THE ANALYSIS OF BUSINESS ETHICS IN THE MANAGEMENT OF PRIVATE COLLEGE

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ABSTRACT

This research aims to determine and examine how the application of business ethics in the management of private college. This research belongs to a qualitative study based on the type of data and the analysis. Research focus is business ethics, the source of the data is primary data and secondary data. The techniques of collecting data is using interviews, library research and observation. Meanwhile the instrument of the research is the researcher himself. The result of this research is hypothesized that private universities have not applied business ethics in their management, it can be found through the high study cost to the students because they are regarded as the commodity. Private college that should make the balance of the business mission, social mission, and religious mission. There is a new perspective through the opened management of using funds, students or the community will conclude that the study cost of private university is not high or expensive but measurable.

INTRODUCTION

The development need for education especially in facing the competition of 4.0 industrial revolution, makes people compete to obtain the best quality education (Nurhasan et al., 2020; Tri et al., 2021; Lase, 2019). It becomes a good expectation and challenges to be committed by the college so that the students are interested to pursue study to the best quality college. In this regard, the colleges must be able to manage educational inputs into a meaningful process in order to produce outputs (graduates) that are not only graduates but can also be accepted in society (outcomes).

In the management of education, the economic element influences the quality of services that will be provided by colleges to the students (Chandra et al., 2018). Related to this, the financial element is the main thing in its management. However, the real meaning of education is a conscious effort in preparing students for the future (Roeser & Peck, 2009; Darling-Hammond et al., 2020). In this case the meaning of the word business is the business mission and the meaning of in the word conscious is social and religious mission. It means that business element of the educational management may not dominate the education process so that there is a balance between business missions, social, religious missions then the education can be reached by all levels of society.

Based on the research conducted by researchers through observation and interviews to one of student in a private college about financing college, it can be concluded that students in private college have to pay tuition more expensive and they required to pay more for each activity held in order to improve their competency. It is reasonable if the fees charged to students are not
burdensome, but it is sometimes ignored by the managers of private college because they think students as a business commodity in earning income. It is the background that will be examined in this study.

In this case business ethics must be highly considered, do not let students as a commodity to produce a mere profit while the meaning of educational is neglected (Kauppinen, 2014). In education, economic law indirectly occurs, where an educational institution with a major that has high demand by the public is offered more expensive price. On the other hand the educational institution with a major that has low demand is offered less price. Here the role of business ethics must be applied.

The expense is defined as the value of the exchange, cost, hard working for the benefit. All costs spent are comparable to the service facilities received. However, it must be systematically measured that good facility is not a reason for higher education institutions to make the costs more expensive. Besides, it must be understood that the costs which will be in charge to the students should be measured through the appropriateness and propriety. In connection with this, costs are included in the instrumental input in the education system. Therefore, the implementation of education which is oriented to the process namely a transfer of knowledge. Where the instrumental inputs such as teachers, labor a thorium, library, curriculum, cost, management, administration processed together with environmental input. In this case the students who are in a high quality knowledge transfer produces good quality graduates (Becheikh et al., 2010; Giuri et al., 2019). Research (Fida et al., 2020) shows that service quality, customer satisfaction, and customer loyalty have a significant relationship. Likewise, research (Susanto et al 2021) shows that price has a stronger influence on customer satisfaction, which leads to repurchase interest compared to service quality. Meanwhile, research (Atmaja & Yasa, 2020) shows that the fairness of prices and service quality has a positive and significant effect on customer satisfaction.

The identification of the problem is that private educational institutions impose high costs on students because they think that students are as business commodities in obtaining income. Private colleges should be able to maximize their potential to earn income such as holding seminars, providing certified training for the general public, and facilitating language courses for the general public.

Based on the identification of the problem above, the researcher provides a limitation of the problem in order to achieve the expected goals that include business ethics in the management of private colleges in Cirebon, whereas the formulation of the problem in this research is how the implementation of business ethics in the management of private colleges in Cirebon.

The purpose of this research is to find out and obtain information on the implementation of business ethics in the management of private colleges in Cirebon.

