TALREV

Volume 5 Issue 2, December 2020: pp. 222-236. Copyright ©2020 TALREV.
Faculty of Law Tadulako University, Palu, Central Sulawesi, Indonesia.
ISSN: 2527-2977 | e-ISSN: 2527-2985.
Open acces at: http://jurnal.untad.ac.id/index.php/TLR

BUSINESS ETHICS FORMULATION BASED ON LEGAL ASPECTS IN THE IMPLEMENTATION OF GCG (GOOD CORPORATE GOVERNANCE)

Mitrida Iga Rahma Putri[1], Bambang Eko Turisno[2]

[1]Diponegoro University
JL. Imam Bardjo, S.H, Kampus Pleburan, Semarang, Central Java, 50241, Indonesia
Telp./Fax: +62-24-76918201 Email: mitridamita.12118@gmail.com

[2]Diponegoro University
JL. Imam Bardjo, S.H, Kampus Pleburan, Semarang, Central Java, 50241, Indonesia
Telp./Fax: +62-24-76918201 Email: eko.turisno@live.undip.ac.id

Submitted: Jul 28, 2020; Reviewed: Jul 30, 2020; Accepted: Dec 23, 2020

Abstract

Corporate governance is defined as a subject that has many aspects. One of the main topics in corporate governance concerns issues of accountability and mandate responsibility, specifically the implementation of guidelines and mechanisms to ensure good behavior and protect the interests of shareholders. Weak corporate governance is often cited as one of the causes of financial crises in Asian countries. The main characteristic of weak corporate governance is selfish action on the part of company managers. The method used is a normative juridical method with the types and techniques of data collection with legal literature and literature review. This study aims to find out and get a picture of the concept of good corporate governance in business ethics and to know the formulation of business ethics based on legal aspects in the application of corporate governance in creating good corporate performance. Good corporate governance can be created if there is a balance of interests between all parties concerned with our business. Identifying the balance in its existence requires a measurement system that can absorb every strategic and operational dimension of the business.

Keywords: *Business Ethics; Good Corporate Governance; Legal*

INTRODUCTION

Free trade and investment in globalization and Industrial Revolution 4.0 in addition to being an opportunity for Indonesia to play an active role in international business, is also a challenge for the national economy.[1] The perception of the challenge departs from a national economic condition that demonstrates meaningful progress, but is not yet strong enough to confront international competition.

In Indonesia, the Government has made various efforts to improve the

[1] Jamaiah Haji Yahaya, et al. (2018). "Model Kesediaan Pelaksanaan Teknologi Maklumat Untuk Perusahaan Kecil dan Sederhana Ke Arah Era Revolusi Industri 4.0." *Jurnal Pengurusan (UKM Journal of Management)* 54: 189-203, http://103.219.237.47/pengurusan/article/view/30084, p. 200.

company's capabilities.[2] Such efforts encourage the company to plunge into the capital market and create accountability and transparency of corporate management, in order to improve its performance.[3] But reality shows that even though the company has plunged into its performance capital markets are still far from expectation. The occurrence of bad credit and low competitiveness of overseas Indonesian products and fear of the company's owners will come from foreign products to the domestic market is an indication that Indonesian companies are not ready to compete in the global market. Therefore, it seems that it takes an integrated effort to pursue a national competitiveness increase in that it involves governments and entrepreneurs together.[4]

The weak corporate governance is often referred to as one of the causes of the financial crisis in Asian countries. The main characteristic of the weak corporate governance is the self-selfishness on the company's managers. If the company's managers perform selfish actions by ignoring the interests of the investor, it will lead to a fall in the hopes of investors ' return on the investments they have planted. The issue, currently Indonesia is actually being buried in a prolonged chronic crisis. To keep foreign investors, Indonesia's own public community has been hard to believe in the seriousness and ability of the government to bring the country out of the brink of crisis. This condition is exacerbated by the increasingly entrenched practice of collusion, corruption and nepotism, cosmetic accounting practices, riots and threats of national disintegration, moral degradation that can lead to very complex and pervasive social, economic and political problems.

This problem will be examined using the basic principle of Good Corporate Governance (GCG) which aims to provide progress towards the performance of a company. The principles of good corporate governance developed by the Organization for Economic Cooperation and Development (OECD) are as follows:[5] Protection of shareholder rights. These rights include the basic rights of shareholders,

[2] Hari Sutra Disemadi, and Paramita Prananingtyas. (2020). "Online Insurance Existence In Indonesia Based On Islamic Legal Perspective As A Protection Of Spiritual Rights." *Jurisdictie* 11(1): 48-66, DOI: https://doi.org/10.18860/j.v11i1.7519, p. 51.

