

STRATEGIES FOR BUILDING INTEGRITY IN IMPROVING COMPANY PRODUCTIVITY AND PERFORMANCE

Cuk Jaka Purwanggono^{a*)}

^{a)} *University Wahid Hasyim, Semarang, Indonesia*

^{*)} *Corresponding Author: cukjp999@gmail.com*

Article history: received 02 September 2023; revised 16 September 2023; accepted 02 October 2023

DOI: <https://doi.org/10.33751/jhss.v7i3.9443>

Abstract. Integrity in the business world is a crucial aspect in maintaining the sustainability and success of a company amidst increasing competition and the ever-changing dynamics of the market. This research aims to delve deeper into the strategies that companies can implement to build integrity as a foundation for enhancing their productivity and performance. The study is conducted through a literature review method. The study results indicate that a company's success based on integrity has a positive impact on the trust of stakeholders. Companies recognized for high integrity tend to gain the trust of customers, business partners, employees, and investors. Conversely, ethical violations or dishonesty can damage reputation and cause serious impacts on financial performance and brand image. In facing the complexity of modern business, strategies for building integrity involve ethical leadership as an example, the establishment of an integrity-based organizational culture, supervision and monitoring systems, ethics education and training, technology implementation, transparency, accountability, as well as continuous assessment and improvement. Integrity, productivity, and company performance are closely intertwined, forming a solid foundation for organizational sustainability and success. By understanding strategies for building integrity, it is hoped that companies can optimize their integrity, create a competitive advantage, and ultimately enhance overall productivity and performance. This research provides a comprehensive perspective for business stakeholders, researchers, and practitioners in the context of building integrity in an ever-changing business era.

Keywords: integrity; productivity; performance

I. INTRODUCTION

Integrity has become a key element in maintaining the sustainability and success of a company [1]. In the midst of increasingly fierce competition and ever-changing market dynamics, building integrity is not only an ethical responsibility, but also a strategic imperative. Integrity in the corporate context includes a commitment to moral standards, honesty and openness in all aspects of operations. In this complex business environment, it is important for companies to understand the strategies they can implement to build and maintain integrity as a foundation for increasing their productivity and performance [2]. The importance of integrity as a main element in the business world lies in its very significant impact on stakeholder trust [3]. Companies that are recognized as having high integrity tend to gain the trust of customers, business partners, employees and investors. Conversely, incidents of ethical violations or dishonesty can damage a company's reputation and cause serious impacts on financial performance and brand image. As technology develops and information is open, the public is increasingly sensitive to company business practices. Therefore, integrity building strategies are becoming increasingly important to mitigate risks, meet ethical demands, and create a sustainable business environment [4]. This research will dig deeper into the strategies that companies can implement to build integrity

and how this directly affects organizational productivity and performance.

Increasing productivity is a strategic goal for companies in order to optimize the use of limited resources. Productivity is not only about increasing the amount of output produced by a company, but also about efficiency in using labor, equipment and capital. High levels of productivity can provide a competitive advantage by allowing companies to produce more at lower costs, increasing profitability, and creating a stable foundation for growth [5]. Company performance involves achieving the goals and objectives set by management [6]. Apart from financial aspects, company performance also includes aspects such as customer satisfaction, innovation, brand reputation, and social or environmental impact. Evaluation of company performance not only refers to net profit, but also to the company's ability to adapt to market changes, respond to customer needs, and maintain a positive image in the eyes of the public. Integrity, productivity and company performance are closely interrelated, forming a solid foundation for organizational sustainability and success. Integrity, as a central pillar of corporate culture, creates an ethical foundation that influences decision making, employee motivation, and relationships with stakeholders. The presence of integrity in company policies and practices not only provides trust, but also empowers the workforce, increases engagement, and

ultimately increases productivity. Productivity, in this context, includes not only operational efficiency but also the result of a culture of integrity that supports collaboration and innovation. Furthermore, company performance, which includes achieving financial and non-financial goals, is reflected in the company's consistency in implementing the values of integrity, building stakeholder trust, and creating an environment that promotes overall organizational prosperity. Thus, the integration of integrity in corporate culture not only strengthens productivity but also stimulates sustainable performance ([7];[8]). By thoroughly understanding strategies for building integrity, it is hoped that companies can optimize their integrity, create competitive advantages through a culture based on integrity, and ultimately, increase productivity and overall performance. This research will provide valuable insights for business stakeholders, researchers and practitioners in understanding the complexity and importance of building integrity in the ever-changing modern business era.

