on the coefficient of determination ( $R^2$ ) of each dependent variable has been summarized as follows:

**Table. 2 Test of Determination Coefficient**

Variabel	$R^2$
Employee Performance	0,321
Customer Orientation	0,018
Work Stress	0,068

The coefficient of determination value for the employee performance variable shows 0.321. These results can be interpreted as meaning that employee performance as the dependent variable is influenced by 32.1% by the independent variables (ethical leadership, work stress and customer orientation) in this research, while the remaining 67.9% is influenced by other independent variables that do not exist. in this research. The coefficient of determination value for the customer orientation variable shows 0.018. These results can be interpreted that customer orientation as a dependent variable is influenced by 1.8% by the independent variable (ethical leadership) in this research, while the remaining 98.2% is influenced by other independent variables that are not present in this research. The coefficient of determination value for the work stress variable shows 0.068. These results can be interpreted as meaning that work stress as a dependent variable is influenced by 6.8% by the independent variables (ethical leadership and customer orientation) in this research, while the remaining 93.2% is influenced by other independent variables which are not in this research.

**Goodness of fit test**

There are model fit test results which can be seen from the Standardized Root Mean Square Residual (SRMR) values, as follows:

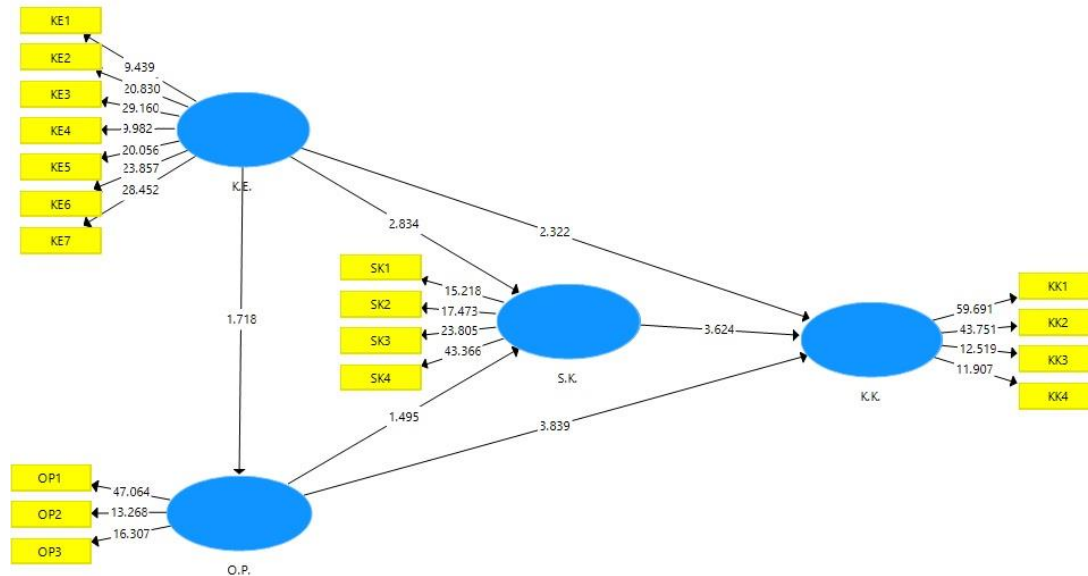
**Table. 3 Goodness of fit test**

	Saturated Model	Estimated Model
SRMR	0,068	0,068

The results on SRMR are said to be good if the value is less than 0.08 [41]. Based on the SRMR results shown in table 4.10. namely 0.068, indicating the results are in accordance with the specified criteria, so it can be concluded that the model is fit.

**Hypothesis Testing**

The hypothesis results can be seen as follows:



**Figure. 2 Hypothesis Testing**

**Table. 4 Hypothesis Testing**

Hubungan Antar Variabel	Path Coefficient	Standart Deviation	T-Statistics	P-Values	Information
KE→SK	-0,209	0,074	2,834	0,005	Accepted
KE→KK	0,161	0,069	2,322	0,021	Accepted
KE→OP	0,136	0,079	1,718	0,086	Rejected
SK→KK	-0,236	0,065	3,624	0,000	Accepted
OP→SK	-0,128	0,086	1,495	0,136	Rejected
OP→KK	0,417	0,109	3,839	0,000	Accepted
KE→OP→KK	0,057	0,039	1,453	0,147	Rejected
OP→SK→KK	0,030	0,022	1,404	0,161	Rejected
KE→SK→KK	0,049	0,024	2,030	0,043	Accepted

Information: KE (Ethical Leadership), SK (Work Stress), OP (Customer Orientation), KK (Employee Performance)

**1. Ethical Leadership on Work stress.**

The results of hypothesis testing between ethical leadership and work stress show a negative and significant relationship. These results are proven by a path coefficient value of -0.209 which indicates a negative result, a T-statistic result of 2.834 (> 1.96), and a P-value of 0.005 (< 0.05). The description of these results can be concluded that Hypothesis 1 is accepted.