[3] Maya Nurwijayanti, and Lukman Santoso. (2018). "Analisis Tingkat Kesehatan Bank Dengan Menggunakan Metode RGEC (Risk Profile, Good Corporate Governance, Earnings, Capital) Pada BNI Syariah Tahun 2014-2017." *El-Barka: Journal of Islamic Economics and Business* 1(2): 207-233. DOI: https://doi.org/10.21154/elbarka.v1i2.1451 , p. 211.

[4] Ahmad Yakub Sukro, and Andi Tri Haryono. (2018). "Urgensi Etika Bisnis Dalam Mengakomodir Ketertiban Pemasaran Perusahaan Periklanan (Tinjauan Yuridis Undang-Undang Nomor 32 Tahun 2002 Tentang Penyiaran)." *QISTIE* 11(1): 12-27, DOI: http://dx.doi.org/10.31942/jqi.v11i1.2217, p. 18.

[5] Irwan Sugiarto. (2017). "The Significance of Good Corporate Governance Principles in The Company Law of 2007." *MIMBAR, Jurnal Sosial dan Pembangunan* 33(2): 37-45, p. 39.

namely the right to guarantee the security of the method of ownership registration, transfer or transfer of shares owned, obtain relevant information about the company regularly and regularly, participate in and vote at the General Meeting of Shareholders (GMS), electing members of the board of commissioners and directors, and subsequently, obtaining the distribution of company profits/dividends; 2). Equal treatment of all shareholders. All shareholders must have the opportunity to obtain compensation or reparation for violations of their rights; 3). The role of stakeholders associated with the company. Give recognition to the rights of stakeholders, as determined in the law, and encourage active cooperation between the company and these stakeholders in order to create jobs, community welfare and business continuity; 4). Openness and transparency. Provides a guarantee of accurate timely disclosure for any problems related to the company. Also, the information disclosed must be compiled, audited, and presented with high-quality standards; and 5). Accountability of the Board of Commissioners. Guaranteeing the existence of strategic guidelines for the company, effective monitoring of management carried out by the board of commissioners as well as the accountability of the board of commissioners to the company and its shareholders.[6]

Based on the background explanation and the many problems involved in the formulation of business ethics that can be seen from the legal aspects in the implementation of Good Corporate Governance (GCG), the formulation of the problem in this study are as follows: 1). What is the concept of Good Corporate Governance in business ethics?; and 2). How is the formulation of business ethics based on legal aspects in implementing Good Corporate Governance?.

METHOD

The research method used is a normative legal research method, where the research focuses on secondary data.[7] The research specifications used in this study are descriptive analytical to the type and technique of data collection with legal literature and library studies. This research aims to know and obtain an overview of the concept of good corporate governance in business ethics and to determine the formulation of business ethics based on the legal aspect in the implementation of

[6] Maya Nurwijayanti, and Lukman Santoso. (2018). *Op.Cit.*, p. 220-222.

[7] Hari Sutra Disemadi. (2020). "Reformasi Kebijakan Bisnis Lembaga Keuangan Perbankan Syariah di Indonesia." *Justitia Jurnal Hukum* 4(1): 57-69, http://journal.um-surabaya.ac.id/index.php/Justitia/article/view/3569, p. 59.

good corporate governance in creating a good corporate climate.

ANALYSIS AND DISCUSSION

Good Corporate Governance Concept in Business Ethics in Indonesia

The term Corporate Governance is generally defined by "the structures and processes for the direction and control of companies".[8] Based on this understanding, basically, corporate governance discusses how a company is directed and managed so that all the interests of stakeholders are properly accommodated. Therefore, companies must be managed in a balanced and good manner, so that the term Good Corporate Governance (GCG) arises.

Law Number 40 of 2007 concerning Limited Liability Companies (Limited Liability Company Law) there is no definition of GCG, but many are regulated in regulations issued by the Financial Services Authority (OJK) because OJK carries out the supervisory function of publicly listed companies and companies that engaged in financial services that require a high level of compliance with the law.

