

Application of Business Ethics in Realizing Justice in Business for MSME Actors

Andri Hasmawi Harahap¹, Rian Cahyadi Pasaribu², Tesalika^{3*}, Khairani Alawiyah Matondang⁴, Noni Rozaini⁵ Fakultas Ekonomi, Universitas Negeri Medan **Corresponding Author:** Tesalika <u>tesalika1@gmail.com</u>

A R T I C L E I N F O *Keywords:* Business Ethics, Principles of Business Ethics, Fairness in Business

Received : 02 November Revised : 03 December Accepted: 04 January

©2022 Harahap, Pasaribu, Tesalika, Matondang, Rozaini : This is an open-access article distributed under the terms of the <u>Creative Commons</u> <u>Atribusi 4.0 Internasional</u>.



ABSTRACT

This study aims to determine whether the business practices carried out by micro, small and medium enterprise (MSMEs), especially Warkop Alam Jaya in Medan Maimun District are inaccording with the principles of business ethics. the application of business ethics is measures through five principles, namely the principle of economics, the principle of honesty, the principle of goodwill and no evil intents, the principle of justice, and the principle of respectfor himself. Warkop Natural Java SMEs are said to have implemented business ethics if they fulfill the five principles in business practices that are carried out to realize justice in business. the the type of research used in this research is descriptive qualitative research. There are sources of data in this study, namely primary data and secondary data. The results of the study indicate that business ethics have not been completely implemented by the MSME a at Warkop Natural Jayain the Medan Maimun sub-district, but the warkop always tries to apply business ethics to realize justice in business for these SMEs.

INTRODUCTION

Problems justice in worldbusiness still happens a lot, because of fairness create circumstances which balanced, noone-sided or impartial. Problemjustice with activity business, specifically business which good and ethical. In one side realization justice in Public will give birth to condition which good forgood and healthy business continuity. Good, ethical and fair business practices will realizing social justice. This matter in accordance with the objectives achieved in national and state life listed in the 5th Sila in Pancasila. Realization justice which good of course needed ability behave in a manner ethical. Justice is mark social which on something facet concerns various union man in something group whatever, like family, association, or which other and on aspect other which covers various virtue individual which always expected in human life. Justice is a value that is inherent intrinsic in the attainment of justice the must based on agreement together. On in essence, justice is something attitude to treat somebody in accordance withright. And which Becomes right every peopleis acknowledged and treated in accordance with the same dignity and worthdegree, which same right and obligations, without discriminate ethnic group, descendants, religion, and class. Justice is a form of condition moral ideal truth about something matter, good that concerns thing orpeople. According to most theories, justice have level interest which big. Most people believe ifinjustice must quick resisted and punished, as well as many social movements and political which there is in whole world fight for enforce justice (Rangku, 2017).

Kindly general said that an unjust person is one who no obey to law and people whichno fair, so people which fair islaw-abiding and fair people.Because action meet/comply law is just, then all actions making law by legislative in accordance with rule which there is is fair. Aimlaw-making is to achieve progress of social happiness. So, all action which tend for produce and maintain happiness Public is fair. So, draft justice in business really urgent very for continuity something effort which have blessing in results which obtained. For discuss more deep linkages with existsjustice in business, on opportunity thisin Chapter 3 will present linkages with theory justice, justice inIslam and as well as justice business in perspective economy sharia. Competition on MSMEs enoughstrict, however para perpetrator MSMEs must have integrity which good in operate activity the business. Matter this aims to avoid the existence of a actions which characteristic immoral in operate the business. So that, in do practice business must in accordance with the ethical values. So that, para perpetrator MSMEs must operate practice the business in accordance with ethics business. Especially, for the SMEs in Regency Deli Serdang so that couldrealize justice in business.

In realize justice in good business can ethical principlesbusiness. Principle - principle from business ethicsthat is principle autonomy, principle honesty, principle justice, principle each other profitable, and principle integrity moral. From fifth principle the have indicators which serve as size application principle ethics business that alone. So that, para perpetratorbusiness in Deli Regency serdang must apply principle the in operate activity the business. With the purpose of limiting business people in Regency Deli serdang in operate activity the business sodo not commit immoral actswhich capable harm party other.

