



Corporate Ethics at CV NCK Collection: The Ineffectiveness of Human Resource Management Policies

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Abstract. Corporate ethics in the company is very important because it becomes a reference for making policies in the company. CV. NCK Collection is a branch company in Banjar City. In carrying out its business activities, the CV carries out many policies that are considered ineffective, especially in its human resource management policies. This ineffective policy concerns layoffs, recruitment, a system of salaries and overtime wages, employee demotion and human rights issues. The purpose of this study is to discuss the ineffectiveness of the policies made by CV. NCK Collection with corporate ethics that should be noticed. The research method used in this research is a qualitative method with primary and secondary data sources. Primary data sources were obtained through unstructured interviews and secondary sources were obtained through literature studies. The results of this study found that the CV. NCK Collection was proven to experience policy ineffectiveness, especially in human resource management policies.

Keywords: Corporates Ethics, Business Policy, Human Resource Management.

1. INTRODUCTION

Indonesia is the most populous country and ranks 4th after China, India and the United States. In 2030 Indonesia will also be faced with a demographic bonus. The demographic bonus will certainly have a positive and negative impact on Indonesia. The positive impact can be felt when the productive age in Indonesia has superior abilities in their respective fields and when this is not owned, it will have an impact on the number of unemployment and the poverty rate in Indonesia will increase due to the demographic bonus. Large companies have now begun to expand their business activities by opening branches in several cities/districts in Indonesia. Companies or corporations that are present can make a big contribution to society, especially for employment so that it can have an impact on reducing the unemployment rate and poverty rate. In general, companies or corporations that carry out their business activities are based on corporate ethics. According to Kapstein (2021), corporate ethics can include several things, namely human rights, labor standards or workers and relationships with the company environment. The role of workers in the company is needed because workers and companies are two assets that cannot be separated.

CV. NCK Collection is a branch company located in Banjar City, West Java and centered in Bandung. CV NCK Collection is a company engaged in the garment sector by producing its own products. The products produced in the CV are bags, baby carriers, masks (due to Covid-19) and so on. In carrying out its business practices, CV NCK Collection

certainly has rules, principles and corporate culture and pays attention to the norms that apply in the company environment where the company stands and carries out its business practices in accordance with good corporate ethics. Ethics is a belief about right and wrong actions or good and bad actions and affects other things. (Rahimaji, 2019). The principles of business ethics basically, every business implementation should align the business process with business ethics that have been generally agreed upon in that environment. (Rahimaji, 2019).

CV. NCK Collection in carrying out its business practices uses a management system which is useful for organizing all business activities carried out by the CV and to achieve company goals, company policies or rules will be made in accordance with the company's vision and mission. It is hoped that with these management systems and policies the company can achieve a high level of productivity and effectiveness. But in reality, to carry out these business activities, there must be many obstacles, one of which is the problem of ineffective management policies. According to Robbins (1990), organizational effectiveness as a form of a level to be able to realize its goals. (Yudhaningsih, 2021). At CV NCK Collection, the problem of ineffective management policies is in human resource management policies. These problems are about the problem of termination of employment due to the covid-19 pandemic which pays less attention to aspects of superior employee performance, recruitment problems that can rerecruit employees who have been laid off, problems of demotion / demotion of arbitrary employees, problems of overtime wages that some employees are paid and some employees are not paid overtime wages, and problems of religious rights and worship according to their respective religions. Based on these problems, the author will discuss the ineffectiveness of human resource management policies and the impact on corporate ethics of CV. NCK Collection.

2. LITERATURE REVIEW

According to Fahmi (2013), Business Ethics are rules that emphasize how a business can act and not act, these rules come from written and unwritten rules. (Meilina, 2016). According to Kepstein 2001, corporations in running their business stand on an ethics code commonly known as corporate ethics which concerns many things, namely human rights, labor standards or workers and relationships with the corporate environment. (Sari, 2019). According to Sims 1992, ethical behavior reflects individual beliefs and generally accepted social norms, related to right and good actions and the business world in corporations is not immune from ethics which are usually related to ethical or unethical behavior carried out by workers to management levels. (Sari, 2019). Business Policy is defined as a determination or management decision as a guideline for conducting business activities to achieve company goals. (Herma,

2014). The business policy includes functional and operational aspects of the business such as production, marketing, and pricing of products or services. (Herma, 2014).

According to Law No. 13 of 2003 defines that dismissal or termination of employment is the termination of employment relations for a certain reason which results in the end of rights and obligations between workers and employers. (Zulhartati, 2010). Flippo (1981) distinguishes termination of employment outside the context of retirement into 3 categories, namely Lay off is the fact when an employee who really has proud qualifications must be retired because the company no longer needs the contribution of his services, out placement is a termination activity because the company wants to reduce a lot of labor, and in general companies carry out this policy to reduce employees whose performance is not satisfactory. (Zulhartati, 2010). According to Ambar Teguh Sulistiyani and Rosidah (2009), recruitment is a series of activities to find and attract job applicants with the motivation, ability, expertise and knowledge needed to cover the shortcomings identified in staffing planning, recruitment also has a function as "The Right Man on The Right Place", where this becomes a guide for managers in placing the workforce in their company.(Meiastoko, 2013). Employee demotion is one part of formal employee development to create competition among fellow employees in order to spur the work performance of employees. Demotion is a type of sanction for employees whose work performance is low by company management. demotion is a movement in an organization from one position to another which involves a decrease in authority, responsibility, status, facilities and even the salary earned from the company. Demotion occurs in a company mainly because of its negative effect on the morale of the employee concerned and can affect the orestas and morale of other employees. (Sitohang et al., 2020).

