



The Role of Ethics in International Business

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ABSTRACT

International business occurs one of them because of the inability of a country in meeting all the needs of its country, therefore came the idea of establishing cooperation between one country and another country. this research aims to find out the role of ethics and social responsibility in international business. this research uses a qualitative approach that describes and outlines the role of ethics and social responsibility in international business. the data collection technique used in this research is a literature study, where the study is conducted by collecting data related to research derived from books, scientific journals and other publications that deserve to be a source of research. the results of this study show that ethics and social business responsibility have the same role that aims to improve the company's image and develop the company. a business will not be able to develop without the role of consumers, because the main purpose of the company besides benefiting is to be able to attract consumer interest and gain the trust of consumers and business partners.

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1. INTRODUCTION

International business occurs one of them because of the inability of a country to meet all the needs of its country, therefore the idea arose to establish cooperation between one country and another in order to meet the needs of goods or services that cannot be produced and obtained within a country due to certain factors.

International business provides changes and new colors in the business world. Because the scope of business is getting wider and involving two or more countries, and avoiding fraud or things that can cause conflict, business ethics is needed so that the world economic order is getting better.

Basically the role of business ethics in economic activity is not only aimed at getting big profits but also being able to provide a better life in the business environment. The perpetrators of business ethics will provide services and be responsible for the community around the company environment both externally and internally.

Business ethics is the behavior of entrepreneurs in running their business. Generally ethics, this business can create a good work environment so that it does not cause conflict between employers and the business being run. In a company, of course, there are many employees with different cultures and habits. Well, usually this tends to cause conflict within a team, if the company doesn't apply business ethics, of course this will become a problem in the business.

According to Susanto (2007), there are three main factors that can create an ethical atmosphere in a company, namely; First, the creation of a good corporate culture. Second, build trust and honesty in a team within the company. Third, the formation of good friendships between employees and with their leaders. In addition to ethics in doing business, there is also corporate social responsibility or often known as Corporate Social Responsibility. Corporate social responsibility is needed to create a good assessment of the company's image. This social responsibility will also have a good impact on the development of the company.

Social responsibility is a company's obligation to protect and provide welfare for parties within the company's environment. Companies can apply social responsibility towards parties who have an interest in the natural environment and social welfare. The complexity of managers in international business must have an ideal continuity between global responsibilities and local conditions which may force different approaches to different countries where the company establishes and operates its business.

The rapid development of technology spurred every country to develop new businesses that can generate huge profits on an international scale. In this case the government also has a very important role to oversee the course of an international trade activity which includes export and import activities.

We also know how international companies must work hard to overcome various kinds of obstacles and obstacles in dealing with political systems that are unusual and not well known to them in other countries. Likewise, companies must adapt to different legal systems in the international market. Although the legal system in every country has its own limitations for both individual and company activities, there is no legal system that can guarantee that an individual or company does not engage in deviant behavior.

When a company is ready to enter the international market, it means that the company is also ready to adapt to the culture and rules of that country. The bigger the opportunity, the bigger the challenge for the company in developing its business. By implementing good business ethics and social responsibility as much as possible, it is hoped that the company will be able to continue to compete with other companies.

International Business

International business is trade that has a very broad scope, namely trade that occurs between or across countries which in trading activities include exports and imports. This international business is a form of cooperation between two or more countries that can provide direct benefits, in the form of meeting the needs of each country which cannot be met solely by relying on domestic production alone.

This international business involves all countries in the world, the emergence of business. The demand theory explains that price changes can occur due to changes in the goods demanded. The higher the price of an item, the less demand for that item. While the theory of supply explains that if the price offered increases, the demand for an item also increases.

The international trade activities are exports and imports. Export is an activity or activity of selling goods from within the country to abroad with the aim of increasing the country's foreign

exchange, growing the domestic industry and so on, based on applicable regulations. Meanwhile, imports are activities or activities of buying goods from abroad to meet basic domestic needs, and still comply with the import laws and regulations that have been set by the government.

Business Ethics

Ethics in language are values related to a good way of life or it can also be interpreted as rules or habits that are adhered to and passed on from one generation to the next. Business is an activity related to increasing added value through the process of service delivery, trade, production with the aim of making a profit. Many people are competing to build a business with the aim of earning. Business is an institution that produces services or goods that can provide benefits to its users. In running a business, it must be accompanied by ethics or rules to ensure a good life in the moving business environment.

Business ethics is a value about good, bad, right and wrong in the business world in the principle of morality. And here business people must follow and commit to the ethics that exist in the business. Business ethics has principles that are used as guidelines in carrying out activities and achieving the intended business goals. These principles include:

1. The principle of Autonomy is the attitude and ability of humans to make a decision and act consciously about what to do that can give positive results or good things.
2. The principle of honesty, the core of the company's strength is honesty. Whether in terms of business or other things, honesty is very important, to maintain consumer confidence in our products, never cheat or deceive consumers. Because a business will not last long without being based on honesty.
3. The principle of fairness, in running a business, an entrepreneur must treat all employees fairly and indiscriminately. Because justice is given employees can feel valued.
4. The principle of mutual benefit, here the business must be run in accordance with the planripe for the benefit of all parties. In addition, employees must also work together to achieve company goals, so that all parties strive for mutual benefits.
5. The principle of moral integrity, in this case business people need to run their business according to existing rules and always maintain the good name of their leaders and companies

In the long term. Social responsibility is a related concept, but refers to all the different ways of doing business trying to balance his commitment to the group or personal in his social environment. We often know these groups and individuals with the parties with an interest in the business. These interested parties, namely; employees, investors, customers, suppliers and local communications.