**2. Ethical Leadership on Employee Performance.**

The results of hypothesis testing between ethical leadership and employee performance show a positive and significant relationship. These results are proven by a path coefficient value of 0.161 which indicates a positive result, a T-statistic result of 2.322 ( $> 1.96$ ), and a P-value of 0.021 ( $< 0.05$ ). The description of these results can be concluded that Hypothesis 2 is accepted.

**3. Ethical Leadership on Customer Orientation.**

The results of hypothesis testing between ethical leadership and Customer Orientation show a positive and insignificant relationship. These results are proven by a path coefficient value of 0.136 which shows positive results, a T-statistic result of 1.718 ( $< 1.96$ ), and a P-value of 0.086 ( $> 0.05$ ). The description of these results can be concluded that Hypothesis 3 is rejected.

**4. Work stress on employee performance**

The results of hypothesis testing between work stress and employee performance show a negative and significant relationship. These results are proven by a path coefficient value of -0.236 which indicates a negative result, a T-statistic result of 3.624 ( $> 1.96$ ), and a P-value of 0.000 ( $< 0.05$ ). The description of these results can be concluded that Hypothesis 4 is accepted.

**5. Customer Orientation on Work stress.**

The results of hypothesis testing between customer orientation and work stress show a negative and insignificant relationship. These results are proven by a path coefficient value of -0.128 which shows a negative result, a T-statistic result of 1.495 ( $< 1.96$ ), and a P-value of 0.136 ( $> 0.05$ ). The description of these results can be concluded that Hypothesis 5 is rejected.

**6. Customer Orientation on Employee Performance.**

The results of hypothesis testing between customer orientation and employee performance show a positive and significant relationship. These results are proven by a path coefficient value of 0.417 which shows positive results, a T-statistic result of 3.839 ( $> 1.96$ ), and a P-value of 0.000 ( $< 0.05$ ). The description of these results can be concluded that Hypothesis 6 is accepted.

**7. ethical leadership, Customer Orientation and employee performance**

The results of the indirect test of customer orientation mediating ethical leadership and employee performance show an insignificant relationship. These results are proven by the T-statistic of 1.453 ( $< 1.96$ ), and P-values of 0.147 ( $> 0.05$ ). The description of these results can be concluded that Hypothesis 7 is rejected.

**8. Customer Orientation, Work stress and Employee Performance**

The results of the indirect test of work stress mediating customer orientation and employee performance show an insignificant relationship. These results are proven by the T-statistic of 1.404 ( $< 1.96$ ), and P-values of 0.161 ( $> 0.05$ ). The description of these results can be concluded that Hypothesis 8 is rejected.

**9. Ethical Leadership, Work stress and Employee Performance**

The results of the indirect test of work stress mediating ethical leadership and employee performance show a significant relationship. These results are proven by the T-statistic of 2.030 ( $> 1.96$ ), and P-values of 0.043 ( $< 0.05$ ). The description of these results can be concluded that Hypothesis 9 is accepted.

**DISCUSSION****1. Ethical Leadership on Work stress.**

In the results of hypothesis testing, ethical leadership variables and work stress among employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region Region shows that there is a negative and significant relationship, which indicates that hypothesis statement 1 is accepted. These results can be interpreted as meaning that when a leader has ethical leadership, employee work stress will be lower.

The results of this research are in accordance with what happened in previous research [8] which stated that ethical leadership has an inverse relationship with work stress. Research in [15,18] also had similar results, namely that ethical leadership had a negative effect on work stress. Thus, the results of this study are able to strengthen previous research which stated that ethical leadership has an inverse relationship with work stress.

**2. Ethical Leadership on Employee Performance.**

In the results of hypothesis testing, ethical leadership and performance variables among employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region Region shows that there is a positive and significant relationship, which indicates that hypothesis statement 2 is accepted. These results can be

interpreted that when a leader has ethical leadership, employee performance will increase.

The results of this research are in accordance with what occurred in previous research belonging to [21] which stated that ethical leadership has a direct relationship with employee performance. In the research of [22,23] also had similar results, namely that ethical leadership had a positive and significant effect on employee performance. Thus, the results of this research are able to strengthen previous research which states that ethical leadership has a direct relationship with employee performance.

### **3. Ethical Leadership on Customer Orientation.**

In the results of hypothesis testing the ethical leadership and customer orientation variables of PT. Kimia Farma Diagnostics Sulawesi and Maluku Region Region shows that there is no relationship between ethical leadership and customer orientation, which indicates that hypothesis statement 3 is rejected. These results can be interpreted that the leadership that exists at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region showing ethical behavior or not, will not affect customer orientation towards the services available at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region.

