

Implementation Of Work from Home Ethics in Start-Up Companies

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Abstract. This study aims to review some literature and get an overview related to how ethics are implemented in several startup companies or digital-based organizations and solutions to ethical problems for startup companies by using library research and getting an overview of the importance of implementing ethics in the work from home work system in digital startup companies. The research method uses library studies by utilizing various sources of information from articles, ebooks, laws, and other documents relevant to the research topic. The results of the study indicate that startup companies that implement ethics and integrity and mutual agreements between leaders and employees before ratifying contracts can support the success of the company.

Keywords: *Ethics, Work from home, Startup, Employees, Leadership.*

INTRODUCTION

The Covid-19 pandemic has changed the work system in several companies since the increase in pandemic cases continues. Several companies are trying to implement a work system that comes directly to the office and a remote work system, this is done side by side, for example in one month workers only need to come to the office for two weeks while the other two weeks must work from home (remotely). This system is carried out in order to help the government reduce cases of the Covid pandemic as the learning system for students and students who are studying must also be done online.

One thing that needs to be considered when working or studying remotely from home is ethics. Ethics is a science that studies good and bad behavior and what are the obligations, rights, and responsibilities, both socially and morally, of each individual in their community life or it can also be said that ethics includes values related to individual morals regarding right and wrong (Chang, 2019). Ethics need to be applied in all levels of society and starting from the individual themselves. In a company, usually the leader will convey what is the job description of the job or what is allowed and what is not allowed, for example coming late to the office.

Each company has its own rules and sanctions according to the needs of the company itself. This paper does not discuss ethics in all areas and fields of the company but focuses on companies engaged in startups or digital. Tanjung, et al. (2021) stated that start-up companies or what are commonly called startups are increasingly emerging in the current era of information technology. A startup company itself is a new business with an organizational initiation initiated by its founder with a focus on high growth, has risks or benefits, can be measured and is able to lead the market.

In general, startups or pioneering companies focus on ideas, creativity, innovation in developing new products or services, opportunities, and the like that are considered at the beginning of their business. In addition, startups are also closely related to organizations and management, especially those related to managing people and organizations. The majority of startup companies rely on information technology for the sustainability of their businesses. This is because information technology has an important function in the success of the company's daily operations and the company's competitive value (De Haes, etc., 2013).

In recent years, internship programs have increased along with the growth of the startup industry that requires affordable labor. Unfortunately, the current employment regulations do not clearly regulate the implementation of internships in start-ups. As a result, companies easily abuse their internship programs to get cheap labor which in some cases leads to 'modern slavery'. The government regulates internship programs in Law Number 13 of 2003 concerning Manpower and defines it as part of the job training system in training institutions by working directly under the guidance and supervision of instructors or more experienced workers in order to master certain skills or expertise. The implementation itself refers to the Regulation of the Minister of Manpower Number 6 of 2020 which among other things regulates the rights of interns such as receiving guidance from instructors, receiving decent pocket money, and being included in social security (Izzati, 2021).

From the regulation, we know that it is appropriate for interns to be given guidance according to their interests, receive appropriate incentives, and even be included in social security. However, in reality, the regulation has only been implemented in large companies such as BUMN and other large private companies and has not been widely implemented in startup companies, even supervision of internships from the local manpower office is almost non-existent in startup companies.

Recently, the Campusmedia internship case has been trending on social media. The reason is, Campusmedia opened a three-month internship program (online) with an incentive of one hundred thousand rupiah per month and for interns who are unable to follow the internship program and stop in the middle of the internship program, they will be fined five hundred thousand rupiah. The Ministry of Manpower (Kemenaker) conducted a surprise inspection at the Campusmedia startup office in the Co-working Space Corridor, Surabaya. From the results of the inspection, the Binwasnaker and K3 teams confirmed that the information circulating regarding the provision of small salaries and the imposition of fines on interns was true. Campusmedia realized that its actions were inappropriate and planned to return the fines that had been received to the interns. From the results of the inspection, it was discovered that these requirements were already stated in the contract and even though there was such a contract agreement, many interns who violated the contract did not pay the agreed amount (Rafika, 2021).

The case makes us realize that the mistake does not only occur on one side. I think that the interns are also at fault for not running their internship program properly, deciding to stop (resign) in the middle of the program. Campusmedia as an edu startup company should also not make such regulations that are too burdensome, especially since the interns at Campusmedia themselves consist of students who certainly do not have an income.

