Importance of Applying Business Ethics To Bakery Small Business

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Abstract

This research aims to analyze and determine the application of business ethics in the Bakery small business in Sumenep Regency. This study uses qualitative analysis methods, to obtain information carefully with in-depth interview techniques. Observation technique with direct observation in the field is used to support the results of research. The application of business ethics is examined in terms of ethical values / morality such as fairness, trust and honesty of the products, customers and employees of the Bakery small business. The study was conducted at Anita Bakery's small business in Sumenep. The results showed that the application of business ethics by Anita Bakery's small businesses in terms of trust and honesty in the product was quite good. This is evidenced by the level of customer loyalty that still persists. The application of business ethics in terms of fairness, trust and honesty towards customer service is quite good, it can be seen from the less complaints, the absence of negative word of mouth communication about the company and consumers are still loyal to the product. The application of business ethics in terms of fairness, trust and honesty towards employees is quite good, this can be seen from the number of employees who last long working in this company. However, it still needs to be considered in the application of business ethics to employees, because the company has not implemented fairness employee recruitment.

Keywords: Business Ethics; Fairness; Trust; Honesty.

Abstraks

kepercayaan, dan kejujuran terhadap customer service sudah cukup baik, terlihat dari masih sedikitnya keluhan, tidak adanya komunikasi word of mouth yang negatif tentang perusahaan dan konsumen masih loyal terhadap produk. Penerapan etika bisnis dalam hal keadilan, kepercayaan dan kejujuran terhadap karyawan cukup baik, hal ini terlihat dari banyaknya karyawan yang bertahan lama bekerja di perusahaan ini. Namun hal tersebut tetap perlu diperhatikan dalam penerapan etika bisnis kepada karyawan, karena perusahaan belum menerapkan kewajaran rekrutmen karyawan.

INTRODUCTION
1. Background of the Study
Business that is growing rapidly nowadays is a challenge as well as a threat for businessman to win the competition and maintain the survival of their companies. According to Margaret 2004) companies that want to develop and can compete must be able to provide quality products or flavors, lower prices than their competitors, and better service than their competitors.

To win business competition and maintain the market, the company must be able to adapt to a constantly changing environment. Businessman need to be sensitive to any changes that occur and be able to meet the changing needs of customers. Entrepreneur must be able to produce products that can play the emotions of customers and through these products, can create experience for customers.

Promising culinary business opportunities in Indonesia have spurred the development of culinary business in Indonesia. The increasing number of culinary business shows that this kind of business is very profitable, because after all a culinary business is definitely needed. However, the culinary business competition is also very tight, so businessman must be able to improve the quality of products in providing the best to consumers. Therefore, it is necessary to apply business ethics.

Nowadays business ethics is important. In the word of business, ethics has an important role when profit is no longer the sole purpose of the organization. Unethical behavior such as misuse of price determination of a product or service, unfair treatment of employees, and other ethical violations become something serious that can harm the company both financially and non-financially. Management in the company becomes the driving force for the organization to have business ethics that are in line with the company so that unethical actions can be prevented.

With the phenomena that occur, it proves that a lot of business runs contrary to business ethics. This also proves that business ethics is very important so that a business can last a long time.

2. Problem of The Study
How is the application of business ethics at Anita Bakery in terms of fairness, trust, and honesty towards the consumers and the employees?

3. Objective The study
Based on the problems of the study, the objectives of this study is: to find out the business ethics applied to Anita Bakery

4. Review of Related Literature
The Definition of Ethics
Ethics in Ancient Greek which means arising from habits according to Revelation and Ostaria (2006) is the main branch that studies the value and quality. Ethics includes the analysis and the application of concepts such as wrong, right, good, bad, and responsibility. Ethics can also be defined as all moral principles that distinguish between good and bad (Bekum, 2004). Ethics is normative because it plays a role in determining what an individual should or should not do.

Ethics are moral principles and values that govern the actions and decisions of an individual or group (Story & Hess, 2010). This
proves that a businessman who plays an important role in doing business is inseparable from the principles and values adopted.

**The definition of Business Ethics**

Business ethics are rules in written or unwritten form that define a business may act and may not act (Fahmi, 2013). If a business violates the rules, there will be sanctions. A businessman will conduct business activities in the form of producing and / or distributing goods or services, looking for profits, and trying to satisfy consumers. This means producing goods or services that do not endanger themselves and people, looking for profits in the right way that does not violate the rules that have been determined (halal or haram), as well as providing consumers the best service. The benefits companies in implementing business ethics:

1) The company gets the trust of consumers,
2) Creating a good image in the eyes of consumers, 3) Increase worker motivation, 4) Company profits can be obtained (Amran, 2012).

Business must be ethical for its own business interests. There are many new slogans that show the importance of applying ethics in business, such as good business is ethical, ethics pay, and so on (Fauzan and Nuryana, 2014). Companies that have high ethical standards are classified as successful companies. In general, business activities must apply and consider ethical values / morality such as trust and honesty.

