



# DEVELOPMENT OF CORPORATE VALUE CONCEPTS THROUGH ETHICAL BUSINESS ACCORDING TO CHRISTIAN LEGAL PRINCIPLES

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## **ABSTRACT**

*Business ethics covers all aspects of business, including individuals, companies, society, as well as relationships between individuals and customers or work partners. Ideally, each party maintains mutual trust by implementing ethics in conducting business. What is the basis for the theological interpretation of the basic business ethics of Christian law, namely: business management is used to glorify God (Romans 11:36). On the contrary, still many businesses are driven by financial gain alone 'Financially Driven Company', mutually seeking their own benefits which can harm the other party without paying attention to the long-term effects. This can be avoided if each business actor wants to implement ethical business make business a 'trustworthy', then all business results are primarily for God - others - then ourselves 'Spiritual Driven Company'. The aim of this research is to understand the development of the concept of corporate value through ethical business management in accordance with Christian legal principles. Doing ethical business means managing the business with all your heart as for God (Colossians 3:23) in accordance with Christian ethical behavior in life, in this way God will certainly be glorified. This research uses a qualitative descriptive approach with data analysis to obtain these results by managing the business ethically according to the principles of Christian law which is carried out consistently, will be able to form a concept of company value. The form of implementation can be seen from the willingness to share profits – share processes – share programs, in the end it will be loved by employees, praised by customers, made proud and a blessing to everyone.*

**Keywords:** *business ethics, theological perspective, upstream business competition, entrepreneurship, social responsibility*

## **1. Introduction**

Currently, entrepreneurs in managing their business are often considered unethical, this is as a result of conditions of tight business competition, which triggers business people to use any means to achieve their goals, causing unhealthy competition and harming the business itself and all those involved in the long term. In addition, it has appeared in many reports that it is indicated that these business actors even use names and have Christian backgrounds, such as this news “Congregations reports to each other” <https://regional.kompas.com/read/2013/03/11/19424221/~Regional~Jawa>. Applying ethics in business activities will reduce unwanted negative impacts. Talking about ethics means discussing what is right and what is wrong, and whether humans should or should not do something. Here, ethics must regulate the way humans carry out their businesses based on the truth of God's word. Several aspects are visible when talking about business or an enterprise. There are two parties who will state something from different points of view, that business is ethical or that business is unethical. (Marx: 2001) Ethical business complies with the principles of Christian law in this context.

What is the basis for the theological interpretation of the basic business ethics of Christian law, namely: business management is used to glorify God (Romans 11:36). Christian law

written in the Bible does not prohibit doing business with anyone, including believers. However, basically all entrepreneurs in managing their business aim to achieve maximum profits, so that doing business is expected to help improve a person's welfare, especially in the economic sector, but not by using any means to achieve it. This is what often leads people to sin (1 Timothy 6: 10), so this is where ethics will play an important role as a value principle for business people.

The development of the concept of corporate value through the application of ethical business in accordance with Christian legal principles is still very limited in research that discusses it to date. Some of them that are close are: (2019) Jacky Latupeirissa with the title "Business Ethics Viewed from a Biblical Perspective", Samuel T Gunawan with the title “theological foundations and ethical behavior of Christian business”, and (2019) Dr. Malik Bambang with title “Theological Perspective on Christian business ethics”. Identity and integrity are important components of Christian entrepreneurship. Christian entrepreneurs realize that according to them, God and the Holy Bible are sources of joy in all aspects of their lives and business management. (Kaestner, 2020) business people realize that Christians are the first to bring all accountability for their efforts, talents, experiences and opportunities to God as a form of worship. This known as a Spiritual Driven Company. The goal makes the business or job a 'trust', then all the results are primarily for God, others, and then ourself. And with managing the business ethically according to the principles of Christian law which is carried out consistently, will be able to form a concept of company value. Its implementation can be seen from the willingness to share profits – share processes – share programs, in the end the benefits will be loved by employees, praised by customers, made proud and a blessing to everyone.

## 2. Literature Review

### 2.1. *Principles of Business Management*

The goal of the business world is not just to make a profit, but how the business is run responsibly by prioritizing the principles of good corporate governance. (Pieris: 2007) Implementing Good Corporate Governance can be done through one of the first steps, namely determination corporate values. By implementing Good Corporate Governance, then the business ethics created will also be good. Both of them inseparable and interconnected. Both are required by a company in order to create a good competitive climate and can increase company value.

