

The Role of Business Ethics in Shaping Responsible Entrepreneurship: A Systematic Literature Review

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Abstract

This article aims to examine the role of business ethics in shaping responsible entrepreneurship through a systematic literature review. In the context of globalization and technological advancements, ethical challenges in the business world are increasingly complex. Therefore, the teaching of business ethics in entrepreneurship education is considered essential to equip aspiring entrepreneurs with knowledge and attitudes that support sustainable and responsible business practices. Through a literature analysis that includes various studies related to business ethics in entrepreneurship education categorized into 5 article categories, this article further finds that the integration of business ethics principles can increase the social and environmental awareness of entrepreneurs. In addition, the role of education in shaping responsible entrepreneurship is crucial to creating entrepreneurs who not only focus on profits but also pay attention to social and ecological impacts. These findings provide insights for the development of entrepreneurship curricula that are more based on ethics and sustainability.

Keywords: Business Ethics, Responsible Entrepreneurship, Entrepreneurship Education, Systematic Literature Review

INTRODUCTION

Entrepreneurship has a very significant role in the global and local economy. As a driving force for innovation and job creation, entrepreneurship contributes to more inclusive and sustainable economic growth. However, in running a business, entrepreneurs must consider the social and environmental impact of the decisions they make. This is becoming increasingly important as awareness of global sustainability issues, such as climate change and social inequality (O'Connor & Crowley-Henry, 2019; Sholihin et al., 2020). Therefore, responsible entrepreneurship is important, as it requires entrepreneurs to evaluate and integrate social, environmental, and economic impacts into their business models.

Entrepreneurship education, especially those involving aspects of business ethics, plays a key role in shaping the character of responsible entrepreneurs. In recent years, research has shown that there is a strong association between ethics-based entrepreneurship education and more responsible entrepreneurial behavior (Al Halbusi et al., 2022; Santosa et al., 2020; Tomlin et al., 2021). Business ethics not only governs how entrepreneurs should act in the face of moral dilemmas, but

it also helps them understand the consequences of their actions towards society and the environment. For example, entrepreneurs educated in business ethics tend to pay more attention to workers' rights, product sustainability, and social justice, which in turn can improve the reputation and sustainability of their businesses.

The concept of responsible entrepreneurship is often connected to the principles of sustainability and broader ethics in the business world. For example, research conducted by (Daraba et al., 2021; Hägg & Kurczewska, 2021; Shi et al., 2020) show that entrepreneurship education that emphasizes social responsibility and sustainability can prepare entrepreneurs to make decisions that are not only financially beneficial but also beneficial to society and the environment. This can be seen in the Responsible Entrepreneurship by approach (Arsul et al., 2021; Shepherd et al., 2021; Škare et al., 2022), which encourages entrepreneurs to consider the long-term impact of their business decisions from the start.

In addition, there is evidence to suggest that young entrepreneurs are often faced with complex ethical dilemmas, such as in the case of the failure of major startups such as Theranos, WeWork, and FTX, which reveals how wrong decisions can harm not only companies but also broader stakeholders (O'Connor & Crowley-Henry, 2019; Tomlin et al., 2021). In this context, entrepreneurship education that integrates business ethics plays a role in helping aspiring entrepreneurs understand that long-term success is not only about financial gain, but also about building an ethical and sustainable business. As such, it is important for entrepreneurship education to not only focus on technical and innovative skills, but also on the formation of a deep ethical attitude. This will help the next generation of entrepreneurs to create positive change in the global economy, without sacrificing their moral principles and social responsibility.

LITERATURE REVIEW

A. Business Ethics Theory

In the context of business ethics, several in-depth theories explain how entrepreneurs and business leaders can make ethical decisions. The theory of Deontology, developed by Immanuel Kant, focuses on the moral obligations that must be adhered to in business. This approach emphasizes that the right action must be carried out based on moral principles, regardless of the outcome. In the world of entrepreneurship, this means that entrepreneurs must act in accordance with established moral principles, such as honesty and fairness, even if the results are not always directly beneficial (Beauchamp & Bowie, 2020). In contrast, the theory of utilitarianism, introduced by Jeremy Bentham and John Stuart Mill, prioritizes decision-making that results in the greatest benefit for the greatest number of stakeholders. In entrepreneurship, this means making decisions that consider the general well-being and the positive impact on society at large, not

just short-term business profits. This theory encourages entrepreneurs to assess each decision based on its consequences for various parties involved, such as consumers, employees, and the community (Singer, 2021).

