The Relationship between KHD's Concept of Character and Business Ethics and Its Influence on Organizations

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Abstract

Purpose - The purpose of this research is to increase the value of character and or business ethics in a business organization.

Methodology - This study uses a Systematic Literature Review (SLR) with three stages, namely review planning, review implementation, and review reporting.

Originality - The originality of the research is needed as proof so that there is no plagiarism between previous research and the research being carried out. To the best of the author's knowledge, the Journal on the Relationship of Character and Business Ethics and its influence on corporate organizations has never been done in previous research.

Discussion - After going through several methods, the authors found that ethical behavior (ethics/business ethics) has a goal so that business can be run and created as fairly as possible and in accordance with the approved law. Business ethics can also provide motivation to business people to continue to improve their ability to manage business. Business ethics is intended to keep a business or business person away from a bad image because usually companies or business people who do not have good business ethics can harm other people and ultimately damage their own business.

Conclusion - Overall, good manners are very important in the business world because they can help build good relationships between businesses and customers, employees, business partners, and the surrounding community. Businesses that have good ethical values tend to be more successful in the long run.

Keyword - Character; Ki Hadjar Dewantara; Business Ethics; Company Organization.

Introduction

The function of national education according to the 1945 Constitution is to advance Indonesian national culture and educate the life of the nation. Article 31 Paragraph 1 of the 1945 Constitution states that "Every citizen has the right to education and teaching and to benefit from science and technology, arts and culture in order to improve the quality of life and for
the general welfare." National Education also functions to develop the ability to form dignified characters according to Law No. 20/2003 developing abilities both in thinking and in making decisions and forming dignified national character and civilization in the context of educating the nation's life. An intelligent nation is a nation that is aware of the value of education because education is a bridge for everyone to achieve their dreams. National education has several very important functions in society, one of which is to form good character and personality: National education aims to form good character and personality in every citizen. In this case, education plays an important role in shaping moral values, ethics, and discipline.

This is in accordance with the concept of ethics put forward by Ki Hadjar Dewantara that ethics is very important in education. Ethics are moral values that must be instilled in every individual so that they can become quality human beings and benefit society. Ki Hadjar Dewantara believes that a good education must also form good character. Therefore, the character must be an integral part of the educational process. Manners must be taught from an early age, so that moral values can be formed and become part of the individual's personality.(Musthofa, 2018)

Good character has a close relationship with the business world, because in business good ethics and morality are needed to build successful and long-term business relationships. Some things related to manners in the business world are Integrity, Social Responsibility, Cooperation, Quality of service. Overall, manners are very important in the business world because they can help build good relationships between businesses and customers, employees, business partners and the surrounding community. Businesses that have good ethical values tend to be more successful in the long run (Musthofa, 2018).

Literature Review

A. Ki Hadjar Dewantara’s concept of character

Ki Hadjar Dewantara is a figure in Indonesian Education who is very important and respected in Indonesia. One of the educational concepts emphasized by Ki Hadjar Dewantara is the concept of character. According to Ki Hadjar Dewantara, character is a basic (intrinsic) human value that can be grown through education and teaching, where this value is a combination of ideas (thoughts), reason (feelings), and intention (will) or is referred to as the tri-sakti which serves as a core component to form a civilization, which has good morals. The effort to realize this main thought is an educational process as explained by Ki Hadjar Dewantara "In general, education means a force to encourage the growth of character."(Musthofa, 2018).
The definition of character according to the Big Indonesian Dictionary in 1989 is a behavior, temperament, as well as morals and character. Epistemologically, manners consist of two words, namely manners and manners. Budi in Sanskrit means awareness, understanding, mind and intelligence. While character is appearance, behavior, and actualization. So that character can be interpreted as a person's awareness in acting and behaving. (https://kbbi.web.id/)

Good manners is a positive attitude which includes politeness. Character is an attitude and action that is acquired based on habits that have been carried out since childhood. Manners are an attitude that will be formed in everyone's mind and automatically applied in everyday life. Good manners can be associated with morals, ethics, noble character, manners, and manners.

Ki Hadjar Dewantara further explained that with ethics, society will be free from the shackles of life, including the hegemonic concept of western education. This means that spiritual concepts and noble character will make individuals become independent individuals, as Ki Hadjar Dewantara said below. "With the character of manners that every human being stands as an independent human being, who can order or control himself. This is the nature of a civilized human being and is the purpose and objective of education in general."

B. Business Ethics

According to Keraf (2005) ethics comes from the Greek word ethos, which in its plural form ta etha means "customs" or "habits". Ethics are beliefs about right and wrong actions, or good and bad actions. Business ethics has the aim of giving encouragement to moral awareness and to provide boundaries for entrepreneurs or business people to be able to manage business fairly and honestly and avoid themselves from fraudulent business activities that can harm many people or parties who have an attachment to one another.

