



CONCEPT OF BUSINESS ETHICS IN ISLAM - APPROACH TO THE ENTREPRENEUR

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Article History:

Received: 4 December 2014
Revised received: 2 January 2015
Accepted: 27 January 2015
Online available: 2 March 2015

Keywords:

Business ethics,
in the Islamic concept,
approach to entrepreneurs

Abstract

Identified entrepreneurship as a catalyst and the largest contributor to the economic development of a country. Islam always encourages its followers to involve in the business from day one. A business activity as a worship will encourage a Muslim to become a successful entrepreneur in this world and the hereafter. Even so, there are Muslim entrepreneurs who conduct business regardless of the meaning lawful or unlawful in Islamic side. They do business in a way wrong (unethical) to provided good returns. The concept of business ethics in Islam can make a conscious entrepreneur. Entrepreneurs who fear will always be steadfast in order to realize entrepreneurial comprehensively and according to Islamic law. Therefore, every entrepreneur should continuously practiced Islam based on the Qur'an and Sunnah and always resourceful, fair, honest, trustworthy and sincere in every business establishment conducted to high ethical values among entrepreneurs.

1. INTRODUCTION

Business and trade among Muslims is not a new thing. If highlighted trading history of Islam, its history starting in the early scene where the man two sons of Adam, Habil and Qabil namely has pioneered the field of entrepreneurship. Habil pioneered the former, while Qabil pioneered agriculture farming (Nor, 2012).

The Prophet himself was directly involved in the business before being appointed apostles. Since the age of 12 years recorded history that often follow his entourage of his uncle Abu Talib out of business in Sham (Nizho & Mohd, 2008). He became one of the traders who market goods owned by Khadijah binti Khuwailid (R.A) to the countries such as Syria and Yemen.

In addition, businesses should be viewed as an approach that is able to influence and develop the civilization of a nation. For example is the construction of the Islamic civilization in Spain and Malay Sultanate of Melaka. During the reign of Caliph Umar bin Abdul Aziz, not even the

people who are below poverty despite the reign about two and a half years. Ibn Khaldun was to review the importance of effort in business compared to other jobs in the writing of his famous, 'Al-Muqaddimah' in depth (Buerah & Hussin, 2011). This is consistent with the traditions of the Prophet to the effect:

"The eyes are the most excellent search of work and effort into their own hands full business welfare" (Narrated by At-Tabarani).

In the early days of Islam, it appears that many of the companions of the Prophet who had ventured into the field of business. Among the Sayyidina Uthman bin Affan ra and Hadrat 'Abd al - Rahman bin 'Auf ra they both are successful businessmen and gain much (Mohd, 2005). Among the main factors causing them to gain a lot of success and profit in business is because they work hard and do business according to business ethics in Islam.

According to Ab (2010), entrepreneurs are part of the community that is accepted as important in the development of a community. They play an important role in solving the problems faced by the society by finding various alternatives to address these problems. Thus, it is no wonder this area is identified as a potential catalyst for the development of the national economy. Moreover, they are highly recommended Muslims to make these areas as an effort to improve their lives and indirectly provide employment to others in accordance with the traditions of the Prophet mentioned earlier. Among the Prophet's hadith other means.

"The impetus is on you as a business activity in which there is nine-tenths of their livelihood." (Narrated by At-Tirmizi).

In the era of globalization, various offenses in business ethics committed by Muslim traders or entrepreneurs such as bribery, breach of trust, to practice usury and more. In line with the challenges of globalization, businesses are required to provide a strong commitment to ethics as it ensures credibility, image and reputation in the eyes of the community, customers and other stakeholders (Nor, 2012).

Therefore, the values and ethics of Islam played an important role in entrepreneurial activities and thus creating entrepreneurs who fear Him.

2. SOURCES OF ISLAMIC BUSINESS ETHICS

There are two sources to be used as a guide to business ethics in Islam, namely the Quran and the Sunnah. Abu Hurairah ra from the Prophet Muhammad said:

Meaning: "I leave behind me two things, you will not be lost forever as long as you stick with that the position of both the Book of Allah and the Sunnah of His Prophet". (Narrated by Malik - quoted from Mohamad, 2011)

In addition, this issue was discussed by the scholars in a branch of the science of Fiqh al-Muamalat. An entrepreneur who understands business ethics in Islam can ensure that business is conducted blessed by Allah SWT.

