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THE TENDENCIES OF ETHICAL SCHOOLS (DEONTOLOGY AND TELEOLOGY) IN THE INDONESIAN ECONOMY

Nahda Nur Affisa[1] , Eva Lusiana[2],
Rizka Ramadhani[3], Muammar Rafli[4], Mariani Rosaria Gultom[5]
Accounting (S1) Study Program, Faculty of Economics and Business,
Bina Sarana Informatika University, Jakarta, Indonesia
Email: 63240123@bsi.ac.id[1], 63240615@bsi.ac.id[2], 63240909@bsi.ac.id[3],
63240517@bsi.ac.id[4], 63241142@bsi.ac.id[5]

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Abstrak

In the study of business ethics, there are two main schools of thought that complement each other, namely deontology and teleology. Deontology emphasizes the importance of moral obligations that must be adhered to by companies, such as compliance with laws and regulations, fulfillment of contracts, honesty, as well as principles of accountability and responsibility, without considering the possible consequences of these actions. This approach asserts that business actions are considered ethical if they are carried out in accordance with prevailing norms and moral duties. In contrast, teleology views ethics from the perspective of outcomes or consequences of an action. In the business context, this approach assesses decisions as ethical if they are able to generate the greatest benefit. For profit-oriented companies, such benefits are manifested in the form of profit maximization, while for public service institutions, benefits are measured through improvements in social welfare and the interests of the broader community. Thus, teleology emphasizes the effectiveness of outcomes as the basis for ethical considerations. The balanced application of business ethics between deontology and teleology is believed to have a positive impact on the sustainability of the Indonesian economy. Companies that uphold moral obligations while also considering the social impact of every business decision tend to have a good reputation and high public trust. Therefore, this study aims to analyze the balance in the application of deontological and teleological ethics in company operations.

INTRODUCTION

Ethics plays an important role in the sustainability of the Indonesian economy. In the context of an increasingly complex and multifaceted Indonesian economy, the application of business ethics schools is essential. When business ethics are not grounded in moral principles, there is no foundation for trust, honesty, and confidence in economic transactions. The principle of deontology encourages business actors to act morally in accordance with universal moral obligations. Meanwhile, the principle of teleology encourages business actors to prioritize ultimate goals such as mutual respect, social harmony, and economic progress.

This relationship is strongly influenced by Indonesian culture and religion, which view business ethics as an integration of moral and formal obligations with spiritual principles focused on social welfare. Dhika (2024) states that business ethics are the main foundation of business success, as companies that violate ethics will not be able to survive in the long term. Deontology and teleology, as two fundamental theories underlying moral ethics in business, are highly important in addressing contemporary business challenges. However, each theory has weaknesses; therefore, their application must be conducted carefully so as not to violate moral principles or justify actions solely based on outcomes. Hence, research is needed to examine the benefits and final outcomes of these two ethical schools.

According to research conducted by Muhammad et al. (2024), deontology plays an important role in sustaining corporate economic performance through the development of good relationships with suppliers. The study states that this theory provides a reliable framework for determining ethical actions that support business continuity. However, other studies indicate that teleological principles are more commonly applied in certain companies, such as state-owned enterprises (BUMN), because they must balance business profits with public service obligations.

Additionally, research by Fransisca and Kholipah (2024) found that companies implementing good business ethics are able to build trust among colleagues, society, and customers, which becomes an important asset for business sustainability. Since many business practices remain ambiguous and require moral principles as guidance, the study emphasizes that business ethics meet higher moral standards than mere legal compliance. Therefore, this research aims to analyze how deontological and teleological ethical principles are applied in the Indonesian business world and their impact on national economic growth. By understanding the relationship between these two schools, it is expected that companies operating in Indonesia can apply both without neglecting either one.

LITERATURE REVIEW

1. BUSINESS ETHICS

Etymologically, ethics originates from the Greek word ethos, meaning behavior or habit, and refers to a branch of philosophy that studies morality and the principles governing human behavior in society. Business ethics, therefore, is a branch of knowledge containing principles that regulate corporate operations so that companies can continue to grow (Aviatri et al., 2021). In the modern era, ethics has increasingly gained prominence and become a widely discussed topic, resulting in the emergence of many ethical theories. Among these theories, two prominent schools are deontological

ethics and teleological ethics, which are frequently discussed as the main ethical frameworks.

2. THE DEONTOLOGICAL SCHOOL OF ETHICS

Deontological ethics originates from the Greek word deon, meaning duty or obligation, and thus literally refers to an ethical theory that emphasizes the fulfillment of moral duties based on fixed rules, regardless of consequences. The term was first used by Jeremy Bentham in the early 1800s as the "science of what ought to be done." Deontological ethics emphasizes the importance of universal moral principles and the obligation to act in accordance with those principles without considering outcomes (Hatuwe, 2025). Immanuel Kant is a key figure in deontological ethics, arguing that moral actions must be based on principles and duties that can be universalized into moral laws. Human dignity must be respected as an end, not merely as a means to achieve goals, and moral actions must stem from good will (Hasibuan, 2025). In this school of thought, the most important aspect is the execution of duties according to norms, rather than the results obtained.