Campuspedia said that they did this because in the previous internship program there were many resignations in the middle of the internship program, so they decided to give such sanctions. However, it turns out that there are still those who want to resign even though such rules have been made. From several tweets on social media Twitter about Campuspedia that I read, it turns out that the job descriptions given are quite a lot to the point of being burdensome, not in accordance with the incentives so that it takes up the time of interns who of course still have college assignments. It is true that internships are carried out online without having to leave the house to prepare clothes, vehicles, etc. However, the incentive is too small for the many job descriptions. Even though it is online, internet quota is needed, energy and thought are also definitely needed in doing the work.

From the explanation above, the researcher argues that the importance of implementing ethics in work even though the work is done online, ethics here does not only refer to employees but also to company leaders, especially those discussed in startup companies. Socialization and implementation of ethics are still very necessary to be fought in startup companies so that in the future such cases will not happen again considering the rapid development of the era and of course digital companies will continue to grow, many people can work in companies without coming directly to the company and for that ethics plays an important role in implementing remote work programs.

This study aims to review some literature and get an overview related to how ethics are applied in several startup companies or digital-based organizations and solutions to ethical problems for these companies. This study is also divided into several parts. The first part explains the background related to work from home and startup companies. The second part discusses the literature review on ethics and its application in startup companies. The third part discusses the research approach, namely the qualitative method with library research. The fourth part describes the application of ethics in several startup companies and provides solutions to ethical violations in these companies. The last part will conclude that by implementing ethics in startup companies, these companies will be able to develop better in the future.

RESEARCH METHOD

This study is a library research that aims to review literature from previous studies and cases that occur to employees in startup companies to see how ethics are applied in the company. There are three companies that will be discussed in the discussion to compare the application of ethics in the company based on the researcher's previous work experience. Then a conclusion will be drawn from the information that has been collected in order to provide contributions and solutions to startup or digital companies regarding the importance of implementing ethics in work for both employees and leaders. This study uses various written sources such as articles, books, and other relevant documents.

RESULTS AND DISCUSSIONS

Before presenting the application of ethics in startup companies, it is necessary to first explain the definition of ethics, ethical theory, employee ethics, leadership ethics, and professional code of ethics. This definition is useful for unifying the understanding of the application of ethics in startup companies that will be discussed in the discussion. In terms of language, the word 'ethics' comes from the Greek ethos which means seen from

a habit. In this case, the perspective of the object is human actions, attitudes, or actions. The specific definition of ethics is the science of the attitudes and morality of an individual in their social environment which is thick with rules and principles related to behavior that is considered correct. While the general definition of ethics is the rules, norms, rules, or procedures that are commonly used as guidelines or principles for an individual in carrying out actions and behavior. The application of this norm is closely related to the good and bad nature of individuals in society. Thus, ethics is a science that studies the good and bad as well as the obligations, rights, and responsibilities, both socially and morally, of each individual in their social life. Or it can also be said that ethics includes values related to individual morals regarding right and wrong (Chang, 2019). Ethical theories can be seen as follows:

a. Utilitarianism Theory

According to this theory, a decision or action is considered ethically or morally correct if the decision or action produces positive results (Brooks & Dunn, 2011). Positive results include happiness, pleasure, health, beauty, knowledge, and so on. While negative results include unhappiness, misery, disease, evil, and stupidity (Bertens, 2014). Thus, the assessment of whether a decision or action is ethical is based on whether good or bad things happen or not.

b. Egoism & Hedonism Theory

Egoism ethics wants to reduce the purpose of actions or decisions for self-interest without having to consider the interests of others. A manager who makes regulations about a new payroll system by only increasing allowances for managers without including an increase in employee salaries is an example of the practice of egoism ethics in business. Hedonism is an ethical theory that is close to egoism ethics. Because hedonism also focuses on personal happiness or pleasure (Weruin, 2019).

c. Deontological Theory

Deontological ethics assesses the ethicality of an action or decision based on the motivation of the decision maker, an action or decision is ethically justified not on the basis of positive results or rejected not on the basis of the negative impacts obtained but on the basis of the motivation of the decision maker or the action, namely fulfilling what is understood as his obligation. So the basis for the good and bad of the act is obligation. The obligation is absolute (Weruin, 2019).

d. Virtue Theory

In the book *The Nicomachean Ethics*, Aristotle emphasized that the purpose of human life is happiness (eudaimonia). The happiness in question is not in the hedonistic sense (pleasure) but rather an activity of the soul that feels happy because it fulfills a noble life goal by living according to reason; acting voluntarily (freely). So the ethics of virtue or virtue focuses morality on the moral character of the decision maker. Moral character can be formed through moral education (Weruin, 2019).

e. Equity Theory

English philosopher David Hume (1711-1776) said that justice is important because: people are not always useful and there are scarce resources. Hume believed that society is formed through self-interest. Because humans cannot live alone, they need cooperation for survival and common welfare. But because resources are limited, and in fact some people benefit at the expense of others, there needs to be a mechanism for distributing benefits and burdens to society fairly. So justice is the mechanism. People must have legitimate claims to scarce resources and can rationally explain and justify their claims to those resources. That is the basic principle of justice: allocating benefits and burdens with rational reasons (Weruini, 2019).

