

Ethical Work Climate, Social Trust, and Decision-Making in Malaysian Public Administration: The Case of MECD Malaysia

Sri Langgeng Ratnasari^{*}

Nomahaza Mahadi^{**}

Nur Anis Nordin^{***}

Dio Caesar Darma^{****}

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^{*} Sri Langgeng Ratnasari, Professor, University of the Riau Islands, Batam, Indonesia (profesorica na Sveučilištu Riau Islands, Batam, Indonezija, e-mail: sarisucahyo@yahoo.com).

ORCID: <https://orcid.org/0000-0003-1183-2817>

^{**} Nomahaza Mahadi, Associate Professor, International Business School, University of Technology Malaysia, Kuala Lumpur (izvanredna profesorica na Međunarodnoj školi poslovne ekonomije Malezijskog tehnološkog sveučilišta, Kuala Lumpur, e-mail: nomahaza.kl@utm.my).

ORCID: <https://orcid.org/0000-0002-3941-5188>

^{***} Nur Anis Nordin, PhD candidate, International Business School, University of Technology Malaysia Kuala Lumpur (doktorandica na Međunarodnoj školi poslovne ekonomije, Malezijskog tehnološkog sveučilišta, Kuala Lumpur, e-mail: nuranisnordin@gmail.com).

ORCID: <https://orcid.org/0000-0003-4602-027X>

^{****} Dio Caesar Darma, Junior Researcher, Department of Management, Samarinda College of Economics, Samarinda, Indonesia (znanstveni novak na Odjelu za menadžment Ekonomskog fakulteta u Samarindi, Indonezija, e-mail: diocaesar@stiesam.ac.id).

ORCID: <https://orcid.org/0000-0002-3287-7670>

This paper examines the role of social trust in influencing ethical work climate and decision-making. Moderated regression analysis was used to analyse the data. A survey was carried out at the Ministry of Entrepreneur and Co-operative Development (MECD) in Malaysia, and was completed by all 349 employees, which permitted a comprehensive overview. We found that company interest, friendship, team play, and personal morality were closely related to increasing social trust ($p < 0.05$). Social trust also mediated a positive impact of company interest, friendship, team play, and personal morality on decision-making with $p < 0.05$. Rules and procedures had no significant impact either on social trust or decision-making. Eight hypotheses were confirmed, while two were rejected. Implications for practice and research are discussed.

Keywords: public servants, social trust, surveys, MECD Malaysia, ethical work climate, MRA (moderated regression analysis)

1. Introduction

The coronavirus illness known as COVID-19 has emerged as a recent phenomenon that has changed all global aspects. The pandemic has not only impacted the health sector, but has also damaged the economy, culture, government policies, and public administration (Jiuhardi, Darma & Heksarini, 2021; Muraleedharan & Bryer, 2021).

The Malaysian government has struggled to implement the 3T model (testing, tracing, and treatment), but its efforts have not been fully effective. In 2020, the virus claimed the lives of 249 people per day. Indeed, this record is not higher than other countries in Europe, Latin America, and Africa have observed, but Malaysia is certain to achieve the sixth highest daily number of suspected cases in the eleven-member ASEAN region and this has the potential to threaten the sustainability of its population. Interestingly, the Center for Strategic and International Studies (2021) noted that at the regional level Selangor was the alliance area that contributed most to the impact of COVID-19 in Malaysia, with 499,000 positive cases and 108 people deceased in 2020. Meanwhile, Kuala Lumpur (KL) as the capital city of Malaysia ranks second highest after Johor.

Given that these two cities are the most heavily populated, the inevitable mobility of the citizens is a key driver of the spread of COVID-19 in Malaysia. Putrajaya, which is classified as a developing area and whose population amounted to only 0.29% of the total Malaysian population in 2019, is certainly in the public spotlight (Ashri, Saad & Adznam, 2021).

No one could have predicted the strength of this pandemic, as almost all countries were overwhelmed due to a lack of adequate preparation. Attempts to provide adequate services also disrupted public administration in European countries such as Romania (Davidescu et al., 2020). Likewise, in the USA, the government has prepared public measures to combat COVID-19 and is trying to restore the public administration system (Aharon et al., 2021). In their paper, Posel, Oyenubi, and Kollamparambil (2021) focused on the effects of COVID-19 on individual mental health, using a case study of government employees in South Africa. A longitudinal analysis proves that many of them lost their jobs, which affected their mental health during COVID-19.