II. RESEARCH METHODS

The literature study research method in developing an in-depth understanding of "Strategies for Building Integrity in Increasing Company Productivity and Performance" is carried out through stages of careful literature analysis. First, identify relevant literature sources, such as journal articles, books and research reports related to integrity, productivity and company performance. Next, a critical evaluation is carried out on each source to understand the conceptual framework, methodology, and findings relevant to the research focus. The investigation was carried out on journal articles that discussed case studies of companies that had successfully implemented integrity strategies to increase productivity and performance. Comparison and synthesis of data from various literature sources was then carried out to identify trends, challenges and potential solutions that emerged in the context of the relationship between integrity, productivity and company performance. This literature study approach provides a comprehensive knowledge base for discussing effective strategies in building integrity as a catalyst for increasing productivity and company performance holistically.

III. RESULTS AND DISCUSSION

Strategy for Building Integrity

Integrity refers to the moral and ethical qualities that reflect wholeness, sincerity, and consistency in the actions and values of a person or entity. In a human context, integrity describes the conformity between words and actions, as well as moral consistency in dealing with various situations. Meanwhile, in an organizational or business context, integrity includes honesty, transparency and consistency in carrying out operations as well as maintaining commitment to the values adhered to. Integrity is an important foundation in building trust, both at the personal and corporate levels, and

creates the basis for healthy relationships with stakeholders. By prioritizing integrity, individuals or organizations can build a strong reputation, achieve long-term sustainability, and face challenges with solid morality [9]. Building integrity in an organization is not a simple task, but involves the formulation and implementation of careful and holistic strategies. Integrity is not only an ethical factor, but also the main foundation that influences a company's sustainability, reputation and performance [10], [11].

One of the main strategies in building integrity is through ethical leadership. Leadership that practices moral values and integrity not only creates a healthy organizational culture, but also sets an example for team members. Leaders who are confident in ethical decision making create an environment where employees feel motivated to adopt ethical behavior. Therefore, training and developing ethical leadership is a crucial first step in designing an integrity strategy [12]. Furthermore, to build strong integrity, companies need to form and instill an organizational culture based on ethical values. This includes establishing and enforcing clear moral values as a guide for all members of the organization. Companies must actively promote behavioral norms that reflect integrity, and educate employees about the importance of ethics in daily activities [13]. An effective monitoring system is one of the key points in the strategy to build integrity. By having a strong monitoring mechanism, companies can prevent and detect ethical violations early. Internal audits, compliance checks, and secure reporting channels for employees to report unethical behavior are an integral part of this strategy. The use of technology, such as surveillance software and data analysis, can also increase the efficiency of these surveillance systems [14]. The importance of transparency and accountability in building integrity cannot be ignored. Companies that commit to being open about their business practices and taking responsibility for their actions send a positive signal to stakeholders. Sustainability reports that include information about a company's social, environmental and ethical impacts provide a comprehensive picture of a company's commitment to integrity and social responsibility [15]. The application of technology also plays an important role in the strategy to build integrity. Innovations such as artificial intelligence and predictive analytics can help in detecting potential ethical risks and provide insights for further improvement. Technology-based e-learning and training platforms can also be used to efficiently and effectively distribute ethics training materials to employees throughout the organization [16]. Continuous evaluation and improvement are important strategies in building integrity. Companies need to regularly evaluate the effectiveness of their integrity strategies and adapt to changing business environments and ethical norms. Feedback mechanisms from employees, customers, and other stakeholders can provide valuable insight into the successes and weaknesses of the strategy. This approach ensures that integrity is continuously maintained and strengthened along with the evolution of the organization and external dynamics [17].

In integrating all these strategies, companies aim to create an environment that supports integrity, builds trust, and improves their sustainability and long-term performance. This strategy is not a one-time effort, but rather an ongoing commitment to maintaining ethical and moral values as an integral part of the company's identity. Sustained integrity creates a solid foundation for responding to business challenges, gaining stakeholder support, and facing change with moral fortitude.