Based on the background that has been described above, then in research it aims to find out how practice business which done by para perpetrator MSMEs specifically warkop natural triumph reviewed from principles ethicsbusiness. The reason the researcher makes the perpetrator MSMEs warkop the as subject in study this is total units his efforts which Very big than group effort which other. Aimsecond, in this research is to knowing what just constraint which faced by para perpetrator MSMEs warkop natural triumphin apply ethics business for realize justice in business.

THEORETICAL REVIEW

Ethics Business

Ethics originate from say Greece that isethos which means place to live, padang grass, cage, habit, custom, character, feeling, attitude, method think. The plural form is ta etha, which means custom customs. In matter this, say ethics same the meaning with moral. According to Suhardana (2006) inSukirno Agus and I Cekik Ardana (2009: 127-128) term other from ethics is morals, su it means good, please it meanshabit. So decency means habit orAct in demand deed man which good. According to Lawrence, Weber, andPost (2005) in Sukurno Agus and I Choking Ardana (2009: 127-128) ethics isa conception of right conduct and wrong. Ethics explain to We whether our behavior is moral or no related with connection humanityfundamentally, how we thinkand Act to people other and how we want them to think and act against We.

According to Muslich (2004: 9) ethics business can be interpreted as knowledgeabout system method ideal Settings and management business which notice prevailing norms and morality universally and economically/socially, and application norm and morality this support meaning and aim activity business. Business ethics related issues evaluation to activity and behavior business which refers on truth or honesty try (Murti Sumarni, 1995:21). Chandra R (1998: 20) add that change- change big in oractic managementToday's business causes attention to ethics business the more urgent. By because that, ethics businessis the trader's knowledge of system method Settings and management businessconcerned with norms and morality through the creation of goods and services to Fulfill need Public and obtain profit through transaction.

Principles Ethics Business

Ethics business have principle-principles that aim to provide a reference way to be taken by the company for reach the goal. Muslich (2004: 18-20) states that principles ethics business includes:

1. Principle Economy

Company in a manner free have authority in accordance with field which done and implementation with vision and missionwhich has in set company policy should be directed on effort development vision and oriented corporate missionprosperity, well-being paraworker, community which he faced.

2. Principle Honesty

Honesty Becomes mark which Very fundamental in support success performance company. In relationship with environment business, honesty oriented towhole party which related with business activity. With that honesty owned by something company soPublic which there is in around corporate environment will put trust which tall for company the.

3. Principle Intention Good and No Intend

Principle it's related closely with honesty. Action wicked of course nohelp company in build trust Public, precisely the crime in doing business will be destroy the company itself. The intention of a goal seems sufficient transparent mission, vision and goals want achieved from something company.

4. Principle Fair

Principle this recommend company for behave and behave fair to parties business which related with system business the.

5. Principle Respect on Self Alone

The principle of self respectis mirror appreciation which positiveon self alone. Matter this started with appreciation to people other. Guard name good is acknowledgment of the existence of the companythe.

6. Justice in Business

Justice on basically is something draft which relatively, every people nothe same, fair according to one is not necessarily fair for which other, when somebody confirm that he do something justice, matter that naturally must relevant with order general where something scale justice acknowledged. Scale justice veryvaries from place to place, every scale is defined and fully determined by society accordingly public order of the society (Santoso, 2014).

Quotes Prof. Erman related tightlywith very popular legal quotes for a Juris (Bachelor of Law) ie Fiat Justitia Ruat Caelum, means uphold justice although sky will collapse. That is, under any circumstances the law must upright, law considered as instrument Very urgent for man by realization justice (Arrizal, 2020).Justice is moment where occurdistribution in a manner equally, no more or no not enough, but in accordance with the interests of each party. Justice is a problem from before until moment this not yet could resolved. Understanding from justice alone not yet clear. Justice cause many people competing for look for understanding according to they alone and use it as weapon fordefend self.