### 2.2. *The Importance of Business Ethics for Business People*

In business, how important is ethics? It is very important to understand the meaning of the word ethics before studying business ethics. “Ethics” comes from the Latin word “ethicus”, and the Greek “eticos”, meaning “custom”. (Chaniago: 2013) This includes the concept of morality, which includes things like appropriate and inappropriate actions, and so on.

(Echdar: 2019) "Business Ethics and Entrepreneurship," Business ethics covers all aspects of relationships between companies, individuals and the general public. Business ethics can shape the values, norms and behavior of employees or leaders in a company to establish fair and healthy relationships with customers, work partners and the community. Business owners and employees should run the business together as a team. In a team, we do not work alone, business people must have continuity to make the team strong and solid.

### 2.3. *Business Ethics according to Christian Laws*

Knowledge of Christian ethics. K. Schilder (1890-1952) once said that Christian ethics is a field of theology that studies fixed standards, changing societies, and the obligation of humans to determine their will to obey God's will in actual and concrete situations.

Ethics is the science or knowledge of what is good and what is bad to respect or do (Ethics is the science of Good and bad). Therefore, it can be concluded that business ethics is a field that studies how business behavior is regulated by general ethical standards. Business ethics includes morals, social relationships, rights and obligations, principles, and general rules. Christian business ethics is an attempt to explain and discover divine truths related to economics and business and behavior therein.

In business, people risk many things, not just the things they own; they risk their self-respect, their reputation, their families, their lives and future destiny, and the society they represent as consumers. As a result, people in running their business must apply the right methods and tactics to save what has been risked. One of the best ways to run a business is to apply business ethics. Through applying the proper business ethics, all business activities will be able to generate various benefits, both material and non-material benefits such as good image, trust, and sustainability of the company (Ariesti, Yolanda & Hia, 2014).

Business ethics covers all aspects of business, including individuals, companies, society or the public, as well as relationships between individuals and customers or work partners. There is a morality that needs to be maintained when running a business. Wise behavior in every situation and condition, has social responsibility, so that it becomes a principle of company values that can foster a sense of trust from employees - partners - consumers and the community environment related to the company. In order for the company to operate well, business ethics are needed. In practice, ethics is a standard for all company members, including the owner. And if this is consistently carried out by each individual who works in the company in every operational activity of the company, later the concept of company value can be developed.

#### *2.4. Business Ethics Applied by Business People*

Competing businesses must have honest and fair business ethics, which means that business competition only aims to gain profits within reasonable limits for the progress and growth of the company, by maintaining reasonable honesty and fairness in legal interactions with other companies.

The importance of regulating business conduct has received greater attention recently. Consumers will not be harmed if competition between business actors is carried out in an appropriate manner. However, consumers will experience losses if they only enact consumer protection laws without regulating business competition. (Tainpubolon: 2021) This is caused by dishonesty regarding the quality of goods offered by certain business actors for distribution, stating that the goods they offer are of the highest class even though there are hidden defects that are covered up.

Business actors carry out these efforts with the aim of winning competition in business activities, dominating the market, or occupying a monopoly. In practice, dirty business can be divided into two parts, the first relates to the behavioral aspects of business actors, and the second relates to structural aspects.

Taking into account that the different value systems for each company are different, several general ethical principles can be found, namely: Autonomy, Honesty, Interaction, Fairness, Respect for oneself. Basically, competition is natural in the business world because without it companies will not be able to progress and develop. (Tainpubolon: 2021) However, if competition has eliminated ethics and good manners in the general public, then business ethics are clearly no longer respected. Because ethical issues affect the development of the economy and the business world, Business ethics are very important. In addition, it is very helpful in achieving healthy business competition.

Now, the most important thing is honesty. Being authentic is very important, not focusing on competitors anymore. *The main goal is how we become ourselves in running the business,*

*and how we build the character and story. In time, the company will be known for always implementing ethical, environmentally friendly business and not just seeking profit, but bringing a positive impact to anyone who does business with it.*

### 3. Research Methods

This research uses a qualitative descriptive approach with data analysis. Literature study in the subject of this research to collect the data needed to complete this research. Data collection methods include in-depth interviews with business actors who uphold and implement Christian legal principles, participant observation, and documentation investigations. The results of this writing analysis are in descriptive form. This method is used to obtain a valid and comprehensive qualitative understanding of the research subject.

