

## The Influence of Business Ethics, Entrepreneurship Behavior, and Organizational Climate on the Performance of Micro, Small and Medium Enterprises Legal Entity through Professional Commitment in Pasuruan City

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**Abstract:** This study aims to analyze the influence of business ethics, entrepreneurial behavior, organizational climate towards professional commitment of MSMEs; analyze the influence of business ethics, entrepreneurial behavior, organizational climate on the performance of MSMEs entrepreneurs; analyze the influence of professional commitment to the performance of MSMEs entrepreneurs, and analyze the influence of business ethics, entrepreneurial behavior, organizational climate on the performance of MSMEs entrepreneurs through professional commitment in Pasuruan East Java. The target population is MSMEs in Pasuruan City which has SIUP of 237 entrepreneurs. In this research the determination of sample size by using Slovin formula, the number of samples in this study as many as 149 entrepreneurs. The sampling technique used is simple proportional random sampling. The analysis technique used is descriptive analysis and Structural Equation Modeling (SEM) Analysis. Business ethics, entrepreneurial behavior, and organizational climate have an effect on professional commitment. Business ethics, entrepreneurial behavior, and organizational climate affect performance. Professional commitment affects performance. Professional commitment is the strengthening (mediation) of business ethics, entrepreneurial behavior and organizational climate on performance.

**Keywords:** Business ethics, entrepreneurial behavior, organizational climate, professional commitment, performance.

### INTRODUCTION

Performance is something every organization must achieve everywhere because performance is a reflection of the organization's ability to manage and allocate its resources. As Peterson *et al.* concepts that performance is an act, a feat, a general exhibition of skills, that the use of financial and nonfinancial measures to measure performance is important because both measures are capable of seeing activities that create benefits performed by individuals [1]. The facts show that employment opportunities created by MSMEs are much higher than those of large business groups, as well as the contribution of MSMEs to a gross regional domestic product, although in 2014 until 2016 tend to decrease.

The existence of MSMEs is very useful in terms of distribution of people's income. It is also able to create creativity that is in line with efforts to maintain and develop elements of local culture and culture. This is characteristic of the nature and existence of SMEs that are able to synergize with the cultural social conditions of local communities so that the existing traditions and culture are not lost and remain firmly rooted because tradition and culture are assets of wealth

that needs to be preserved and maintained. On the other hand, SMEs are able to absorb labor on a large scale given the large population of Indonesia so that this can reduce the unemployment rate, from where it appears that the presence of labor-intensive SMEs, using simple technology and easily understood to be a place for community to work.

The existence of a value in business ethics is important, crucial and strategic. This means that the implementation of business ethics cannot be separated from the ability to accept and practice these values in every business activity. Values are right, good and beautiful. The existence of a value in many ways can unite the people involved in a business and resolve value conflicts that occur; thereby applying value to the business will facilitate the achievement of organizational goals.

In relation to the performance of MSMEs, the next thing is the dimension of entrepreneurial behavior. According to Hinsie and Campbell, "*Character is defined as the pattern of behavior characteristic for a given individual*"[2]. The characteristics of character can be conveyed by nature and behavior. The

behavioral theory in Fadiati, states that one's entrepreneurial behavior is the result of a work based on concepts and theories not because of the personality traits of a person or based on intuition. [3] Thus according to this theory entrepreneurship can be studied and mastered in a systematic and planned manner. The results of Rante [4], Muhlisin [5], Ariesta *et al.* [6] proves that entrepreneurial behavior affects performance, but Adinoto study results suggest that entrepreneurial behavior has no effect on performance [7].

SMEs as an organization or business is required to be more professional and perform better. One of the demands is to create a healthy work climate within the organization so that employees can work optimally. Effective and targeted utilization of human resources is key to improving employee performance for organizations/companies that run the trade business, whether state-owned or private. The objectives of the organization that can be achieved can be seen if the work environment can support the performance of its members.

Professional commitment is essentially a perception of individual loyalty, determination and expectations determined by the system, values or norms that direct the individual to take action or work under certain procedures in his or her efforts to do so or his duties with a high likelihood of success [8]. The results of Lukiastuti [9] and Willianti [10] proved that professional commitment influenced performance.

