

The Effect of the Application of Business Ethics on Employee Performance at Pt. Karsa Utama Gorontalo City



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ABSTRACT: The purpose of the study was to determine the effect of the application of business ethics on employee performance at PT. Karsa Utama Gorontalo City. This study used a quantitative approach. The descriptive research method of data used is primary data obtained from the distribution of questionnaires to employees of PT. Main Karsa Gorontalo City. The data analysis technique used in this study used simple linear regression.

The results showed that there was a positive and significant influence of the application of business ethics on employee performance at PT. Karsa Utama Gorontalo City. And the value of the R Square coefficient of determination is 0.251 or 25.1% which means that employee performance is explained by the application of business ethics carried out by PT. Main Karsa Gorontalo City. While the remaining 74.9% is influenced by other variables.

KEYWORDS: Application; Business Ethics; Employee Performance; Gorontalo; Linear Regression

I. INTRODUCTION

Every company established has the long-term hope that it will develop better and see its performance in the business field of the company. The company basically wants to achieve high performance in its field of work. With high performance, the company will make a profit. The company is the lifeblood of the Indonesian economy because in achieving its goal of making a profit, it must meet the diverse needs of the community. In the process of achieving profits through its performance, companies need human resources.

Human resources are the main asset for companies that become planners and active actors of various activities within the company. Human resources have thoughts, feelings, desires, status and educational background whose mindset can be brought into a company environment. Human resources are not like money, machines, and materials that are positive in nature and can be fully regulated in supporting the achievement of company goals. So the success of an organization is supported by compensation and career development opportunities given to company members. The achievement of company goals also depends not only on technology, but rather depends more on humans who carry out their work. The ability to provide good work results to meet the needs of the organization as a whole is a contribution to employee performance.

Employee performance is generally a benchmark used by companies in assessing employees. Employees who have performance in accordance with the standard or even exceed it can be given awards or vice versa, for those who have not been able to achieve the specified standards can be subject to consequences. According to Robbins (2006) in (Tjong Fei Lie and Dr. Ir. Hotlan Siagian, 2018), performance is a measurement of expected work results in the form of something optimal. According to (Rivai, 2005) in (Tjong Fei Lie and Dr. Ir. Hotlan Siagian, 2018), employee performance is a real behavior displayed by everyone as work achievements produced by employees in accordance with their role in the company. From these opinions it can be concluded that performance is the result of work achieved by a person (employee) in performing duties and responsibilities in accordance with the standards determined by each company or organization.

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Based on observations made by researchers at PT. The main karsa of Gorontalo City, namely the low performance of employees, can be seen in the following table:

The Effect of the Application of Business Ethics on Employee Performance at Pt. Karsa Utama Gorontalo City

Table 1.1 Employee Performance Data at PT. Main Karsa Gorontalo City

No	Number of Employees	Percentage	Information
1.	68	30%	High
2.	120	70%	Low
Total	188 employees	100%	

Source: Chairman of PT. Main Karsa Gorontalo City

Judging from the data above, a total of 120 employees recorded low performance, so that out of 188 employees, only 68 employees met the criteria for good performance. So that a total of 70% of employee performance is still low and the remaining 30% meets the criteria for good employee performance. In addition to these data, through interviews several problems found by researchers are the low achievement of work that has been determined by the company so that it can cause delays in achieving targets, which can be proven by the presence of employees who lack discipline such as there are still many employees who are often late for work, there are even employees who leave before working hours that have been determined by the company, Then the problem follows the estrangement of relations between employees, such as the lack of cooperative relations between employees so that it has an impact on completing tasks that are not on time. This shows that employee discipline must be improved or encouraged so that their performance is even better.

In a company or organization requires employees who have good business ethics. Where business ethics is a field of economics that is sometimes forgotten by many people, even though through business ethics this is a person can understand even a difficult competitive business, how to be sweet, maintain good manners, dress well to speak well. In simple terms, business ethics can be interpreted as a non-binding rule of the game because it is not a law. But it must be able to be remembered in everyday business practices business ethics can be a limitation for business activities carried out. Business ethics is very important considering that the world cannot be separated from other elements.

