

Training On Business Ethics And Basic Bookkeeping For MSME Actors In Kampung Cincau, Gudang Subdistrict

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ABSTRACT

The development of micro, small, and medium enterprises (MSMEs) requires a solid foundation in both ethical business conduct and basic financial recording skills. In Kampung Cincau, Kelurahan Gudang, many MSME actors still lack sufficient understanding of business ethics principles and do not possess basic bookkeeping skills. This community service activity aims to provide training on business ethics and basic bookkeeping to enhance MSME performance and credibility. The methods used include interactive seminars, ethical case simulations, and bookkeeping workshops based on daily business transactions. The results showed that 78% of participants were able to understand business ethics values and independently prepare basic financial reports. This activity is a strategic step in strengthening MSME capacity through ethical and financial literacy.

Keywords: *MSMEs, Business Ethics, Bookkeeping, Financial Literacy*

INTRODUCTION

Situation Analysis

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in Indonesia's economic structure. However, many MSME actors continue to face challenges in building sustainable and accountable business practices. One of the most pressing issues is the lack of understanding of business ethics and basic financial recording. In Kampung Cincau, Gudang Subdistrict, MSME actors generally operate based on personal experience and instinct, without structured management systems, particularly in terms of transaction recording and financial reporting.

Moreover, business practices are often conducted without regard to ethical values such as honesty, fairness, and responsibility. This condition can damage customer trust, hinder potential business partnerships, and expose entrepreneurs to reputational or legal risks.

The absence of financial literacy and ethical awareness limits the ability of MSMEs to expand and access wider opportunities such as bank financing or corporate partnerships.

This reality underlines the urgency of providing targeted education and practical training in business ethics and bookkeeping. Kampung Cincau was selected as the training site due to the high concentration of micro-entrepreneurs with limited access to entrepreneurship education. Based on preliminary observations, most MSMEs in the area lack even the most basic financial documentation and have never received structured ethical business training.

Through this activity, it is expected that MSME actors will not only understand the importance of ethical conduct but also develop the capacity to manage their business finances in a transparent and organized manner. Equipping MSMEs with both ethical and financial literacy will provide a stronger foundation for professionalism, resilience, and long-term business sustainability.

Activity Objectives

This community service activity is designed to address the knowledge and skill gaps among MSME actors in Kampung Cincau by focusing on two essential aspects: business ethics and basic bookkeeping. The following objectives were established to guide the implementation of this training program:

First, the activity aims to enhance participants' understanding of fundamental business ethics. The training introduces key ethical principles such as honesty, integrity, responsibility, and transparency, which are crucial in building lasting customer relationships and sustainable business networks.

Second, the activity seeks to provide practical training in basic bookkeeping. MSME actors are taught how to record daily transactions, calculate profit and loss, and prepare simple cash flow statements. The goal is to ensure that participants can independently monitor their business performance through clear and accurate financial records.

Third, the activity emphasizes the importance of professionalism and accountability in MSME management. By introducing ethical standards and financial practices, MSME actors are better positioned to gain access to institutional support, loans, and potential partnerships with larger entities.

Fourth, the activity also encourages community-based learning. By bringing together MSME actors from various sectors—culinary, retail, services, and handicrafts—the program promotes collaboration and mutual support. A WhatsApp group was created as a follow-up platform to foster continued mentoring and knowledge sharing.

Ultimately, this training activity aspires to be more than a one-time intervention. It aims to initiate a shift in mindset among MSME actors—from informal, intuition-based operations to structured, ethical, and data-driven business practices. These improvements are expected to strengthen the overall economic resilience of the community and support the achievement of Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production).

BENEFITS OF THE ACTIVITY

This activity provides significant benefits for the participants, the local community, and the academic service team.

For MSME actors, the training helps improve their understanding of ethical business practices, encouraging honesty, responsibility, and professionalism. Participants also gain essential bookkeeping skills, enabling them to record transactions accurately, track business performance, and make informed decisions. These abilities support better financial management and open access to credit or partnership opportunities.

For the local community, the program promotes the growth of a transparent and accountable business environment. A group of MSME actors who adopt ethical and structured practices will contribute to the development of a more trustworthy local economy. Their improved practices can inspire other entrepreneurs and strengthen social and economic resilience.

For the service team, the activity offers valuable field experience in applying academic knowledge to community development. Lecturers and students can engage directly with local economic challenges while strengthening university-community collaboration.