Important questions arise regarding the demand for stability in government administration and how efforts to restore the productivity and performance of public employees are thwarted. Excessive workload can lead to depression amongst public employees. Some married female employees report that working from home may trigger multiple conflicts and consequences over focusing on work or doing a greater share of the household tasks than men. Taking care of their families and children is likely to lead them to experience excessive fatigue during the lockdown (Adisa, Aiyenitaju & Adekoya, 2021; Uddin, 2021; Nikmah, Indrianti & Pribadi, 2021). The reality that must be faced is responsibility for the job, which affects social trust and decision-making.

No one knows for sure when this pandemic will end. Public administration is oriented towards the development of a sophisticated system of digital services, but this takes a long time and few services can be provided fully online. Citizens continue to criticise sharply and demand that services be improved. They want a combination of trusted institutions and policies based on actual situations. Indeed, it takes practical consistency on the part of decision-makers to avoid tensions that have the potential to lead to social unrest.

Further explanation regarding ethical work behaviour that affects emotions, effective moral reasoning, and ethical efficacy is offered by the research of Arnaud and Schminke (2012). They explored the organisational work climate of 117 departments across 103 organisations including

for-profit and non-profit companies, public and private organisations, and product- and service-oriented companies. Auzoult and Mazilescu (2021) investigated the similar context of an ethical work climate and surveyed 277 professionals in the transportation, civil services, industry, trade, social, and health sectors. They define ethical climate as a set of behaviours, judgments, and social norms. The authors' conclusions confirm the picture of ethical scrutiny in the workplace. Organisational citizenship behaviour (OCB) was tested through the attributes of organisational identification and leader-member exchange, where there was a two-way causality in the mediation model test (Teng et al., 2020). The next example came from a railway company in the Democratic Republic of the Congo. Attributes of the work climate include instrumental, independence, rules, laws, and concern for success in moderating organisational commitment and employee job satisfaction (Mitonga-Monga, 2018). Interestingly, the ethical climate is also of vital importance in moderating positive work attitudes. In 192 large-scale companies in Marmara (Turkey), continuance commitment, affective commitment, and job satisfaction are also positively integrated (Zehir, Müceldili & Zehir, 2012)

Enthusiasm for the existence of an ethical work climate is now at stake. Organisational dynamics have been the centre of attention of governments, scholars, practitioners, and workers for decades. In addition, the prevalence of human errors in decision-making has the potential to cause chaos and eventually bring about reduced levels of social trust. Ismail (2015) found that there was a significant relationship between job satisfaction, professional commitment, and ethical climate, based on a sample of 263 auditors in Malaysia. A comprehensive investigation concluded that regulatory tightening through oversight of the ethical climate and ethical leadership can reduce integrity violations, according to Hamoudah and colleagues (2021). While this drains policy and financial resources, it is a surefire way to prevent organisational violations from occurring. They analysed 151 public employee responses in Malaysia to get information about ethical judgments regarding unethical behavioural intentions. It was observed that those who work in the financial sector often violate the rules of work ethics because there is a positive correlation between the two dimensions (Abdullah, Sulong & Said, 2014). The level of awareness and credibility of behaviour dominates decisions in the public sector.

The paper is aimed at members of the public, the government, and in particular those who have focused on the perspective of an ethical work climate for decision-making so that the value of social trust continues to grow. The paper comprises five sections: the introduction, theoretic-

cal background and hypotheses, methodology and objectivity, results and findings, and conclusions.

2. Theoretical Background and Hypotheses

Leadership, policy outcomes, and practice create an ethical work climate and have a systematic impact on decision-making, workplace behaviour, and organisational leadership. Newman and colleagues (2017) highlight an ethical work climate which examines the work attitudes of employees and organisational commitment.