**METHODS**

The research belongs to a qualitative research based on the type of data and analysis. The technique of collecting data is using interviews, literature studies and observation. The source of data is the primary and secondary data. Primary data is the data which is obtained or collected directly in the field by the researcher who need it. Secondary data is the data that has been derived from the results of the literature studies (Mesly, 2015). The researcher determines the location of the research purposively in Cirebon.

In this study the population was all students of private universities in Cirebon. The research sample taken was the Random Sampling model as many as 50 Private University Students in Cirebon with a minimum length of study for six Semesters. The data analysis technique used is by analyzing the data, interpreting the data and draw conclusions (Miles & Huberman, 1994).

**RESULTS AND DISCUSSION**

According to (Cunningham et al., 2010) stated that the business ethics is a doctrine to distinguish between right and wrong in order to give a briefing to the leaders of the company to take strategic decisions on issues related to moral highly complex. In the management of colleges, they should prioritize aspects of morality in the management of the implemented economic education, It
means that not all elements of income are charged to students or in other words the life of colleges depend on their students. This view is completely inaccurate and it should be changed immediately so that the college becomes a financially well-established college and does not make students the majority income source of an institution.

In the era of revolution industry 4.0 today, a college should be able to perform efficiency costs by creating a more effective system in the management. The system which can change the manual system to a digitization system both in terms of input, process, and output in the education system. Through the efficiency and effectiveness, it is expected that the promotion, registration of new students, administration, and management will be shorter and faster so that it will make efficiency costs spent in the long term.

In the context of obtaining other income from students, colleges can be carried on their own business, they can be as campus cafeteria, campus cooperation, campus gardens, organizing campus activities /events in collaboration with sponsors, and seminar / training / workshop activities.

Campus cafeteria orientation includes preparing of food and drink with the low price for campus residents. It has a big potential business value. In addition, the colleges can rent places to trade both in the form of buildings or land. This is a source of potential revenue for private colleges. In the management of the campus cafeteria must be placed in a strategic place so that it is easily accessed by all campus residents. It must be well-designed, clean, up-to-date, and comfortable so that buyers can get satisfaction. In addition, variations in food and beverages should be considered properly so that the buyers have many choices of food and drinks available with affordable price.

In this case the campus cooperation has orientation activities including providing the needs of campus residents either in the form of uniforms, stationery, books and other needs. In relation to the needs of school residents, the campus cooperation can also provide primary commodity and manage savings and loan business activities for campus residents with low interest rates compared to other cooperation or state-owned banks. The savings and loan business activities are intended for lecturers and education staffs. It has a potential to be developed as a source of income for private colleges.

Related to this, private colleges that have large vacant land or empty space can use it for campus gardens by growing plants that have economic value such as palawija, vegetables, or herbs. It has the potential to increase the income of private colleges, but it also can empower citizens who exist around the campus in order to manage the campus gardens.

Besides that too, private colleges must be able to maximize every activity or events that attract the college community by carrying out its activities or events in collaboration with sponsors. It has a high potential value of income. In terms of costs, by being supported by sponsors, It is expected that the activities can run properly due to the sustained funding from sponsors. On the revenue side, private colleges can get the benefit from excess funding activities or events. The activities/ events that can be conducted are like walking, healthy gymnastics, sports competitions, performance of music or others.

Seminar, training, or workshop, with funding from the participants has a potential value of income for private colleges. The remain of the budget from seminar, training, or workshop is income derived from private colleges. In conducting seminar, training or workshops held by private colleges, they must take interesting themes and follow the latest developments and invite competent speakers and experts in their fields.

The private colleges must be innovative and creative in managing the operational colleges (Ghosh, 2014; Nonet et al., 2015; Serdyukov, 2017). The operational activities of private colleges can survive and still exist if they are supported by the good management and the strong finance. Funding side is supported by the income of private colleges that the most income obtained from the lecturing cost which is paid by students. In the other side, that needs to remember the essence of the operational activities of the colleges is the balance of the business mission, the social and religious missions, which means that in this case the business mission does not become unimportant but the
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Proportion is not more dominant than social and religious mission. This is intended to the essence of education at the colleges can be achieved and felt the beneficial appearance for the community.