According to Hasibuan (2000), salary is a service payment that is paid periodically to permanent employees and has certain guarantees. (Wuaya Jermias, 2016). Salary is often referred to as wages, where both are a form of compensation, namely service rewards that are given regularly for an employee's work performance. According to Aqimuddin and Kusmagi (2010), the difference between salaries and wages lies only in the strength of the employment bond and the period of receipt. (Ghozali, 2019). Overtime wages are wages given when workers work beyond the working time that has been regulated in labor / employment regulations, namely more than 8 hours a day for 5 working days, and 7 hours a day for 6 working days or the accumulated amount of work is 40 hours a week. According to Article 78 of the Manpower Law, the requirements regarding excess working time are as follows: a. Employers who wish to increase working hours must have the consent of the workers/laborers concerned. b.

Overtime shall not exceed 3 hours in one day and or 14 hours in one week. c. Employers who employ workers/laborers with additional working time are obliged to pay overtime wages.

3. METHODS

The research method used in this research is to use qualitative data collection techniques. The data sources used in this research are primary data sources and secondary data sources. Primary data sources were obtained through observation and unstructured interviews with several employees, while secondary data sources were obtained through literature review.

4. RESULTS

First, the problem of termination of employment that occurs at CV NCK Collection. According to the results of interviews with several employees, the termination of employment has been carried out several times, especially when faced with the Eid al-Fitr holiday. Recently, the CV also terminated employment because it was faced with force majeure conditions due to the covid-19 pandemic. According to Article 164 of the Manpower Law, companies can terminate the employment of workers/laborers due to force majeure. According to the results of the interview, there is also one thing that is debated regarding termination of employment that does not see the performance of its employees. This is also debated within the company by the group heads in each group within the company with the personnel who do not consider the employee's performance in making a decision so that it has an impact on reducing the trust of each employee.

Second, as a result of the termination of employment, the CV had to re-recruit employees. According to the interview results, many of those who had been terminated by the CV some time ago were then contacted again to carry out the recruitment process again at the CV. Not surprisingly, due to ineffective layoffs because they did not consider the performance of their employees, when they were contacted again by the personnel there were several employees who were reluctant to return to work at the CV. In addition, there is also a bad feeling towards teammates at the previous time, because when they were recruited again, many employees were transferred to other positions. Third, regarding employee demotions or arbitrary demotions. According to the interview results, not long ago there was a case that was quite shocking within CV. NCK Collection. There was an arbitrary demotion made to an Admin in the company. One of the employees who served as admin was demoted to an employee whose part was to supervise raw materials and was demoted not by the personnel / human resources department. The procedure carried out to reduce the position is not in

accordance with the procedures that are usually carried out because the decision is made by one of the directors without any meetings / deliberations with other directors

Fourth, the payroll system is still not effective. The payroll system in the CV is using a piecework system and can be categorized as a wage. The company in carrying out its activities is carried out by dividing employees into several groups, so the wages received by each employee in the group should not be much different and tend to be the same. However, in reality there is often a significant difference between employees in one group. It can also be said that the overtime pay system has not been fully implemented. According to one employee, there are some sections that are paid overtime wages and some that are not paid overtime wages. Article states that companies that employ workers/laborers with additional working time are obliged to pay overtime wages.

Fifth is about human rights related to the right to religion and worship in accordance with their respective religions. The legal basis that guarantees freedom of religion in Indonesia is in market 28E paragraph (1) of the 1945 Constitution which reads "every person is free to embrace religion and worship according to his religion, choose education and teaching, choose a job, have citizenship, choose a place of residence in the territory of the State and leave it and have the right to return." However, according to one of the employees, when they asked for rights and tolerance from the company to worship in accordance with their beliefs what happened was that they were told to leave or resign from the company honorably. Even though the legal basis governing this is clear.

5. DISCUSSION

Policies in the company's business ethics are the most important thing in order to realize the company's vision and mission. CV. NCK Collection is a company that conducts its business activities in the garment sector. The CV is a subsidiary/branch of CV NCK Collection which is based in Bandung. The business model in the company is Business to Business (B2B) because the CV provides the supply of its products to be remarketed (supplier). In carrying out its business activities, the role of labor or employees is very important because employees are important assets for the company. In the field of human resource management, CV. NCK Collection has several problems that need to be discussed.

6. CONCLUSION AND SUGGESTION

Conclusion

Business policies made in a company must pay attention to its supporting aspects. The policies made at CV NCK Collection, especially in the field of human resource management, can be said to be ineffective because in reality the policies made by the CV do not pay attention to other supporting aspects. Policies made by some boards of directors tend to cause uncomfortable feelings towards their employees. In fact, employee loyalty to the company is important because employees are valuable assets owned by the company.

Suggestion

The limitations in this study are the locus of MSMEs and the time period of implementation. It is hoped that there will be new research on the implementation of ethics in doing business that spreads to all MSMEs in Indonesia.

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