Most organisational processes transmit managerial expectations of how to resolve ethical problems through moral behaviour and this has an impact on determining member behaviour and on their attitudes in the organisation (Chouaib & Zaddem, 2013). Victor and Cullen (1988) developed multidimensional indicators of ethical climate. Experience, service unit, position, and workload can all have implications for an ethical work climate. Recently, Teresi and colleagues (2019) defined an ethical work climate as an ethical problem that must be addressed in order to improve the behaviour of employees in organisational life. They used the social identity approach to see the effects of two ethical climates, namely the climate of friendship compared to that of personal interest. Participants completed a questionnaire examining their intention to move to a company with the opposite ethical climate, identification with the organisation, salary and benefits, organisational morality, and the likelihood of recommending the organisation to other people. An ethical work climate actually promotes practical intervention in organisational behaviour.

Addressing conflict requires identification, dispute resolution at different levels, effective space, leadership sensitivity, and complex evaluation. (Thibaut & Walker, 1978). Legal systems theory focuses on the disputes that reform common procedures for achieving justice and truth, including conflicts of interest, cognitive situations, and mixed conflicts (disputes).

According to Bone (2008), procedural reform analyses three basic normative issues (including disputes between superiors and subordinates or fellow employees) including the role of institutions in resolving problems carefully in civil courts, assessing participation rights and individual participation, and understanding the relationship between substantive law and procedural law. A very important component of an ethical work climate is decision-making. To classify problems, morals certainly help to

regulate decisions referring to rules and procedures (Treviño, Weaver & Reynolds, 2006). Therefore, we propose the following hypothesis:

H.1a – there is a positive relationship between rules and procedures and social trust.

Keay (2010) evaluates stakeholder theory as it relates to public objectives and determines company interests. The analysis and vital arguments put forward earlier have challenged this. This theory should unify ethics and economics, thus ensuring managers consider the interests of all stakeholders when deciding what actions the company should adopt. Profit groups, such as employees in the company, must also consider the interests of stakeholders to resolve conflicts.

Interest group theory in the company finds the behaviour of each individual to be bound by the rule of law. Organisations need to build systems and take constructive steps so that the public can access all policy changes. As technology becomes more sophisticated people can make predictions, gain valuable insights, and evaluate their performance (Macey & Miller, 1997). The empirical review by Montiel-Campos and colleagues (2011) suggests decision-making plays a role in forming corporate collectives, fostering the persistence of a new culture for company managers. Although the relationship between decision-making and strategic interests is highly dominant, it is necessary to verify company performance effectively. The orientation of a company's interests regarding decision-making appears to have a significant effect. However, the relationship between company interest and the level of decision-making also has the potential to go in the opposite direction if it is not supported by performance (Solé-Parellada et al., 2011). The implications need to be discussed in depth by highlighting these two influences through a comprehensive review. The second hypothesis to be formulated is:

H.1b – there is a positive relationship between company interest and social trust.

Wright (2006) presented a theory that friendship requires self-actualisation, where each individual and group of people has a primary motive for seeking someone's attention. The theory highlights the dimensions of entity value and well-being. Besides individual attributes, it is also important to evaluate oneself in order to change in a positive direction, and this growth involves investment in a friendly relationship involving mutual care and voluntary dependence on another. This level of relationship is difficult to maintain if there is no investment in personal attention, sacrificing time, self-affirmation, utility values, personal resources, reducing ego, and stimulating value. In closer relationships (such as between

couples), marriage and love are complementary because they are better together than apart (Perlman & Fehr, 1986). This serves as inspiration for the next hypothesis:

H.1c – there is a positive relationship between friendship and social trust. The concept of team play has been extensively described in the literature. Yusliza and colleagues (2019) define a team as a collection of individuals who perform better together than as individuals. Ivan (2010) considers a team to be a group of people who have the same goals and more than just the personal goals of the individual. Furthermore, Osibanjo and Adeniji (2012) claim that a team has a clear vision through collective action and the joint production of a mission, because each individual will get more value from this than from their work separately.

Decision-making becomes a new paradigm that is always highlighted in various studies which discuss morals in the socio-political field, moral norms and values in culture, work morals, morals in household and family relationships, and collective morals. Huo and colleagues (2020) present the concept that drives organisations to achieve sustainable goals, which needs to emphasize the integration of human resources management (HRM) and competitive advantage to help companies achieve unique value. Therefore, we propose the following hypothesis:

H.1d – there is a positive relationship between team play and social trust.

