



Investigating Islamic Business Ethics Practice Toward Millennial Muslim Generation

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ABSTRACT

Islamic business ethics has the most basic purpose of a business or business, which is to benefit and take blessings from activities carried out by others who need it. This study aims to find out how the application of business ethics among the Muslim millennial generation is in accordance with business ethics in Islam. So that later, it is hoped that the results of this paper can be used as a working concept (framework) or model for other business actors. The research was conducted in the form of descriptive using literature study and research development from the results of research that had been done previously. The results show that business/business actors among the Muslim millennial generation, IAIN Metro alums, have implemented Islamic business ethics. In running a business/business and activities, business people have understood and practiced the basic principles or values of Islam based on the Qur'an and Hadith. The application of business ethics in Islam includes several aspects, namely principles, prices, marketing (advertising/promotion), and production.

I. Introduction

Business already happened at the time of the Prophet Sallallahu 'Alaihi Wasallam, and doing business, of course, requires a strategy (Davies, 2020). Business is a business or activity carried out by a group of people or individuals with the aim of obtaining maximum profit (Davis, 1973), (Mayssara A. Abo Hassanin Supervised, 2014), in line with (Niessen & Bocken, 2021) said business is a wasteful activity that has the aim of getting a result. Currently, business development in the digital era is increasingly rapid because it can be done by everyone easily.

Especially developing among the millennial generation, the millennial generation is an age range ranging from 21-40 years with birth years between the 1980s-2000s (Childs et al., 2015). This data is evidenced by the results of a survey conducted by the World Economic Forum (“World Economic Forum,” 2019) stated that 35.5% of young people own a business. The majority of businesses that the millennial generation or young people engage in are businesses such as coffee shops, wedding organizers, online shops, and others. The percentage of business among the millennial generation is shown in the graph below.

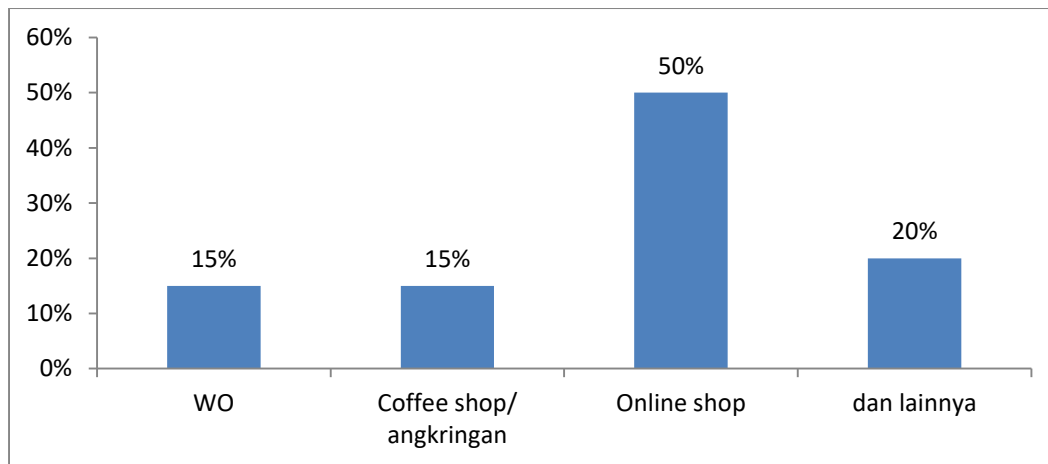


Figure 1.1: research data sources

Regarding running a business, it is important to have a value or norm for business signs or what is often referred to as ethics in business. Ethics in business is not a new study. Many studies have examined that business ethics and the success of a business have a positive impact (Cragg, 1997), (Bardakci et al., 2021), meaning business ethics has a role in the success of a business. Islam also has ethics when doing business, namely Islamic business ethics. Islamic business ethics is ethical behavior in doing business that is packaged with Sharia principles that prioritize halal and can distinguish what is haram (Amalia, 2013). In Islamic business ethics, it has been explained in the Qur'an that Surah Ar-Rahman verse 9 must prioritize justice and honesty as well as other ethical principles such as Unity, Balance, Trust, Justice, and Honesty (Safrillah, Iwan Wahyuddin, 2010)

This paper examines the young or millennial generation of Muslim alums of IAIN Metro; there are currently many Muslim millennial generations of IAIN Metro alums who create opportunities to gain an advantage. Along with the rise of business/business development among the young or millennial generation, it is an advantage for a country to create a better economy, but does business/business development in the Muslim millennial generation apply ethics in business that is in accordance with Islamic principles? Then, a research question arises. How does the Muslim millennial generation carry out business ethics? Of course, this research will be useful for stakeholders and policymakers to become material for improvement or suggestions to create economic development in the business world.