3. APPROACH TO THE ENTREPRENEUR

The business concept in Islam than the objective world is only intended for profit only and is not only one of the branches to earn a living, but it was one of the branches of faith that a trader can draw closer to God Almighty. There are three common factors that drive an entrepreneur to practice unethical business practices in an organization of individual factors, situations and opportunities (Adnan & Ibrahim, 2002). In the era of globalization, foreign companies will flood the market with products offer superior, branded, quality and advanced production methods. This

phenomenon will invite local dumping on the market and entrepreneurs will be affected because they could not keep up with the cost of production to foreign companies. This will cause the consumer to bear the prices of goods or services that are provided by entrepreneurs promising them high returns regardless of lawful and forbidden in Islamic law.

Therefore, entrepreneurs need to follow some rules and business ethics outlined in Islam not to fraud, abuse, and so on, which eventually led to the collapse of the Islamic economy and threaten the well-being of society. The regulations contained in the Qur'an are as follows:

3.1. Sincere intention

Intention is the basis of an act because it set a target or goal in heart infusion. Good faith and is usually accompanied by the implementation chosen by Allah SWT. This is very different from the policy of 'the end justifies the mean "a proud and not feel guilty achieve goals in the misery of others (Ma'amor, 2001). Allah says in His Book:

Meaning: "Indeed we sent down the Book (the Quran) to (bring) the truth. So worship Allah purifies the (sincere) obedience to Him ". (Surat al-Zumar 39: 2).

Therefore, a Muslim entrepreneur should ensure that the real intention is to serve a noble purpose and to gain the pleasure of Allah in every aspect of life.

3.2. Not involved with practice usury

Practice of usury is forbidden in Islam is because this practice causes oppression and inequality on society and the national economy itself. This will cause the rich will get richer and the poor will be poorer. The prohibition against the practice of usury is mentioned in the Qur'an as follows:

Meaning: "Those who eat (take) usury will not stand except as stands one whom the Evil One by swaying because of (his) touch it. That is because they say: "Verily trade is like usury". But Allah has permitted trade (merchandise) and prohibits usury. So whosoever receives an admonition that (ban) from his Lord, then it stops (the usury), then what is past (before the ban) is a right, and to judge God. And those who repeat (the act of taking the laptop), they shall be companions of the Fire, they will abide therein"(Surah al-Baqarah 2: 275).

A Muslim entrepreneur must free themselves from practicing usury either in system financing and investment. In Malaysia itself, there are sources of funding that are still practicing laptop and some that are free from riba (Nizho & Mohd, 2008). The traders should be wise in choosing the resources and leverage as possible.

3.3. Avoiding scams element

Both sides of traders and consumers should take their role to ensure that the business carried on last well and there is no element of fraud. In the Qur'an repeatedly reminds traders to be honest and strictly prohibits fraud and corruption in business. Note that repeatedly illustrates that fraud in various forms and rates are something that often happens in the business world (Nor, 2012). The word of Allah is:

Meaning: "Woe to those who cheat the people who, when they receive by measure from men, take full and otherwise when they measure or weigh for others they cut (the measurement or weight)" (Surat al-Mutaffifin 83: 1-3).

This verse explains that the fraud from all fronts is illegal in the Islamic rules and business ethics. The fraud would have been confusion in the relationship between buyer and seller can even sow discord and prolonged fights. While Islam prohibits sever the ties of kinship. Therefore, traders can avoid impartiality negative impact on the relationship between traders and their customers.

3.4. Be al-'Adl (Justice)

Ethical Traders must perform al-Adl, or Justice. This means that traders must be temperate in all things without the benefit side, equal treatment or fair to all customers, taking into consideration fair and unbiased and gives the right to the right (Nor, 2012). In other words, justice means putting things in the right place. Allah says, which means:

"Allah commands you to do justice and kindness". (Surah al-Nahl 16: 90).

Based on this verse clearly shows how Allah is emphasizing the question of justice in business. This is because justice in the business of the purchase will ensure justice to all men. In addition, entrepreneurs will profit the proper and the user will get the goods and services with payment rates should be.

3.5. Trust

A trader or entrepreneur cannot cheat, betray customers, selling price too high and delaying payments to suppliers. Traders must trust in every transaction made. The emphasis that trusts mentioned in the Quranic verse in which Allah says:

Meaning: "O you who believe! Do not betray (trust) in Allah and His Messenger, and (do) not betray your trusts while you know (them)" (Surat al-Anfal 8: 27).

Therefore, all actions and decisions made in a business that is based on the nature of trust is necessary to ensure that the business is fair to everyone whether they are a buyer or seller to get right. Fraud and oppression would be avoided if all parties are trustworthy and true. By the nature of this trust traders to gain appropriate and the buyer will get the goods or services corresponding to the price paid.