According to Rawls, principle justice could considered fair if decision taken by a procedure that is not take sides. In matter this, what which needed by they which involved inprocess formulation draft justice just a fair procedure (no taking sides) for ensure results end whichfair also (Rasuanto, 2005). Justice in a mannerno live relate with well-being, however there is also matter whichrelate live with justice including those related to the distribution of rights and mandatory. Justice is administered upon base principle of equality and difference. Justice in business is something which must followed by para company justice and effort enforce justice which covers broader aspects in form creation system which supportfounding company which behave justice.

MSME

According to Constitution 1945 then strengthened through TAP MPR NO XVI/MPR- R1/1998 about Political Economy in framework Democracy Economy, Effort Micro, Small, and Intermediate need empowered as part integral economy people which has a position, role, and potentialstrategic for realize structure economy national which morebalanced, develop, and fair.Next, the definition of MSME is madethrough Law No. 9 of 1999 and karma happy development which the more dynamically changed to Law No.20Article 1 of 2008 concerning Micro Enterprises, Small and Intermediate so understandingMSME is as following:

- 1. Effort Micro is effort productive owned by people individualand/or body effort individual which Fulfill criteria Effort Micro as arranged in Constitution this.
- 2. Small Business is an economic business productive stand-alone, that isdone by people individual or body effort which no is child company or no branch company which owned, mastered, or Becomespart good live nor no live from Effort Intermediate orEffort Big which Fulfill criteria Effort Small asmeant in Constitution this.
- 3. Effort Intermediate is effort economy productive which standitself, which is done by people individual or business entity is a subsidiary company or branch company which owned, master, or Becomespart either directly or indirectlydirectly with Small Business or Effort Big with totalriches clean or resultssale annual asarranged in Constitution this.
- 4. Big business is an economic business productive which done bybody effort with total riches clean or resultsannual sales greater than Effort Intermediate, which covers effort national owned by country or private sector, joint ventures, and ventures foreign which do activity economy in Indonesia.
- 5. The Business World is Micro Business, Effort Small, Effort Intermediate, and Effort Big which doeconomic activity in Indonesia and domiciled in Indonesia.

METHODOLOGY

The type of research used in this research is descriptive research qualitative. Which there is Source data in this study, namely primary data and data secondary, data primary is data whichobtained live from the source. Primary data sources used inthis research are the owners and employeeswarkop alam jaya and secondary data inthis research is the data obtained no in a manner live from the source. Population in study this is Warkop Alam Jaya owners and employees. Data this collected by using:

- 1. Observation that is stage observation live spaciousness for knowing and observe circumstances in location. Study this intended for knowing objectivity of reality to be there is about circumstances condition object which will researched.
- 2. Interview deep that is gather a number data and information in a manner deep

frominformation with use guidelines interview or researcher do contact live with research subject in depth, intact and detailed.

3. Documentation that is something method which done for provide document with use proofwhich accurate in accordance with incident which there is in field.

RESULTS AND DISCUSSIONS

Application Principles Ethics a Business in Realizing Business Fairness

Results study show that business ethics has not been implemented by UMKM perpetrators of warkop alam jaya. This matter because, principles from ethics business the not yet applied fully in its business activities. First, principle economy not yet applied fully by para perpetrator UMKM warkop alam jaya where is the business the open effort only look for profit or profit. The business is notapply vision and mission accordingly principle economy this. Although effort always serve consumers withgood but vision from effort the not yetclear. Warkop natural always tryto serve customers well realize justice in business. Second, principle honesty is something principle which essential in the business conducted by the actor business. On principle this MSMEs warkop alam jaya as best he can carry out this principle, where with principle honesty which owned by something company or MSMEsso Public which there is in aroundenvironment company will put high trust for the company the, because with applied principle honesty this will realize justice in business, where warkop naturalJaya always gives honesty to para buyer.

