

## Aspects of the influence of commercial law on corporate ethical practices in Indonesia

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**Abstract :** *Analyzing the implications of business law on business ethics practices in Indonesia using library research methods. Data was collected from various literature sources relevant to the research topic. The results show that business law has an important role in shaping business ethics in Indonesia. Business law regulates the rights and obligations that arise from agreements and agreements in business practices. Factors underlying business law such as developments in national development, business ethics, internal and external factors and legal awareness influence the implementation of business law in ethical and responsible business practices. Solutions that can be provided to improve the implementation of business law and ethical business practices in Indonesia are by strengthening regulations, effective law enforcement, education, government collaboration with business, accountability, and the formation of an independent supervisory body. In improving the implementation of business law, it is hoped that it can create a fair, transparent and integrity business environment and make a positive contribution to economic development and social welfare in Indonesia.*

**Keywords:** , business practices, business law, business ethics

### 1. INTRODUCTION

In the era of globalization and increasingly fierce business competition, business ethics and business law is becoming an increasingly relevant and important issue in the business world. Business is a very important economic activity in human life. Business can creating added value, improving the economy, creating jobs, and meet consumer needs and desires (Santoso, 2021). According to several previous studies, business practices carried out by companies must include aspects of good and correct business ethics. According to (Habibah *et al*, 2024) business ethics are very important in influencing the image and reputation of a business or company in providing trust to consumers. Business ethics and business law are two interrelated aspects and have a significant impact on the business world (Panggabean, 2019). Ethical and responsible business practices are becoming increasingly important in today's business context. Business ethics involve considering morality in business decision making, while business law involves the legal framework that governs various aspects of business activities. The implementation of good business law and ethical business practices is important in achieving sustainable business goals and supporting healthy economic development in Indonesia.

In Indonesia, although there are laws and regulations governing business law and business ethics, there are still challenges in effective implementation and monitoring (Agustina, 2022). Several factors that influence business practices in Indonesia include government policies, complex regulations, organizational culture, consumer demands, and tight business competition.

In Indonesia, there are various regulations and legal rules that govern business activities, such as UU No. 40 of 2007 concerning Limited Liability Companies, UU No. 8 of 1999 concerning Consumer Protection, and UU No. 32 of 2009 concerning Environmental Protection and Management. However, unethical and illegal business practices still occur in Indonesia (Agustina, 2022)

## **2. RESEARCH METHODS**

The research method used in this study is the library research method. Based on the research conducted (Adlini *et al*, 2022) this method involves collecting data and information from various literature sources such as books, journals, articles, and other related documents that are relevant to the research topic. Which aims to explain the implications of business law on business ethics practices in Indonesia. The implications of business law can have good or bad impacts on business ethics practices in Indonesia. Therefore, this research is important to understand the relationship between business law and business ethics in Indonesia and its implications for ethical and responsible business practices.

In this study, the data and information obtained will be analyzed comprehensively to identify factors that influence the relationship between business law and business ethics in Indonesia. Thus, this method will provide a deep understanding of the implications of business law on business ethics practices in Indonesia. The results of this study are expected to contribute to increasing awareness and understanding of the importance of ethical and responsible business practices in Indonesia.

## **3. RESULTS AND DISCUSSION**

### **The Role of Business Law in Business Practice**

In the business world, business law plays an important role in shaping ethical and responsible business practices. The role of business law in business practices is very significant, because through business law, the rights and obligations of the parties in business transactions can be regulated, their interests protected, and a fair and reliable legal basis can be provided. The importance of Business Law in Business Practices is to provide a clear legal framework, protect the interests of all parties, maintain business integrity and credibility, resolve business violations and disputes, and encourage business innovation and growth.