2. Literature Review

When doing business, it is very important to pay attention to signs or values that can certainly help the success of a business being run (Quinn, 1997), especially for those who are productive in running a business or business, such as the millennial generation. There are many things that the Muslim millennial generation can do for the progress of a business, namely being able to do branding and carry out ethics correctly in their business or business (Özçelik, 2015). Research (Eddy et al., 2010) suggests that the millennial generation holds

values, attitudes, and expectations that are different from the previous generation. This millennial generation has a better understanding of creating a business opportunity (Ghosh, 2016). There are several previous studies, such as research (Freeman et al., 2020), (Bardakci et al., 2021) state that there are positive results between Ethics and business success. In this paper, the interesting variable is Business Ethics in Islam. Business Ethics in Islam, of course, has been regulated in the Qur'an letter Ar-Rahman verse 9

وَأَقِيمُوا الْوَزْنَ بِالْقِسْطِ وَلَا تُخْسِرُوا الْمِيزَانَ

It means:

“Stand up the scales fairly and do not reduce the scales”

In this verse, it means that we are doing business or business, so do it the right way by doing justice and not reducing the scales and must be honest. Islamic ethics has explained in detail the principles of muamalah and has also explained to look for something lawful in the right way and spend it properly, according to the Word of God in the Qur'an Surah Al-Anam verse 141 (Norvadewi, 2015)

وَلَا تُسْرِفُوا إِنَّهُ لَا يُحِبُّ الْمُسْرِفِينَ

It means:

“And do not do israf (spend wealth in the way of disobedience); Allah does not like those who do israf.”

According to (Jabbar et al., 2018) (and Baidowi, 2011), Islamic Business Ethics is a science that studies the benefits of economic activities and focuses on human behavior as much as possible under the guidance of rationality (ratio) and enlightenment (nash) that prioritizes morality and character taqwa. Business ethics are considered the same as morals because they discuss the good and bad of human behavior (Buldan et al., 2021). Meanwhile, according to (Marzuqi & Latif, 2010), Islamic ethical theory must be rooted in religious principles. Ethical theories originating from religion will not lose their theoretical essence. Beliefs determine action, and beliefs determine behavior. According to (Zamzam & Aravik, 2020) that Islamic business ethics,

In Islamic business ethics, the most basic purpose of a business or business is to benefit and take blessings from activities carried out by others who really need it (Hadziq, 2017). In addition, business ethics also aims to form a sense of ethics for business people and limit behavior that can interfere with good business operations (Rice, 1999). The purpose of business ethics is to manage the company more effectively, create a business in fair competition, implement superior performance, share work areas, establish working relationships with business partners, and implement a transparent system without covering up (Kom, 2021).

Islamic Business Ethics Principles. In business ethics, several principles can be practiced to achieve the success of a business. According to (Fauroni, 2003), the ethical principle in business is to avoid even not doing these three activities, namely, al-Bathil, al-Fasad, and az-Zhalim. Al-bathil is an act of vanity, while al-fasad is a destructive act, and az-zalim is an unjust act. Meanwhile, according to (Dwiatma, 2019), the principle of doing business is the value of honesty, the value of humility, the value of keeping promises, and the value of responsibility.

Islam actually gives freedom to its adherents to run a business/business, but in Islam, there are basic principles that are used as ethics/norms that must be obeyed/obeyed when a Muslim is running his business/business; first, a Muslim must work and strive to earn sustenance. Second, the sustenance that is sought/obtained must be halal and tayyib sustenance. Third.

Have an honest attitude when running a business. Fourth. All processes carried out are intended in order to seek sustenance as a means to get closer to Allah SWT. Fifth. The business/business that is being carried out intends in your heart not to cause damage (al-fasad) to the surrounding environment. Sixth. In business, competition is a very natural thing and must be used as a means to achieve fair and healthy or even better (“fastabikul al-khayrat”). Seventh. Do not be arrogant or complacent about what has been obtained. Eighth. In submitting a case, it is left to those who are trustworthy and experts, not to just anyone, even their own family (Rafiki & Wahab, 2014).