The paradox of morality explains the difficulty of achieving moral improvement when individuals are confronted with their morally questionable behaviour. Raising questions about people's moral viewpoints easily brings about moral outrage and aggression towards other employees who think differently. Excessive admiration and individual attitude will actually hinder behaviour improvement (Ellemers et al., 2019). Conceptually, each individual makes explicit moral choices, so that others are forced to adjust their behaviour. The possibility is that certain situations will push them towards changes that are difficult to monitor (Lapsley, 2015). For example, in the workplace, in order to maintain moral behaviour, it will be more effective to prioritise contextual features through the transformation of leadership behaviour and organisational norms. This leads to the following hypothesis:

H.1e – there is a positive relationship between personal morality and social trust.

The competitive environment in which new organisations operate encourages employees to adapt to any changes related to the organisational structure. An organisational effectiveness culture fosters employee read-

iness to function, while ethical leaders offer support and guidance and can make a significant difference to an ethical work climate by reducing uncertainty. Ethical leadership mediates social trust to form an excellent mechanism for decision-making (Metwally et al., 2019).

Hurley (2006) developed a model of trust in US companies, which describes a sense of distrust on part of middle- and lower-level management towards company executives. Many managers do not trust their own leaders. Downsizing, the impact of globalisation, and mergers are actually speeding up the pace of change in organisations. The risk of these three elements creates a crisis of trust among generations. Trust arises in certain situations that support a productive atmosphere and a competitive work environment. However, the decision-making process requires integrity, social diagnosis, and, of course, trust capital.

Social influences have a dominant effect on individual beliefs. People's behaviour changes as they make decisions and sometimes their behaviour conflicts with their personal preferences. According to research by Wei, Zhao, and Zheng (2019), people can adapt to the behaviour and opinions of others, but social influences, such as arguments, differences of opinion, and communication, can reflect subjectivity in their decisions.

An important component in the relationship between individuals and groups of people is trust (Kumar & Saha, 2017). In the public sector, participation and trust influence decision-making attitudes. Participation in decision-making facilitates trust by involving employees in active participation, i.e. their opinions need to be heard. Experiments to address this highlight how trust can have implications for decision-making. A decision is tough because people are uncertain whether to accept or reject something (Schul & Peri, 2015). The way individuals experience trust relies on sources that are worthy of trust or the absence of such sources. They should heed the advice of others based on their experience of trusting the quality of decisions.

The urgency of ethical behaviour in the public sector is also discussed. In China, Kim, Miao, and Park (2015) examine the ethical environment and ethical leadership with regard to organisational behaviour. Important research confirms that managerial accountability and organisational trust have a real impact on ethical practice in the public sector. This can be linked specifically to the following model:

H.2 – there is a positive relationship between rules and procedures and decision-making mediated by social trust.

H.3 – there is a positive relationship between company interest and decision-making mediated by social trust.

H.4 – there is a positive relationship between friendship and decision-making mediated by social trust.

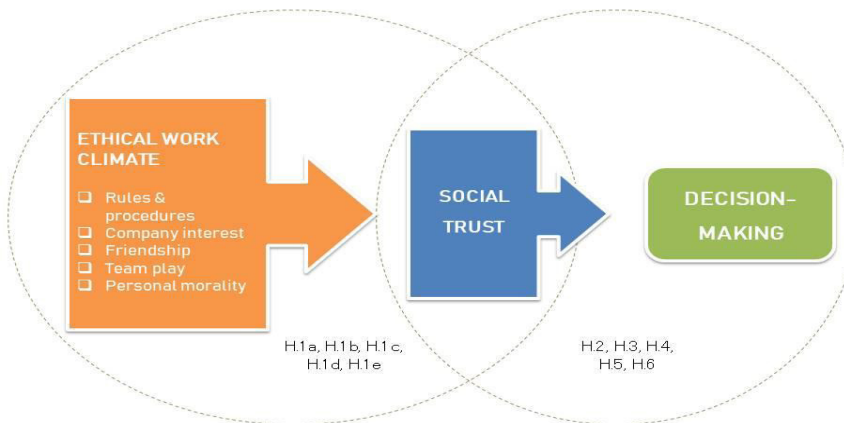
H.5 – there is a positive relationship between team play and decision-making mediated by social trust.

H.6 – there is a positive relationship between personal morality and decision-making mediated by social trust.