The development of deontological ethics stems from Kant's assertion that morality is not determined by the consequences of an action but by the moral obligation inherent in the action itself. This idea originates from the concept of good will, the only thing considered inherently good without qualification. From this concept, Kant developed the categorical imperative, a universal moral command that does not depend on conditions or specific goals. An action is considered moral if it is performed out of duty, not because of its benefits or consequences.

Scholarly literature explains that the main principles of deontology are formulated into three pillars: actions have moral value when performed out of duty, moral value does not depend on outcomes, and duty constitutes a moral necessity. This concept has also expanded into the field of education, where deontology serves as a foundation for character and moral discipline development, as Kant emphasized that education should focus on moral formation based on duty and universal moral rules (Al-Huda et al., 2024).

The focus of deontology lies in ensuring that actions conform to moral obligations and universalizable maxims, emphasizing good will as the only unconditional good. According to the principle of universality, moral actions must be carried out "as if the maxim of one's action were to become a universal law of nature," treating humans as ends rather than means and forming a "kingdom of ends" where all rational beings are free. This includes perfect duties (such as not lying) and imperfect duties (such as developing one's talents) (Dilbar, 2024).

3. THE TELEOLOGICAL SCHOOL OF ETHICS

Teleological ethics derives from the Greek word telos, meaning goal or end, and thus refers to an ethical theory that evaluates the morality of actions based on their consequences or final outcomes rather than intrinsic rules. Teleological ethics assesses decisions based on their results, considering actions ethical if they generate benefits for many parties (Surajiyo, 2023).

Philosophically, teleology emphasizes that good and bad are determined by the achievement of optimal goals, such as happiness or maximum utility. In contrast to deontology, actions are deemed right if they produce a positive balance between benefits and harms. In economic contexts, this approach is often seen in policies aimed at increasing profitability and efficiency, even if certain deontological rules are

compromised, as long as collective benefits outweigh losses. For example, business mergers are often undertaken to achieve operational efficiency and increased profitability, which are expected to benefit stakeholders such as shareholders, employees, and society.

The development of teleological ethics began in Ancient Greek philosophy with Aristotle (384–322 BCE), who introduced the concept of eudaimonia (human flourishing) and causa finalis (final cause). In the 18th–19th centuries, Jeremy Bentham and John Stuart Mill developed it into modern utilitarianism with the principle of "the greatest happiness for the greatest number." This school has become increasingly dominant in contemporary ethics, influencing economics and business through consequentialist evaluations (Tarumingkeng, 2024).

Teleology focuses on consequences, considering actions moral if they produce greater benefits than harms. It is commonly divided into ethical egoism, emphasizing self-interest, and utilitarianism, prioritizing collective welfare. However, this approach is often criticized for potentially justifying morally problematic actions as long as the outcomes are deemed beneficial (Melati, 2022).

RESEARCH METHOD

This study employs a descriptive qualitative method aimed at understanding and deeply describing the concepts and philosophical ideas under investigation (Safrudin et al., 2023). This approach was chosen because the research focuses on analyzing philosophical thought and moral values that cannot be quantified but must be interpreted through meaning and concepts. The population of this study consists of various literature sources discussing ethical theories, particularly deontology and teleology, which were analyzed to derive conclusions relevant to contemporary conditions.

RESULT AND DISCUSSION

The results show that the application of ethics in Indonesian business, particularly through deontological and teleological approaches, significantly influences national economic dynamics. These theories not only consider moral aspects in decision-making but also help balance moral obligations with desired outcomes.

1. APPLICATION OF DEONTOLOGICAL ETHICS IN INDONESIAN BUSINESS

Deontological ethics contributes significantly to building trust in the Indonesian business environment. Companies adhering to this approach prioritize honesty, fairness, and respect for individual rights, avoiding manipulative or exploitative practices for short-term gains. Although this may pose temporary financial risks, it safeguards long-term corporate integrity. Examples include PT Trisakti Cipta Nusantara in Surabaya, which enforces strict compliance with work regulations and reporting systems, reflecting Kant's categorical imperative (Putri & Putri, 2024). Similarly, PT ASA enhances corporate responsibility through deontological corporate ethics, maintaining integrity despite short-term risks (Nathania et al., 2015).

2. APPLICATION OF TELEOLOGICAL ETHICS IN INDONESIAN BUSINESS

Teleological ethics evaluates actions based on outcomes and benefits to stakeholders. In Indonesia, this approach is evident in policies aimed at efficiency and profitability, such as mergers and operational optimization. However, challenges arise

when collective benefits come at the expense of certain individuals, necessitating justice considerations. An example is PT Maju Jaya, an expedition company in Pare, East Java, which applies utilitarian ethics by prioritizing customer satisfaction and fair pricing, achieving long-term trust and sustainability (Juliana et al., 2014).