A good business is a moral business so that in doing a business it is not only oriented to the interests of the perpetrators. In addition to the specific interests of personal happiness, business people also carry out the mandate and obligation to make the surrounding community happy, which will indirectly receive the impact of the company's existence. When doing business it is not forbidden to seek big profits, but it would be better if in this business to apply business ethics. The greater the profit obtained, the greater the ethical and social responsibility, especially to the community (Klaudia et al., 2022).
C. Honesty Principle

The principle of honesty instills an attitude as it is based on facts, situations and actual conditions. In other words, what is said is what is done. This principle also provides compliance in carrying out various contracts, commitments and agreements that have been made.

D. Principle of Autonomy

The principle of autonomy shows an attitude of independence, freedom, and responsibility. An independent person means a person who can make decisions and then carry them out based on his own abilities and according to what he believes, free from pressure, incitement, and dependence on other parties.

E. Mutual Benefit Principle

The principle of mutual benefit instills awareness to mutually benefit one another, meaning that every business action must be endeavored so that all parties feel benefited.

F. Principle of Justice

The principle of justice instills an attitude of being fair to all parties, without discriminating against all aspects, such as economic, legal, or other aspects.

G. Principles of Moral Integrity

The principle of moral integrity is the principle of not harming others in making business decisions and actions. This principle is based on the awareness that everyone must be respected as a human being.

Based on the definition above, it can be concluded that ethics can be interpreted as a behavior that is good or not in a certain environment. In doing business, of course, you must have ethics that must be met by the company to advance or grow your business. Why do you have to have ethics in doing business? Because business is an activity that is made to achieve certain goals and involves various parties.

H. Relationship of Ethics in Business Organizations

Good manners can form a person’s personality, especially elements of character or character that contain conscience (conscientious) as self-
awareness (consciousness) to do good (virtue). Budi Pekerti also forms awareness to control or direct one's behavior in good ways and avoid bad actions. Realizing that ethical education is a major factor in life, our degree depends on ethics. Therefore, character education is needed in everyday life which is full of advances in science and technology that are developing so rapidly without being accompanied by character. (Fauzah, 2020)

To be able to increase their moral awareness (ethics) and form boundaries for business people in running a good and right business is the goal of business ethics. With the benefit of being able to create consumer trust and loyalty, it will then get an expanded reach through recommendations from these consumers regarding the products used. With recommendations given by consumers, a good brand image will certainly be better known to the public and will have an impact on sales to increase. Increased sales will also be able to motivate employees and will make employees more eager to produce effective and efficient performance. (Posi et al., 2022)

Understanding these factors make managers understand the good and bad of something and understand why someone takes certain actions (both ethical and unethical). Business ethics is very closely related to the concept of character which is explained According to Ki Hadjar Dewantara, character is a basic (intrinsic) human value that can be grown through education and teaching, where the value is a combination of ideas (thoughts), reason (feelings), and karsa (will) or is called the tri-sakti which functions as a core component to form a civilization, which has good morals. The effort to realize this main thought is an educational process as explained by Ki Hadjar Dewantara "In general, education means a force to encourage the growth of character. "Good manners is a positive attitude which includes politeness. Character is an attitude and action that is acquired based on habits that have been carried out since childhood. Manners are an attitude that will be formed in everyone's mind and automatically applied in everyday life. Good manners can be associated with morals, ethics, noble character, manners, and manners.

The purpose of writing this article is to find out whether manners and business ethics are interconnected so as to produce something good for the company's value?

**Methods, Data, and Analysis**

This study uses a Systematic Literature Review (SLR) with three stages, namely review planning, review implementation, and review reporting, as shown in Figure 1.1.
A. Planning a Review

At this stage, the author first interprets the need for SLRs based on recent studies on the relationship of manners intended by Ki Hadjar Dewantara and ethics towards corporate organizations based on phenomena and recommendations for recent studies, so it is necessary to carry out research activities on this matter. Second, the writer determines two research questions, how does the concept of ethics affect ethics, and how does ethics affect a business organization. Third, the authors developed the SLR protocol, as shown in table 1.1

Table 1.1 Protocol Systematic Literature Review (SLR)

<table>
<thead>
<tr>
<th>PROTOCOL SLRs</th>
<th>INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>National Library Research Gates</td>
</tr>
<tr>
<td>Provision</td>
<td>(Concepts of Ethics that affect Ethics) AND (Ethics that affect Business Organizations)</td>
</tr>
<tr>
<td>inclusion</td>
<td>From 2015-2023, publication type is “journal” or “conference”. Written in English, and the focus of research is related to manners and ethics that impact business organizations.</td>
</tr>
<tr>
<td>Exception</td>
<td>Papers that can not be accessed.</td>
</tr>
<tr>
<td>Assessment Quality</td>
<td>- Clarity of Research Objectives</td>
</tr>
<tr>
<td></td>
<td>- Contains a review of literature, background, and research context</td>
</tr>
<tr>
<td></td>
<td>- Contains related works from previous research</td>
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<td></td>
<td>- Have research results</td>
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B. Doing Reviews