The questions in the research included how to develop the concept of corporate values through the application of ethical business ethics in accordance with Christian legal principles. There were several questions for the respondents:

- A Christian entrepreneur must have Christian characteristics in the business environment he manages. Companies are required to establish, maintain, or even improve business ethical standards, but what can companies do this?
- Business or enterprise must be managed professionally and imbued with the values and spirit of Christian faith. The values of the Christian faith do not conflict with the principles of professionalism; in fact, it could be said that Christian values themselves as the source of professional business practices. How can a company consider its business ethics principles from a Christian Biblical perspective?
- What is the relationship between doing business ethically according to Christian law and building a corporate value concept?
- What is the implementation like in conducting ethical business?

### 4. Research Results and Discussion

Necessity company management which is driven by social and spiritual values demonstrated by implementing ethical business in accordance with Christian legal principles. (Cuny: 2012) According to pastor and theologian Tony Evans, "God empowers His people for the proper use of the earth's resources to conduct morally profitable business as His stewards." Therefore, this is the right discussion to the development of the concept of corporate values through ethical business in accordance with Christian law.

(Pandji: 2012) states four general business objectives, namely: seeking profit; maintain business continuity; developing and developing business; and socially responsible. These four goals are interrelated because business profits are used to maintain business continuity and develop the business, and they are also proof of social responsibility by creating employment opportunities. Meanwhile, (Burkett, 2006) specifically emphasized that there is only one main goal for every Christian business, namely to glorify Him; This is the goal of every Christian, both in business and in everyday life.

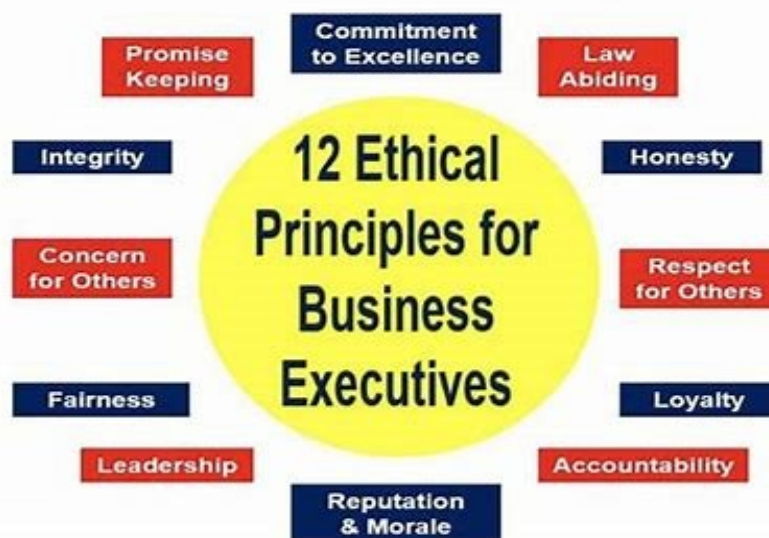
The Bible provides the basic value principles of a business. God wanted humans to work, both before they fell (Genesis 1:28) and after they fell (Genesis 3:17-19). Before the fall, work was a gift and calling from God himself. After the fall, work remained a gift and calling from God himself, but was now done competitively because of sin. Several Christian laws are the basis for application in conducting ethical business so that they are useful in developing the concept of corporate values:

Tabel 1. Several Christian Legal Principle are the basis for application in conducting ethical business so that they are useful in developing the concept of corporate values.

Bible Verses	aplication in conducting Ethical business so that they are useful in developing the concept of Corporate values.	The Josephson Institute (12 Ethical Principal for business executive)
Romans 11 : 36	Business for the Glory of God.	
2 Thesalonians 3 : 10d	Because work is a gift and calling, a christian should work hard – intelligently, sincerely and thoroughly	Leadership.
Colossians 3 : 23	Excellent in work and responsibility.	Accountability.
Proverbs 22 : 1	Build reputation and credibility in work.	Reputation.
Psalm 15 : 4c	Commitment and consistency in work.	Commitment to Excellence; Promise Keeping.
1 Cor : 14	Guarantee of work results.	
Proverbs 23 : 2	Have the right attitude in every situation and condition.	Integrity.
Matthew 22 : 19 – 21	Have ethics at work.	Fairness; Morale, Law Abiding
Proverbs 3 : 27 - 28	Respect for others.	Concern for others; Respect for others.
Proverbs 3 : 32b	Honesty.	Honesty.

The following image shows that the values of business ethics according to Christian law mentioned above, include all the principles of business ethics mentioned in this image. So, if Christian entrepreneurs manage their business ethically according to Christian law, they will undoubtedly be able to develop the concept of company value.