In carrying out the operational activities, the colleges must pay attention to the business ethics in doing. Several things that need to be considered in order to do business ethically are behaving honestly in carrying out the business activities, obeying the values system, and consistent between what is done and what is said. Being honest means we produce the graduates (output) as well as the quality standards and as appropriate as the conditions required by the institution. In this case, it can be applied through the existence of the quality standard of the instrumental input includes the teachers, the curriculum standard, and the educational resources standard. Besides that, the learning process which has a good quality as suitable as the national minimum standard that based on the digital should have the standards on the application so it will graduate the competent students in the society (outcome) both socially and economically they have higher competence than average one. The Outcome can be the comparison of the cost incurred. More good quality of outcome in the education system, it is increasingly considered the appropriate costs incurred by the parents / the guardians of students.

Private colleges must provide the best services for all students (Moshe Sharabi, 2013; Truong et al., 2016; Chui et al., 2016; Sibai et al., 2021). The costs which are paid by students must be proportional to the service facilities received that can be called as giving the mutual benefit values, then it can prevent the losses felt by students and the transparency for using the funds. This can be implemented by the reporting by the institutions by applying transparency in every activity that is carried out in connection with the funds raised from students. It should be noted that the funds raised from students are one form of the funds raised from the community, so it needs for reporting the use of the funds that are clear as a form of accountability for using the funds from the society. The form of transparency is the systematic report that is published both on the campus’ online sites and through the printed media. This transparency will give certain credibility from the public to the private colleges and minimize the negative assumptions about the fund management which is carried out by private colleges.

The private colleges need to work hard to set an example and carry out the positive things that are conveyed. In holding the business activities, it will become a benchmark in the daily actions and also in the decisions made. It should be applied by the private colleges to execute any programs that are implemented consistently and thoroughly with the allocation of funds. The colleges must have the motivation to implement the realistic mission by setting each budget for each program in accordance with the source of revenue and expenditure that has been set in the budget plan. All the programs of the private colleges have to be known the nominal costs so that students see the amount of budget needed for any educational program that will be conducted.

(Ebert & Griffin, 2009) told that the ethics is a belief about right and wrong actions or good and bad actions that influence to other things. Ethic has a quite close connection with human behavior, especially the behavior of business people, whether behaving ethically or behaving unethically. RW Griffin said that the ethical behavior is the action which based on the social norms and generally related to the useful or harmful actions. In this regard, the colleges must uphold the value of the business ethics in the implementation of the economic principles of education which carried out. Business ethics is formed as the reasonable costs, the commitment of process standard, the quality of service to students, and the transparency of reliable information so it will be clear between the obligations and the rights among the teachers, the education staff, and the students.

This business ethics must be able to be implemented by private colleges consistently so that the behavior in according to the social norms can be created (Burton & Goldsby, 2005; Nerkar, 2016). Inconsistency in the implementation of the business ethics can make the bad views coming towards the private colleges from the community. The expensive costs which is felt by students, in the business ethics of education is less appropriate in the students’ point of view or in the public because there is not only the business mission, but also the education has the social and religious missions. Relating to this, the private colleges has to clarify the data that costs are considered
expensive or high by giving the clear and details costs used, business ethics like this one that should be a habit. There will be a new perspective through this opened relation connecting with the use of funds, the students or the society will conclude that the costs incurred are not high or expensive but measurable.

Business activities carried out as a work of a person, or activities of some people, or activities of an organization. In applying the business activity of the private colleges must be based on the principles of business ethics (Hasnas, 2013; Kumar & Baker, 2020). The principles of business ethics are the autonomy principle, the principle of honesty, the principle of justice, the principle of mutual benefit, and the principle of moral integrity. The principle of autonomy is the humans’ competence in thinking, making decisions and acting based on their awareness. The basic of this principle is doing something that considered is good. This principle is based on the awareness means that all actions taken are the orientation of the field which is under the control and understand all the risks of the decisions made. It taken by the leaders of the private colleges have the potential to advance the institution or even make the institution worse off. In this regard, the views on social and religious missions about the education system must be fully understood by every leader of the private college so that the decisions taken are not merely business oriented then the highest goals of education can be achieved.

