



The Role of Individual Ethics and Organizational Culture in Maximizing Company Profitability

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ABSTRACT

This study aims to determine the role of individual ethics and organizational culture in maximizing organizational profitability. This study uses the library research method, where the study is based on the opinions of experts on individual ethics and organizational culture in maximizing company profitability. Individual ethics and organizational culture can be improved in quality to maximize company profitability. This can have an effect on a micro and macro scale by providing short and long term effects for all elements and the company's environment

INTRODUCTION

The company was founded with the intent and purpose of achieving maximum profit, welfare of shareholders and maximizing company value. Company value is defined as the price that potential investors are willing to pay if the company is to be sold (Darmawan: 2013).

Good and maximum company value can attract potential sources of funds for companies such as investors and creditors. This is according to Riny (2018) because company value reflects company performance which is considered capable of influencing the perceptions of investors or creditors to invest funds in a company. Even according to Arifianto and

Chabachib (2016) company value is the main aspect that is seen by investors before deciding to invest in a company. For companies that have gone public, the value of the company can be reflected in the company's stock price in the capital market (Hasnawati: 2005). High stock prices make the company value also high, so that it can maximize the prosperity of shareholders which is marked by a high return on investment (Return).

One aspect that can affect the value of the company is profitability. Profitability shows the company's ability to generate profits or profits by using company-owned sources such as assets, capital or sales. If the company is categorized as able to provide benefits in the future, many investors will invest by buying the company's shares which will affect the stock price and company value (Jusriani and Rahardjo: 2013).

However, in maximizing the profitability of a company, the individual ethics and organizational culture of the company must be improved in quality. In carrying out the company's operating activities to produce goods or services that will be issued as output, individual ethics and organizational culture need to be improved in quality so that the profitability of the company can run optimally. In previous studies, it was said that there was a positive and significant influence between individual ethics and organizational culture in maximizing company profitability.

METHODOLOGY

This study uses the method of library research (library research), where the study is based on expert opinions on individual ethics and organizational culture and their role in maximizing company profitability.

DISCUSSION

The Role of Individual Ethics in Maximizing Company Profitability

Ethics is a field of science that is normative because it plays a role in determining what an individual should or should not do. As explained above, profitability is the ability of a company to obtain profits or profits. In maximizing the company's profitability, the ethics of each individual in the company must have a high level of quality. This is inseparable from the attitude of each individual in dealing with various problems and also towards fellow co-workers and superiors and especially to prospective buyers.

Individual ethics within the company has a very important role, namely to form a company that is strong and has high competitiveness and has the ability to

create high value (value-creation), where a solid foundation is needed to achieve it all. And it usually starts with strategic planning, good organization, a transparent system of procedures supported by a reliable corporate culture and consistent and consistent corporate ethics. According to Richard De George, if a company wants to be successful, it needs 3 main things, namely:

- a. Have a good product
- b. Have good management
- c. Have Ethics

If we look at it from an ethical point of view, the main aspect of a company is that it is profit-oriented, which is very reasonable, but don't make the profits that are detrimental to other parties. Not everything we can do should be done too. We must respect the interests and rights of others. It is worth noting that by doing so we ourselves are not harmed, because respecting the interests and rights of others also needs to be done in the interests of our own company. After knowing how important ethics must be applied to a business company, of course ethics has a very influential function on the progress of the company itself. Problems of business ethics that occur in companies vary between one company function and another company function. This is because the company's operations are highly specialized in various professional fields, so that each function of the company tends to have its own ethical issues.

The Role of Organizational Culture in Maximizing Company Profitability

Organizational culture is the personality of a company that is grown by a value system that creates norms regarding behavior that is reflected in the perceptions, attitudes and behavior of people in the organization or company. Thus, culture influences most aspects of organizational or company life, especially in achieving goals. of the company, namely the ability to earn profits/profits according to the targets set by the organization/company (profitability). According to Sutrisno (2010: 6) states that: Organizational culture that is truly managed as a management tool will influence and be a driving force for employees to behave positively, dedicatedly and productively. These cultural values are not visible, but are forces that drive behavior to produce performance effectiveness. Kreitner and Kunicki in Sopiah (2008: 183) argue that: Individual work performance or achievement is strongly influenced by national culture which is the inspiration for the birth of organizational culture. If the company has a good organizational culture, job satisfaction will be high and have an impact on improving performance. Conversely, if the organizational culture is not healthy then it will trigger a decrease in the performance of individual members of the organization which in turn will affect organizational performance. According to Wilda and Azra (2007) in their journal concluded that: "organizational culture has a positive and significant effect on the performance of Padang State Polytechnic employees". Mulyadi et al (2012) in their journal concluded that: "There is a positive and significant influence between organizational culture on employee performance at the Highways and Irrigation Office of Karawang Regency." Where it is clear that we can see when the performance of an employee is good or of good

quality as a result of a good organizational culture in operating the activities of the company/organization this greatly influences the profitability of a company, strictly speaking when a company wants to maximize the profitability they have then one of the important elements What must be considered is the organizational culture.

CONCLUSION

From the results of the above analysis using the library research method, it can be concluded that all companies/organizations always want to maximize their profitability. Individual ethics and organizational culture have contributed to achieving the wishes of the company/organization, of course by increasing the quality of individual ethics and organizational culture in the company/organization. The profitability of a company/organization will be maximally used when all the elements in the company/organization system in maximizing its profitability can run according its functions and mutually maintaining the quality of each element, especially in the elements of individual ethics and organizational culture. This will have an impact in the short and long term. The benefits of maximizing company/organizational profitability can be felt by all parties, both internal and external environment.

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