

## Analysis of the implementation of business ethics and strategic management in companies in Indonesia

Vika Fransisca<sup>1\*</sup>, Siti Ainul Kholipah<sup>2</sup>

Institut Prima Bangsa Cirebon, Indonesia<sup>1</sup>, Politeknik Siber Cerdika Internasional Cirebon, Indonesia<sup>2</sup>

E-mail: [vikafransisca1704@gmail.com](mailto:vikafransisca1704@gmail.com)<sup>1\*</sup>, [nengiip30@gmail.com](mailto:nengiip30@gmail.com)

\*Correspondence: [vikafransisca1704@gmail.com](mailto:vikafransisca1704@gmail.com)

---

### KEYWORDS

Business Ethics; Strategy Management; Company.

---

### ABSTRACT

The purpose of this study is to analyse the implementation of business ethics and strategic management in companies in Indonesia. The method used in this study is a descriptive method with a qualitative approach. Data collection techniques use documentation techniques. Data analysis is inductive. Thank you for reaching out. Qualitative research and its results emphasise meaning rather than generalisation, namely triangulation (combined) techniques. The results of the study found that the analysis of the implementation of business ethics and strategic management in companies in Indonesia confirms that business ethics is an essential aspect of the survival of the company. Companies that apply business ethics well can build trust from colleagues, the community, and customers, essential to maintaining business continuity. Therefore, companies must maintain and improve business ethics standards for sustainable growth. On the strategic management side, its role is also vital in achieving the company's long-term goals, adapting to changes in the business environment, and directing human resources. By implementing good business ethics and effective strategic management, companies in Indonesia can better face business challenges and contribute to sustainable economic growth.

---

Attribution- ShareAlike 4.0 International (CC BY-SA 4.0)



---

### Introduction

In addition to following the applicable rules and regulations, the company's operation must also raise ethical norms and values. Understanding the implementation of corporate ethics requires defining principles containing norms and ethics outlined in the company's code of conduct, which is called the Code of Conduct (Arif, 2020). As for strategy, the company will strive to utilise various options to deal with existing threats and utilise various advantages to minimise the company's weaknesses in good competition. With strategy, the company's main activities, products or services offered, and company plans can be determined. Then, the company can more easily determine

specific ways to bring out its competitive advantage (Rianto & Wijaya, 2022). Thus came the terms business ethics and strategy management.

Business ethics and strategic management are essential in running company operations. Ethics in business is necessary because business can be unethical, and there is much evidence today that there are unethical corporate practices. The company operates in the field of social and natural environments. With virtues related to nature, the social environment of business is obliged to be responsible for the natural and social environment in which it is located. Despite business ethics binding its demands and pressures, companies are based on their existence (Juliana et al., 2021). Strategy management is a science that combines management functions to make strategic organisational decisions and achieve organisational goals effectively and efficiently (Adam, 2021).

Previous research conducted by explained that the implementation of Islamic business ethics carried out by PT Mahesa Energi Persada by applying the principles of Islamic business ethics, including the Principle of Unity, the Principle of Balance, the Principle of Free Will, the Principle of Responsibility and the Principle of Virtue can be concluded that PT Mahesa has implemented Islamic business ethics as a competitive advantage. (Adam, 2021) states that mature strategies must be developed so that operations in the field will be more coordinated with previously developed strategies. Thus, strategic management is essential in achieving company goals (Kristianto & UKRIM, 2010).

Unlike previous studies, the novelty of this study is the merger of two variables that have not existed in previous studies, namely business ethics and strategy management. Then, it also emphasises the influence of globalisation, such as how the role of technology affects business ethics and strategy management.

Based on the background above, the importance of business ethics and strategic management in running a company is essential because the company will not run smoothly without the ethics that need to be guided and various strategies that need to be done. Thus, this study aims to analyse the implementation of business ethics and strategic management in companies in Indonesia.

## **Research Methods**

The method used in this study is the descriptive method. This method is used to analyse, describe, and summarise various conditions and situations from data collected from observations on the problem under study at the time of the study (Arifudin, 2019). The approach used is a qualitative approach. According to (Andriana & Alawy, 2023), the qualitative approach, based on post-positivism, is used to examine the natural condition of objects (as opposed to experiments) where the researcher is the key instrument. The data collection technique used is a documentation technique for journal collection with keywords business ethics and strategy management. Data analysis is inductive/qualitative, and the results of qualitative research emphasise meaning rather than generalisation, namely triangulation (combined) techniques.

The collection of journals related to research is the first thing to do. The data reduction is carried out after obtaining several relevant journals that are classified, unnecessary data, and organised. Next, the presentation of data. The presentation of this data began by presenting data from the analysis of various journals regarding the analysis of the implementation of business ethics and strategic management in companies in Indonesia. The last thing to do is conclude. This conclusion is made after all the data has been analysed and presented.