4. IMPORTANCE OF BUSINESS ETHICS IN ISLAM

The main goal of Islamic entrepreneurship towards the formation of entrepreneurs who are always conscious of the Almighty Allah (Ab, 2009). Entrepreneurs who fear will always be committed to serve in order to realize a holistic and balanced entrepreneurship.

Islam places great emphasis on regulation and business ethics in human life. Ethics as a rule good or bad, right or wrong, moral teachings about behavior and actions, especially in the economy comes out to the Muslim faith. Whatever is done will be linked to the objective world and hereafter. Neither according to Nor (2012), ethics is an important factor in helping to develop small and medium businesses. Therefore, the main requirement that must be emphasized is that the practice of good business ethics and social responsibility of the company.

In addition, to ensure that every entrepreneur who dabbled in the business can avoid all evil nature (mazmumah) and to illuminate merit (mahmudah). This is important to ensure the interest of the community in order to secure from all the elements that can trigger conflict, injustice, conflict, oppression and a sense of dissatisfaction (Nor, 2012). In addition, they are able to protect the rights of both parties, as the seller of the trader and the consumer as a customer of goods involved.

Next, an appreciation of the Qur'an and Sunnah can help entrepreneurs to the formation of real faith and the root cause of the formation of high ethical and moral. This shows that Muslims are prohibited obtain property by wrong (unethical). For example, by means of fraud, corruption, breach of trust or practicing usury. The guidelines aim to keep business discipline and fairness to the community, especially the aim to keep the faith and devotion to Allah (Nor, 2012).

Thus, values in business operations should be undertaken to establish and develop the business successfully and to maximize the potential within themselves and the business. In the Qur'an Allah is saying:

Meaning: "O you who believe, do not eat each property among yourselves in vanity, except there be trading that occurs between your love match" (Surat an-Nisa' 4: 29).

When an entrepreneur business ethics of Islam, Muslims will obtain a superior that is "Al-Falah", success in this world and in the hereafter.

5. IMPLEMENTATION OF ISLAMIC BUSINESS ETHICS

There are many ways to implement business ethics in Islam. One of them is the trader or an entrepreneur should have knowledge of the regulations and business ethics of Islam. It is demanding that they read and understand the things that are outlined in the Qur'an and Sunnah. In addition, they must believe that they will be brought before Allah on Judgment Day that arise fear to disobey Allah. Therefore, they should perform and practice of business ethics sanctioned by Islam. Without this confidence will be the birth of entrepreneurs who are trying to avoid the discharge of business according to Islamic ethics, especially when it involves cost, effort and time in addition, users should also understand business ethics in Islam and ensure that traders or entrepreneurs practice. They should be actively involved in defending the rights of the users and provide the information to government agencies and the private sector to find that there are a handful of entrepreneurs who committed fraud or breach of business ethics as outlined.

Further, the government has an important role to provide clear guidelines and complete information about business ethics in Islam, to be distributed to businesses and entrepreneurs, as well as ensure that businesses and entrepreneurs understand the guidelines and implement. The government agency or body should be formed to monitor the implementation of the guidelines fairly and impartially without favoritism and provide space for people to express their grievances and provide information if there are any irregularities.

6. CONCLUSION

Business is not only a source of a living even be one of the branches of faith that can draw closer to Allah. Making the business as a form of worship will encourage a muslim to become entrepreneurs who are faithful to God and be successful in the businesses. According to [Ab, \(2009\)](#), the success of the entrepreneurial activities of Islamic depends on the combination of perception and strong cooperation between the three parties, the clergy, umarak and also entrepreneurs themselves. All three of these people have to play their respective roles that come together with each other and as a result are able to meet the demands of a relationship with Allah (habluminanallah) and also claim keeping human relations (hablumminannas). Compliance is considered as one of devotion will be rewarded in terms of material favors or rewards from Allah SWT. This means that the concept of entrepreneurship in the Muslim world over for profit objectives only. Therefore, understanding the business as obligatory kifayah encourage Muslims especially for graduates to become entrepreneurs or traders that can provide the needs of other Muslims, and thus be able to develop the economics growth of a country.

Therefore, the members of an organization should be driven with a complete set of ethics in the context of a comprehensive Islamic framework. The existence of a parallel system, the organization of work practices and behavior of members in an organization based on Islamic law claims would facilitate the realization of objective Al-Falah in the management and administration of an organization ([Mohd, 2013](#)).

Funding: This study received no specific financial support.
Competing Interests: The authors declare that they have no conflict of interests.
Contributors/Acknowledgement: All authors participated equally in designing and estimation of current research.
Views and opinions expressed in this study are the views and opinions of the authors, Journal of Asian Business Strategy shall not be responsible or answerable for any loss, damage or liability etc. caused in relation to/arising out of the use of the content.

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