

Application of Islamic Business Ethics by Muslim Traders in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency

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Keywords: Ethics, Islamic Business, Muslim Traders

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Abstract: Maintaining productivity in order to achieve great profits, must not harm other parties. While still acknowledging the central role from an economic point of view in business, it is also necessary to pay attention to another point of view that should not be ignored, namely the moral point of view. The research method is qualitative and exploratory on Muslim traders in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency. The type of data used to compile this paper comes from data obtained through observations and interviews with various relevant traders. Furthermore, the data is presented in descriptive form. There are many cases that occur, because of this obsession with the pursuit of big profits, there is a lot of fraud in doing business. Not everything that can be done in economic activities to pursue goals (making profits) is okay. We must respect the interests and rights of others, and vice versa, so that we are not harmed. This means that respecting the interests and rights of others must also be done for the sake of the business itself. So that in every activity there are always ethical obstacles to our behavior, including economic behavior. So, a good business is not only a profitable business. A good business is also a morally good business.

INTRODUCTION

Business ethics is a knowledge of the ideal procedures for business regulation and management that pay attention to universally applicable norms and morality. Ethics is also part of philosophy that discusses values, norms and morality rationally and intensively. Modern business is a very complex reality. Many factors also affect and determine business activities. Among others are organizational-managerial, scientific-technological, and political-social-cultural factors. The complexity of business is directly related to the complexity of modern society today. As a social activity, business in many ways is intertwined with the complexity of modern society. Business as a social activity

can be highlighted from at least three different but not always possible points of view, namely: Economic Viewpoint, Legal Viewpoint, and Ethical Viewpoint.

Business from an economic point of view, is an economic activity, which occurs in this activity is exchange, buying and selling, producing-marketing, working-employing, and other human interactions, with the intention of making a profit. In modern business the profit is expressed in the form of money, but it is not essential for business. The important thing is, these activities between people aim to make profits and therefore economic activities occur. But it should be emphasized that the search for profit in business is not carried out unilaterally, but is held in an interaction. Business takes place as a beneficial social communication for both parties involved. Business is not a "work of charity". Business does not have the nature of helping people unilaterally, without expecting anything in return.

Economic theory explains how in a free market economic system, entrepreneurs by utilizing scarce resources produce goods and services that are useful for society. Producers will seek to increase sales in such a way that the net yield will offset or exceed production costs. Balance is important so that the company does not lose money. If competition in the free market functions properly, it will follow economic efficiency, that is, maximum results will be achieved with minimal expenditure. Efficiency is a key word in the modern economy. So, from an economic point of view, a good business is a business that brings a lot of profit. And to make a big profit, one of the efforts of a company is to maintain its productivity.

From the Ethical Point of View (morality), while still acknowledging the central role from an economic point of view in business, it is also necessary to pay attention to another point of view that should not be ignored, namely the moral point of view. That is, to maintain productivity in order to achieve great profits, is it permissible to pursue profits in any way, as long as it is not achieved at the expense of other parties. In many cases, because of the obsession with the pursuit of big profits, environmental damage occurs everywhere. So, there is also a limit to realizing the company's goals. Not everything that can be done in economic activities to pursue goals (seeking profits) can be done as well. We must respect the interests and rights of others, and vice versa, so that we are not harmed. This means that respecting the interests and rights of others must also be done for the sake of the business itself. So that in every activity there are always ethical

obstacles to our behavior, including economic behavior. So, a good business is not only a profitable business. A good business is also a morally good business.

Micro, small and medium enterprises are one of the economic actors whose existence has dominance over the nation's economy. From, from a legal point of view, there is no doubt that business is also bound by law. "Commercial Law" or "Business Law" is an important branch of modern legal science. And in legal practice, many problems arise in relation to business, at the national and international levels. Like ethics, law is a normative point of view, because it stipulates what should be done or not done. In terms of norms, the law is even clearer and more definite than ethics, because legal regulations are written in black on white and there are certain sanctions, in case of violations.

There is a close relationship between law and ethics. In the Roman Empire it was known as the saying: "Quid leges sine moribus", what does law mean, if not accompanied by morality. Ethics must always animate the law. Both in the process of forming laws and in the implementation of legal regulations, ethics or morality plays an important role.

The above explanation reflects how important the ethical or moral aspect is in doing business. Business ethics is a thought or reflection on morality in economics and business. Morality means the good and bad, commendable or reprehensible, and therefore permissible or not, aspects of human behavior. Morality has always been related to what humans do, and economic activity is an important area of human behavior. It is not surprising that since time immemorial, ethics has also highlighted economics and business.