The three principles of good and bad intentions bad intentions. This principle is closely related tohonesty. Action wicked of course no help companies build public trust, it is a crime in do business will destroy company that alone. Owner warkop natural triumph always remind para employee always do good to buyers and never thought of a thing which intend negative for profit alone. Fourth principle fair. Principle this encourage companies to act and behave fairly to the parties business which related with system businessthe. Warkop natural triumph applyprinciple this where effort the no look to buyers to buy food and drink which there is in warkop the. Warkop owners are also always fair to employee good that from facet salary, job and other so. With applied principle this will realizejustice in business. Fifth principle respect on self alone. Principle respect on self aloneis mirror appreciation which positive on yourself. It starts with respect for others. Guard name good is confession onexistence company the. WarkopAlam Jaya does not understand this principle so that they not yet apply principle the.

Justice in Business on MSMEs

Justice in business issomething which must followed by para company justice and effortuphold justice coversaspect - aspect which more wide inside formcreation system which supportfounding company whichbe fair. Based on the results of the owner's research warkop natural triumph already give fairness in business good business fromfacet wages and facet position in work. Likewise with the employees who are in warkop natural triumph always apply fairto para consumer or buyer. Warkop natural triumph already partially apply from principle ethical principles Business for realize justicein business.

CONCLUSIONS AND RECOMMENDATIONS

Ethics business is knowledge trader about system method Settings and management business which notice norm and morality through the creation of goods and services to Fulfill need Public and gain through transactions. Principles ethics business. Application business ethics is measured through 5 principles viz economic principles, principles of honesty, principlesgood faith and no malice, principle justice, and principle respect on self alone. Justice in business is something which must followed by para company justice and effort enforce justice which covers broader aspects in form creation system which supportfounding company which behave justice. Based on results researcher para perpetrator effort Warkop Natural Jaya in Subdistrict Medan Maimun in a manner whole apply principles ethics business with enough good. Matter this proven with statement para respondent which part big state agree apply principles business ethics.

The higher the application of the principle ethics business which done by para perpetrator effort Warkop Natural Jaya, so will the more confirm that practice and business management is carried out by para perpetrator effort warkop the in accordance with the teachings of deep economic ethics realize inner justice business. Based on conclusion which already explained previously, following suggestion that can be provided to the parties related that is first, para perpetrator effortWarkop Alam Jaya in Medan District Maimun who already understands about principles ethics business and applythe principles of business ethics with good so that permanent maintain ethics business as base pattern think at a timeas reference in operate businesscompatible with the principles ethics business the, and add insight into business ethics so that later achievement economy, realize justice in business, social welfarenor get mark blessingin do business could achieved. Second, for para practitioner, academics nor student which focus on field economy could donate thinking norinsight about ethics business through written works, either books, journals, or articles other scientific. Through this workexpected capable add outlook specifically about ethics business through audience general.

FURTHER STUDY

Competition on MSMEs enough strict, however para perpetrator MSMEs musthave integrity which good in operate activity the business. Matter this aims to avoid the existence of a actions which characteristic immoralin operate the business. So that, in do practice business mustin accordance with the ethical values. So that, para perpetrator MSMEs must operate practice the business in accordance with ethics business. Especially, for the SMEs in Regency Deli Serdang so that couldrealize justice in business.

REFERENCES

Bonaraja Ancient, E. S. (2021). Ethics Economy. Medan: Foundation We Write.

- Holy, Yuli Rahmini. (2017). "Development MSMEs (Effort micro small and medium) in Indonesia." Journal scientific canoe economical 6.1 (2017): 51-58.
- Suraj, Robertus. "EDUCATION ETHICS BUSINESS FOR PERPETRATOR EFFORT MICRO SMALL MEDIUM (MSMEs)." Journal Ministry of Economics and Business 2.1 (2022): 10-15.
- Jeweler, Moh Sahhal. "Understand Application Ethics Business Islam in Increasing Business Profitability Micro Small Intermediate (UMKM) in Indonesia." iJoIS: Indonesian Journals of Islamic Studies 1.2 (2020): 155-166.