1. **Employees**

The form of social responsibility given by the company to employees is usually like providing justice and considering employees part of a team and respecting and welfare of employees. The company seeks to find, recruit, train and promote employees who have good quality work.

2. **Investors**

As a sense of responsibility given by the company to investors, the company is obliged to follow accounting procedures in accordance with the agreement, provide information that is in accordance with the company's financial performance and manage the company and protect the rights of investors. Companies must be honest and forthright in assessing the profitability and growth of profits and company shares and avoid inappropriate actions in

sensitive areas such as insider trading, manipulating share prices, and concealing financial data.

3. Customers

The form of corporate responsibility to its customers by providing the best and honest service in promoting its products. Companies must also set appropriate prices, guarantee security in the delivery of goods, respect guarantees, and maintain the quality of the products sold.

4. Suppliers

The relationship between managers and suppliers must be well established. For example, companies may not take advantage of suppliers by determining material delivery schedules, unrealistic raw materials and reducing profit margins continuously and suppressing prices as low as possible. Today many companies recognize the importance of mutually beneficial alliance agreements with their suppliers. So the company always provides information about future plans, negotiates delivery schedules for raw materials and prices obtained by both parties based on mutual agreements and so on.

5. Local Communications

Aside from being a sense of responsibility, it is also the company's gratitude to the people who are in the company's environment and to maintain its existence in the community. Usually the company will make donations in the form of programs or activities that benefit the community within the company.

By providing charitable programs and useful activities, the public will appreciate the company. It is this appreciation from the community that will help the company maintain its existence and get a good rating because it is considered to have high concern for the community in the company's environment.

2. RESEARCH METHODE

This study uses a qualitative approach, namely to describe and describe the role of ethics and social responsibility in international business. The data collection technique used in this study was a literature study, where this research was conducted by collecting research-related data from books, scientific journals and other publications that are worthy of being a research source.

3. RESULT AND ANALYSIS

The occurrence of international business cannot be avoided in any country, because this international business has spread widely and is a source for both companies and countries to make ends meet. In addition, the community also enjoys the benefits of these activities. So it's no wonder that every country in the world is competing to enter the international market.

But now, international business not only aims to meet needs that cannot be met in their own country but also to become a mutualist symbiotic relationship between several countries. How could this not happen, export and import activities in international business are able to create new jobs, encourage industrialization, progress in the field of transportation and the presence of international companies in our country, and so on.

Doing international business must be accompanied by proper business ethics, because every country has different cultures and rules. The following are reasons for the importance of ethics in international business, including:

1. To avoid conflicts from employees and business partners of different cultures.

2. Minimizing the risk of fraud that may be committed by foreign companies.
3. Avoiding excessive exploitation on the part of the company
4. Protect the rules or norms that have been mutually agreed upon by both parties.

Many things may happen in the business world, so the role of ethics in this business is very important, because "a business that has many partners cannot be separated from good ethics". The point is that if we want to get a partner in a business matter, then we must have good ethics so that a partner is interested in doing business with us. In addition, in international business there are often differences of opinion on an issue, this is due to cultural differences in each country.

In addition, the more rapid technological sophistication, the more sophisticated the company's operational system, but this can also have a negative impact on the company. If the company applies very good business ethics, the company can minimize the risks that may occur. Not only good business ethics, companies must also have a sense of responsibility towards people who have an interest in the company.

Many things can be associated with ethics, one of which is corporate social responsibility. Social responsibility is a set of company obligations in protecting and prospering the people who are in the company's environment. The complexity for managers whose companies are engaged in international markets must have an ideal balance between global social responsibility to local conditions that might force.

Companies can implement social responsibility to parties with an interest in the natural environment and social welfare where the company operates. Companies must realize that the role of social responsibility is very important. The following are several parties who get the right to social responsibility, including:

1. Corporate Stakeholders are parties who are directly affected by company practices and have an interest in the company's performance. Usually the top priority is consumers, employees and investors.
2. Natural Environment, lately many companies are less concerned about the natural environment, such as littering even though in this case the company is aware of the dangers of this waste. Now there are many laws that regulate the disposal of material waste, so that companies are more responsible for their company's waste. Some companies are also developing flyovers to avoid acid rain and global warming and are developing alternative methods to recycle sewage and so on.
3. General social welfare, now in general companies try to attract the interest of their consumers by holding charity programs and supporting activities Celebration and useful activities around the company environment. This of course makes the company's image good among the public.

Social responsibility in international business has a very big role. For this reason, companies must be able to build consumer trust by prospering them and providing their rights as consumers. Because the company's image is created from the results of the consumer assessment of a company that is created from all business activities that shape consumer value and trust for the company.

So, ethics and social responsibility have a very important role in international business. A business will not be able to develop without the role of consumers, because the company's main goal besides getting profits is to attract consumer interest and gain the trust of consumers and business partners. If the company is not able to properly carry out business ethics and social responsibility, it will affect the business and the company.

4. CONCLUSION

Doing international business must be accompanied by proper business ethics, because every country has different cultures and rules. The reasons for the importance of business ethics, among others:

1. To avoid conflicts from employees and business partners of different cultures.
2. Minimizing the risk of fraud that may be committed by foreign companies.
3. Avoiding excessive exploitation on the part of the company
4. Protect the rules or norms that have been mutually agreed upon by both parties.

Role Social responsibility in international business is very important. For this reason, companies must be able to build consumer trust by prospering them and providing their rights as consumers. By treating corporate staff and the natural environment with responsibility, companies on an international scale must also be able to promote the general social welfare of the people of that country.

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