According to Aswand (2018), in (Putrantri & Marlana, 2023), business ethics in companies have a very important role, the success of a company is not determined by good morals and management alone, but also determined by good business ethics. Principles Also explained according to (Muslich, 2004) in (Asidah et al., 2021), Business ethics are unwritten rules about how to ideally organize and manage business by taking into account universally applicable norms and morality. Business ethics in a company can shape the values, norms and behavior of employees and leaders in building fair and healthy relationships with customers / partners, shareholders, the community.

Based on the explanation above, it can be concluded that Business ethics is an action taken in business activities to find out which is good and which is bad, where this is done by minimizing the application of business ethics to be effective, especially in improving employee performance discipline. So Business ethics is an action carried out in the course of business activities or companies. This business ethic can also create a close relationship between companies, both leaders and employees, forming fair and healthy cooperation so as to create employee performance that helps increase company profits.

In a previous research journal by (Jannah & Handayani, 2020), with the research title The Influence of Business Ethics on Employee Work Productivity (Study at KSPPS BTM Sang Surya Pamekasan) stated that normatively business ethics creates close relationships between companies, both leaders and employees, forms fair and healthy cooperation, and builds close cooperation. So that business ethics is one solution to improve employee performance problems, especially in the problems that researchers discuss at PT. Main Karsa.

Based on this analysis, researchers are interested in conducting research entitled "The Effect of the Application of Business Ethics on Employee Performance at PT. Main Karsa Gorontalo City"

II. LITERATURE REVIEW

Employee Performance

(Veithzal, 2005: 97) in (Suarni, Ni Nengah & Sudiyani, 2020), Performance is the overall result of a person during a certain period in carrying out tasks, such as work result standards, targets or target criteria that have been determined in advance and have been mutually agreed upon Employee performance is not just information for promotion or salary determination for the company. But how companies can motivate employees and develop a plan to correct performance slumps can be avoided.

According to Busro (2018: 89) in (Siregar, 2021), employee performance is the result of work that can be achieved by employees both individuals and groups in an organization, in accordance with the authority and responsibility given by the organization in achieving the vision and mission and goals of the organization with the ability to solve problems in accordance with the specified time and not violate the law. Also mentioned According to Rivai and Basri in the book Lijan Sinambela (2017: 478) in (Siregar, 2021), said employee performance is one of the success factors in determining task achievement for individuals which can lead to determining organizational performance. Employee performance needs to be assessed with the intention of providing a good opportunity to employees for their career plans in terms of strengths and weaknesses, so that companies can determine salaries,

The Effect of the Application of Business Ethics on Employee Performance at Pt. Karsa Utama Gorontalo City

provide promotions, and can see employee behavior. Performance appraisal is known as "performance rating" or "performance appraisal"

A company conducts performance appraisal based on the consideration that there needs to be an objective evaluation system for the organization. In addition, with performance appraisals, top managers can obtain an objective basis for compensation according to the achievements that each accountability center contributes to the company as a whole. All of this is expected to form motivation and stimulation to each part to work more effectively and efficiently.

According to Mangkunegara (2013) in research (Laosoh et al., 2022), performance is the result of quality work with the quantity achieved by an employee in carrying out duties in accordance with the responsibilities that have been given to him. So to get good performance from an employee, an organization must be able to provide facilities and infrastructure as support in completing work.

Based on the explanation above, it can be concluded that employee performance is a measure of how well the individual carries out their duties and responsibilities in the context of their work. It includes productivity, quality of work, punctuality, initiative, collaboration, and other positive contributions to organizational goals. Employee performance evaluation is important to identify strengths and areas for improvement, as well as to provide feedback and career development accordingly

Business Ethics

According to James J. Spillane SJ in (Sari et al., 2019), the definition of ethics is to consider or pay attention to human behavior in making a decision related to morals. Ethics refers to the intellect that humans use to seek good, right, bad or wrong things and one's fight for others. Meanwhile, according to Bertens in (Wahyuni & Turisno, 2019), business ethics is the application of general ethical principles in a special area of human behavior, namely economic and business activities.