One of the new regulations is the Financial Services Authority Regulation Number 73/POJK.05/2016 concerning Good Corporate Governance for Insurance Companies (POJK 73/2016). In Article 1 number 25 POJK 73/2016 gives the understanding of GCG for insurance companies as follows: "Good Corporate Governance for Insurance Companies hereinafter referred to as Good Corporate Governance is the structure and process used and implemented by the Insurance Company organs to increase the achievement of targets business results and optimize the value of the Insurance Company for all stakeholders, especially policyholders, the insured, participants, and/or parties entitled to obtain benefits accountably and based on legislation and ethical values ".

Ethics is a critical and fundamental thought about moral teachings and views. The moral teachings in question are teachings, discourses, sermons, standards, collection of rules, and regulations, whether verbal or written about how humans must live and act to be good human beings. Likewise in running a company there should be good corporate governance to create a good corporate climate.[9]

Corporate governance is defined as a subject that has many aspects. One of the

---

[8] Hasnati, Sandra Dewi, and Andrew Shandy Utama. (2019). "Perbandingan Prinsip Good Corporate Governance pada Bank Konvensional dan Bank Syariah dalam Sistem Hukum di Indonesia." *Mizan: Journal of Islamic Law* 3(2): 197-208, DOI: https://doi.org/10.32507/mizan.v3i2.477, p. 201.

[9] George G. Brenkert. (2019). "Mind the gap! The challenges and limits of (Global) business ethics." *Journal of Business Ethics* 155(4): 917-930, DOI: https://doi.org/10.1007/s10551-018-3902-6, p. 921.

main topics in corporate governance concerns issues of accountability and mandate responsibility, specifically the implementation of guidelines and mechanisms to ensure good behavior and protect the interests of shareholders. Another main focus is economic efficiency which states that the corporate governance system must be aimed at optimizing economic results, with a strong emphasis on the welfare of shareholders. There is also another side that is the subject of corporate governance, such as the point of view of stakeholders, which demands more attention and accountability to parties other than shareholders, such as employees or the environment.

Then, Good Corporate Governance (GCG) is business management that involves the interests of stakeholders and the use of resources based on principles of justice, efficiency, transparency, and accountability. This, in its existence, is important due to two things. The first thing, the rapid changes in the environment that have an impact on the global competition map. While the second reason is due to the increasing number and complexity of stakeholders including the structure of business ownership. Two things have been stated, giving rise to turbulence, stress, the risk to the business that demands anticipation of opportunities and threats in the strategy including a prime control system.

Although corporate governance is not a new concept, in the 1990s, there was an issue of global importance. Increasing awareness about the need for sound corporate governance is part of the response to a number of large corporate failures. Awareness about the relationship between a company and its stakeholders. At this time it is increasingly important to consider how well corporate governance is implemented. Corporate governance is a system and structure for managing companies with the aim of increasing shareholder value and accommodating various stakeholders with companies such as creditors, suppliers, business associations, consumers, workers, government, and the wider community.[10]

The issue of corporate governance arises because there is a separation between ownership and corporate control, or often known as agency problems. The agency problem in the relationship between capital owners and managers is how difficult it is for owners to ensure that the funds invested are not taken over or invested in profitable projects so that they do not bring returns. Corporate govern-

[10] R.M Purwanto., et al. (2019). "Study the importance of business ethics and ethical marketing in digital era." *Journal of Critical Reviews* 6(5): 150-154, DOI: 10.22159/jcr.06.05.26, p. 151.

ance is needed to reduce agency problems between owners and managers.

Some concepts of corporate governance, among others, stated that corporate governance is related to ways or mechanisms to convince the owners of capital in obtaining returns that are in accordance with the investments that have been planted. Corporate governance refers to the regulatory and regulatory framework that allows stakeholders to make the company maximize its value and to obtain returns. In addition, corporate governance is a tool to guarantee directors and managers (or insiders) to act in the best interests of outside investors (creditors or shareholders).[11]

Four basic principles of good company management. The four principles are:[12]

a. Fairness, which includes:
   1) Protection of all shareholder rights; and
   2) The same treatment for shareholders.
b. Transparency, which includes:
   1) Disclosure of important information;
   2) The information must be prepared, audited, and disclosed in accordance with quality bookkeeping; and
   3) Dissemination of information must be fair, timely, and efficient.
c. Can be accounted for (accountability) which includes the understanding that:
   1) Members of the board of directors must act on behalf of the interests of the company and its shareholders;
   2) Assessments that are independent regardless of management; and
   3) Access to accurate, relevant, and timely information.
d. Responsibility, which includes:
   1) Ensure the respect of all parties' rights;
   2) Stakeholders must have the opportunity to obtain effective compensation for violations of their rights;
   3) He opened the mechanism for developing achievement for the participation of interested parties; and
   4) If necessary, interested parties must have access to relevant information.