Company Productivity

Company productivity is a critical parameter that reflects the extent to which an organization is able to manage its resources to produce goods and services efficiently and effectively. The definition of productivity includes quantitative and qualitative aspects in relation to the output produced by a company in proportion to the input used. Productivity is not just about how much is produced, but also about how a company can improve quality, efficiency and innovation in its operations [18]. One of the main indicators of company productivity is output. Production volume is the main focus point, measuring the extent to which a company can produce goods or services in a period of time. The increase in output produced by the company reflects its ability to meet market demand and increase its market share. Meanwhile, revenue and sales are also important indicators, because good productivity must create value that can be converted into profitable income [19]. On the other hand, productivity indicators also include inputs used by the company. Human resources are a key component, with employee productivity being a relevant parameter. Labor efficiency and output per hour worked provide an overview of how well human resources are managed to achieve company goals. Apart from that, managing physical and financial resources is also an integral part of measuring productivity. Efficiency in the use of physical assets, such as plant and equipment, as well as the allocation of financial capital, reflects the resilience and effectiveness of company management [19].

Operational efficiency is another important aspect in measuring productivity. This includes the extent to which the company is able to manage the production process effectively, avoid waste, and increase output. The use of technology and automation is also an indicator, because companies that adopt technology to increase operational efficiency will tend to be more productive. Technology can help optimize supply chains, reduce production costs, and increase production capabilities [18]. Innovation also plays a key role in company productivity. A company's ability to develop new products or services creates added value and can increase its competitiveness in the market. Innovation can also be applied to increase operational efficiency, for example through developing more efficient production processes or implementing new business practices [20]. Timeliness in product or service delivery is an indicator of productivity that cannot be ignored. Companies that can meet deadlines consistently will build a good reputation in the eyes of customers. This involves effective supply chain management, intelligent inventory management, and efficient distribution

processes [20]. In order to achieve optimal productivity, companies need to continue implementing performance evaluations, identifying areas of improvement, and designing strategies to increase operational efficiency and effectiveness. Thus, productivity measurement becomes not only an analytical tool, but also an instrument for continuous improvement. By understanding and utilizing productivity indicators wisely, companies can face business challenges with resilience and create competitive advantages in an ever-changing business environment.

Company performance

Company performance is a reflection of the extent to which an organization achieves its stated goals and objectives. The definition of company performance covers various aspects, including achieving financial targets, operational efficiency, customer satisfaction, and innovation. In a competitive business environment, a deep understanding of company performance becomes crucial for long-term survival and success [21]. In general, company performance is understood as the result of an organization's activities or investments over a certain period of time. This refers to the achievement of a given task measured against predetermined standards of accuracy, completeness, cost, and speed. Company performance is a characteristic of the extent to which the company is able to achieve its goals in a certain period and provide positive results compared to the results of other periods. Therefore, an efficient company is better at meeting long-term business goals (achieving better business results) than similar companies. Performance reflects the extent to which an achievement is being or has been achieved [22]. Measuring a company's overall performance is often tied to its financial performance. This is due to the focus on overall results and value objectives, another reason is the fact that traditional financial analysis methods, based on profitability measurements, are in practice often the only tools used to analyze company performance. Financial performance is a subjective measure of how well a company can utilize assets from its primary mode of business and generate revenue, but it is also used as a general measure of a company's overall financial health over a period of time. Measuring financial performance understood as measuring performance based on data available from accounting is commonplace in companies [22].

Strategy for Building Integrity to Increase Productivity and Company Performance

Integrity is not just an ethical concept placed as a surface layer in company operations; rather, it becomes the foundation upon which the long-term success and sustainability of the organization is based. In facing the complexity and dynamics of modern business, strategies for building integrity have become essential in increasing company productivity and performance. In this strategy there are a number of principles and steps that can form an organizational culture based on ethical values, honesty and sustainability [9].

Deep Understanding of Integrity

The strategy for building integrity starts from a deep understanding of what integrity actually is and how these values can be integrated into the organizational structure. Integrity involves honesty in every action, decisions based on moral principles, and consistency in following established values. This understanding is not only owned by company leaders, but is also embedded in every level and function of the organization [13].

Ethical Leadership as a Role Model

Company leaders are not only expected to formulate ethical values, but also to be direct examples in implementing them. Ethical leadership creates a culture where honesty and integrity are integral to every decision and action. Leaders who demonstrate integrity will motivate and inspire employees to adopt the same behavior [12].

Formation of an Integrity-Based Organizational Culture

Integrity is not something that can be applied in isolation; rather, it needs to form an integral part of the organization's culture. This strategy involves establishing and maintaining a culture based on integrity. This involves establishing ethical values as norms of behavior, creating policies that support integrity, and celebrating achievements that reflect those values. An organizational culture based on integrity will provide a strong foundation for sustainable productivity and performance [13].