The Theory of Virtue Ethics, which focuses on the character and virtue of the individual, emphasizes that a good entrepreneur must have good character, such as honesty, courage, and wisdom. This ethics assumes that the right business actions come from entrepreneurs who have virtue in them, and this encourages them to make ethical decisions based on their moral values. Therefore, responsible entrepreneurship includes not only what is done, but also how entrepreneurs develop their personal character to run a business with integrity (Solomon, 2020). Ethical Leadership Theory focuses on the role of leaders in shaping an ethical organizational culture. Business leaders are expected to be moral examples for their organizations and can influence the behavior of the entire team or company. In the context of entrepreneurship, ethical leaders will lead with values that respect human rights, sustainability, and social responsibility, and motivate employees to follow the same standards in daily decision-making (Northouse, 2021).

B. Responsible Entrepreneurship

Responsible entrepreneurship involves a deep awareness of the social, environmental, and economic impacts of business decisions. Responsible entrepreneurship not only puts personal gain first, but also considers long-term sustainability and community well-being. They create social value through continuous innovation and focus on creating positive impacts, such as paying attention to employee welfare, preserving the environment, and contributing to social development (Haugh & Talwar, 2021). The role of entrepreneurship in creating social value and sustainability is very important, especially in a world that increasingly prioritizes sustainability principles. Through ethical and responsible business, entrepreneurs can play a role in addressing social and environmental issues, such as climate change, poverty, and inequality. Responsible entrepreneurs integrate social goals in their business vision, creating products and services that provide direct benefits to society while maintaining the sustainability of their business.

C. The Role of Entrepreneurship Education

Entrepreneurship education has a very vital role in developing ethical entrepreneurial skills and attitudes. Through an education that integrates business ethics, aspiring entrepreneurs are equipped with the ability to make decisions that are not only profitable but also responsible. Ethics-based entrepreneurship education helps students develop an understanding of the ethical challenges they

face in the business world and how they can navigate ethical dilemmas in a way that pays attention to social and environmental impacts (Harms & He, 2020).

Entrepreneurship education also prepares entrepreneurs to face ethical dilemmas in the business world, such as decisions related to sustainable production, fair management of the workforce, and fairness in the distribution of profits. Thus, entrepreneurship education that integrates ethics focuses not only on the development of technical skills but also on the formation of an attitude of integrity and responsibility. One example of this application is the integration of ethics in the entrepreneurship curriculum, where students are not only taught how to run a business but also how to make decisions that are in line with moral and sustainability principles (Zhao & Seibert, 2020). The integration of ethics in the entrepreneurship curriculum aims to create entrepreneurs who are not only technically competent but also have the ability to make responsible decisions, making entrepreneurship more than just a profit-making activity.

METHOD

This study adopts the Systematic Literature Review (SLR) approach to explore the role of business ethics in shaping responsible entrepreneurship. SLR is used to identify, evaluate, and synthesize relevant research results to answer research questions comprehensively. The article selection process is carried out through academic databases such as Google Scholar, Scopus, and JSTOR, with a focus on articles that discuss business ethics in the context of entrepreneurship and responsible entrepreneurship education. The inclusion criteria include articles published between 2020 and 2024, in English and Indonesian, and relevant to the topic being studied. Articles that are unrelated or have a weak methodology will be excluded from the analysis. Of the 150 articles found, 52 articles met the inclusion criteria for further analysis. The data collection process is carried out by searching for articles using related keywords, which are then evaluated to find key findings. Thematic analysis is used to identify key themes in the literature, such as the influence of business ethics on entrepreneurial behavior and the integration of ethics in the entrepreneurship curriculum. The results of the research will be synthesized to provide a comprehensive overview of the role of business ethics in shaping responsible entrepreneurship. For more information, it looks like in the following image:

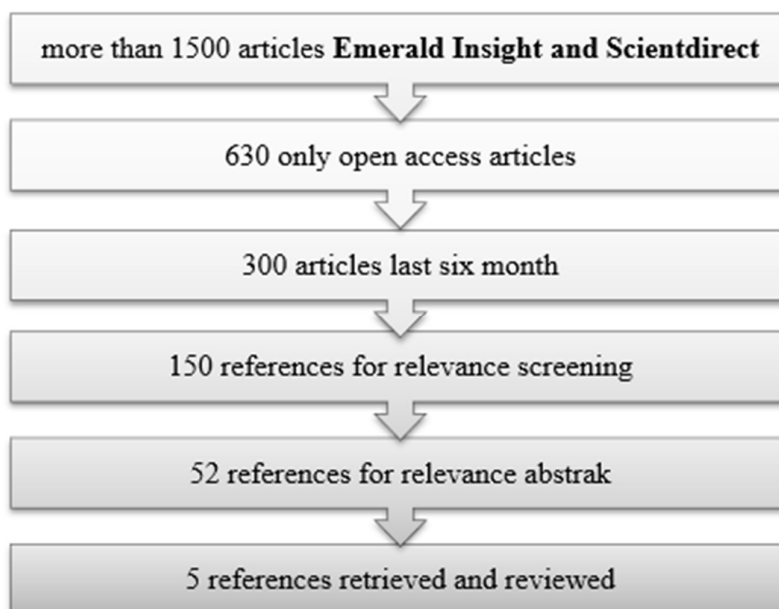


Figure 1. Article Filtering Flow Chart

RESULT AND DISCUSSION

The results obtained from the literature review regarding the in-depth understanding of the Integration of Philosophical Values in Human Relations Management are presented in Table 2 below.

