



Application of Ethics in Business Latitude (Case Study of Fabric Traders in Medan's MMTC Market)

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ARTICLE INFO

Keywords: Business Ethics, Merchants, Service, Business

Received : 4 November

Revised : 23 November

Accepted: 24 December

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ABSTRACT

The purpose of this study is to determine the application of ethics in doing business at the Medan MMTC Market. This research uses qualitative research that produces descriptive data, descriptive research is research that only describes the state of the object or problem, using interviews and direct observation methods. This research was conducted at Pasar Raya MMTC Medan on Jl. Willieam Iskandar, New Memories, Kec. Percut Sei Tuan, Kab. Deli Serdang, in order to obtain an overview of the application of ethics in doing business at Pasar Raya MMTC Medan. Observations and interviews conducted show that traders understand and apply business ethics in trading, where honesty is a very important and relevant principle for business activities, and customer service is a very important aspect in trading where this affects trust and image

INTRODUCTION

Every day humans will not be separated from activities to meet all their needs, so humans are required to fulfill these needs in various ways. one form of business or human effort in meeting their needs is the process of buying or selling goods or objects. This effort of course requires a place or location for the process of selling or buying goods/services or objects to meet their needs, this is a narrow understanding of what is called a market. According to Semarang City Regional Regulation No. 1 of 2014 concerning Modern Shop Arrangement explaining the definition of a market as described in Article 1 number (9), a market is an area where goods are bought and sold with more than one seller, both referred to as shopping centers, traditional markets, shops. , malls, trade centers and other designations. The market is a meeting place between sellers and buyers. Sellers or so-called traders are people who trade, trade goods that are not produced by themselves, to make a profit (Muhammad Aziz Hakim: 2005).

In people's lives, so far the market has become an important and integral part of everyday life. In the early days, marketing activities that occurred in the market were carried out in a simple way, namely barter. Barter is an exchange of goods. As civilization and economy develop, this method is replaced by the use of money as a medium of exchange to carry out buying and selling transactions as we currently encounter in markets. Transaction activities in this market occur between traders and buyers. According to the Big Indonesian Dictionary (KBBI) trade is a form of business, in which the general definition of a business is an economic entity that is organized with economic and social objectives. A trader is someone who buys and sells.

Traders are part of a business that operates as a distribution of goods produced by the economic sector that are needed and needed by humans or society to be utilized by consumers. Therefore traders become the most important part in the process of marketing merchandise which is a commodity for human life. The market is not only a place for sellers and buyers to meet, for the market community it is also a place for social interaction. Therefore, traders should pay attention to the interests of consumers, of course, the interests of the people. Thus traders must understand good trading ethics. Ethics can be interpreted as rules regarding moral principles that determine the size of good or bad, right or wrong of one's actions so that they will become guidelines for the behavior of a person or group. Conceptually, the purpose of ethics is to establish principles of behavior that will help people to make choices from a series of actions (John R.Schermerhorn: 2009).

With the development of the times, not only are transactions changing, but competition in business is also getting higher, often this intense competition makes business people or traders do all they can to make a profit so they ignore ethics in running their business. As an example in the market, deviation behavior occurs by reducing the dosage of scales and so on which is detrimental to one party. So that this irregular behavior or fraud that occurs makes prospective buyers uncomfortable to carry out the buying and selling process. As is the case

with the Medan MMTC Raya Market, jl. Wiliem Iskandar, Kec. Percut sei Tuan, Deli Serdang, traders who run trade and trade businesses so that all their needs are met and they can make a profit. At Pasar Raya MMTC Medan there are traders selling various kinds of trade commodities and clothing items, and so on. The large number of these traders creates very striking competition with other traders who are even located next to each other because the goods they sell are the exact same commodities. Therefore this research was conducted with the aim of knowing the application of ethics in doing business in the Medan MMTC Market.