Entrepreneurs who have knowledge of business ethics, entrepreneurship behavior in entrepreneurs and organizational climate supported by professional commitment are expected to be able to build performance and effort in achieving the success of SMEs. The success of the business performance will then create a competent entrepreneur, reflected in the achievement indicators of financial and Non-Financial performance [1]. Employers' expectation is to improve the performance of MSMEs from small scope to larger scope in hopes of building entrepreneurship in Indonesia and reducing national unemployment. The Yulistria study proves that business ethics affect performance [11].

This study aims to describe business ethics, entrepreneurial behavior, organizational climate, professional commitment and performance of SME entrepreneurs in Pasuruan East Java; analyze the influence of business ethics, entrepreneurial behavior, organizational climate towards the professional commitment of SMEs in Pasuruan East Java; analyze the influence of business ethics, entrepreneurial behavior, organizational climate on the performance of SMEs entrepreneurs in Pasuruan East Java; analyze the influence of professional commitment to the

performance of SMEs entrepreneurs in Pasuruan East Java; and analyze the influence of business ethics, entrepreneurial behavior, organizational climate on the performance of SMEs entrepreneurs through professional commitment in Pasuruan East Java.

## LITERATURE REVIEW

### Performance

Performance is an act, an accomplishment, a general exhibition of skills, that the use of financial and nonfinancial measures to measure performance is important because both measures are capable of seeing activities that create the benefits made by individuals [1]. According to Mulyadi "Performance is the success of personnel, teams, or organizational units in realizing predetermined strategic goals with expected behavior." [13] "The performance of a company is something that a company produces over a period of time with reference to the standard set. Company performance should be a measurable outcome and describe the empirical condition of an enterprise of any agreed sizes. Kaplan and Atkinson argue that the use of financial and nonfinancial measures to measure individual performance is important because both measures are capable of seeing activities that create the benefit of the individual [14].

### Professional Commitment

Aranya defines professional commitment as the relative strength of individual identification with involvement in a profession and includes the conviction and acceptance of professional goals and values, the ability to work hard for the organization, and the desire to maintain membership of a profession [15]. Professional commitment as the relative strength of individual identification with involvement in a profession and includes the belief and acceptance of professional goals and values, the willingness to work hard for the organization, and the desire to maintain membership of a profession. Professional commitment is essentially a perception of the loyalty, determination, and expectation of a person demanded by a value system or norm that will lead the person to act or work in accordance with certain procedures in an effort to carry out his duties with a high level of success[8]. Individual professional indicators according to Larkin are as follows: loyalty, the behavior of professional citizens and success of work [8].

### Climate Organization

The organizational climate according to Simamora is the internal environment or organizational psychology [16]. Organizational climate affects HR practices and policies received by members of the organization. Keep in mind that every organization will have a different organizational climate. The diversity of work designed within the organization, or the nature of the individual, will illustrate the difference. Higgins defines the organizational climate as measurable in the

work environment either directly or indirectly affecting the employee and his work in which the employee works with assumptions will have an effect on employee motivation and behaviour [17]. Organizational climate indicators by Higgins are organizational recognition, structural support, technological change, social networking and government regulation [17].

### Entrepreneurial Behavior

Entrepreneurship is a process of applying creativity and innovation in solving problems and finding opportunities to improve life [18]. Entrepreneurship is a process of a person in order to pursue opportunities to meet needs and wants through innovation, regardless of the resources one is controlling [19]. Intrapreneurial behavior begins in organizations established for the purpose of profitability, strategic renewal, encouraging innovation, gaining knowledge of future income streams and international success. Intrapreneurial behavior becomes four dimensions: adventurous new business, innovation, self-renewal, and proactivity [20]. Meredith *et al.*, define entrepreneurial behavior as the behavior of people who have the ability, view and assess business opportunities, gather resources needed to take advantage of it and take appropriate action, to ensure success [21].