Good corporate governance is recognized as helping to thicken a company

[11] Afi Virna Noviani, Apriani Dorkas Rambu Atahau, and Robiyanto Robiyanto. (2019). "Struktur modal, profitabilitas, dan nilai perusahaan: Efek moderasi Good Corporate Governance." *Jurnal Ekonomi dan Bisnis* 22(2): 391-415, DOI: https://doi.org/10.24914/jeb.v22i2.2601, p. 401.

[12] Ari Saputro. (2019). "Business Ethic & Goog Corporate Governance (Gcg) Pada Pt Bank Danamon Indonesia Tbk." *Jurnal Ekonomi Manajemen Sistem Informasi* 1(2): 122-134, DOI: https://doi.org/10.31933/jemsi.v1i2.63, p. 129.

from unfavorable conditions, in many cases good corporate has been proven to also improve corporate performance up to 30% above the normal rate of return. Good corporate governance is an important step in building market confidence and encouraging more stable and long-term international investment flows.[13]

Business Ethics Formulation Based on Legal Aspects in the Implementation of Good Corporate Governance

Business activities are often identified by making the maximum profit. In Indonesia, business people hold this principle, and consequently, in the business world, all means are legitimate as long as they make a profit.[14] Businesspersons sometimes do not care whether other parties are harmed or suffer because of their business practices. These trends are also evident in our business world today.[15]

Ethics in many ways appear to be ruled out, including ethics to obey the laws of business activities related to, among others, labor costs, environmental pollution, consumer protection, land compensation, debtor-creditor relations, openness in the capital market, fair trade competition, protection of holders minority shares and so on.[16]

Manifestation and enforcement of business ethics have to deal with a pessimistic attitude because the reality of our society encourages such an attitude.[17] The performance of our national business is very far from moral norms. The application of this field in our national business generally gives the impression that the moral values that live in society are ignored.[18]

Good Corporate Governance (GCG) is created when there is a balance of interests between all parties concerned with our business. Identifying the balance in its existence requires a measurement system that can absorb every strategic and operational dimension of the business and is

[13] Maya Nurwijayanti, and Lukman Santoso. (2018). *Op.Cit.*, p. 223

[14] Biki Zulfikri Rahmat. (2017). "Corporate Social Responsibility dalam Perspektif Etika Bisnis Islam." *Amwaluna: Jurnal Ekonomi dan Keuangan Syariah* 1(1): 98-113, DOI: https://doi.org/10.29313/amwaluna.v1i1.2099, p. 101.

[15] Raden Ani Eko Wahyuni, and Bambang Eko Turisno. (2019). "Praktik Finansial Teknologi Ilegal Dalam Bentuk Pinjaman Online Ditinjau Dari Etika Bisnis." *Jurnal Pembangunan Hukum Indonesia* 1(3): 379-391, DOI: https://doi.org/10.14710/jphi.v1i3.379-391, p. 386.

[16] Mike Bull, and Rory Ridley-Duff. (2019). "Towards an appreciation of ethics in social enterprise business models." *Journal of Business Ethics* 159(3): 619-634, DOI: https://doi.org/10.1007/s10551-018-3794-5, p. 129.

[17] Hari Sutra Disemadi, and Paramita Prananingtyas. (2019). "Perlindungan Hukum Terhadap Nasabah Perbankan Pengguna CRM (Cash Recycling Machine)." *Jurnal Magister Hukum Udayana (Udayana Master Law Journal)* 8(3): 386-402, DOI: https://doi.org/10.24843/JMHU.2019.v08.i03.p07, p. 393.

[18] Bambang Eko Turisno. (2011). "Etika Bisnis dalam Hubungannya dengan Transformasi Global dan Hukum Kontrak Serta Perbuatan Melawan Hukum." *Masalah-Masalah Hukum* 40(3): 291-296, DOI: 10.14710/mmh.40.3.2011.291-296, p. 293.