According to Hill and Jones (1998) in (Hidayat & Anastasyah, 2017), business implementation readiness must align these business processes with generally agreed business ethics in the environment. Business ethics is a teaching to distinguish what is wrong and what is right to provide debriefing to every company leader when considering making decisions. According to Yosephus (2010) in (Hidayat & Anastasyah, 2017), business ethics is essentially applied ethics. Business ethics is the area of application of general moral principles to the area of human action in the economic field, especially business. So, essentially the target of business ethics is the moral behavior of business people who carry out economic activities.

Based on the explanation above, it can be concluded that business ethics is a set of moral principles and values that govern behavior and actions in the context of the business world. This includes considerations about fairness, honesty, social responsibility, and the environmental impact of business decisions. Business ethics guides organizations and individuals in making responsible decisions, respecting the rights of all stakeholders, and promoting the common good in their business activities.

III. RESEARCH METHODS

This research was conducted at PT. Main Karsa Gorontalo City. Where this company is engaged in the business of selling daily necessities products. Company PT. Karsa Utama is located at Jl. S. Parman No.45, Biawao, Gorontalo City. This research was conducted for 8 (eight) which started from August 2023 to March 2024.

This study used a descriptive quantitative approach. According to (Sugiyono, 2017: 7) explained that quantitative methods can be interpreted as positivistic methods because they are based on the philosophy of positivism. This method is used to examine certain populations and samples, data collection using research instruments, quantitative or statistical data analysis with the aim of testing hypotheses that have been set. This assessment has a population of 188 employees with a sample of 65 employees using random sampling techniques.

IV. RESULT AND DISCUSSION

Data Normality Test

The requirement that must be met before performing a regression analysis is the normality of the data or the normal distribution for the dependent variable. In the assumption test, the first thing to do is the normality test, if the distribution of data is abnormal, the analysis cannot continue because it does not meet the requirements of data normality. In this study, employee performance is an endogenous variable so residues must be normally distributed to qualify for regression testing.

Table 4.6 Dependent Variable Normality Test One-Sample Kolmogorov-Smirnov Test

Kolmogorov-Smirnov Z	0,763
Asymp. Sig. (2-tailed)	0,605
a. Test distribution is Normal.	
b. Calculated from data.	

Source: Processed Primary Data, 2024.

Based on the table of normality test results with Kolmogorov-Smirnov Asymp calculations. Sig. Asymp employee performance regression equation . Sig. (2-tailed) 0.605 significance above 0.05. This means that the residual performance equation of the

The Effect of the Application of Business Ethics on Employee Performance at Pt. Karsa Utama Gorontalo City

employees studied is normally distributed, because the normality assumption test has been fulfilled, statistical techniques of equations with regression can be used. Furthermore, the residual normality test is also depicted with the normal P-P Plot as shown in the following figure:

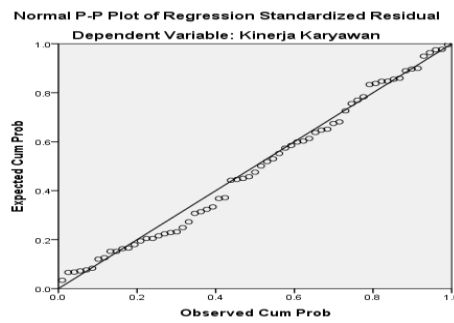


Figure 4.1 Normality Test Results with P-PPlot

It is known that the residuals in the regression model spread around the diagonal line and follow the direction of the diagonal line, so the regression model satisfies the assumption of normality. Residuals are normally distributed, so quantitative data analysis with regression analysis can be continued because it meets this test requirement.

Simple Regression Analysis Test

After the data normality requirements are met, a regression analysis is then carried out between the application of business ethics to employee performance. The analysis technique carried out is a simple linear regression analysis. Here are the results of the regression analysis test:

Tabel 4.7 Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	46.366	13.462		3.444	.001
	Penerapan Etika Bisnis	.589	.128	.501	4.594	.000

a. Dependent Variable: Kinerja Karyawan

Source: Primary Data processed by SPSS, 2023.