### Business Ethics

Ethics is a discipline that deals with what is good and bad and with moral obligations and obligations. Ethics can also be considered as a set of principles or moral values. Morality is a doctrine or system of moral behaviour. Moral behaviour refers to what is related to the principles of right and wrong in behaviour. Business ethics, therefore, relates to good and bad or right and wrong behaviours that occur in a business context. The concept of right and wrong is increasingly being interpreted today to include more difficult and subtle questions of justice, fairness, and equality [22]. Steade *et al.* define the business ethics standards that concern both ends and means of business decision making [23]. Furthermore, according to Velasquez, the definition of Business Ethics is the knowledge of the ideal rules of business management and regulation that take into account norms and morality that apply universally and economically or socially [24]. Business ethics is a study devoted to true and false morals. This study concentrates on moral standards as applied in business policies, institutions, and behaviour. Indicators of business ethics include honesty, trustworthiness (must be trustworthy), accuracy in fulfilling promises, reliability in completing tasks and work, and openness [25].

### Research Hypothesis

H<sub>1</sub> : Business ethics, entrepreneurial behavior and organizational climate can significantly

influence the professional commitment of SMEs entrepreneurs in Pasuruan East Java.

H<sub>2</sub> : Business ethics, entrepreneurship behavior and organizational climate can have a significant effect on the performance of SMEs entrepreneurs in Pasuruan East Java.

H<sub>3</sub> : Professional commitment can have a significant effect on the performance of SMEs entrepreneurs in Pasuruan East Java.

H<sub>4</sub> : Business ethics, entrepreneurial behavior, and organizational climate can significantly influence the performance of SMEs entrepreneurs through professional commitment in Pasuruan East Java.

## RESEARCH METHODS

### Operational Definition of Variables

#### a. Business Ethics

Business ethics are values that serve as guidelines in strengthening business needs, with indicators: honesty, trust, accuracy in keeping promises, and reliability in completing tasks and work and openness.

#### b. Entrepreneurial behaviour

Entrepreneurial behaviour is the ability to handle businesses that lead to searching, creating, implementing new ways of working, technology and products by increasing efficiency in order to gain profit. Indicators used: self-confidence, task-oriented and results, risk takers, leadership, originality, and future orientation.

#### c. Climate organization

Organizational climate is a person's perception of what is given by the organization and used as a basis for determining the behaviour of employees in the work. Indicators used: organization recognition, structural support, technological change, social networking, and government regulation.

#### d. Professional commitment

Professional commitment is an entrepreneurial attitude in his work. Indicators used: loyalty, a behavior of professional citizens, and work success.

#### e. Performance of SMEs entrepreneurs

The performance of SMEs entrepreneurs is a reward, because of the advantages that exist in the entrepreneur. Indicators used: financial and non-financial.

### Population and Sample

The population is entrepreneurs of SMEs in Pasuruan City who have SIUP, as many as 237 entrepreneurs of SMEs. Determination of the sample size by using Slovin formula, so that obtained a sample of 149 entrepreneurs. The sampling technique using simple random sampling: it is said simple or simple because sampling of population members is done randomly, without considering the strata contained in the population.

### Data Analysis Technique

To analyze the influence of TQM on customer loyalty through the operational performance of the company used descriptive analysis method and Structural Equation Modeling (SEM) analysis.

**RESULTS AND DISCUSSION**

a. Normality test

Based on the data processing CR value of multivariate equal to 1,862 which is between -2,58 to 2,58, then concluded multivariate normality assumption has been fulfilled, thus assumption of normality needed by SEM analysis have been fulfilled.

b. Outlier Test

The result of outlier test with Mahalanobis distance squared shows that the observed variables have Mahalanobis Distance Observed Variable

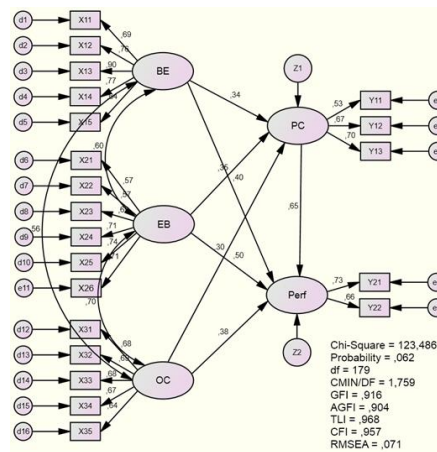
which is detected as smaller than chi-square table (df = 21,  $\alpha = 0.001$ ) that is 46,10 from a result of analysis known that at 21 indicators which used in this study does not contain any outliers.

c. Multicollinearity and Singularity Test

Based on the SEM output analyzed using AMOS the determinant of the sample covariant matrix shows a result of 0.204, which means the value is greater than zero, so it can be concluded that there is no multicollinearity and singularity, which means that this data is feasible to use.