## **Results and Discussions**

An ethical business pays attention to noble values derived from conscience, empathy, and norms. In simple terms, business ethics refers to ways to carry out business activities, which include all aspects related to individuals, companies, industries, and society. Business ethics is broader than the provisions regulated by law, even a higher standard than the minimum standard of legal provisions, because, in business activities, we often find grey areas not regulated by legal provisions (Durin, 2020). Business ethics have become very important for a company's survival, meaning that survival depends on how businesspeople apply business ethics. Applying ethics in business can indirectly foster trust from colleagues, the community, and customers, where trust is a significant capital so that the company's survival remains guaranteed. Therefore, companies must maintain or improve ethical standards (Juanda & Ali, 2022).

In business ethics, principles that business people should obey apply. According to Sonny Keraf (Ali, 2020), the principles in question are:

1. The principle of autonomy is the ability to make decisions and act based on awareness of what is good to do and be morally responsible.
2. The principle of honesty: business will not last long if it is not based on honesty because honesty is the key to the success of a business (for example, honesty in the execution of contracts, honesty with consumers, honesty in employment relationships, and others).
3. The principle of justice is that everyone in business must receive treatment according to their respective rights, meaning that no one should be harmed by their rights.
4. The principle of mutual benefit is that all parties strive for mutual benefit and to do competitive business.

The principle of moral integrity is the basis for doing business, where business people running their business ventures must maintain the company's good name to remain trusted and be the best company.

Here are some ethical theories in business, according to (Benny, 2017):

1. Etika evolutionism

Evolution in society is a change that occurs due to the efforts of the community to adapt to new needs, conditions, and conditions that arise in line with the growth of society.

2. Etika Utilitarianism

The theory of utilitarianism says that a business activity is good if it can benefit most consumers or society. Ethical utilitarianism is a theory that says good things are helpful, practical, and profitable.

### 3. Ethics of Pragmatism

Pragmatism is a school of philosophy that holds that the criterion of truth is whether something has any use in real life.

### 4. Ethical Relativism

Relativism holds that differences in human beings, cultures, ethics, morals, and religion are not differences in substance but differences due to factors outside of them. All forms and subforms relativism have in common the belief that something (e.g., knowledge and morality) is relative to a particular principle and the denial that that principle is absolute.

### 5. Deontology

Deontology is an ethical theory that states that the basis for good and bad actions is a person's obligation to do good to fellow humans. Deontological ethics talks about obligations to oneself that must be carried out and applied in society, where the actions carried out must be by norms and morals. The essence of deontological ethics is an action done without seeing and considering beneficial things, but one must do something related to obligations (Mujasmara et al., 2023).

Strategy management plays a vital role. The strategy must adapt quickly at the organisational/corporate level, corporate, business unit, or operational level (Siregar et al., 2020). Strategy management theory can measure it through several indicators: preparation of mission, goals, and strategies; motivation, structure, system of functions, groups, culture, and policies are implemented to achieve the goals set. The final stage in the strategy management process is evaluation and control, as the plans made are evaluated in realisation in the field. According to Stahl and Grigsby (Rianto & Wijaya, 2022), there are six steps in evaluation and control. These steps include:

- a. Determine what will be controlled,
- b. Creating a set of standards,
- c. Measuring results,
- d. Comparing results with standards,
- e. Look for reasons for deviations, and
- f. Perform corrective actions.

Initially, according to Nawirah (2013), the strategy management system was characterised as follows:

- a. Rely on an annual budget
- b. Long-term
- c. Focus on financial performance

The existence of strategic management in a company or organisation makes the company able to compete in the market with its competitors by using strategies that have been made by managers who have carried out several analyses so that managers can measure how strong the strategy is made to face competitors (Nurjanah & Mulazid, 2018). A strategic management system is needed because organisations must develop in a

planned and measurable manner, so they require a roadmap in facing an uncertain future, require strategies, and need to direct the ability and commitment of human resources to realise organisational goals.

The results of the study found that through the analysis of the implementation of business ethics and strategic management in companies in Indonesia, it can be concluded that business ethics is an essential aspect of the survival of the company. Business ethics includes moral values and principles that business people must hold, and companies that apply business ethics well can build trust from colleagues, society, and customers. Principles such as autonomy, honesty, fairness, mutual benefit, and moral integrity guide business conduct. Meanwhile, strategic management plays a vital role in achieving the company's long-term goals by adapting quickly to changes in the business environment and directing human resources.

## **Conclusion**

Based on the study's results, it can be concluded that business ethics is essential to the company's survival in Indonesia. Business ethics not only deals with legal provisions but also includes moral values and principles that business people must hold. Companies that apply business ethics well can build trust from colleagues, the community, and customers, essential to maintaining business continuity. Principles such as autonomy, honesty, fairness, mutual benefit, and moral integrity guide business people in running their businesses. Therefore, companies must maintain and improve business ethics standards for sustainable growth.