Supervision and Monitoring System

Integrity requires strict monitoring and supervision to ensure compliance with established ethical values and norms. This strategy includes implementing an effective oversight system, including internal audits, compliance checks, and secure reporting channels for employees. This monitoring not only aims to detect ethical violations, but also to encourage compliance and implementation of integrity values in every operational aspect [14].

Ethics Education and Training

Integrity building strategies also include ongoing ethics education and training. This education provides a deeper understanding of the importance of integrity in a business context. This may include workshops, seminars and regular training designed to develop employees' ethical understanding and skills. This education not only produces understanding, but also provides practical tools and skills to apply integrity in everyday tasks [13].

Application of Technology and Innovation

The integration of technology and innovation is an important element in the strategy to build integrity. The use of technology, such as data security systems and predictive analytics, can assist in detecting potential ethical risks. Additionally, innovation in operational processes can help reduce opportunities for human error and improve overall efficiency. Technology can also be used to disseminate ethical information effectively and provide online training that can be accessed at any time [16].

Transparency and Accountability

Companies need to commit to being open about their business practices, internal policies, and social impact. Sustainability reports that include ethical information provide

a comprehensive picture of a company's integrity commitments. In addition, creating clear accountability mechanisms, where each member of the organization is responsible for their actions, helps strengthen a culture of integrity [15].

Continuous Assessment and Improvement

Integrity is not a goal that can be achieved and forgotten; rather, it requires continuous assessment and improvement. This strategy involves a continuous cycle of evaluation, feedback, and adjustment. Companies need to regularly evaluate the effectiveness of their integrity strategies, listen to input from employees and stakeholders, and make necessary changes to maintain and improve organizational integrity [17].

IV. CONCLUSION

In facing the complexity of modern business, strategies for building integrity are a crucial foundation for company sustainability and performance. Starting with a deep understanding of integrity, this strategy encourages ethical leadership by example, creates an integrity-based organizational culture, and implements an effective monitoring system. Continuous ethics education and training is provided to develop employees' ethical understanding and skills. Furthermore, the application of technology and innovation is a key element for detecting ethical risks, increasing operational efficiency, and disseminating ethical information effectively. A commitment to transparency and accountability is reflected in sustainability reports that include ethical information, while clear accountability mechanisms strengthen a culture of integrity. This strategy also involves continuous assessment and improvement, emphasizing that integrity is not an end goal, but an ongoing commitment. With a cycle of evaluation, feedback, and adjustment, companies can maintain and improve their integrity along with organizational evolution and external dynamics. In order to achieve sustainability and company performance, the strategy of building integrity forms a solid foundation for responding to business challenges, gaining stakeholder support, and facing change with moral firmness.

REFERENCES

- [1] W. K. Chong and N. Patwa, "The Value of Integrity: Empowering SMEs with Ethical Marketing Communication," *Sustainability*, vol. 15, no. 15, p. 11673, Jul. 2023, doi: 10.3390/su151511673.
- [2] A. Shahid and Shahid. M. Azhar, "Integrity & Trust: The Defining Principles of Great Workplaces," *Journal of Management Research*, vol. 5, no. 4, p. 64, Sep. 2013, doi: 10.5296/jmr.v5i4.3739.
- [3] S. V. Widyakusuma and F. Faisal, "Keterlibatan Pemangku Kepentingan Dalam Pelaporan Keberlanjutan Pada Perusahaan Pertambangan dan