**RESULTS OF SEM ANALYSIS**

In accordance with the study of literature and research objectives, then developed the overall structural model as follows:



<p>Information :</p> <p>BE (Business Ethics)</p> <p>X<sub>11</sub> : honesty</p> <p>X<sub>12</sub> : trust</p> <p>X<sub>13</sub> : appointment accuracy</p> <p>X<sub>14</sub> : job and job reliability</p> <p>X<sub>15</sub> : openness</p> <p>EB (Entrepreneurship Behavior)</p> <p>X<sub>21</sub> : confident</p> <p>X<sub>22</sub> : task-oriented and results</p> <p>X<sub>23</sub> : risk taking</p> <p>X<sub>24</sub> : leadership</p> <p>X<sub>25</sub> : Originality</p> <p>X<sub>26</sub> : future-oriented</p>	<p>OC (Organizational Climate)</p> <p>X<sub>31</sub> : organization recognition</p> <p>X<sub>32</sub> : structural support</p> <p>X<sub>33</sub> : market opportunity</p> <p>X<sub>34</sub> : social network</p> <p>X<sub>35</sub> : government regulation</p> <p>PC (Professional Commitment)</p> <p>Y<sub>11</sub> : loyalty</p> <p>Y<sub>12</sub> : behavior of professional citizens</p> <p>Y<sub>13</sub> : work success</p> <p>Perf (Performance)</p> <p>Y<sub>21</sub> : Finance</p> <p>Y<sub>22</sub> : Non finance</p>
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**Fig-1: Results of SEM Analysis**  
Source: Primary data that is processed, 2017.

Based on AMOS 18 computations for this SEM model, the goodness of fit indexes is presented in Table 1. Furthermore, these index values are compared with

the cut-off values of each index. A good model is expected to have the goodness of fit indices that are greater or equal to the critical value.

**Table-1: Test Result of Goodness Of Fit Modified Structural Model**

<i>Goodness Of Fit Index</i>	<i>Cut-off Value</i>	Model Results	Information
Chi-Square (df = 179)	123,486	123,486	Good
Probability Chi-Square	≥ 0,05	0,062	Good
CMIN/DF	≤ 2,00	1,759	Good
RMSEA	≤ 0,08	0,071	Good
GFI	≥ 0,90	0,916	Good
AGFI	≥ 0,90	0,904	Good
CFI	≥ 0,95	0,957	Good
TLI	≥ 0,95	0,968	Good

Source: Primary data processed, 2017.

Based on the evaluation of the Goodness of Fit Indices criteria in Table 2, it shows that the evaluation of the overall model has met, the model is acceptable.

**Table-2: Hypothesis Testing**

Hypo	Variable			Coefficient				Information
	Exogenous	Intervening	Endogenous	Direct Effect		Indirect Influence	Total	
				Coeff	P value			
H <sub>1</sub>	Business ethics	Professional commitment	-	0,341	0,005*	-	-	Supported
	Entrepreneurial behavior	Professional commitment	-	0,346	0,022*	-	-	Supported
	Climate organization	Professional commitment	-	0,296	0,042*	-	-	Supported
H <sub>2</sub>	Business ethics	-	Performance	0,403	0,010*	-	-	Supported
	Entrepreneurial behavior	-	Performance	0,495	0,012*	-	-	Supported
	Climate organization	-	Performance	0,384	0,030*	-	-	Supported
H <sub>3</sub>	-	Professional commitment	Performance	0,646	0,032*	-	-	Supported
H <sub>4</sub>	Business ethics	Professional commitment	Performance	0,403	0,010*	0,220	0,623	Supported
	Entrepreneurial behavior	Professional commitment	Performance	0,495	0,012*	0,224	0,719	Supported
	Climate organization	Professional commitment	Performance	0,384	0,030*	0,191	0,575	Supported

\* Significant at  $\alpha = 5\%$ .