On the strategic management side, its role is also vital in achieving the company's long-term goals. Strategy management must be able to adapt quickly to the changing business environment. The strategy management process involves preparing missions, objectives, and strategies, which are then measured and evaluated through several indicators to achieve the targets. Evaluation and control become the final step in the strategy management process, during which the company looks for reasons for deviations from the original plan and carries out the necessary corrective actions. A strategic management system is also needed to direct the ability and commitment of human resources in achieving organisational goals. This shows that strategic management must be long-term, focused on financial performance, and supported by an annual budget.

Overall, the analysis of the implementation of business ethics and strategic management in companies in Indonesia confirms the importance of the role of business ethics as a moral foundation in carrying out business activities, as well as strategic management as a tool to achieve the company's long-term goals. By implementing good business ethics and effective strategic management, companies in Indonesia can better face business challenges and contribute to sustainable economic growth.

## References

- Adam, B. (2021). Peranan Manajemen Strategi Dan Manajemen Operasional Dalam Meningkatkan Mutu Pendidikan. *Jurnal Tahdzibi: Manajemen Pendidikan Islam*, 3(2), 57–66. <https://doi.org/10.24853/tahdzibi.3.2.57-66>
- Ali, M. H. (2020). Penerapan etika bisnis dan strategi manajemen saat pandemi covid-19 bagi UMKM. *Eco-Entrepreneur*, 6(1), 34–42.
- Andriana, A. D., & Alawy, M. S. (2023). Pemodelan Dan Perancangan Supply Chain Management Pada Produk Sparepart Mobil. *Journal of Innovation And Future Technology (IFTECH)*, 5(1), 23–30.
- Arif, S. (2020). Implementasi Etika Bisnis Dan Good Corporate Governance Pada Pt Brantas Abipraya (Persero). *Jurnal Ekonomi Manajemen Sistem Informasi*, 1(5), 502–512.
- Arifudin, O. (2019). Manajemen Sistem Penjaminan Mutu Internal (Spmi) sebagai upaya meningkatkan mutu perguruan tinggi. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 3(1), 161–169. <https://doi.org/10.31955/mea.v3i1.274>
- Benny, B. (2017). Implementasi Etika Bisnis Pada PT. Pendawa Polysindo Perkasa. *Agora*, 5(2).
- Durin, R. (2020). Arti Penting Menjalankan Etika Dalam Bisnis. *VALUTA*, 6(1), 32–40.
- Ismail, I. H., & Nur, M. (2022). Implementasi Etika Bisnis Islam sebagai Strategi Bersaing di PT Mahesa Energi Persada Jakarta. *Alif*, 1(1), 1–16.
- Juanda, J., & Ali, H. (2022). Literature Review Hukum Bisnis: Monopoli Bisnis Dan Kerusakan Lingkungan. *Jurnal Ilmu Hukum, Humaniora Dan Politik*, 2(2), 233–240.
- Juliana, J., Pramono, R., Sianipar, R., & Indra, F. (2021). Pengenalan Dan Pelatihan Mengenai Professional Ethics Dan Social Responsibilities For Hospitality And Tourism [Introduction And Training On Professional Ethics And Social Responsibilities For Hospitality And Tourism]. *Jurnal Sinergitas Pkm & Csr*, 5(2), 426–433.
- Kristianto, P. L., & UKRIM, D. F. E. (2010). Etika Bisnis dan Tanggungjawab Sosial Perusahaan. *Jurnal Equilibrium*, 4(1).
- Mujasmara, F. D., Ameilia, A., Purba, N. W. T., Panggabean, R. T. T., Matondang, K. A., & Rozaini, N. (2023). ANALISIS PENERAPAN ETIKA BISNIS TERHADAP USAHA MIKRO KECIL MENENGAH “CEMILAN ENDUL MEDAN BY NAFASO\_OSMEDAN.” *Jasmien*, 3(02), 29–36.
- Nurjanah, R., & Mulazid, A. S. (2018). Pengaruh kualitas pelayanan dan Corporate Social

Responsibility terhadap citra Perusahaan. *Jurnal Muqtasid*, 9(1), 40–53.

Rianto, S., & Wijaya, L. I. (2022). Praktik Manajemen Strategis Pada Masa Pandemi Covid-19: Studi Kasus Pt X Pelaksana Konstruksi Swasta. *Jurnal Aplikasi Bisnis Dan Manajemen (JABM)*, 8(2), 481–490.

Siregar, H., Rahayu, A., & Wibowo, L. A. (2020). Manajemen Strategi di Masa Pandemi Covid-19. *Komitmen: Jurnal Ilmiah Manajemen*, 1(2), 40–58.