3. THE ROLE OF ETHICS IN THE INDONESIAN ECONOMY

Deontological ethics emphasizes moral obligations such as honesty, fairness, and respect for rights as intrinsic goals, while teleological ethics assesses actions based on their societal and economic benefits. Together, these approaches form the foundation for a sustainable and ethical Indonesian economy, fostering trust, integrity, and social responsibility.

Based on the research findings presented, it can be understood that the implementation of business ethics in Indonesia cannot be separated from two main approaches, namely deontology and teleology. These two approaches demonstrate complementary roles in shaping business practices that are not only oriented toward moral compliance but also toward achieving broader economic and social benefits. The findings confirm that national economic dynamics are strongly influenced by how companies balance moral obligations with the outcomes they seek to achieve.

The application of deontological ethics in the Indonesian business environment has been proven to make a significant contribution to building trust and stability in relationships between companies and their stakeholders. Deontological principles require companies to act based on universal moral obligations, such as honesty, fairness, compliance with laws and regulations, and respect for individual rights. In practice, companies that consistently apply these principles tend to avoid manipulative and exploitative behavior, even when such actions could potentially yield short-term profits. The research results indicate that although this approach may sometimes pose temporary financial risks, its long-term benefits are far greater, as it helps maintain corporate integrity and reputation.

Examples of deontological ethics implementation can be seen in companies that require strict compliance with work regulations, reporting systems, and internal control mechanisms. These practices demonstrate that moral obligation is positioned as the primary foundation in decision-making. Such an approach reflects the view that ethics is not merely a tool to achieve certain goals but is an end in itself. In the context of the Indonesian economy, where ethical violations such as delayed payments, contract non-compliance, and abuse of authority still frequently occur, the deontological approach functions as an effective preventive mechanism. With clear and consistent moral standards, companies can create a more orderly and trustworthy business environment.

On the other hand, the research findings also indicate that the teleological approach plays an important role in promoting efficiency and value creation in business activities. Teleological ethics evaluates actions based on the outcomes or benefits they generate, making it highly relevant to corporate objectives of survival and growth in a competitive market. In the Indonesian business context, this approach is often applied in strategic decision-making processes such as operational efficiency, pricing strategies, and the development of customer-oriented services. The results show that companies that apply teleology appropriately are able to improve economic performance while simultaneously delivering benefits to a broader range of stakeholders.

Nevertheless, the findings also reveal challenges in the application of teleological

ethics. Decisions that are considered ethical because they produce the greatest overall benefit do not always ensure fairness for all parties. In certain cases, the interests of individuals or specific groups may be marginalized in pursuit of broader economic goals. Therefore, this study emphasizes that the teleological approach must be constrained by moral principles to avoid sacrificing individual rights and values of justice. Without such limitations, teleology has the potential to legitimize actions that are morally problematic, even if they are economically advantageous.

This discussion demonstrates that the primary strength of business ethics implementation in Indonesia lies in the ability of companies to integrate both approaches in a balanced manner. Deontological ethics functions as a moral compass that keeps companies within ethical boundaries, while teleological ethics provides flexibility in evaluating the impacts and benefits of business decisions. This balance allows companies not only to comply with norms and laws but also to remain adaptive to market demands and societal needs.

Furthermore, the research results show that balanced business ethics implementation contributes to strengthening corporate social responsibility. When companies view ethics as a moral obligation, social responsibility programs are no longer merely symbolic but become an integral part of business strategy. At the same time, the teleological approach helps companies assess the effectiveness of these programs based on tangible impacts experienced by society. In this way, business ethics serves as a bridge between corporate economic interests and social needs.

In the context of Indonesia's continuously developing economy, the application of business ethics also plays a role in creating a conducive business climate. The findings indicate that companies that uphold ethical principles tend to have more harmonious relationships with regulators, business partners, and consumers. The trust built through ethical practices becomes an important form of social capital that supports business sustainability. Conversely, companies that neglect business ethics face risks such as conflict, legal sanctions, and reputational damage, which can ultimately hinder economic performance. This discussion further confirms that the application of business ethics affects not only the micro level of individual firms but also the macro level of the national economy. As more companies apply deontological and teleological ethics in a balanced manner, a more transparent, fair, and sustainable economic system is created. This aligns with Indonesia's economic development goals, which aim not only for growth but also for equity and social welfare.

Overall, this discussion narrative confirms that the research findings support the view that business ethics is a fundamental element in corporate operations in Indonesia. Deontology ensures that companies consistently fulfill moral obligations, while teleology helps ensure that business decisions generate optimal benefits for society and stakeholders. The integration of these two approaches enables companies to achieve economic success without sacrificing moral values. Thus, the balanced application of business ethics is not only relevant to corporate sustainability but also constitutes a crucial pillar in building a sustainable and just Indonesian economy.

CONCLUSION

Overall, deontological and teleological ethics play vital roles in shaping ethical decision-making in Indonesian business practices. Although they differ in focus, their combined application complements each other and results in more responsible business

conduct. Integrating both approaches strengthens relationships between companies and society while supporting stable and sustainable economic growth. Companies that balance moral obligations with positive consequences tend to achieve long-term success, whereas those prioritizing profit without ethics risk losing public trust and reputation.

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