Source: Primary data processed, 2017.

**DISCUSSION**

The Influence of Business Ethics, Entrepreneurial Behavior, and Organizational Commitment to Professional Commitment

A business ethics that can increase professional commitment is that the promised accuracy is reflected in the responsiveness to handle the partner's request response. The professional commitment depicted by the success of the work is reflected in the pleasure of giving each other feedback about the work that entrepreneurs are interested in. Business ethics becomes the standard of value that guides or guides managers and employees

in decision-making and operates an ethical business. Business ethics in its scope not only concerns the behavior and organization of the company internally but also related to business conduct externally. Business ethics serves to inspire people to act to prosecute business people to do business well for ensuring the rights and interests of the community. Business ethics in the company has a very important role, namely to form a company that is strong and has a high competitiveness and have the ability to create high value, needed a solid foundation. Business Ethics in a company can establish the values, norms, and behaviors of employees and leaders in building a fair and healthy



relationship with customers/partners, shareholders, community. Business will not last long if there is no honesty because honesty is the main capital to gain the trust of its business partners, whether in the form of commercial, material, or moral beliefs. Honesty demands openness and truth. Consumer trust is a fundamental principle of business because if there are consumers who feel cheated, of course, it will spread that causes consumers to switch to other products. The results of this study support Whyatt (2012) which states that business ethics affects professional commitment [26].

Entrepreneurial behavior that can form a professional commitment is the originality is reflected from the work done in accordance with the experience they have. The originality is having its own opinion, there is an original idea, and there is an ability to execute something. Original does not mean new at all, but the product reflects the result of a new combination or reintegration of the existing components, giving birth to something new. If an entrepreneur has entrepreneurial behavior then the entrepreneur has believed in planning, organizing, mobilizing and supervision supported by creativity, innovation and dare to take risks. The results are in line with Perry which states that entrepreneurial behavior affects professional commitment [27].

Organizational climate that can form a professional commitment is structural support reflected in any work done encouraging teamwork. The organization's climate is important to create because it is a person's perception of what the organization provides and is used as a basis for the determination of subsequent member behavior. This shows that the climate affects employees so that employees can understand the prevailing arrangements in the work environment and provide guidance to employees in an effort to fit into the organization. As Davis and Newstrom view the organizational climate as the personality of an organization that differentiates it from other organizations that leads to the perception of each member in view of the organization [28]. The results are in line with Uysal which states that the organizational climate affects the professional commitment.

The business ethics depicted with the appointment of appointments to meet the partners' demand and entrepreneurial behaviour in the originality of the work done in accordance with the experience they have, along with the organizational climate depicted by structural support is reflected in each work undertaken to encourage teamwork, thus forming a professional commitment illustrated by the success of the work is reflected from the pleasure of giving each other feedback about the work of entrepreneur interest.

### **Effect of Business Ethics, Entrepreneurship Behavior and Organizational Climate on Performance**

Business ethics depicted by the accuracy of the promise is reflected in the accuracy in fulfilling the promise is the principle in carrying out work activities, will be able to improve the performance that is depicted from the financial in the form of managed SMEs experience increased operating profit. Ethics in business is very important to strengthen cooperation between one companies or more, ethics not only for inter-company but also must be established with the community around the business being undertaken. As Embse and Wagley argue that business ethics is a way of doing business, covering all aspects related to individuals, companies, industries, and society. All of these include how to run a business fairly, in accordance with applicable law, and not dependent on individual or corporate positions in society [29]. The results of this study support research conducted Yulistria which states that business ethics affect the performance [11].