3. Methods

The paper focuses on decision-making influenced by an ethical work climate (rules and procedures, company interests, friendship, team play, and personal morality) through the mediating role of social trust. Conceptual hierarchy of the model predicts two forecasts (see Figure 1). The first estimate links an ethical work climate to decision-making, describing its direct effect. The second estimate describes an indirect effect, emphasizing the role of social trust in moderating the relationship between the ethical work climate and decision-making.

Figure 1: *Theoretical model of hypotheses*



Source: Authors.

Table 1 shows how the survey was conceptualised and how the three dimensions (EWC, ST, and D-M) were broken down into 16 indicators.

Perceptions of the survey participants were examined by the four response alternatives offered: 1 – very inappropriate, 2 – not workable, 3 – decent, 4 – workable. Participants had their own options of responding and without intervention. Public servants at the Ministry of Entrepreneur & Cooperative Development (MECD) in Putrajaya, Malaysia were asked to fill out a questionnaire containing 16 questions. All the 349 public servants took part in the survey. Because of COVID-19, a health protocol was implemented and the survey was carried out virtually, saving time and effort.

Table 1: *Conceptualisation*

Sources	Variables			Focus point
	EWC	ST	D-M	
Pusriadi et al., 2021; Sulasmi & Widhianto, 2009	√	-	-	5 (rules and procedures, company interest, friendship, team play, and personal morality)
Justwan, Bakker & Berejikian, 2018; Buriak et al., 2019; Di Napoli, Dolce & Arcidiacono, 2019	-	√	-	5 (opinion, behaviour, positive interaction, collectivity, and sense of belonging)
Hély & Antoni, 2019; Waas et al., 2014; Mendoza & Prabhu, 2000; Laboutková & Vymětal, 2019	-	-	√	6 (synthetic approach, information structuring, interpretation, participatory evaluation, fairness, and transparency)

Source: Authors, based on previous studies.

Legend: EWC = ethical work climate, ST = social trust, D-M = decision-making.

Moderated Regression Analysis (MRA) indicates the variation of the dependent variable in linear regression, where the structural equation contains elements of interaction or multiplication of independent variables (Aguinis, 1995). The moderating variable will weaken or strengthen a relationship depending on the model formed (Memon et al., 2019). Explicitly, the application of the MRA method detects the interaction and the relationship between dependent and independent variables that is influenced by other (mediator) variables. Its objectivity lies in the role of social trust in estimating the strength of the interaction (e.g. Fairchild & MacKinnon, 2009; Sharma, Durand & Gur-Arie, 1981).

The four tests used to estimate the feasibility of the questionnaire refer to descriptive statistics, validity of assumptions, reliability of assumptions, and hypothesis testing. According to Moses and Yamat (2021) and Suparjo and colleagues (2021), Pearson’s correlation is used to test validity

($\alpha < 0.05$), while Cronbach’s Alpha (CA) > 0.70 was used to determine the reliability of all variables. The hypothesis test was divided into two stages (direct effect and indirect effect), where the probability limit supported by 5% and special moderating effects were tested with an extra tool with the Sobel test, beyond the incomplete statistical software such as IBM-SPSS (e.g. Sobel, 1982; Baron & Kenny, 1986).

4. Results and Findings

Since August 2021, the MECD has been headed by Noh bin Omar of the Barisan Nasional (BN) government, under the Prime Minister of Malaysia (Ismail Sabri Yaakob). He is also a parliamentary representative for Tanjong Karang. The MECD of Malaysia includes three organisational levels: top management (director, deputy director and assistant director), middle management (senior cooperative officers and senior cooperative secretary), and lower management (head of purchasing, head of janitors, and head of clerks).

Table 2: *Demographics*

Profiles	N	Percentage
<i>Gender</i>		
Male	205	58.74%
Female	144	41.26%
<i>Age</i>		
20–25	48	13.75%
26–30	83	23.78%
31–35	87	24.93%
36–40	79	22.64%
+41	52	14.90%
<i>Educational background</i>		
Diploma	20	5.73%
Bachelor’s degree	116	33.24%
Master’s degree	195	55.87%
Doctoral degree	18	5.16%

Organisational chart		
Top management	35	10.03%
Middle management	94	26.93%
Lower management	220	63.04%
Career duration		
2–7	93	26.45%
8–13	76	21.78%
14–19	138	39.54%
+20	42	12.03%

Source: Authors.