The results of this study are not in accordance with previous research, conducted by [10,15,26] that basically ethical leadership has a relationship that is in harmony with customer orientation.

### **4. Work stress on employee performance**

In the results of the hypothesis test, work stress and performance variables among employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region Region shows that there is a negative and significant relationship, which indicates that hypothesis statement 4 is accepted. These results can be interpreted as meaning that when an employee experiences work stress, the employee's performance will decrease.

The results of this research are in accordance with what happened in [30] previous research which stated that work stress has an inverse effect on employee performance. In the research of [7,27] also had similar results, namely that work stress had a negative and significant effect on employee performance. Thus, the results of this study are able to strengthen previous research which stated that work stress has an inverse relationship with employee performance.

### **5. Customer Orientation on Work stress.**

In the results of hypothesis testing the customer orientation variables and work stress of employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region Region shows that there is no relationship between customer orientation and employee work stress, which indicates that hypothesis statement 5 is rejected. These results can be interpreted that existing customers at PT. Kimia Farma Diagnostics Sulawesi and Maluku Region wants to continue to be provided with the best service, even though employees of PT. Kimia Farma Diagnostics Sulawesi and Maluku Region Region is experiencing stress at work.

The results of this study are not in accordance with previous research, conducted by [9,31,32] where basically customer orientation has an inverse effect on work stress.

### **6. Customer Orientation on Employee Performance.**

In the results of hypothesis testing, customer orientation and performance variables among employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region Region shows that there is a positive and significant relationship, which indicates that hypothesis statement 6 is accepted. These results can be interpreted as meaning that when an employee is able to carry out customer orientation, the employee's performance increases.

The results of this research are in accordance with what happened in previous research [34] which stated that customer orientation has a direct relationship with employee performance. Research in [33,35] also had similar results, namely that customer orientation had a positive and significant effect on employee performance. Thus, the results of this research are able to strengthen previous research which states that customer orientation has a direct relationship with employee performance.

### **7. ethical leadership, Customer Orientation and employee performance**

In the test results for the variables ethical leadership, customer orientation, and performance of employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region shows that customer orientation is unable to mediate the influence of ethical leadership on employee performance, which indicates that hypothesis statement 7 is rejected. These results can be interpreted that ethical leadership does not affect employee performance when there is a customer orientation insert.

### **8. Customer Orientation, Work stress and Employee Performance**

In the test results of the customer orientation variables, work stress and performance in employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region shows that work stress is unable to mediate the influence of customer orientation on employee performance, which indicates that hypothesis statement 8 is rejected. These results can be interpreted that customer orientation does not affect employee performance when there is work stress.

#### **9. Ethical Leadership, Work stress and Employee Performance.**

In the test results of ethical leadership variables, work stress and performance in employees from PT. Kimia Farma Diagnostics Sulawesi and Maluku Region shows that work stress is able to mediate the influence of ethical leadership on employee performance, which indicates that hypothesis statement 9 is accepted. These results can be interpreted that ethical leadership is able to influence employee performance when there is work stress.

### **5. CONCLUSION**

Based on the results of analysis and hypothesis testing, it can be concluded that:

1. The results of the hypothesis test for the ethical leadership variable and work stress show that there is a negative and significant relationship, this identifies that ethical behavior shown by leaders can result in mental disorders in the form of work stress.
2. Hypothesis test results for ethical leadership variables and employee performance show that there is a positive and significant relationship, which identifies that ethical behavior shown by leaders can result in better employee performance.
3. The results of the hypothesis test for the ethical leadership and orientation variables show that there is no relationship between ethical leadership and customer orientation, which identifies whether leadership showing ethical behavior or not will not influence customer orientation towards services.
4. The results of hypothesis testing for work stress variables and employee performance show that there is a negative and significant relationship, which identifies that if employees experience work stress this will cause employee performance to decline.
5. Hypothesis test results for the customer orientation variable and employee work stress show that there is no relationship between customer orientation and employee work stress, which identifies that customers are still given the best service, even though employees are experiencing stressful conditions at work.
6. Hypothesis test results for customer orientation variables and employee performance show that there is a positive and significant relationship, which identifies that employee performance increases if they are able to fulfill the orientation expressed by customers.
7. Customer orientation is not able to mediate the influence of ethical leadership on employee performance. This means that ethical leadership does not influence employee performance when there is an inclusion of customer orientation.
8. Work stress is not able to mediate the influence of customer orientation on employee performance, meaning that customer orientation does not influence employee performance when there is work stress involved.
9. Work stress is able to mediate the influence of ethical leadership on employee performance, meaning that ethical leadership is able to influence employee performance when there is work stress involved.

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