And the principle or foundation is a guide that will be used in a business, according to (Fauzia, 2018), namely; First, Unity (Utility): The concept of monotheism, socioeconomic and political aspects and nature belongs to Allah, the vertical dimension, to avoid discrimination in all aspects, to avoid immoral activities (Marzuqi & Latif, 2010). Second, balance: fair concept, horizontal dimension, honest transaction, harmless and harmless. Third. Free will: Free to make contracts but refuses to let them go because anger often encourages the violation of the system of responsibility, and humans must be held accountable for their actions. Fourth, namely, benevolence (kindness), Ihsan or behavior must be useful and, of course, do good to fellow humans (Farid & Zahroh, 2015).

3. Research Method

This research is descriptive, which will describe an event or phenomenon to obtain accurate results and be interpreted in written words (Chapelle, 1990) By using library research or literature study (De Moya Anegón et al., 1998), which is looking for a source of reference theory that is in accordance with the case or a problem raised. Or it can be said a way that can solve problems is through searching for sources of writing that have been made before (Amalia, 2013).

Based on the description above, to analyze the data using data that has been obtained in the form of previous research, the data is analyzed by inductive thinking, namely specifically from existing information and developing the results of previous research.

4. Result

This research was conducted among young Muslim millennial generations at IAIN Metro alums. This study found several things related to Islamic business ethics according to business or business actors, namely First, the principle in doing business, that the young/millennial Muslim generation prioritizes the principles of monotheism, fairness, and trust in accordance with Islamic law in line with the results of research (Hastuti & Anggara, 2017). Still, some have not applied the principle in its entirety when presented; the application of the first principle is 78%. Several business actors have not applied the principles of doing business related to goodness (benevolence) because the most important thing in a business or business is usefulness and blessing (Suhanda & Fahrullah, 2020).

The second is price. The group determines the price according to the market price and does not make excessive profits. This price was revealed by business actors/business actors during interviews from the results of previous research data. Third, there is promotion/advertising; the business/business actor promotes according to the goods or products being sold, honest, and there is no fraud/falsification of information (Syahrani & Abdullah, 2019). Business actors or businesses among the young/millennial generation use social media to promote or advertise their products, such as Instagram, Facebook, and WhatsApp. The fourth is production; because the majority of Muslims are in this business, they produce businesses/businesses that are halal and in accordance with Islamic law.

5. Discussion

This paper is the result of the development of research that has been done previously. This study shows that the alums of IAIN Metro, Lampung, have implemented Islamic business ethics in their business activities. However, some things are not yet perfect in their application, such as the principle of goodness in a business. If we look and learn from the characteristics of Islamic business ethics, as taught by the Messenger of Allah Sallallahu 'Alayhi Wa Sallam, it can be seen that most of the business/business actors among the Muslim millennial generation have practiced Islamic business ethics in their business. Rasulullah Sallallahu 'Alayhi Wa Sallam actually gave a lot of directions/instructions related to ethics in doing business; here are the characteristics of the Prophet sallallaahu 'alaihi wasallam in doing business including (Amalia, 2013)

- a. There is a crucial principle in business honesty. In the view of Islam, honesty is a very fundamental requirement for business activities. The Prophet sallallaahu 'Alaihi Wasallam was very intense in teaching and advocating to be honest in every business activity. At this level, the Prophet said: "It is not permissible for a Muslim to sell a sale that has a disgrace unless he explains his disgrace" (HR Al-Quzwani). "Whoever deceives us, then he is not our group" (HR Muslim). The Prophet sallallaahu 'Alaihi Wasallam was always honest when doing business. The Prophet emphasized the prohibition against traders who put rotten goods at the bottom and new goods on top.
- b. Aware of the social importance of business activities. According to Islam, entrepreneurs not only pursue profit as much as possible, as taught by Adam Smith, the father of capitalist economics, but also take the attitude of ta'awun (helping others) as the social meaning of business activities. Strictly speaking, doing business is not only for material gain but is based on the awareness of selling goods for the convenience of others.
- c. No perjury is allowed. Rasulullah strictly forbids businesspeople who commit perjury in carrying out their business transactions. In a hadith narrated by Bukhari, the Messenger of Allah said, "By committing perjury, goods are sold, but the result is not a blessing." Then, the hadith narrated Abu Abu Zar. The Messenger of Allah was very threatening with a very painful punishment for people who commit perjury when doing business, and Allah will not care about it later on the Day of Resurrection (HR Muslim). The practice of perjury in business activities often occurs because it can convince buyers. However, it must be realized although the benefits obtained are very abundant, the results obtained are not a blessing.
- d. Friendly to buyers. Reliable business people must be friendly in doing business. The Messenger of Allah said, "Allah has mercy on someone friendly and tolerant in business" (Narrated by Bukhari and Tarmizi).
- e. It is forbidden to pretend when bidding at a high price so that people others may be interested in buying at that price. The Messenger of Allah said, "Do not do najsya business (a certain buyer colludes with the seller to increase the price, not with the intention of buying, but to attract others to buy)."
- f. Do not vilify people's businesses or others with the intention of people buying them (unhealthy competition). The Prophet sallallaahu 'Alaihi Wasallam said, "Let no one among you sell with the intention of discrediting what others are selling" (HR Muttafaq 'alaih).
- g. It is forbidden to hoard (ihtikar). Ihtikar is an activity of piling, hoarding and storing an item for a certain period for the purpose that the price will one day increase and the perpetrator will benefit. The Prophet sallallaahu 'Alaihi Wasallam strictly forbids such business behavior.