The MECD’s focus is on accelerating cooperatives and speeding up the growth and establishment of small and medium-sized enterprises (SMEs) in Malaysia, while its mission is to provide assistance with capital and with technical training, to simplify business licensing, and promote entrepreneurship programmes. There are 349 public servants employed at the MECD, with positions ranging from top (10.03%) and middle management (26.93%) to lower management (63.04%). Table 2 also shows that 58.74% of MECD employees are male and 41.26% female. The majority (71.35%) are in the 26–40 age bracket, whereas 55.87% have achieved a master’s degree. Their organisational experience is unquestionable because 39.54% of MECD employees have served for 14–19 years.

Table 3: *Descriptive statistics and reliability coefficients*

Variables	Mean	St.Dev.	Reliability
Rules and procedures	2.48	0.26	0.83
Company interest	3.76	0.75	0.85
Friendship	3.89	0.13	0.90
Team play	3.57	0.44	0.81
Personal morality	2.93	0.32	0.84
Social trust	3.61	0.68	0.96
Decision-making	3.05	0.59	0.88

Source: Authors.

We carried out a series of tests to interpret the collected data. The first interpretation discusses descriptive statistics and CA values for all variables.

Table 3 shows the results of questionnaire feasibility, where the seven variables have a CA > 0.70 or have been shown as reliable. Friendship is the variable with the highest mean value, while the lowest is observed in the case of rules and procedures. Standard deviation aims to examine the data set that represents the sample mean. Company interest has the highest SD, while friendship has the lowest.

Table 4 interprets the validity formed by correlation against all indicators in the questionnaire, which indicated to have supported hypotheses, where p-value < 0.05. That way, a consistent measuring parameter will give the same results because of the similarity of scores through the perceptions of the respondents.

Table 4: Summary of validity based on the impact of COVID-19

Variables and indicators	Correlations	Conclusions
<i>Ethical work climate</i>		
EWC.1	0.000*	Data is supportive
EWC.2	0.018*	Data is supportive
EWC.3	0.001*	Data is supportive
EWC.4	0.000*	Data is supportive
EWC.5	0.005*	Data is supportive
<i>Social trust</i>		
ST.1	0.031*	Data is supportive
ST.2	0.000*	Data is supportive
ST.3	0.047*	Data is supportive
ST.4	0.002*	Data is supportive
ST.5	0.002*	Data is supportive
<i>Decision-making</i>		
DM.1	0.001*	Data is supportive
DM.2	0.047*	Data is supportive
DM.3	0.018*	Data is supportive
DM.4	0.003*	Data is supportive
DM.5	0.002*	Data is supportive
DM.6	0.001*	Data is supportive

* = p < 0.05.

Source: Authors.

Similarly, all pathways in regression show the association of five variables (rules and procedures, company interest, friendship, team play, and personal morality) to foster decision-making via social trust with different scores. As has been noted, rules and procedures are the only variable that does not affect social trust and decision-making, either directly or indirectly. This indicates that there is a very strong relationship between company interest, friendship, team play, and personal morality and decision-making. In addition, social trust seems to show a great potential for moderating relationships between variables, so social trust deserves attention (see Table 5).

Table 5: *Verification of the hypothesis*

Number of hypothesis	Path	Coeff.	Test results	Causality	Findings
H.1a	R&P -> ST	-0.42	t: 0.465; Sig: 0.056	*	Rejected
H.1b	CI -> ST	0.37	t: 6.783; Sig: 0.019	*	Supported
H.1c	F -> ST	0.23	t: 2.870; Sig: 0.203	*	Rejected
H.1d	TP -> ST	0.36	t: 2.321; Sig: 0.016	*	Supported
H.1e	PM -> ST	0.46	t: 4.034; Sig: 0.035	*	Supported
H.2	R&P -> ST -> D-M	-0.30	t: 0.748; Sig: 0.061	**	Rejected
H.3	CI -> ST -> D-M	0.49	t: 3.429; Sig: 0.027	**	Supported
H.4	F -> ST -> D-M	0.07	t: 3.406; Sig: 0.132	**	Supported
H.5	TP -> ST -> D-M	0.35	t: 1.246; Sig: 0.011	**	Supported
H.6	PM -> ST -> D-M	0.21	t: 2.313; Sig: 0.000	**	Supported

Source: Authors.