Figure 1. Principles of Business Ethics (Josephson Institute)



## 5. Research Findings

This research was conducted in order to provide an overview for business actors in developing the concept of company value through implementing ethical business, so that it will have a positive impact in the long term and can answer several problems formulated above. Currently, many companies are founded only to seek unlimited profits for their owners, which only last temporarily. In contrast, companies founded for the benefit of society will be sustainable.

Stakeholders will experience a different “atmosphere” and “way” when dealing with a company that prefers to “give” rather than “take.” (DataIndonesia.id by Populix: Mei 2023) More than 40% of Gen Z will answer that success is associated with financial aspects, such as property, wealth, rank, position and various 'financial' attributes in various forms and manifestations. This is in line with the view of the majority group which sees a person's success from what he has, especially financial aspects and from what he controls, especially aspects of position and rank. Owners of Mercedes Benz cars will be considered more successful than drivers of the Japanese brand Honda City sedan, for example. Owners of luxury homes with dimensions of more than 400m<sup>2</sup> are considered much more successful than owners of simple type homes (Small: Lb45/Lt60). Director positions are considered more successful than employees with staff or other administrative positions. Of course, that is not wrong and is even considered 'natural' because that is what is easily seen by the eye, which is easy to compare with one another.

People all over the world do it business as a goal and measure their success in life. They do business day and night because that is the only meaning of life for them and they do without it relying on or involving God. Unlike Christians, their business cannot be separated from their faith and God's intervention. To make it easier to learn, it is divided into several Zones.

Red Zone (Businesses that are still driven and based on achievements based on financial gain only). Ownership of property and high rank are the most basic symbols of success and are easily verifiable in terms of quantity. Not surprisingly, magazines like Forbes always display the ranking of rich people based on the amount of wealth they own. It is very easy, simple and can be imagined by everyone because it is the sum of ownership of material assets. This factor is so strong, it is not surprising that the majority of people will pursue financial aspects in the form of wealth and rank as a symbol of success. Every effort is made so that both can be achieved. It is this symbol that will elevate one's status in front of other humans to a level or several levels higher than other humans. 'Money is everything. What can't money buy?'

A company formed with a successful concept like this will aim at 'only' the financial aspect or known as a 'Financially Driven Company' with two main characteristics, namely:

- a. Success is a matter of the 'quantity of possessions' which is owned. A man who always only thinks about himself. Always sees that there are many other people who are 'more' than himself. Never satisfied with what he currently has.
- b. Because he considers success to be difficult, he will only give and share what is necessary to other stakeholders because he still feels 'deficient'.

This is symbolized by the 'Red Area', which means 'dangerous for leaders and employees who work in it for at least 8 hours'. There will be a Morality Turnover:

- a. Everything is done for one's own benefit (Greedy) → Usually in the next few years it will drop and the pattern used is always the same and always has a sweet mouth.
- b. There is no guarantee on the results of the work.
- c. If succeed it is because of him, but if fail it is because of other people or his subordinates.

Yellow Zone (Businesses that have started to be encouraged and based on consistent social responsibility). However, there are also people who do not only see finances as the main factor that is equivalent to what is called success. This group sees success not only in terms of

things “*quantity*” but from ‘*quality*’ of what he could have. Because of its focus on 'quality', this group adheres to two main characteristics, namely:

- a. Success is not just a matter of 'numbers' or numbers but focuses on 'values' which touch on ethics and morality in how to produce them.
- b. Success is also not for themselves; they have thought about how to share the 'results' with the group around them who have contributed to producing the results they can have.

The question of how to acquire wealth and rank becomes valid. "Process", becomes the first point of attention, not just the results. (Bambang: 2014) This group of business actor always views the process as something that must be done well because the correct process will produce the correct output, even if for some reason the correct method results in 'defeat', for example in winning a project, this group does not easily compromise the process just to get results as they wished. This is what is called a *Social Driven Company*. (The Alternative Board Blog: 2015) a Socially Driven Company is one that is built around positively contributing to society. It is given the *symbol* as *Yellow Area*, which means a transition area to be alert and careful so as not to fall into the red area but instead is preparing to move to the green area. When morals become part of the business process, the founders, owners and management of this company are already aware that they will walk an extra mile, will 'face a winding road that is sometimes very long', and will often even face the situation of whether there is still light at the end of the tunnel? They realize that they will be on a different path from most companies that only focus on financial aspects. This will require more fighting spirit than usual.