LITERATURE REVIEW

Market

Mankiw defines a market as a collection of certain goods or services. Buyers as a group determine the demand for a product and sellers as a group determine supply. Understanding the market in simple terms can be interpreted as a meeting place for sellers and buyers to make transactions. This definition implies that the market has a certain place or location that allows sellers and buyers to meet. This also means that in this market there are sellers and buyers who are to carry out buying and selling transactions of both goods and services (Kasmere: 2007).

Trader

According to the Big Indonesian Dictionary (KBBI) trading is work related to selling and buying goods to make a profit. Trade is a form of business, where the general definition of the term business is an economic entity that is organized for economic and social purposes. A trader is someone who buys and sells. Traders are part of a business that operates as an intermediary (distributor) of goods produced from the economic sector, namely the agricultural sector, the industrial sector, and the service sector that are needed and needed by humans or society to be utilized by consumers. Logically with this activity will be able to provide benefits to the community.

Business

Business, according to the Big Indonesian Dictionary, is defined as trading business, commercial business in the world of trade, and business fields. Skinner (1992) defines business as a mutually beneficial exchange of goods, services, or money. As in the view of Straub and Attner (1994), business is an organization that carries out production and sales activities of goods and services desired by consumers to obtain profit. The goods in question are products that physically have a form (can be seen by the senses), while services are activities that provide benefits to consumers or business people. (Widjayakusuma and Yusanto, 2002)

Business Ethics

In trading, it is very necessary to prioritize trading ethics. This trading ethic is a strategy in trading. Epistemologically, the word ethics comes from the Greek ethos (singular form). Ethos means a place to live, pastures, stables, habits,

customs, character, feelings, attitudes, and ways of thinking. The plural form is *tha etha* which means customs. Etymologically, ethics means the science of what is usually done as an order of obedience, customs, relating to good and bad life (Wiranata, 2012: 2). According to Bekum (2004) ethics can be defined as a set of moral principles that distinguish good from bad. Ethics is a field of science that is normative because it plays a role in determining what an individual should or should not do.

Businesses must act ethically for the sake of the business itself. Many new slogans propagate the importance of applying ethics in business, such as ethics pay, good business is ethical business, and so on. In fact, attempts have been made to show empirically that companies that have high ethical standards are classified as successful companies.

The principles of business ethics are as follows:

1. Principle of justice / Balance (Equilibrium)
The company must be fair to the parties associated with the business system. For example, fair wages to employees according to their contributions, equal service to consumers, and so on.
2. Principles of Honesty and Truth
Honesty in everything will bring happiness in this world and the hereafter. An honest person will have many brothers and be trusted by others. Honesty brings calm and dishonesty will raise doubts. The principle of honesty will give birth to various commendable attitudes. In the business context, truth is meant as the right intention, attitude and behavior which includes the contract transaction process, the process of seeking or obtaining development commodities as well as the process of trying to gain or determine profits. With this principle of truth, business ethics is very guarding and applies preventively against the possibility of loss to one of the parties involved in a transaction, cooperation or agreement in business.
3. Unity
It is unity as reflected in the concept that integrates all aspects of life, both in the economic, political and social fields, into a homogeneous whole, and emphasizes the overall concept of consistency and order.
4. Free Will
Freedom is an important part of the value of business ethics, but that freedom does not harm collective interests. Individual interests are wide open. There is no income limit for someone to encourage people to actively work and work with all the potential they have.

METHODOLOGY

The research used in this research is qualitative research that produces descriptive data, descriptive research is research that only describes the state of the object or problem and is not intended to take or draw generally accepted conclusions. This research was conducted at Pasar Raya MMTC Medan on Jl. Willieam Iskandar, New Memories, Kec. Percut Sei Tuan, Kab. Deli Serdang. This research means presenting a description of the data obtained through interviews

and observation. Therefore the research data put forward and analyzed is data in the form of interviews and observations of traders where in this study were traders at Pasar Raya MMTC Medan.

The data taken comes from oral answers through interviews or in the context of questions and answers obtained from traders at Pasar Raya MMTC Medan and observations about ongoing conditions related to the problems discussed in this study, and other sources of analysis such as books, documents, and so forth.