Based on the results of the analysis above, the regression model of the effect of the application of business ethics on employee performance is $\hat{Y} = 46.366 + 0.589X$. This means that every time the addition of the variable of application of business ethics, the participant's value of the employee performance variable increases by 0.589, the regression coefficient is positive, so it can be said that the direction of influence of the variable application of business ethics on employee performance is positive.

Partial test (t-test)

After the regression analysis testing is carried out, the effect of the independent variable (Application of Business Ethics) on the dependent variable (Employee Performance) will be carried out.

Table 4.8 Results of Determining Partial Regression Test Criteria

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	46.366	13.462		3.444	.001
	Penerapan Etika Bisnis	.589	.128	.501	4.594	.000

a. Dependent Variable: Kinerja Karyawan

Source: Primary Data processed by SPSS, 2024.

From the results of the analysis above, it can be seen that the value of the t-table obtained for the variable of application of business ethics is 4.594, to get a conclusion whether to accept or reject H_0 , the value of the t-table must first be determined. Using a significance level of 5% and a df value of $n-k = 65-2 = 63$, a t-table value of 1.669 was obtained. When compared with the t-count value obtained at 4.594, the t-count value obtained is still greater than the t-table value so H_0 is rejected.

The Effect of the Application of Business Ethics on Employee Performance at Pt. Karsa Utama Gorontalo City

Coefficient of Determination Test

Once it is known that there is a positive and significant influence of the application of business ethics on employee performance, the next step is to analyze the magnitude of the influence caused by the application of business ethics on employee performance. For such purposes used analysis of the coefficient of determination. The value of the coefficient of determination is something that ranges from 0%-100%. The results of the calculation of the coefficient of determination for the regression model of variables applying business ethics to employee performance are as follows:

Table 4.9 Results of the Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.501 ^a	.251	.239	6.399

a. Predictors: (Constant), Penerapan Etika Bisnis

Source: Primary Data above processed by SPSS, 2023.

From the analysis above, it can be seen that the value of the coefficient of determination from the Regression model that has been obtained previously is 0.251. This value means that 25.1% of the variation in employee performance is explained by the application of business ethics owned by employees. In other words, the better the application of business ethics, the better it will improve employee performance. The residual value produced or influenced by other variables that were not studied in this study was 74.9%.

Discussion

According to Busro (2018: 89) in (Nadialista Kurniawan, 2021), employee performance is the result of work that can be achieved by employees both individuals and groups in an organization, in accordance with the authority and responsibility given by the organization in achieving the vision and mission and goals of the organization with the ability to solve problems in accordance with the specified time and not violate the law. The operationalization of variable Y (employee performance) includes: 1) The quality of employee work where the measurement of performance quality can be seen from employee perceptions of the quality of work produced and the perfection of tasks to employee skills and abilities. 2) The quantity produced is expressed in terms such as number of units, number of activity cycles completed. 3) Punctuality is the level of activity completed at the beginning of the stated time, in terms of coordination with the output results and maximizing the time available for other activities. 4) Effectiveness here is the level of use of organizational resources (energy, money, technology, and raw materials) that is maximized with the intention of increasing the results of each unit in the use of resources. 5) Independence is the level of an employee who will later be able to carry out his work function according to work commitments. Independence is also a level where employees have work commitments with agencies and employee responsibilities to the office. The performance of employees that increase or decrease can be seen from the quality of employee work, the quantity of employee work, the punctuality of employees in working in all aspects, the effectiveness and independence of employees at work. 6) Work Commitment is a level where employees have work commitments with agencies and employee responsibilities to the office / company. Based on the previous explanation, it can be explained that the results of the descriptive analysis of variable Y (employee performance) show a value of (4.16) where the value is included in the high category. It can be concluded that each item of the statement is easily understood by each respondent, therefore every employee performance can be influenced by the application of business ethics in the organization / company.