Overall, the training builds a foundation for long-term capacity building in Kampung Cincau. It empowers MSME actors to grow their businesses with integrity and financial clarity, supporting inclusive and sustainable development in line with the Sustainable Development Goals (SDGs), particularly SDG 8 and SDG 12.

LITERATURE REVIEW

Business ethics and financial literacy are widely recognized as essential components for sustainable business development, particularly among micro, small, and medium enterprises (MSMEs). According to Velasquez (2014), business ethics refers to the application of moral principles in business activities, ensuring that actions taken by entrepreneurs align with values such as honesty, fairness, responsibility, and respect. Ethical behavior not only supports legal compliance but also builds long-term trust among customers, suppliers, and the broader community.

In the context of MSMEs, ethical practices are often overlooked due to limited exposure to formal education or business training. Munawar et al. (2023) argue that many MSMEs operate informally, focusing solely on short-term profits without considering long-term impacts or the importance of ethical decision-making. This lack of awareness can lead to reputational damage, loss of customer loyalty, and difficulty in scaling operations.

Meanwhile, basic bookkeeping is a fundamental skill that allows business owners to monitor their financial health. Bookkeeping involves recording daily financial transactions, including income, expenses, and profit/loss summaries. Mekaniwati et al. (2021) found that entrepreneurship training focusing on practical financial skills significantly improves the ability of MSME actors to manage and plan their businesses effectively. Accurate records also support compliance with government regulations and improve access to credit or investment.

Both business ethics and bookkeeping are aligned with the Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production). When MSME actors understand and implement ethical values and financial discipline, they contribute to a more inclusive, resilient, and accountable economic system.

Therefore, integrating both aspects into MSME training programs is critical in enhancing their competitiveness and long-term sustainability.

IMPLEMENTATION OF THE ACTIVITY

Implementation Time

The activity was conducted on June 8–9, 2024, at the RW 05 Hall, Kampung Cincau, Kelurahan Gudang, Central Bogor District.

Problem-Solving Framework

The main problems identified include:

1. Lack of awareness among MSME actors about the importance of business ethics.
2. Absence of systematic financial transaction records.

The proposed solution was an interactive training combining business ethics theory with hands-on practice in both manual and digital bookkeeping.

Target Audience

The participants consisted of 25 MSME actors engaged in various sectors such as culinary, crafts, services, and convenience stores. Most were micro-entrepreneurs with no formal background in economics or accounting.

Stakeholder Engagement

This activity was carried out in collaboration between the community service team from IBI Kesatuan and the Gudang subdistrict head, RW 05 chairman of Kampung

Cincau, and local youth organizations. The team also involved alumni from the Management Study Program who are now MSME practitioners as practice facilitators.

METHODS

The methods used in this activity consisted of:

1. Socialization and Counseling: Introducing the basic concepts of business ethics and simple bookkeeping.
2. Interactive Training: Simulating ethical cases in business transactions and practicing income and expense recording using a cash book.
3. Individual Mentoring: Participants were asked to prepare their own business financial reports based on transactions they experienced over the past week.
4. Evaluation and Feedback: Conducted through pre-tests and post-tests, as well as group discussions to measure the improvement in understanding.

RESULTS AND DISCUSSION

Results

The training activity, held over two days, involved 25 MSME actors from Kampung Cincau, covering diverse sectors such as culinary, tailoring, services, crafts, and small neighborhood stores. Prior to the training, a pre-test was administered to assess participants' baseline knowledge of business ethics and bookkeeping. The average score was 48 out of 100, indicating a low level of prior understanding. Following the interactive sessions, a post-test showed a marked improvement, with an average score of 82 out of 100, demonstrating substantial knowledge gain.

Participants were trained to develop simple financial statements, including daily income-expense logs and profit-loss summaries. They practiced using a manual cashbook tailored to small business needs. Out of 25 participants, 20 individuals managed to create complete daily transaction records based on their actual business activities. They reported improved clarity in identifying income, expenses, and net results.

Additionally, participants showed increased awareness of ethical business practices, particularly in relation to customer service, supplier negotiations, and transparency in pricing. Group discussions revealed that most participants had previously not considered ethical frameworks in decision-making, but by the end of the training, they recognized ethics as a long-term investment in trust and reputation.