based on information. The measurement system is none other than the Balance Scorecard (BSC) concept. BSC can measure comprehensive performance and accommodate internal interests along with external business interests. The measurement of GCG concept performance is based on five bases, namely: protection of shareholder rights, equality of treatment of shareholders, the role of stakeholders related to business, openness and transparency, accountability of the board of commissioners.[19] The performance measurement also includes dimensions of internal operational activities, intellectual capital and learning, capacity for innovation and response to markets, product and market acceptance, customer relations, investor relations, relations with partners and other stakeholders such as the Ministry of Industry and Trade, relations with the target public, environment, and finance. In short, GCG-oriented performance measurement is seen as the development of BSC performance measurement. GCG gives contribution can be an important alternative to improve the quality of business processes through the information generated and its role as a performance driver, performance measurement. Because, no matter how business processes are corrected appropriately and accurately if accurate and comprehensive information is obtained about what needs to be improved including what needs to be improved.[20]

The presence of GCG in crisis recovery in Indonesia is necessary, considering that GCG requires good management in an organization. GCG is a system that can provide protection and guarantee rights to stakeholders, including shareholders, lenders, employees, executives, government, customers and other stakeholders. The two main concerns of this concept are, first, the importance of the right of shareholders to obtain information correctly (accurately) and on time, secondly, the company's obligation to make accurate disclosures promptly, and to be transparent about all matters relating to company performance, ownership and stakeholders.

Good GCG implementation provides the following benefits:[21]

a. Improvements in communication

---

[19] Hudriatul Hotimah. (2020). "Analisis Penerapan Etika Bisnis Dan Nilai Perusahaan Pt Axa Mandiri Financial Services." *Jurnal Ekonomi Manajemen Sistem Informasi* 1(6): 570-580, DOI: https://doi.org/10.31933/jemsi.v1i6.219, p. 577.

[20] Ach Khatib. (2017). "Agar Bisnis Tidak Menghancurkan Manusia dan Alam." *'Anil Islam: Jurnal Kebudayaan dan Ilmu Keislaman* 10(1): 169-174, http://jurnal.instika.ac.id/index.php/AnilIslam/article/view/59, p. 171.

[21] Rinitami Njatrijani, Bagus Rahmanda, and Reyhan Dewangga Saputra. (2019). "Hubungan Hukum dan Penerapan Prinsip Good Corporate Governance dalam Perusahaan." *Gema Keadilan* 6(3): 242-267, DOI: https://doi.org/10.14710/gk.6.3.242-267, p. 255-256.

b. Minimization of potential collisions;
c. Focus on the main strategies;
d. Increases in productivity and efficiency;
e. Sustainability of benefits;
f. Corporate image;
g. Improved customer decisions; and
h. Acquisition of investor confidence.

Every public company is required to make an annual financial report audited by a public accounting firm as a means of accountability, especially to capital owners. For companies, financial statements are an important mechanism for managers to communicate with outside investors.[22] This can be explained in the relationship between principal and agent. As the manager of the company, management acts as an agent, while investors as owners act as principals.

In achieving efficiency and as a means of public transparency and accountability, financial statement disclosure is a significant factor.[23] Disclosure of financial statements can be done in the form of an explanation of the accounting policies adopted, contingencies, inventory methods, the number of shares outstanding, and alternative measures, for example, items that are recorded based on historical cost. There are two types of disclosures about the requirements set by the standard. First, mandatory disclosure (enforced/mandated disclosure), which is the minimum disclosure required by applicable accounting standards. Second, voluntary disclosure is a disclosure that is done voluntarily without being required by applicable regulations.

The GCG mechanism is a rule of the game, procedures, and clear relations between the parties that make decisions and those who control/supervise those decisions. The governance mechanism is directed to guarantee and oversee the running of the governance system in an organization. There are 2 mechanisms to help equalize the differences in interests between shareholders and managers in the context of implementing GCG, namely: 1) the company's internal control mechanism, and 2) the market-based external control mechanism.[24]

The mechanism of internal control is the control of the company which is car-

[22] Hari Sutra Disemadi. (2020). "Consumer Protection of Flight Services through Corporate Social Responsibility Implementation in Indonesia." *Journal of Private and Commercial Law* 4(1): 14-21, DOI: https://doi.org/10.15294/jpcl.v4i1.24252, p. 16.

[23] Asiyah Jamilah, Hari Sutra Disemadi, and Nyoman Serikat Putra Jaya. (2020). "Pertanggungjawaban Korporasi Terhadap Kandungan Non-Halal Pada Produk Makanan Sebagai Upaya Perlindungan Konsumen." *Nagari Law Review* 3(2): 14-31, DOI: https://doi.org/10.25077/nalrev.v.3.i.2.p.14-31.2020, p. 18.