At this stage the authors carry out research identification using search strings on the electronic database of journals that have been determined at the planning stage. The primary study selection consisted of initial search, title and abstract, and full-text selection, as shown in Figure 2.

| Data Extraction Strategy | - Have recommendations  
|                          | - Shows relevant conclusions  
| Strategy Blend Data      | The author uses a form that contains several information to extract each paper, such as research objectives, research questions, influencing factors  
| Data synthesis uses a data-driven approach, based on paper extraction results. In this data-driven approach, comparison lists for each paper created to answer research question. |

Step 1: Initial Search Selection  
Results: 1,767

Step 2: Title and Abstract Selection  
Results: 38

Step 3: Full Text Selection  
Results: 7

Figure 1.2 Journal Selection Process

Based on figure 1.2, the author has 1,767 studies from the initial search selection from 1 journal database, 38 studies from the title and abstract selection, up to 6 studies from the full text selection.

These articles will be assessed by the author with full text content selection which is then given a minimum score of 7. These articles can be grouped based on several publishers as shown in table 1.2.
### Table 1.2

<table>
<thead>
<tr>
<th>PUBLISHER</th>
<th>ARTICLE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business &amp; Entrepreneurship</strong></td>
<td>The Influence of Transformational Leadership on Business Ethics and Its Implications on Employee Performance</td>
<td>[7]</td>
</tr>
<tr>
<td><strong>Journal of Social Community</strong></td>
<td>The Concept of Character Education Perspective of Ki Hadjar Dewantara tribe</td>
<td>[13]</td>
</tr>
<tr>
<td><strong>Information Systems</strong></td>
<td>The role of brainware in economic journal management information systems and information system management</td>
<td>[7]</td>
</tr>
</tbody>
</table>

### Results Discussion

As described by Ki Hajar Dewantara that manners, or character, namely the roundness of the human soul, which in foreign languages is called "character". People who have moral intelligence always think, feel and always use certain and fixed measurements, scales and principles. That is why we can know each person’s character with certainty, because that character or character is permanent and definite for the only human, so that one person can be distinguished from another. Manners, character or character, that is the union of thoughts, feelings, and will or will, which gives rise to energy. So character is the nature of the human soul, from wishful thinking to being incarnated as energy.[13](Zainuddin, 2021).
That is, Budi Pekerti is a concept that reflects on a person's character, both from ethics and even morals that influence attitudes in an action that is good or bad.

Business ethics are thoughts or reflections about morality in economics and business. Morality means the good or bad aspect, commendable or disgraceful as it is permissible or not, of human behavior. Morality is always related to what humans do and economic activity is an important field of human behavior. [7](Suryana & Pasundan, 2016).

Business ethics are actions that are carried out in business activities by not violating the rules of the organization and society. That is, each activity must be in a reasonable condition and in accordance with applicable norms and ethics.[9](Posi et al., 2022)

With the description and explanation above, this study focuses on several variables through a conceptual framework that is used as material for the research hypothesis as follows:

In this section of the results, the author will look for answers to the questions in this study, namely whether ethics and business ethics have a relationship that affects corporate organizations. Based on research conducted using the Systematic Literature Review method, the authors obtained several answers proving that business ethics and ethics are interconnected and have an impact on a business organization.

Behavior (ethics / business ethics) has a goal so that business can be run and created as fairly as possible and in accordance with approved laws. Business ethics can provide motivation to business people to continue to improve their ability to manage business. And business ethics is intended to keep a business or business person away from a bad image because usually companies or business people who do not have good business ethics can harm other people and ultimately damage their own business. [7](Abdul Kadir, 2018). Based on the research results obtained by Klaudia et al., that entrepreneurship and business ethics have a significant effect. This means that if entrepreneurship and business ethics increase, it will increase the business success of business people. [13](Klaudia et al., 2022). Business without ethics causes rulers and
businessmen to become uncontrollable and justify any means to achieve their goals (Suryana & Pasundan, 2016).

Conclusion

Overall, education or teaching of character is very important in shaping a person's character so that good character or ethics can be useful in the business world because it can help build good relationships between businesses and customers, employees, business partners and the surrounding community. That is, Budi Pekerti is a concept that reflects on a person's character, both from ethics and even morals that influence attitudes in an action that is good or bad.

Businesses that have good ethical values tend to be more successful in the long term. This is the same as what was stated by Suryana & Pasundan that, Business without ethics causes rulers and business people to become uncontrollable and justify any means to achieve their goals. (Suryana & Pasundan, 2016)

References


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Klaudia, S., Yondaningtiyastuti, S., & Fitriananda, EA (2022). The Influence of Business Ethics in Entrepreneurial Activities in the