- h. Carry out correct and appropriate measurements/measures. When trading, the scales must be carried out correctly and, according to size, should be prioritized. Allah: “Woe to those who cheat, that is, those who, when they receive a measure from others, they ask to be filled and then measure or weigh for others, they reduce it” (Surah Al-Mutaffin: 112).
- i. When doing business, you should not interfere with the worship of Allah SWT. Allah SWT says, “The person who is not neglected by business because of the remembrance of Allah, and from establishing prayer and paying zakat. They are afraid of the day when hearts and eyes will be shaken.”
- j. Do not neglect to pay wages before the sweat of the workers dries. Rasulullah SAW said, “Give wages to employees before their sweat dries.” This hadith informs that it is not permissible to delay the payment of wages. Wages must be paid according to the work that has been done.
- k. Not a monopoly. One of the weaknesses of the capitalist economic system is the legitimacy of monopolies and oligopolies. A simple example is the exploitation (control) of social property rights by certain individuals, such as water, air, and land, and their contents, such as minerals and minerals. Personal gain, no chance for others. Islam forbids this act.
- l. It is forbidden to do business in conditions of danger (*mudharat*) that can harm and harm the lives of individuals and society. For example, it is forbidden to do arms business in times of political turmoil. It is forbidden to sell halal products, such as wine, to alcohol producers because they are strongly suspected of processing them into alcohol. Islam prohibits all forms of commercial activity as it undermines the nature of social relations and must be protected and cared for with care.
- m. Goods in business that are traded are goods that are *tayyib* and *halal*, not *haram*, such as pork/dog meat, liquor/ecstasy, and so on, that are dangerous. The Messenger of Allah said, “Verily Allah forbids the business of alcohol, carrion, pigs and “statues.”(HR Jabir).
- n. Business can be carried out with the presence of *antarodim mingkum* (voluntarily), without coercion. Allah says, “O you who believe, do not eat your neighbor's property in a vanity way, except by way of business that applies with mutual likes between you” (Surah An-Nisa: 29).
- o. Quickly pay off debts or obligations. The Messenger of Allah praised Muslims who have a responsibility / serious concern for paying off their debts. The Prophet said, “The best of you are those who pay their debts the fastest” (HR Hakim).
- p. Give a period when creditors (debtors) have not been able to pay their debts. The Messenger of Allah (SAW) said, “Whoever delays a person who has difficulty paying a debt or releases him, Allah will give him a shade under His shade on a day where there is no shade except His shade” (HR Muslim).
- q. Businesses are protected from the implementation of the element of usury. Allah says, “O you who believe, leave the remnants of usury if you believe” (Surah al-Baqarah: 278). “Allah judges the perpetrators and eaters of usury as devilish people”(Qur'an 2: 275). Therefore, Allah and the Messenger of Allah declared war against usury.

Applying the characteristics of Islamic business ethics can actually make the wealth we get a blessing because the most delicious thing is a blessing. Of course, the business/business owned can be useful for others. So, a good Muslim must apply the principles of Islamic business ethics in his business, and his life must apply the teachings that the Prophet has exemplified.

6. Conclusion

Indeed, Islam has placed business or business as the best way (the best way) to obtain wealth. Because of Allah ta'alla, any activity in business must be done in the best way and not do things that are forbidden, such as Fraud, usury, cheating, and acting tyrannically to others. Awareness of the importance of ethics in a business is an awareness of the person in seeing himself when dealing with something good or bad, lawful and unlawful. Business actors have also applied business ethics in Islam among the Muslim millennial generation.

The place of research, which previous researchers carried out, is the young alums of IAIN Metro who have a business/business. These business people believe that doing business is an interesting and challenging thing and that business is a way to get benefits.

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