To ensure sustainability, a WhatsApp group titled "UMKM Cincau Akuntabel" was formed as a digital mentoring forum. This platform enables continuous knowledge exchange and consultation between participants and facilitators.

Evaluation of the Activity Results

The evaluation of this activity was conducted using both quantitative and qualitative methods. Quantitatively, the pre-test and post-test scores provided measurable evidence of learning outcomes. The increase in average scores from 48 to 82 clearly indicates enhanced understanding in both business ethics and basic bookkeeping. This numerical improvement reflects not only increased knowledge but also higher confidence among participants in applying ethical principles and financial recording in their businesses.

Qualitatively, observational data **and** participant feedback were collected during and after the training. Facilitators observed active engagement during simulation exercises and group discussions. Participants shared real-life dilemmas and attempted to apply ethical frameworks during role-play scenarios. Most notably, the majority of participants expressed a strong desire to adopt new practices and requested more advanced follow-up training.

A short feedback form revealed high satisfaction levels, with over 90% of participants rating the training as useful or very useful. Several participants noted that they felt more respected and valued as entrepreneurs after receiving structured guidance.

Overall, the evaluation confirmed that the training successfully addressed the learning objectives and created a positive impact on both the skills and mindset of MSME actors in Kampung Cincau.

DISCUSSION

The results confirm that contextual, hands-on training is an effective method for empowering MSME actors with both ethical and financial literacy. Many participants had never received formal training before, making the simple, practical approach highly impactful. Using real business examples and relatable ethical dilemmas allowed participants to internalize concepts more effectively.

One of the key success factors was the involvement of facilitators with MSME backgrounds, which helped bridge the gap between theory and practice. Participants responded positively to peer-led demonstrations and felt more comfortable asking questions in a community-centered environment.

However, several challenges were observed. A few participants struggled with calculations due to low numeracy skills, and some had limited access to digital tools such as smartphones or bookkeeping apps. These findings suggest that follow-up programs should consider basic digital literacy training and explore introducing free bookkeeping apps designed for MSMEs.

In conclusion, the training provided a foundational step toward formalizing and professionalizing MSME practices in Kampung Cincau. It also emphasized that ethical business and financial literacy are not only compatible but necessary for long-term sustainability.

CLOSING

Conclusion

This community training program on *Business Ethics and Basic Bookkeeping for MSME Actors in Kampung Cincau* successfully achieved its objectives. The results demonstrate that MSME participants significantly improved their understanding of core ethical values such as honesty, fairness, and responsibility, and learned how these values apply to daily business operations. In addition, the training enabled participants to develop basic financial records—including income, expenses, and profit-loss statements—that are essential for evaluating business performance and supporting informed decision-making.

The approach used in this activity, which combined theoretical sessions, interactive discussions, simulations, and hands-on practice, proved effective in increasing both knowledge and motivation. Participants appreciated the practical relevance of the materials and were eager to apply the new skills in their businesses. The creation of a WhatsApp group for ongoing mentoring also strengthened post-training engagement and knowledge sustainability.

Overall, the program provided MSME actors with not only tools but also a mindset shift toward more structured, accountable, and ethical business practices. It laid a strong foundation for building a more resilient and professional MSME ecosystem in Kampung Cincau, aligned with long-term development goals.

Suggestions

To ensure the long-term impact and continuity of this training program, several suggestions are proposed. First, follow-up training sessions should be organized, focusing on more advanced topics such as digital bookkeeping, product pricing, marketing strategies, and financial planning. These areas are crucial to help MSMEs scale up and compete in broader markets.

Second, integration of digital tools should be gradually introduced. Many MSME actors have limited access or familiarity with technology, so training in digital literacy and the use of mobile bookkeeping apps can help improve efficiency and transparency in managing their finances.

Third, collaboration with local government and educational institutions is essential for program sustainability. Village administrations, local cooperatives, or community banks could support MSMEs with regular mentoring, incentives, or access to micro-loans, provided that businesses demonstrate proper bookkeeping and ethical standards.

Finally, it is important to replicate this training model in other underserved communities. The success in Kampung Cincau shows that a grassroots, practical approach can deliver measurable benefits. Scaling this model to other districts may

contribute significantly to the empowerment and formalization of Indonesia's vast informal sector.

Continued support and structured follow-up are key to transforming short-term knowledge gains into long-term business transformation.

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