Employee Ethics

According to Griffin & Ebert (2007) ethics are beliefs about right and wrong actions, or good and bad actions, that affect other things. So, work ethics can be interpreted as a doctrine about work that is believed by a person or group of people as good and right which is manifested specifically in their work behavior. Budianto, et al., (2017) stated that employees are the main wealth of a company, because their participation is the key to the running of a company's activities. In every successful corporation led by a visionary entrepreneur, there must be qualified employees, so it is important for the company to be able to optimize the employees they have according to their function so that they can become quality and superior assets whose real form can be seen through employee performance. A high work ethic of course will not make routines boring, and can even improve work performance or performance. The underlying factors of high work ethics include the desire to uphold the quality of work, so individuals who have a high work ethic will also participate in providing input and ideas in the workplace.

Leadership Ethics

According to Celik, Dedeoglu, and Inanir (2015), leadership ethics is a written and unwritten system to regulate what is wrong and what is right to be done by employees. Frisch and Huppenbauer (2014) define leadership ethics as instructions or rules that regulate employee attitudes and behavior when working in a company. Furthermore, according to Tumasjan, Strobel, and Welp (2010), leadership ethics are rules that regulate actions taken by employees when dealing and interacting with company leaders. Shin (2012) defines leadership ethics as rules and norms that regulate communication between leaders and subordinates. From several of the definitions above, it is stated that leadership ethics is a set of rules and norms that apply in a company that serve as guidelines and rules that apply in the company.

The work ethics and leadership ethics that have been explained apply everywhere, both for employees who work directly in the office and employees who work from home remotely. For this reason, both leaders and employees must continue to comply with the applicable ethics. For startups or digital companies that are just starting out or are developing, they can apply ethical and leadership theories that have been widely used by large companies to support the company's success in terms of good performance, because without good performance, the company's expected profits can be hampered.

Ethics also apply to every profession, for that each profession has its own code of ethics to support its professionalism in working both as subordinates and superiors.

Professional Code of Ethics

A professional code of ethics is a norm that is established and accepted by a professional group, which directs or gives instructions to its members on how they should act and at the same time guarantees the moral quality of the profession in the eyes of the public. A professional code of ethics is needed: as a means of social control; as a deterrent to interference from other parties; as a deterrent to misunderstandings and conflicts. Other functions: are criteria for professional principles that have been outlined, so that the professional obligations of old, new, or prospective members of a professional group can be known with certainty; can prevent the possibility of a conflict of interest between fellow members of a professional group, or between members of a professional group and the public (Muhammad, 2006).

In the accounting profession itself, the code of ethics for the accounting profession has been regulated by the IAI (Indonesian Institute of Accountants) which was published in 2016. Professional Accountants must adhere to the following basic ethical principles:

- a. Integrity, namely being straightforward and honest in all professional and business relationships.
- b. Objectivity, namely not allowing bias, conflict of interest, or undue influence from other parties, which can override professional or business considerations.
- c. Professional competence and due care, namely maintaining professional knowledge and expertise at the level required to ensure that clients or employers will receive competent professional services based on current developments in practice, regulations, and techniques, and acting diligently and in accordance with applicable professional techniques and standards.
- d. Confidentiality, namely respecting the confidentiality of information obtained from professional and business relationships by not disclosing such information to third parties without clear and adequate authority, unless there is a legal or professional right or obligation to disclose it, and not using such information for the personal benefit of the Professional Accountant or third parties.
- e. Professional Behavior, namely complying with applicable laws and regulations and avoiding any behavior that reduces trust in the Professional Accountant profession.

Ethics are the basis for a person to behave. The scope of ethics is very broad and beneficial for both individuals and groups, society, and even companies. Tanjung, et al. (2019) stated that business processes in the pandemic era have changed, one of which is the existence of social restrictions that require businesses to work from home. In addition, changes have also occurred in the organizational structure of the business by considering and reviewing an effective organizational structure during the Covid-19 pandemic.