The entrepreneurial behavior described by originality is reflected in the work done in accordance with the experience that it possesses, that is to behave creatively, innovatively and flexible, and have a lot of knowledge, so that it will be able to improve the performance which is depicted from the finance of managed SMEs experiencing an increase of operating profit . An entrepreneur to win the competition then must have a high creativity. Creativity power should be based on advanced thinking, filled with new ideas that are different from the products that have been there so far in the market. Creative ideas generally cannot be limited by space, form or time. Precisely often genius ideas that provide new breakthroughs in the business world initially are based on creative ideas that seem impossible. However, good ideas, if not implemented in everyday life, will only be a dream. Genius ideas generally require a high degree of innovation from the entrepreneur. High creativity still requires a touch of innovation to sell in the market. Innovation is needed is the ability of entrepreneurs in adding value for use/value of benefits to a product and maintain the quality of products with regard to "market-oriented" or what is being sold in the market. With the increased value of use or benefits on a product, then the increase of selling the power of these products in the eyes of consumers, because of the increase of economic value for these products for consumers. The results of this study in accordance with research conducted Rante [4], Muhlisin [5], and Ariesta *et al.* [6] which states that entrepreneurial behavior affects performance. However, Adinoto research results state that entrepreneurial behavior has no effect on performance [7].

The organizational climate depicted by structural support is reflected in every work done encouraging teamwork, meaning that structural support creates a

conducive working environment, with the support of which employees' performance will be better driven. Structural support also raises the team spirit of the workers so that employees can trust each other and help each other, and the good relations between workers in the work environment, so it will be able to improve performance that is illustrated from the financial in the form of managed SMEs experience increased operating profit. Climate organization as a manifestation of organizational and management policies towards employees about the behavior that is considered feasible to achieve organizational goals. Employees behave productively or less productively depending on how positive organizations and management treat employees. Therefore, in the perspective of organizational climate management can be established, maintained, altered and improved as a way of motivating employees. Although employees as members of the organization have different personalities in general employees behave according to the pattern established by the organization and management, which is then interpreted and interpreted by the employees. The results of this study are in line with Willianti [10] and Lubis which state that organizational climate affects performance [30].

The business ethics represented by the appointment accuracy reflected in meeting the partners' demand and entrepreneurial behaviour is illustrated by the originality reflected in the work done according to the experience it has, along with the organizational climate depicted from the structural support reflected in each work undertaken encouraging team work, improving the performance that is illustrated from the financial form of managed SMEs experienced an increase in operating income.

### **The Influence of Professional Commitment to Performance**

Professional commitment is depicted from the success of work in the form of happy giving each other feedback about the work of entrepreneur interest, meaning a success of work, rooted in the values possessed and behaviour become a habit, so as to remind the performance of entrepreneurs both financial performance and non-financial performance. Individuals with high professional commitment are characterized as having strong confidence and acceptance of professional goals, willingness to exert sufficient effort on behalf of the profession, and a strong desire to maintain membership in the profession [31]; Mowday *et al.* [32]; Otley and Pierce, [32]. Professional commitment can basically be an idea that encourages someone to work. Professional commitment will lead to professional performance. The results of this study are in accordance with the research Lukiastuti [9] and Willianti [10] which states that professional commitment affect the performance. The performance of SMEs is illustrated by the financial of SMEs which

managed to experience an increase of operating profit and non-finance in the form of businesses managed from the beginning until now there is the addition of the amount of work equipment to support business activities. As Kaplan and Atkinson argue that the use of financial and nonfinancial measures to measure individual performance is important because both measures are capable of seeing activities that create the benefit of the individual [14]. Financial size has a better objectivity than a non-financial measure because it has a size that is quantitative and definite. Non-financial size objectivity occurs because the items measured are not easily quantified. In contrast, the nonfinancial measure is capable of measuring the individual activity of many dimensions so that it is more suited to the activity to be measured (Kaplan and Atkinson, [14].

The Influence of Business Ethics and Entrepreneurial Behavior on Performance through Professional Commitment Clinical business ethics is reflected in honesty, trust, appointment, job and job reliability, and openness. Entrepreneurial behavior is reflected in self-confidence, task-oriented, and outcomes, risk-takers, leadership, and originality and future-oriented. Organizational climate is reflected in organizational recognition, structural support, market opportunities, social networks, and government regulations. Business ethics, entrepreneurial behavior, and organizational climate affect the professional commitment are described as follows: if the job tasks done properly done, proud when the target is achieved in the work and happy to give each other feedback about the work of entrepreneur interest, accompanied by having debt to anyone paying in accordance with the agreement, providing timely service is a duty in doing the job, the accuracy in fulfilling the promise is the principle in carrying out work activities, courtesy in providing services, and ease to the partners to contact, so that ultimately achieved the company's target of earning the expected profit and the performance of entrepreneurs has increased both in terms of financial and non-financial.