In addition, private college must know well about the business run. In holding the business, private college must understand very well the essence of education which is a conscious effort made in preparing the students for the future. The essence of education has become a moral foundation for the private college management, the education is not a practical business activity but it is the social activity which contains the transferring process of knowledge and the economic process of education.

The principle of honesty is a basic principle in the management of an organization. Doing honesty will bear the trust. Connecting with this principle, the facilities are offered by private college while promoting should be conducted as appropriate as when the learning activities implemented. The opinions of the society and the students about the dishonest reality will arise if the offered things are not approved.

The principle of justice is an act of treating something objectively then it can be justified. This principle can run for treating the teachers and the education staff fairly without looking at the social status, the family status, or the emotional closeness. Besides that, by placing the teachers or education staff has to be suitable with the job description, this is the existence of the concept in the justice principle.

In the principle of justice, all parts which involved in the implementation of the education process in the college may not get disadvantages. In this case there must be matching between the implementation of rights and the implementation of obligations for each part involved.

The principle of mutual benefit is a principle that forms the base of every part involved in the education process of the college to obtain satisfactory results. This is reflected by the students who get the benefit because of the attendance level of the good teachers, the teachers and the education staff getting the right to pay salaries according to the performance carried out, then the college gains the public trust for the quality of the learning process in the college.

By the principle of mutual benefit, a conducive working situation will be appeared in the college. The obtained benefits are a form of satisfaction to the activity implemented. Beside that, through the principle of mutual benefit will increase the level of concern in the interaction process of the education.

Moral integrity is an attitude interpretation of each part involved in the implementation of education at private colleges. The moral integrity can be held by always maintaining the good name of private college such as maintaining attitudes in behavior, carrying out some duties in responsibility, transparency in managing funds in the colleges, and developing the college towards the sustainable progress.
CONCLUSION

The competition of industrial revolution 4.0, making the people race to get the best quality of education. It becomes a good expectation and challenges that must be faced by educational institutions so that students are interested in continuing their studies at the best quality colleges. In the implementation of education, the economic element influences the quality of services that will be provided by educational institutions to students. Education is a conscious effort in preparingthe students for the future. In this case the meaning of the word business is business mission and the meaning of the word conscious is social and religious mission. So the tertiary institutions must be managed equally between business mission, social mission, and religious mission so that the essence of education can be achieved.

The private colleges should prioritize the aspects of morality in implementing the economic management of education, it means that not all elements of income in charge to students or in other words called that the college’s life depends on the students. This view is entirely inappropriate and should be changed soon that the private colleges are stable at the finance then they do not make the students become a source of income like the most of the private colleges. In the context of getting other incomes than getting from the students, the private college can build some companies, the companies belongs to the own businesses such as canteen, cooperation, garden, campus organizing / events by cooperating with sponsors, and seminar / training / workshop activities.

There needs to be repaired basically in the funding governance of the private colleges, private colleges must behave honestly in running the business, it can be realized through the establishment of quality standards in instrumental input standard includes teachers, curriculum standards, and educational resources standards. Besides that, the learning process which has a good quality as suitable as the national minimum standard that based on the digital should have the standards on the application so it will graduate the competent students in the society (outcome) both socially and economically they have higher competence than average one. The Outcome can be the comparison of the cost incurred. More good quality of outcome in the education system, it is increasingly considered the appropriate costs incurred by the parents / the guardians of students.

In this relation, the business ethics must be consistently implemented by private college so it will appear the behavior that conforms to the social norms. The lack of consistence in the implementation of business ethics can show the unfavorable views from the society toward the private college. The high cost has to be paid by students, found on the business ethic of education is inappropriate seen by the students or the public because of considering about not only the business missions, but also the education has other missions are social and religious missions. So that the colleges must clarify the data that the costs are considered expensive / high by the students with giving the clear and details of the allotment incurred, this is called as the business ethic that should be a habit. There will be a new perspective through this opened system on using the funds, the students or the community will conclude that the costs incurred are not high or expensive but measurable. The business ethics can be implemented optimally based on the autonomy principle, the principle of honesty, the fairness, the principle of mutual benefit, and the principle of moral integrity.
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