Honesty is a solid foundation for every business. This means honesty with oneself, coworkers, business partners, and with the employees. Honesty in business is a non-negotiable principle. Business cooperation will last longer if there is honesty from all parties. Without honesty, cooperation in business will be very fragile (Ash'arie, 1997).

According to Fauzan and Ida Nuryana (2014), based on the value of trust and honesty, the company will not lie, for example when selecting employees, financial audits, etc., conduct fair competition with other companies and will pay more attention to employee welfare such as providing a more appropriate salary at least in accordance with the minimum wage, fulfilling severance pay, and so on. In addition, the company will be more transparent so that it can avoid discrimination when accepting new employees, ensuring the safety of employees when working at least with insurance.

When all employees already have the value of trust and honesty then they will try to maximize their work and even continue to work even without the supervision of the employer because they believe the orders given by the boss is a mandate that must be carried out. Those who are given the task to take care of the company's financial problems (accountants, treasurers, etc.) will also avoid acts of corruption in the company's operational funds. Employees do not feel worried about the well-being of themselves and their families, they feel more secure of their lives, are more optimistic about managing the future.

Companies that consider the value of trust and honesty in the relationship between the company and the employees will no longer accuse each other, suspect each other, lie to each other, and threaten each other in their relationships. Their relationship will be even more communicative and harmonious.

**Methods**

This study uses descriptive qualitative research type. Qualitative research is research that intends to understand the phenomena about what is experienced by research subjects and by means of descriptions in the form of words and language (Moleong, 2013). There are 11 characteristics in qualitative research, one of which is descriptive. The hallmark of descriptive is that the data collected is in the form of words, images, and not numbers. The data may come from interview scripts, field notes, photographs and others.

In this study, the researcher conducted a study on Anita Bakery located on Jalan Sudirman No. 47 Sumenep, Madura. This
company is engaged in food production. This company produces various kinds of bread and also becomes a culi-nary place. Qualitative data in this study were obtained from observations set forth in the field notes.

Finding and Discussion
The types of companies engaged in the field of food and beverage, are always not free from problems that occur during the service delivery process. Failure to provide services can have an impact on the loss of trust and commitment from customers, customers will not recommend to others, and customer dissatisfaction (Weun et. al., 2004). To reduce the negative impact of failures in providing services and to retain customers, companies must understand what customers want when failures in providing services occur and how to implement effective strategies in service recovery. According to Davidov (2003) effective handling of com-plaints not only has an impact on increasing the customer’s desire to make repeated pur-chases, but also decreases negative comments, and increases positive recommendations so that it can benefit the company. Customers who are satisfied because their complaints are handled well, will make repurchases and can even recommend it to others. Fairness to customers and employees is a form of business eth-ics that must be established within the company. This study shows that Anita Bakery treats customers equally in accordance with fair rules. There is no difference in service delivery to consumers that have different economic status or others. The same goes for employees. All of their rights are treated equally and no one is harmed.

Aside from fairness, honesty becomes an im-portant aspect in running a business. This com-pany shows that honesty in the quality of goods is proportional to the price offered. The products produced by the company are indeed very good and the prices offered are appropriate. The company has never cheated in products even though the price offered is a bit expensive, making it difficult to compete with competitors at lower prices. But this is proven by consumers who do not turn away from this product even though the price offered is a bit expensive, but it is comparable to the ideal way, attractive product shape. On products that are not durable, the expiration date is always written on the packag-ing. Honesty with employees must also be cre-ated in a business. The company will be de-stroyed if the work atmosphere is full of tricks and deception. Anita Bakery treats its employees well and they respect each other. This has been proven by many workers who have worked long enough in this company.

Trust is also important in business. In general, companies have to give trust to consumers. The existence of this trust leads to customer satisfac-tion. Once a business is not trusted by a cus-tomer, the customer will move to another. Anita Bakery shows that this company has succeeded in giving good recommendations to customers so as to create strong trust. Consumers continue to believe in this company even though there are many competitors offering lower prices. There is also no negative word of mouth comunication about this company. Until now this company is getting bigger with the diverse products offered.

Conclusion
The results showed that the application of business ethics by Anita Bakery's small busi-nesses in terms of trust and honesty in the product was quite good. This is evidenced by the level of customer loyalty that still persists. The application of business ethics in terms of fairness, trust and honesty towards customer service is quite good, it can be seen from the less complaints, the absence of negative word of mouth communication about the company and consumers are still loyal to the product. The application of business ethics in terms of fairness, trust and honesty towards employees is quite good, this can be seen from the number of employees who last long working in this com-pany. However, it still needs to be considered in the application of business ethics to employees, because the company has not implemented fair-ness employee recruitment.
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