DISCUSSION

Business ethics in trading is very important to understand and apply, especially for traders who are at Pasar Raya MMTC Medan, because trading without ethics can be detrimental to buyers and traders, and vice versa by understanding and applying business ethics in trading it may bring the business person to make a profit. bigger profits and get success in trading. As previously explained, there are many traders at Pasar Raya MMTC selling various kinds of trade commodities and clothing items, and so on, causing very sharp competition with other traders who are even located next to each other because the goods they sell are the same.

There are many ways to try to outperform competitors, one of them is by intentionally hiding defective goods. This is included in fraudulent acts, this is detrimental to the buyer and is an unethical act carried out by the seller in order to gain profit and excel in competition. Of course, every trader is emphasized to maintain his business in the midst of an increasingly narrow market atmosphere, but this is not a justification for taking unfair actions or deceiving consumers.

In this case an interview was conducted with one of the traders at Pasar Raya MMTC Medan, namely Mrs. Erna, in her statement saying that:

"If there is an item that is defective, it is clear that the item came from here that was purchased by the customer and then the item is defective without prior knowledge and accidentally, then we will definitely replace it with another item because we don't want to lose and lose customers."

Honesty is very urgent in terms of business, and this is a basic attitude that has actually been instilled from an early age, this attitude is very important for traders to have because in essence all do not like lies or fakes. Honesty is a principle that is very important and relevant for good and long-lasting business activities, this will form consumer trust and it will be found that customer confidence with the business is rewarded with support and encouragement included in the good name of the business itself. Trust is a dimension of business ethics that is very influential on customer satisfaction. Businesses in general must indeed give trust to consumers, so that the existence of this trust will lead to satisfaction for a customer.

In the process of buying and selling, failure to provide service can have an impact on loss of interest in buying and customer commitment, will also lead to negative word of mouth recommendations and customer dissatisfaction. Good customer service not only brings customers to increase the desire to make repeat purchases but also increases positive word of mouth recommendations so that it

can benefit merchants. There are various kinds of attitudes and characteristics of customers that must be faced by traders in selling their goods, sometimes consumers or buyers can bid for the price of goods sold far below the set price with various pretexts about quality or price comparisons offered by different places that they prefer. This is one of the attitudes of customers or consumers that is very often encountered by traders.

Furthermore, Mrs. Fitri as a trader in the interview stated that:

"If it's like this every day, there will definitely be some, but if the offer is still within normal limits, we'll still give it, but if it's far below what's set, let alone below the capital price, we have to be in accordance with the calculation of profit and loss, but if it's right, it's okay. -what. As for the goods that I sell, I have adjusted the price to the standard price that applies in the market, I just sell it at a price above the capital price, so that a little profit is important".

In addition to consumers or traders who can bid on the price of goods sold far below the predetermined price with various pretexts, it is also common to encounter consumers or buyers who ask a lot of questions related to the products being sold. If they are satisfied with the explanation about the product, they will want to buy or bid a price, but sometimes in the end, they don't even buy at all.

In this case, Mrs. Fitri in the interview gave a statement that:

"Customers don't buy, it's already a risk for every trader. We cannot be angry, we must remain friendly, the customer is like a king, we must continue to provide optimal service".

Customer service is a very important aspect of commerce, satisfied customers can make repeat purchases and can even provide positive word of mouth recommendations. Customer satisfaction is the main goal of a business and trading activity in all places, including Pasar Raya MMTC Medan. The satisfaction felt by customers for merchant services cannot be separated from the application of business ethics in a business and trade activity.

CONCLUSION

Business ethics in trading is very important to understand and apply, especially by traders who are at Pasar Raya MMTC Medan, the results of observations and interviews conducted show that traders understand and apply business ethics in trading, and honesty is a principle that is very important and relevant to good and long-lasting business activities, this will form consumer trust and it will be found that customer confidence with the business is rewarded with support and encouragement included in the good name of the business itself. And customer service is a very important aspect of trade, satisfied customers can make repeat purchases and can even provide positive word of mouth recommendations. Customer satisfaction is the main goal of a business and trade activity.

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