In this context, changes in economic development in Indonesia are expected to run better, thus supporting the development of the Indonesian business world as a whole (Indriani, 2019). In addition, internal and external factors also influence the implementation of business law in

ethical and responsible business practices in Indonesia. Internal factors include company policies, human resources, and organizational culture, while external factors involve government regulations, consumer demands, and business competition. Legal awareness also plays an important role in the implementation of business law in ethical and responsible business practices in Indonesia. Legal awareness helps business actors understand the rules that apply in running their business and avoid violations of the law that can have a negative impact (Rahmania, 2020)

In conclusion, the development of national development, business ethics, internal and external factors, and legal awareness, all play a role in influencing the implementation of business law in ethical and responsible business practices in Indonesia.

### **Implications of Business Law on Business Ethics Practices**

Business law, as a legal framework that regulates business activities, has a significant role in shaping ethical, responsible business practices that are in accordance with moral standards accepted in society (Pratiwi, A. A., & Kurniawan, 2022). These implications include positive or negative impacts arising from the application or violation of business law on ethical business practices in Indonesia. The Business Law Regulations in Indonesia are the Law on Business Competition, the Law on Consumer Protection, the Law on Investment, and the Law on Employment. Corporate Social Responsibility such as the company's obligation to support social development, environmental sustainability, and community welfare.

According to (Dr. Qodariah *et al*, 2020) business ethics is broader than the provisions regulated by law, and is even a higher standard than the minimum standards of legal provisions, because in business activities we often find gray areas that are not regulated by legal provisions. Good CSR implementation can influence business ethics practices, improve the company's reputation, and build good relationships with stakeholders. Intellectual Property Protection can be in the form of copyrights, trademarks, and patents, which contribute to innovative and ethical business practices. Intellectual property protection encourages companies to protect their creative works, prevent copyright infringement, and encourage responsible innovation.

Business Dispute Resolution must be with an effective and fair business law system plays an important role in resolving business disputes in an ethical and professional manner. Efficient and transparent dispute resolution can prevent unethical business practices and ensure fairness for all parties involved. Better business law development and effective implementation are essential to encourage sustainable business growth and ensure fairness in business practices in Indonesia.

### **Factors Influencing Business Practices in Indonesia**

Based on research conducted, these factors can have a significant impact on how businesses are run and operate in different environments. The following are some factors that influence business practices in Indonesia, namely government regulations and policies, economic conditions, culture and local values influencing business law (Cakti *et al*, 2022), tight business competition also affects business practices in Indonesia (Na, Y. K., & Kang, 2019), technological advances and innovation play an important role in business practices (Dini, 2023) and a strong legal environment and clear business laws are important factors in business practices.

By considering these factors and implementing the right solutions, it is hoped that business practices in Indonesia can develop sustainably, create a fair, transparent and ethical business environment, and make a positive contribution to economic development and community welfare. Business Ethics Practices play an important role in the fields of protection from unethical business violations, improving reputation and trust. improving business relationships, and compliance with regulations and laws.

In this study, a systematic approach will be developed to discuss the implications of business law on business ethics practices in Indonesia. Implications of Business Law on Business Ethics Practices with legal protection for business ethics practices, legal sanctions for violations of business ethics and supervision and law enforcement.

In order to improve the implementation of business law and ethical and responsible business practices in Indonesia, several solutions and recommendations that can be provided include: strengthening regulations, effective law enforcement, education and awareness, collaboration between government and the business world, transparency and accountability, establishment of an independent supervisory body.

#### **4. CONCLUSION**

It can be concluded that the implementation of business law and business ethics practices in Indonesia has significant implications for the business environment and corporate sustainability. Factors such as national development development, business ethics, internal and external factors, and legal awareness influence business practices in Indonesia. Strong legal regulations, effective law enforcement, education, training, and awareness of business ethics are important factors in creating a responsible and ethical business environment. Based on these conclusions, some suggestions that can be given to improve the implementation of business law and ethical and responsible business practices in Indonesia are as follows:

1. Effective law enforcement, namely the judicial system must be efficient, transparent, and can guarantee justice for all parties. Collaboration between law enforcement officers, judicial institutions, and related agencies is also important in overcoming violations of business law.
2. Education and awareness of business ethics: Education and training on business ethics must be improved both at the formal education level and through training programs and professional development.

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