According to Yosephus (2010) in (Hidayat & Anastasyah, 2017), business ethics is essentially applied ethics. Business ethics is the area of application of general moral principles to the area of human action in the economic field, especially business. So, essentially the target of business ethics is the moral behavior of business people who carry out economic activities. The operational variable X (Business Ethics) includes: 1) Autonomy is decision making and acting consciously about what he considers good to do and not doing bad actions. 2) Business honesty will not last long and succeed if it is not based on honesty. 3) Justice, that is, everyone must be treated fairly according to criteria that are rational, objective, and accountable. 4) Mutual benefit is that every business decision and action must be pursued so that all parties feel benefited. 5) Moral integrity is based on the awareness that everyone must be respected for his dignity and dignity. Based on the previous explanation, it can be explained that the results of the descriptive analysis of variable X (Business Ethics) show a value of 4.20 where the value is included in the high category. It can be concluded that each item of the statement is easy to understand by each respondent.

The discussion of the results of this study is adjusted to the problems and objectives of this research, the results of research with a direct effect analysis model, the hypothesis is an alternative hypothesis, while the null or nil hypothesis states there is no effect, through a comparison between the t-test value produced in computer analysis with the table t value at a significant level $\alpha = 0.05$, then a t table value of 1.669 is obtained. So it can be concluded that the hypothesis that states there is an influence between the independent variable and the dependent variable is declared accepted. In summary, the discussion of independent variables against dependent variables is described in accordance with the sequence of research hypotheses proposed. Thus testing the hypothesis of the regression analysis model that has been built in accordance with the desired theory, for more details in detail in

The Effect of the Application of Business Ethics on Employee Performance at Pt. Karsa Utama Gorontalo City

the discussion is described as follows.

Based on the results of the analysis with simple regression, it can be seen that there is a positive and significant influence between the application of business ethics on employee performance at PT. Karsa Utama Kota Gorontalo, at a 95% confidence level, it can be concluded that there is a positive and significant influence of the application of business ethics on employee performance at PT. Main Karsa Gorontalo City. The value of the coefficient of determination from the previously obtained regression model is 0.251. This value means that 25.1% of the variation in employee performance is explained by the application of business ethics owned by employees. In other words, the better the application of business ethics, the better it will improve employee performance.

The existence of the previous coefficient value, it can be concluded that the research has benefits on improving employee performance in the application of business ethics applied by the company, including: 1) Can Increase Employee Motivation, when the company applies clear and consistent business ethics, this can increase employee motivation. 2) Can Improve Performance and Productivity, employees who work in an environment based on strong business ethics tend to be more focused and productive. 3) Can create good relationships with customers and suppliers, Strong business ethics also affect the company's relationship with customers and suppliers. The residual value produced or influenced by other variables that were not studied in this study was 74.9%. Thus the research hypothesis that reads "there is an influence of the application of business ethics on employee performance at PT. Karsa Utama Kota Gorontalo", declared accepted.

The results of this research are in line with the results of research presented by Pamuji and Kiswara (2022) which disgust that there is a positive influence between the application of business ethics on employee performance (case study on customer service at PT. Bank Rakyat Indonesia (Persero), Tbk). The same result was also stated by Nadia Putri et al (2023) who stated that there is an influence of the application of business ethics on employee performance in CV. Mufidah Gorontalo City.

V. CONCLUSION AND RECOMMENDATION

Conclusions

Based on the results of the analysis, researchers concluded that there is a positive and significant influence between the application of business ethics on employee performance at PT. Main Karsa Gorontalo City. The comparison of the t-count value obtained is still greater than the t-table value so H_0 is rejected. Thus, at the level of 95% trust, it can be concluded that there is a positive and significant influence of the application of business ethics on employee performance at PT. Main Karsa Gorontalo City. The value of the coefficient of determination from the previously obtained regression model is 0.251. This value means that 25.1% of the variation in employee performance is explained by the application of business ethics owned by employees. In other words, the better the application of business ethics, the better it will improve employee performance. The residual value produced or influenced by other variables that were not studied in this study was 74.9%.

Recommendation

Based on the conclusions above, the suggestions that can be given by researchers are as follows:

- 1) It is recommended that the application of business ethics can be applied properly, so that they can know what employees need and want, it is important to communicate with employees to achieve maximum employee performance.
- 2) Leaders should be able to involve employees in solving these problems and decisions that will later be taken by leaders, should ask their employees first, whether the decision is good or not for the company and employees in the future.

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The Effect of the Application of Business Ethics on Employee Performance at Pt. Karsa Utama Gorontalo City

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