Legend: R&P = rules and procedures, CI = company interest, F = friendship, TP = team play, PM = personal morality, ST = social trust, D-M = decision-making; Causality: *one-way, **two-way.

Table 5 also shows that causality is most prominent in the one-way effect of team play on social trust, which is in the significant category ($p = 0.016$). Regarding one-way causality, another two relationships also have a significant effect, namely company interest on social trust ($p = 0.019$) and personal morality on social trust ($p = 0.035$). What needs to be highlighted is that rules and procedures and friendship do not have a significant impact on social trust because $p > 0.05$. Another interesting observation is the two-way effect (moderation) of rules and procedures and friendship, which data show to have no significant effect on deci-

sion-making through social trust ($p = 0.061$). Meanwhile, the effects of the other four pathways were equally significant in moderating social trust in decision-making ($p < 0.05$).

Publications from a range of countries illustrate what is known about the motives behind the relationship between an ethical work climate and social trust and decision-making.

In an industrial world country such as Turkey, employee trust reflects leadership character and vice versa (Ensari & Karabay, 2016). An ethical climate is related to commitment and trust. High social trust has a partially mediating effect on an ethical work climate and decision-making. Ethical leadership correlates very closely with trust in the organisation, as was indicated in case studies undertaken in Ankara (Yanik, 2018).

The interrelated connections of organisational trust in analysing ethical leadership and involving teachers at several universities in China were studied by Zeng and Xu (2019). The interpersonal relationships between supervisors and subordinates strengthen the relationship between organisational trust and involvement, so ethical leadership is essential.

The argument for team synergy cannot be separated from decision-making that is aligned with social responsibility. The analytical framework regarding inhibiting factors in the organisational climate emphasizes team meetings that seek a holistic approach (e.g. Zainurossalamia et al., 2020; Marišová, Lichnerová & Machyniak, 2021; Ratnasari et al., 2020). Promoting group work is a practical technique that facilitates ethics in helping organisations implement organisational goals and values based on bottom-up processes and individual cultures. Extensive social trust among employees determines a pragmatic HRM model. The moderating effect of social trust in organisations suggests it can significantly determine decision-making, in both individuals and groups. Social trust will grow automatically if focus is placed on job satisfaction.

Hao, Farooq and Zhang (2018) propose speeding up improvements in public service standards. A real contribution to society requires that the work standards of public servants be rigorous when it comes to administrative accommodation, performance, complaint screening, response, control, fairness, and other service attributes. An effective conceptualisation of organisational outcomes and employee social trust explores their attitudes and trust (Kulaç, Sobotková & Sobotka, 2021).

In a comparison of the Asian region and the rest of the world, Vikaraman and colleagues (2020) evaluated ethical leadership factors in a sample of local and international school leaders in Malaysia. Their research investi-

gated leadership styles that have a positive impact on improving organisational performance, mindset, and innovation. In addition, behaviour in the workplace was also built on trust and ethical leadership.

Usman and colleagues (2021) focused on the negative impact of COVID-19, i.e. the degradation of emotional, physical, and especially social health of individuals. They claimed participatory leadership helped workers in the health sector in the Khyber Pakhtunkhwa Province (Pakistan) stay focused on the front lines during the pandemic. Participatory leadership was shown to have played a vital role in moderating the behaviour of medical personnel and helping them in the workplace.

Banks and colleagues (2020) looked at the ethics of social workers in responding to the global challenge posed by COVID-19 and the large-scale behaviour changes brought about by the crisis, including the impact on the behaviour of health professionals and individual psychological burdens. Insights from the social sciences that are relevant to pandemics, for instance in the areas of stress management, leadership ethics, decision-making, morals, communication, and culture, were used to suggest how to respond to the COVID-19 pandemic and overcome unresolved problems and uncertainty (Bavel et al., 2020).

A study in France by Robert and colleagues (2020) looked at the withdrawal of life support decisions regarding COVID-19 patients treated in the ICU. A formal approach to making the choice for each patient should integrate ethical reflection.