Table 2. Literature Research Review

No	Journal Name	Journal Link	Indexsi	Sum
1	Journal of Equal Opportunities International	Journal of Equal Opportunities International	Emerald Insight	3
2	Journal of Management Business	Journal of Management Business	Elsevier	2
3	Journal of Equality, Diversity and Inclusion: An International Journal	Journal of Equality, Diversity and Inclusion: An International Journal	Emerald Insight	2
4	Journal of International Encyclopedia of the Business	Journal of International Encyclopedia of Business	Scientdirect	2
5	Journal of Business and Investment Review	Journal of Business and Investment Review	Elsevier	1

The table shown summarizes the five journals used in the literature review, complete with information related to indexation and the number of references. The first journal, the Journal of Equal Opportunities International, is indexed in Emerald Insight with three references. The Journal of Management Business is indexed on Elsevier and has two references, while the Journal of Equality, Diversity, and Inclusion: An International Journal is also indexed on Emerald Insight with two references. The Journal of International Encyclopedia of the Business, indexed in ScienceDirect, has two references, and finally, the Journal of Business and Investment Review indexed in Elsevier with one reference.

The role of business ethics in entrepreneurship is very important because ethics provides a strong moral basis for entrepreneurs to make decisions that affect various related parties, such as employees, consumers, shareholders, and society at large. Entrepreneurs who uphold ethical principles such as fairness, transparency, and social responsibility will not only ensure the continuity of their business, but also create a positive impact on the social and economic environment (Falloon, 2020; Guffey & Loewy, 2022; Shepherd et al., 2021). Business ethics play a role in shaping a business culture that prioritizes long-term interests, not just momentary profits, thus ensuring business continuity in a broader context. Consistent ethical practices can also improve a company's image in the eyes of the public, build better relationships with customers and business partners, and create a healthy and productive work environment. Therefore, business ethics is not only a moral foundation, but also the key to achieving sustainable and responsible entrepreneurship.

On the other hand, the influence of business ethics in entrepreneurship education is significant, especially in forming entrepreneurs who not only pursue financial profits, but also pay attention to social and environmental welfare. Entrepreneurship education that integrates business ethics can provide insights on how to manage businesses with fair and sustainable principles, as well as teach entrepreneurs to face ethical challenges that often arise in business practices (Bauman & Lucy, 2021; Lv et al., 2021; Wong & Chan, 2022). This knowledge of ethics equips entrepreneurs to make more thoughtful and responsible decisions, which focus not only on the profit aspect, but also on the broader social and environmental impact. A number of studies show that entrepreneurs who understand the importance of ethics are more likely to conduct business responsibly, which leads to an increase in corporate image and trust from consumers. In addition, a good understanding of ethics can reduce the risk of conflict with stakeholders and increase customer loyalty.

The application of ethics in the entrepreneurship curriculum is very relevant to prepare prospective entrepreneurs to face the increasingly complex business world. The ethics-based curriculum is able to teach the importance of fair and responsible decision-making, and make students aware of the social and

environmental responsibilities that must be considered in every step of business. The integration of ethical materials in entrepreneurship education can be done through various approaches, such as case studies on ethical dilemmas that often arise in the business world, sustainable business simulations that teach students to make decisions that consider long-term impacts, and discussions that discuss the social responsibility of entrepreneurs to society and the environment (Hägg & Kurczewska, 2021; Ismullah, 2018; Suhendi et al., 2023). By studying these things, students can understand how to manage their business more wisely and prepare them to become entrepreneurs who are not only financially successful, but also make a positive contribution to society and the world around them. Thus, an entrepreneurship curriculum that includes business ethics can create entrepreneurs who are not only superior in the business field, but also have high social awareness and are responsible for the sustainability of their business.

CONCLUSION

In conclusion, business ethics plays a crucial role in entrepreneurship by providing a moral basis for fair and sustainable decision-making. The integration of ethics in entrepreneurship education equips entrepreneurs to consider social and environmental well-being, not just financial gain. The application of ethics in the entrepreneurship curriculum helps aspiring entrepreneurs face ethical challenges and prepares them to become responsible, long-term impact-oriented, and make a positive contribution to society.

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