This research has provided a theoretical meaning that professional commitment is the mediation of the influence of business ethics, entrepreneurial behavior and organizational climate on performance. Indicators of professional commitment that gives the largest contribution are reflected from the pleasure of giving each other feedback about the work that entrepreneurs are interested in. Business ethics represented by the appropriateness of promise, entrepreneurial behavior represented by the originality and organizational climate represented by structural support will be able to improve performance reflected from financial and non-financial. Professional commitment is an agreement about something that is made by someone, either to himself or others. In carrying out activities, an entrepreneur must have a clear, directed and progressive

com-mimner. Commitment to himself can be made by identifying the goals, hopes, and targets planned in his life. An entrepreneur, who firmly maintains commitment to the consumer, will have a good name in the eyes of consumers who eventually entrepreneurs will get the trust of consumers, with the impact of the purchase continues to increase so that ultimately achieved the company's goal of earning the expected profit, so that performance is reflected from the financial and non-financial improvements.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

- Performance is formed by financial and non-financial. The main things that form the performance are financial and non-financial. Professional commitment is formed by loyalty, the behavior of professional citizens and success of work. The main thing that shapes the professional commitment is loyalty. Business ethics is made up of honesty, trust, appointment, job and job reliability, and openness. The main thing in the establishment of business ethics is trust. Entrepreneurial behavior is shaped from self-confidence, task-oriented, and outcomes, risk-takers, leadership, and originality and future-oriented. The main thing in establishing entrepreneurial behavior is leadership. The organization's climate is shaped by organizational recognition, structural support, market opportunities, social networks, and government regulations. The main thing in establishing an organizational climate is the recognition of the organization.
- Business ethics, entrepreneurial behavior, and organizational climate affect the professional commitment. This finding can be explained that the business ethics described by the appointment accuracy in meeting the partners' demand and entrepreneurial behavior in the originality of the work done in accordance with the experience it has, along with the organizational climate depicted from structural support is reflected in every work done encouraging teamwork, this can form a professional commitment illustrated by the success of the work is reflected from the pleasure of giving each other feedback about the work that entrepreneurs are interested in.
- Business ethics, entrepreneurial behavior, and organizational climate affect the performance. This finding can be explained that the precision of a promise that is illustrated by the accuracy in fulfilling the promise is the principle in carrying out work activities. Entrepreneurial behavior arising from originality reflected from the work done in accordance with the experience, along with the organizational climate depicted from structural support is reflected in every work done

encouraging the existence of teamwork can improve performance.

- Professional commitment affects performance. This finding explains that the success of work in the form of happy to give each other input about the work of entrepreneur interest, this can improve performance, as reflected in the form of financial SMEs, managed to experience increased operating profit.
- Professional commitment is the reinforcement of business ethics, entrepreneurial behavior and organizational climate to performance. This means that financial performance can be enhanced if the entrepreneur has a professional commitment to business ethics that is illustrated by the appointment accuracy in meeting the partner's demand, and entrepreneurial behavior in the originality of the work done according to the experience it has, along with the organizational climate depicted from the structural support reflected of any work done encourages teamwork.

### RECOMMENDATIONS

1. Theoretically  
Enrich the concept of professional commitment by developing the concept of business ethics, the concept of entrepreneurial behavior and organizational climate in improving performance.
2. Practically
  - To maintain and improve performance can be done by improving the ability and always innovate.
  - In order for professional commitment to increase, the SMEs always improve the skills by training.
  - To improve business ethics, the SMEs always keep good relations with partners and always keep the promise.
  - In order to increase entrepreneurial behavior, SMEs should be always creative in creating new products and able to take decisions in any condition to achieve goals.
  - SMEs actors in Pasuruan maintain teamwork and need to further enhance their creativity and hone their potential by adding insight, experience, and training that has been facilitated by the government to expand its business in order to compete and overcome the financial management that the majority still use the traditional system.

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