Many companies are starting to consider remote work systems, most of which are startups that implement information technology in their work systems. Huhtanen (1997) explains that Work From Home (WFH) or remote work is someone who works outside the office using virtual digital as a means of communication. Esthi & Purwanto (2020) put forward several success factors in implementing WFH, namely that leaders must convey expectations clearly, by sharing openly and frequently conveying the real impact of the crisis on business, normalizing what is expected, and encouraging managers to convey expectations clearly. Leaders can also give employees the trust to be productive even though the company cannot see. Leaders support technological empowerment, namely by activating interaction support between employees, for example via WhatsApp, Google Meet, Zoom, and so on, and ensuring that employees are aware of the cyber security policies provided.

The results of the study by Farhana & Harahap (2020) stated that commitment to integrity and ethical values in start-up companies is important to demonstrate by having a commitment to integrity and good ethical values. The form of integrity and ethical values is the handling of complaints by the customer service department or in answering questions from consumers regarding product inventory. Problems or complaints about products are responded to immediately and customer service tries to resolve complaints properly, in accordance with existing procedures and the authority they have. Commitment to integrity and ethics is reflected in the company's philosophy that upholds honesty and cooperation. The study explains the importance of employee ethics towards customers even though employees do not meet customers directly.

Nugraheni & Wardani's (2020) research on the implications of information technology for the auditor profession in dealing with remote audits based on survey results shows that the auditor profession needs to prepare auditors to utilize information technology in conducting audits. Increasingly complex transactions require auditors to utilize information technology by using audit software to assist in conducting audits. In using the audit software, auditors need to apply ethics and integrity so that the work can be completed properly.

As explained in the introduction, several cases occurred in startup companies that use the WFH system in their work, so it is important for companies to implement ethical guidelines in the company, both to employees, leaders, customers, and even the software used. An important lesson from the cases of edu startup companies that we know such as Ruangguru and Campuspedia is the ethics of leaders to employees and vice versa employees to leaders that must be strengthened so that the workload obtained is in accordance with the incentives given and all members can work comfortably. Another edu startup company, Dikademy, holds virtual meetings every month to evaluate the performance of its employees, communicate what will be done for the next work project, provide incentives according to the agreement and according to employee performance according to researchers is something that can be emulated by other startup companies before determining job descriptions because the most important thing when WFH is effective communication.

PT. Tiket Keren Nusantara is a subsidiary of PT. Solusi Media Ravel Teknologi where the company is engaged in the b2b startup sector that connects speakers with event providers and provides tickets in the form of applications to all webinar (web seminar) or online seminar participants. Before providing job descriptions, this company will hold a meeting via zoom first and provide an employee agreement contract so that employees can understand what they must do and what they must not violate, such as sanctions if they quit before the contract ends, the impact will not only affect them but also their educational background, namely the company will not accept employees with the same study background. What other companies need to implement by looking at this company is that in each field of work, they have different mentors as assistance for the job descriptions provided. So new employees don't need to worry if they don't understand the job description. Adjustments to job descriptions are also carried out at this company, so if for one or two months there is an employee who feels less suited to the field of work they are doing, the mentor can suggest and transfer the new employee to a field that is more suitable for him. The provision of incentives with a fixed amount and agreed upon at the beginning is also in accordance with the conditions of the job. In addition, every month the company provides rewards in the form of cash, door prizes, etc. for the best employees of the month which will make other employees motivated to get the best predicate so that this will trigger good performance from all employees.

From the discussion above, we can see that startup companies, even though they are just starting out, need to implement rules, ethics, integrity, appropriate sanctions, appropriate incentives, and mutual agreements at the beginning before the contract is signed so that there is no violation of the employment contract. Companies also need to see how other companies implement their rules and what is needed to improve employee performance even remotely.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Ethics play an important role in the formation of a company, especially those discussed in this study, startup companies that are just starting to pioneer and develop. The ethics in question are not only for employees but also for all aspects of the organization in the company to customers. This study focuses on the application of ethics in startup companies and solutions for other startup companies for cases that occur so that in the future ethics, integrity, and mutual agreements become the main things that companies need to pay attention to. If startup companies truly implement ethical guidelines in all aspects of the company, the company can grow faster because the performance of its members is getting better.

This research is interesting to do because the pandemic has changed several company systems and implemented work from home so that in the future, research on how internal control, governance, in startup companies also needs to be studied and researched. This research contributes to adding to the literature related to ethics in startup companies and work from home systems, in addition, this research can be a consideration for startup companies to start really implementing ethics in their startup companies.

Suggestions

This research is not free from limitations experienced during the research. The limitations of this research lie in what ethical theories are used by startup companies in running their companies. Therefore, further research can conduct research related to ethical theories specifically and their application in startup companies and other companies.

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