[24] Ratih Agustin Wulandari. (2019). "Tata Kelola Perusahaan Oleh Direksi PT BPR Dharma Nagari Menerapakan Prinsip Good Corporate Governance." *Soumatera Law Review* 2(2): 221-234, DOI: http://doi.org/10.22216/soumlaw.v2i2.3568, p. 229.

ried out by making a set of rules governing the mechanism of profit sharing, both in the form of profits, returns and risks agreed by the principal and agent. One option for internal control mechanisms to equalize the interests of shareholders and managers is a long-term incentive contract. This long-term contract is carried out by giving incentives to managers if the value of the company or the prosperity of shareholders increases, one of which is by giving ownership of shares to managers. Thus, managers will be motivated to increase the value of the company or increase the prosperity of shareholders because it will also increase the manager's wealth.[25]

The external control mechanism is the control of the company by the market. According to market theory for corporate control (market for corporate control), when it is known that management behaves in favor of themselves, the company's performance will decline which is reflected by the value of the company's shares.[26] In this condition, another manager group will replace the manager who is currently holding the position.[27] Thus the operation of the market for corporate control can inhibit actions that benefit the manager himself.

Another control mechanism that is widely used and is expected to align the principal and agent objectives is the mechanism through financial reporting. Through the financial statements that are the manager's responsibility, the owner can measure, assess, and can also oversee the manager's performance to find out to what extent the manager has acted to improve the owner's welfare. Also, the owner can provide compensation to managers based on financial statements. Financial statements prepared based on accounting numbers are expected to play a major role in minimizing conflict between various interested parties in the company.[28]

Concerning the types of information presented in the company's financial statements, there are two types of information disclosed. The nature of information is divided into mandatory disclosure and voluntary disclosure. Mandatory disclosure information is information that must be disclosed in the financial statements because it is required by regulations

[25] Bambang Eko Turisno. (2011). *Tanggung Jawab Pelaku Bisnis*. Semarang: Badan Penerbit Universitas Diponegoro, p. 98.

[26] M. Shidqon Prabowo. (2019). "Perlindungan Hukum Terhadap Konsumen Hotel Batik Yogyakarta." *Al-Mustashfa: Jurnal Penelitian Hukum Ekonomi Syariah* 4(2): 160-173, DOI: 10.24235/jm.v4i2.5488, p. 169.

[27] Bambang Eko Turisno. (2011). *Op.Cit.*, p. 294.

[28] Bambang Eko Turisno. (2007). *Etika Bisnis*. Bandung: Mandar Maju, p. 78.

or laws.[29] While voluntary disclosure is a type of information that is voluntarily disclosed in financial statements that aim to increase the usefulness of information about the wealth and results of operations of a company to the users of its financial statements. Information that is voluntary disclosure is responsible for completing mandatory disclosure information that is expected to increase the usefulness of information in financial statements.

To support ethical business, an understanding of business code of ethics is required. Two things need to be considered before formulating a code of ethics. First, the code of ethics must be formulated by business people themselves, because they are the most interested in regulating the implementation of their profession. Second, it is necessary to formulate a code of ethics to carry out various types of business. The intention is to formulate a code of ethics for broader interests, such as national or business groups, and a code of ethics for each or a group of companies. This is intended so that all values that are generally accepted as well as those that apply specifically relating to the vision and mission of each company can be accommodated into the code of ethics.[30]

To achieve success in the long term, the implementation of GCG principles needs to be based on high integrity. Therefore, a code of conduct is needed that can be a reference for the company's organs and all employees in applying values and business ethics so that they become part of the company culture. The basic principles that a company must have are:[31]

a. Having company values that describe the company's moral attitude in the conduct of its business;
b. To be able to realize the moral attitude in the conduct of its business, the company must have a business ethics formula that is agreed upon by the company's organs and all employees. The implementation of sustainable business ethics will shape the company culture which is a manifestation of the company's values; and
c. The values and formulations of the company's business ethics need to be out-lined and further elaborated in the code of conduct to be understood and applied.

For the reasons above, and because business can be a powerful agent of posi-

[29] Aisyah Ayu Musyafah, Hardanti Widya Khasna, and Bambang Eko Turisno. (2018). "Perlindungan Konsumen Jasa Pengiriman Barang dalam Hal Terjadi Keterlambatan Pengiriman Barang." *Law Reform* 14(2): 151-161, DOI: https://doi.org/10.14710/lr.v14i2.20863, p. 159.

[30] Bambang Eko Turisno. (2011). *Op.Cit.*, p. 296.