5. Conclusion

This paper presents findings that need to be considered. Out of the 10 hypotheses divided into two categories, namely direct and indirect relationships, it was concluded that rules and procedures have a negative relationship with social trust. When moderated by social trust, rules and procedures also have a negative relationship with decision-making. On the other hand, four components of an ethical work climate, specifically company interest, friendship, team play, and personal morality, have a positive impact on social trust and decision-making.

The dramatic change brought about by COVID-19 frustrates the public servants at MECD. The current operating standard is certainly very different from what used to be normal, when all the work could be completed on time. The pandemic has had an impact on costs and has drained

workers of their (mental) energy and time. Rules and procedures do not run as effectively and efficiently as they should and rules often change based on lockdown conditions. Public services have adapted to a digital format but not all users understand how to use information technology (IT). As a result, several regulations related to the business extension period and business feasibility licensing had to be postponed. There are also some SMEs who have complained that the distribution and sales processes have slowed down because of the frequent changes in policies.

We are aware of the limitations and opportunities this paper presents in terms of future research. The practical and theoretical implications need to be reviewed and researched further from a multidisciplinary perspective. The public administration sector requires an increase in highly competent and capable human resources.

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ETHICAL WORK CLIMATE, SOCIAL TRUST, AND DECISION-MAKING IN MALAYSIAN PUBLIC ADMINISTRATION: THE CASE OF MECD MALAYSIA

Summary

Organisational dynamics all over the world have been unstable due to COVID-19. In public administration, public servants were required to serve the community professionally, without exception. This paper examines the role of social trust in influencing an ethical work climate and decision-making. MRA was used to analyse the relationship between rules and procedures, company interest, friendship, team play, and personal morality on the one hand, and social trust and decision-making on the other. Questionnaires were completed by all 349 employees at MECD Malaysia, which allowed for a comprehensive overview. Results show that company interest, friendship, team play, and personal morality were closely related to increasing social trust ($p < 0.05$). Social trust also mediated a positive impact of company interest, friendship, team play, and personal morality on decision-making with $p < 0.05$. Some less logical observations were made regarding the relationship between rules and procedures and both social trust and decision-making, as indicated by $p > 0.05$. Eight hypotheses were confirmed, while two were rejected. Social trust is not crucial in moderating and advancing rules and procedures for decision-making. Finally, we suggest implications for studies related to ethical work climate practices in the public sector.

Keywords: public servants, social trust, surveys, MECD Malaysia, ethical work climate, moderated regression analysis

ETIČKO RADNO OKRUŽJE, SOCIJALNO POVJERENJE I
PROCES DONOŠENJA ODLUKA U MALEZIJSKOJ JAVNOJ
UPRAVI: SLUČAJ MECD MALAYSIA

Sažetak

Organizacijske dinamike diljem svijeta postale su nestabilne zbog bolesti COVID-19. U javnoj upravi pred javne je službenike postavljen zahtjev profesionalnog služenja zajednici, i to bez ikakvih iznimki. U ovom se radu ispituje utjecaj socijalnog povjerenja na etičko radno okružje. MRA je korišten s ciljem analiziranja odnosa između pravila i procedura, interesa poduzeća, prijateljstva, timskog rada i osobne moralnosti s jedne strane te socijalnog povjerenja i procesa donošenja odluka s druge. Upitnike je ispunilo svih 349 zaposlenika koji rade u MECD Malaysia, što nam je omogućilo provođenje obuhvatna pregleda. Rezultati pokazuju da su interesi poduzeća, prijateljstvo, timski rad i osobna moralnost usko povezani s porastom socijalnog povjerenja ($p < 0.05$). Socijalno povjerenje također je ostvarilo pozitivan utjecaj na interese poduzeća, prijateljstvo, timski rad i osobnu moralnost s $p < 0.05$. Neki od manje logičkih zaključaka povezani su s odnosom između pravila i procedura i socijalnog povjerenja, ali i procesa donošenja odluka, što je indicirano s $p > 0.05$. Osmam je hipoteza potvrđeno, dok su dvije odbačene. Socijalno povjerenje nije ključno u moderiranju i unapređivanju pravila i procedura potrebnih za proces donošenja odluka. Konačno, predlažemo implikacije za istraživanja koja se tiču praksi etičkoga radnog okružja u javnom sektoru.

Ključne riječi: javni službenici, socijalno povjerenje, ankete, MECD Malaysia, etičko radno okružje, moderirana regresijska analiza