- Energi di Indonesia,” *Diponegoro Journal of Accounting*, vol. 11, no. 2, pp. 1–15, 2022.
- [4] A. A. Gea, “Integritas Personal dan Kepemimpinan Etis,” *Humaniora*, vol. 5, no. 2, p. 950, 2014, doi: 10.21512/humaniora.v5i2.3197.
- [5] I. M. A. Prabawa and I. W. G. Supartha, “Meningkatkan Produktivitas Karyawan Melalui Pemberdayaan, Kerja Sama Tim dan Pelatihan di Perusahaan Jasa,” *E-Jurnal Manajemen Universitas Udayana*, vol. 7, no. 1, p. 497, 2017, doi: 10.24843/ejmunud.2018.v7.i01.p19.
- [6] Y. Gu and X. Luo, “Research Methods on Business Performance Management,” *Proceedings of the 2022 7th International Conference on Social Sciences and Economic Development (ICSSSED 2022)*, vol. 652, no. Icssed, pp. 261–264, 2022, doi: 10.2991/aebmr.k.220405.044.
- [7] J. N. N. Ugoani, “Business Ethics and its Effect on Organizational Sustainability,” *Global Journal of Social Sciences Studies*, vol. 5, no. 2, pp. 119–131, 2019, doi: 10.20448/807.5.2.119.131.
- [8] Rodrigues and Franco, “The Corporate Sustainability Strategy in Organisations: A Systematic Review and Future Directions,” *Sustainability*, vol. 11, no. 22, p. 6214, Nov. 2019, doi: 10.3390/su11226214.
- [9] Rosmi and Syamsir, “The Importance of Integrity Values as Corruption Prevention Measures,” *TEST Engineering & Management*, vol. 83, no. 12043, pp. 12043–12054, 2020.
- [10] D. C. Kayes, D. Stirling, and T. M. Nielsen, “Building organizational integrity,” *Business Horizons*, vol. 50, no. 1, pp. 61–70, Jan. 2007, doi: 10.1016/j.bushor.2006.06.001.
- [11] A. Gea, “Personal Integrity and Leadership,” *Humaniora*, vol. 7, no. 3, p. 359, 2016, doi: 10.21512/humaniora.v7i3.3590.
- [12] D. R. Rianasta and A. Yuniawan, “Organizational Citizenship Behavior sebagai Variabel Mediasi (Studi pada karyawan PLN UPT PERSERO Duri Kosambi),” vol. 12, pp. 1–15, 2023.
- [13] H. Sedarmayanti and N. Nurliawati, “Strategi Penguatan Etika Dan Integritas Birokrasi Dalam Rangka Pencegahan Korupsi Guna Meningkatkan Kualitas Pelayanan,” *Jurnal Ilmu Administrasi*, vol. 9, no. 3, pp. 337–361, 2012.
- [14] A. N. Hikmah and L. S. Wondabio, “Evaluasi Peranan Audit Internal pada Penerapan Strategi Anti Fraud,” *Owner*, vol. 7, no. 4, pp. 3285–3294, 2023, doi: 10.33395/owner.v7i4.1657.
- [15] I. Kelvianto and R. H. Mustamu, “287187-Implementasi-Prinsip-Prinsip-Good-Corpor-E6724F2F,” *Implementasi Prinsip-Prinsip Good Corporate Governance Untuk Keberlanjutan Usaha Pada Perusahaan Yang Bergerak Di Bidang Manufaktur Pengolahan Kayu*, vol. 6, no. 1–2, pp. 1–2, 2018.
- [16] H. Indrayani, “Penerapan Teknologi Informasi Dalam Peningkatan Efektivitas, Efisiensi Dan Produktivitas Perusahaan,” *Jurnal El-Riyasah*, vol. 3, no. 1, pp. 48–56, 2017.
- [17] Sumartik, R. Ambarwati, R. Febriani, and W. E. Prasetyo, *Manajemen Talenta dan Implementasinya di Industri*. 2023. doi: 10.21070/2023/978-623-464-074-8.
- [18] N. I. Douw, M. S. Maarif, and L. M. Baga, “Peningkatan Produktivitas Kerja Karyawan Development Di Tambang Bawah Tanah Dmlz (Deep Mill Level Zone) Pt Freeport Indonesia,” *Jurnal Aplikasi Bisnis dan Manajemen*, vol. 7, no. 2, pp. 316–329, 2021, doi: 10.17358/jabm.7.2.316.
- [19] H. Sarjono, “164838-ID-model-pengukuran-produktivitas-berdask (1),” vol. 2, no. 2, pp. 130–136, 2016.
- [20] M. Basri and R. Arsal, “Pengaruh Efektivitas Dan Efisiensi Kerja Pegawai Terhadap Kinerja Organisasi Dinas Sosial Kota Kendari,” *Journal Publicuho*, vol. 5, no. 4, pp. 1127–1138, 2022, doi: 10.35817/publicuho.v5i4.52.
- [21] O. S. Christian, “Competitive Advantage and Organisational Performance in Selected Firms,” *International Research Journal of Management, IT & Social Sciences*, vol. 7, no. 5, pp. 1–12, 2020.
- [22] Z. Pecinova, H. Lostakova, and P. Havranek, “The company performance from the point of view of the customers in the context of the overall company performance,” *Congress Proceedings - CLC 2012: Carpathian Logistics Congress*, no. February, pp. 590–596, 2012.