[31] Rinitami Njatrijani, Bagus Rahmanda, and Reyhan Dewangga Saputra. (2019). *Op.Cit.*, p. 260.

tive social change, business ethics can be a moral foundation that offers principles as a basis for dialogue and action by business leaders in realizing its business responsibilities. Moral values in making business decisions, without those values, are something that is not possible to create stable business relationships and sustainable world communities.

CONCLUSION

Good corporate governance is an important step in building market confidence and encouraging more stable and long-term international investment flows. Good Corporate Governance is created when there is a balance of interests between all parties concerned with our business. Identifying the balance in existence requires a measurement system that can absorb every strategic and operational dimension of the business and is based on information. Enforcement of business ethics turns out to have to deal with a pessimistic attitude which generally gives the impression of not paying attention to the moral values that live in society. To achieve success in the long run, the implementation of Good Corporate Governance principles needs to be based on high integrity.

BIBLIOGRAPHY

Brenkert, George G. (2019). “Mind the gap! The challenges and limits of (Global) business ethics.” *Journal of Business Ethics* 155(4): 917-930, DOI: https://doi.org/10.1007/s10551-018-3902-6.

Bull, Mike., and Rory Ridley-Duff. (2019). “Towards an appreciation of ethics in social enterprise business models." *Journal of Business Ethics* 159(3): 619-634, DOI: https://doi.org/10.1007/s10551-018-3794-5.

Disemadi, Hari Sutra. (2020). “Consumer Protection of Flight Services through Corporate Social Responsibility Implementation in Indonesia.” *Journal of Private and Commercial Law* 4(1): 14-21, DOI: https://doi.org/10.15294/jpcl.v4i1.24252.

Disemadi, Hari Sutra. (2020). “Reformasi Kebijakan Bisnis Lembaga Keuangan Perbankan Syariah di Indonesia.” *Justitia Jurnal Hukum* 4(1): 57-69, http://journal.um-surabaya.ac.id/index.php/Justitia/article/view/3569.

Disemadi, Hari Sutra., and Paramita Prananingtyas. (2019). "Perlindungan Hukum Terhadap Nasabah Perbankan Pengguna CRM (Cash Recycling Machine)." *Jurnal Magister Hukum Udayana (Udayana Master Law Journal)* 8(3): 386-402, DOI: https://doi.org/10.24843/JMHU.2019.v08.i03.p07.

Disemadi, Hari Sutra., and Paramita Prananingtyas. (2020). "Online Insurance Existence In Indonesia Based On Islamic Legal Perspective As A Protection Of Spiritual Rights." *Jurisdictie* 11(1): 48-66, DOI: https://doi.org/10.18860/j.v11i1.7519.

Hasnati., Sandra Dewi, and Andrew S. Utama. (2019). "Perbandingan Prinsip Good Corporate Governance pada Bank Konvensional dan Bank Syariah dalam Sistem Hukum di Indonesia." *Mizan: Journal of Islamic Law* 3(2): 197-208, DOI: https://doi.org/10.32507/mizan.v3i2.477.

Hotimah, Hudriatul. (2020). "Analisis Penerapan Etika Bisnis Dan Nilai Perusahaan Pt Axa Mandiri Financial Services." *Jurnal Ekonomi Manajemen Sistem Informasi* 1(6): 570-580, DOI: https://doi.org/10.31933/jemsi.v1i6.219.

Jamilah, Asiyah., Hari Sutra Disemadi, and Nyoman Serikat Putra Jaya. (2020). "Pertanggungjawaban Korporasi Terhadap Kandungan Non-Halal Pada Produk Makanan Sebagai Upaya Perlindungan Konsumen." *Nagari Law Review* 3(2): 14-31, DOI: https://doi.org/10.25077/nalrev.v.3.i.2.p.14-31.2020.

Khatib, Ach. (2017). "Agar Bisnis Tidak Menghancurkan Manusia dan Alam." *'Anil Islam: Jurnal Kebudayaan dan Ilmu Keislaman* 10(1): 169-174, http://jurnal.instika.ac.id/index.php/AnilIslam/article/view/59.

Musyafah, Aisyah A., Hardanti W. Khasna, and Bambang E. Turisno. (2018). "Perlindungan Konsumen Jasa Pengiriman Barang dalam Hal Terjadi Keterlambatan Pengiriman Barang." *Law Reform* 14(2): 151-161, DOI: https://doi.org/10.14710/lr.v14i2.20863.