*Green Zone (Businesses that are starting to be encouraged and based on morals and manners)*. Touching aspects that are much higher than just social - including ethics and morals - let alone just financial aspects, success includes responsibility as a human being to God Almighty as its Creator. This is what is called a 'Spiritual Driven Company'. This is very in accordance with Indonesian people who are guided by Pancasila (The foundation Of Indonesian state) as a way of life with the first principle, namely Belief in One Almighty God. This means that, in substance, Indonesian people in their daily lives are constantly reminded of this Godly principle. This means that what is thought, said, done for the benefit of individuals, institutions and the wider community in the nation and state must be based on the principle that God is paramount.

So the focus is not only on compliance with various regulations made by the authorities or strictly following good corporate governance or simply contributing to stakeholders as the embodiment of good citizenship for the company through corporate social responsibility programs but also seeing humans as the main goal. (Bambang WS: 2014) God's work or Put The People First. This is where two main characteristics emerge, namely:

- a. The concept of "God is the owner" and "humans are only the managers". Companies are trusted by God to be managed as well as possible.
- b. Contributions to all stakeholders are given on the basis of God's extending hand to improve the welfare of the community entrusted to them.

Because of the nature of making our business or work a 'trustworthy', all results are primarily for God, others, and then ourselves. This is what is called a 'Spiritual Driven Company' with the symbol 'Green Area' meaning a green area that is fertile, comfortable and safe for the benefit of the body, soul and spirit of the people who work in it. Doing everything as if we were doing it for God, in this way we will automatically have a performance standard that is above the normal average and that is good for us, because we will be trained in discipline to excel.

#### Implementation:

- a. Sharing profit: providing reasonable profits to business partners so that they can provide the best employee welfare and grow healthily. (bottom line sharing).
- b. Sharing process: sharing the advantages of each other's processes so that the bond between partners becomes strong because they produce products based on the best processes. Management guidance and HR management are essential things apart from market access. (middle line sharing).
- c. Sharing Program: unite in joint development, joint activities and joint programs to increase comparative advantage in facing competitors.

A good name is more valuable than great wealth. "A reputation that took decades to build can be threatened by a single event." There are four principles that are continuously applied and maintained, so that they are useful in building the company's value concept:

- a. Loved by employees → Fair and Wise Principles.
- b. Praised by customers → Principle of Guarantee and Consistency in keeping promises regarding Words and Work even if it means loss (One on One Replacement during the 1 year guarantee period). When customers complain, they must respond quickly, carefully and cheerfully.
- c. Become the pride of society → Tax Order - CSR as a Form of Community Service is not just a Marketing Branding Image.
- d. Be a blessing to society → This is more than a vision but a philosophy of founders and owners who really pay attention to 'stakeholders' above 'shareholders'. Especially if it touches the spiritual aspect, then 'soul holder', above all.

From the above we can learn together that to achieve business success, consumers - partners - employees must be treated morally well. This is an ethical obligation. Business success goes hand in hand with ethics in practice, as with many other business ethics topics. For business purposes, Ethics in relationships with consumers must be a top priority. Therefore, companies have a moral responsibility to protect and avoid losses for all parties involved in the transaction.

Customers are encouraged to build strong relationships with the company due to business ethics. In long-term ties like this, businesses can understand customer needs and expectations well. Thus, businesses can make customers happier by maximizing the number of pleasant experiences and reducing the number of unpleasant ones.

Companies that produce goods and services that have created business value principles will have indirect brand credibility. The credibility of this brand comes from the company's commitment and consistency in building, maintaining and maintaining these basic value principles.

## 6. Conclusions and Recommendations

People all over the world carry out business activities as a goal and measure of success in their lives. They do not rely on or involve God in their business, which they do day and night because that is their sole purpose in life. Unlike Christians, Christian businesses require God's intervention and faith. God, as a Father, cares about the efforts made by His children. He wants to see His children's businesses succeed, and He wants to bless their efforts.

Business ethics in a company has a very important role, namely to form a company that is strong and has high competitiveness as well the ability to create high value (value-creation), solid foundation is needed. Conduct business in a manner that is Christian legal principles (biblically) based and consistent with Christian ethical behavior. Not a few people have achieved success in business because they continue to use the Bible as a guide to their life and focus of their work. This is caused by the actions taken by these business people based on the



word of God. They not only look out for themselves, but also look out for others. In addition, it has the ability to establish the authenticity of the company's value principles by continuously and consistently building them through ethical business actions. In the end, we will definitely be glorified by God through our life and work.

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