Njatrijani, Rinitami., Bagus Rahmanda, and Reyhan Dewangga Saputra. (2019). "Hubungan Hukum dan

Penerapan Prinsip Good Corporate Governance dalam Perusahaan." *Gema Keadilan* 6(3): 242-267, DOI: https://doi.org/10.14710/gk.6.3.242-267.

Noviani, Afi Virna., Apriani Dorkas Rambu Atahau, and Robiyanto Robiyanto. (2019). "Struktur modal, profitabilitas, dan nilai perusahaan: Efek moderasi Good Corporate Governance." *Jurnal Ekonomi dan Bisnis* 22(2): 391-415, DOI: https://doi.org/10.24914/jeb.v22i2.2601.

Nurwijayanti, Maya., and Lukman Santoso. (2018). "Analisis Tingkat Kesehatan Bank Dengan Menggunakan Metode RGEC (Risk Profile, Good Corporate Governance, Earnings, Capital) Pada BNI Syariah Tahun 2014-2017." *El-Barka: Journal of Islamic Economics and Business* 1(2): 207-233. DOI: https://doi.org/10.21154/elbarka.v1i2.1451.

Prabowo, M. Shidqon. (2019). "Perlindungan Hukum Terhadap Konsumen Hotel Batik Yogyakarta." *Al-Mustashfa: Jurnal Penelitian Hukum Ekonomi Syariah* 4(2): 160-173, DOI: 10.24235/jm.v4i2.5488.

Purwanto, R.M., et al. (2019). "Study the importance of business ethics and ethical marketing in digital era." *Journal of Critical Reviews* 6(5): 150-154, DOI: 10.22159/jcr.06.05.26.

Rahmat, Biki Zulfikri. (2017). "Corporate Social Responsibility dalam Perspektif Etika Bisnis Islam." *Amwaluna: Jurnal Ekonomi dan Keuangan Syariah* 1(1): 98-113, DOI: https://doi.org/10.29313/amwaluna.v1i1.2099.

Saputro, Ari. (2019). "Business Ethic & Goog Corporate Governance (Gcg) Pada PT Bank Danamon Indonesia Tbk." *Jurnal Ekonomi Manajemen Sistem Informasi* 1(2): 122-134, DOI: https://doi.org/10.31933/jemsi.v1i2.63.

Sugiarto, Irwan. (2017). "The Significance of Good Corporate Governance Principles in The Company Law of 2007." *MIMBAR, Jurnal Sosial dan Pembangunan* 33(2): 37-45.

Sukro, Ahmad Yakub., and Andi Tri Haryono. (2018). "Urgensi Etika Bisnis Dalam Mengakomodir Ketertiban Pemasaran Perusahaan Periklanan (Tinjauan Yuridis Undang-Undang

Nomor 32 Tahun 2002 Tentang Penyiaran).” *QISTIE* 11(1): 12-27, DOI: http://dx.doi.org/10.31942/jqi.v11i1.2217.

Turisno, Bambang Eko. (2011). “Etika Bisnis dalam Hubungannya dengan Transformasi Global dan Hukum Kontrak Serta Perbuatan Melawan Hukum.” *Masalah-Masalah Hukum* 40(3): 291-296, DOI: 10.14710/mmh.40.3.2011.291-296.

Turisno, Bambang Eko. (2011). *Tanggung Jawab Pelaku Bisnis*. Semarang: Badan Penerbit Universitas Diponegoro.

Wahyuni, Raden Ani Eko., and Bambang Eko Turisno. (2019). “Praktik Finansial Teknologi Ilegal Dalam Bentuk Pinjaman Online Ditinjau Dari Etika Bisnis.” *Jurnal Pembangunan Hukum Indonesia* 1(3): 379-391, DOI: https://doi.org/10.14710/jphi.v1i3.379-391.

Wulandari, Ratih Agustin. (2019). “Tata Kelola Perusahaan Oleh Direksi PT BPR Dharma Nagari Menerapakan Prinsip Good Corporate Governance.” *Soumatera Law Review* 2(2): 221-234, DOI: http://doi.org/10.22216/soumlaw.v2i2.3568.

Yahaya, Jamaiah Haji., et al. (2018). “Model Kesediaan Pelaksanaan Teknologi Maklumat untuk Perusahaan Kecil dan Sederhana Ke Arah Era Revolusi Industri 4.0.” *Jurnal Pengurusan (UKM Journal of Management)* 54: 189-203, http://103.219.237.47/pengurusan/article/view/30084.

***