Islam as a religion also has clear rules regarding business procedures (muamalah). Studies on the concept of Islamic business ethics have been carried out a lot, scholars and academics have conducted researches, and the concepts of Islamic business ethics have also been widely taught in famous universities abroad, such as the University of Walongong, Australia; Harvard University, McGill university, Canada, etc.

However, do laypeople who are not academics and scholars or people who trade in traditional markets and do not have higher education understand the concept of Islamic business ethics in a "Kaffah" way? Just like Muslim traders in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency, do they understand and practice Islamic business ethics as studied by Muslim scholars based on the Word of Allah

Subhanahu wa Ta'ala in the Qur'an and the Hadith of the Prophet Muhammad (peace and blessings of Allaah be upon him) was Salam. This is what prompted the author to conduct a research entitled **The Application of Islamic Business Ethics by Muslim Traders in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency**

RESEARCH METHODOLOGY

This research is a type of qualitative descriptive research using descriptive analysis, namely by describing the data that the researcher has collected, both data from interviews, observations and documentation during the research. According to Moleong, qualitative research is aimed at understanding the phenomena experienced by the research subjects, such as behavior, perception, motivation, actions, and others, by using descriptive data presented in the form of sentences and language. Qualitative descriptive with the type of case study research. This research is a type of field qualitative research using descriptive analysis, namely by describing the data that the researcher has collected, both data from interviews, observations and documentation during the research. The basic method used in this study is the description method, which concerns accurate facts and characteristics of a particular population or region. Research, is an effort to obtain facts or principles/find, develop, test the truth by collecting and analyzing information data that is carried out carefully, clearly, systematically and responsibly. In the descriptive method, the author will try to reveal and explain the actual results in accordance with the requirements related to the application of Islamic business ethics by Muslim traders in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency.

The data collection methods and instruments used in this study are as follows:

1. **Observation:** This observation method was carried out to collect data on the activities of Muslim traders in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency, meaning that the researcher was not part of the observed subject.
2. **Interview:** Utilizing interview techniques to collect data. The interviews conducted will use semi-structured interview techniques. In a semi-structured interview, the researcher prepares a list of questions to guide the interview session. However, these questions allow for flexibility, allowing researchers to build relationships with respondents. This approach allows researchers to follow the informant's interests and concerns, allowing for the exploration of interesting topics that may arise during the

conversation.

3. **Documentation:** Documentation is a record of events that have passed. Documentation can be in the form of writings, drawings or monumental works of a person. The documents that will be attached by the researcher are in the form of photos or pictures of the activities of Muslim traders in implementing Islamic business ethics in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency, as well as activities in it that contain elements of fostering the spirit of worship, as well as several pictures of other supporting documents.

Furthermore, the data analysis in this study follows the approach described by Miles and Huberman, which consists of three steps: Data Reduction: The process of selecting, focusing, simplifying, and transforming the data that appears in written records and field records. Data Presentation: Organized and compressed data that allows conclusions to be drawn and actions to be taken. Conclusion: The process of interpreting the data and understanding the findings to formulate conclusions.

RESULTS AND DISCUSSION

Ethics is a systematic study of the character of the concept of value, good, bad, must, right, wrong and so on and general principles that justify us to apply it to anything. Here ethics can be interpreted as the basis of a person's morality and at the same time as a philosopher in behavior.

Metaethics or critical ethic, at this level, pays more attention to the analysis, the meaning of terms or language used in ethical talks, and the way of thinking used to justify ethical statements. Metaethics does not advocate a moral principle or goal, except by implication; Metaethics consists entirely of philosophical analysis. Philip Wheelwright has written a clear and precise definition of ethics, namely: Ethics can be limited to a branch of philosophy that is a systematic study of reflective choices, the measure of truth and error that guides them, or good things to which reflective choices should be directed.

The object of ethics is morality, morality is a term used to include practices and activities that distinguish between good and bad, rules that govern those activities and values that arise in them that are maintained or targeted by those practices. According to Robert C Solomon. Morality in the general sense places emphasis on specific individual character and attributes, not on rules and obedience. For example, policies, compassion,

generosity, generosity, and so on are important moral elements but they are not contained in the law. Morals based on character tend to focus on what is special in humans.

Every human being needs wealth to meet all the needs of his life, which is done in various ways in order to obtain wealth and wealth. One way to meet needs is to work, among which there is something called a business. Business is the exchange of goods and services that are mutually beneficial or beneficial. According to J.S. Nimpoena, the definition of business can be divided into two types, the definition of business narrowly and broadly. In a narrow sense, business is fiction. In a broad sense, business is closely related to the economy and politics. Business in the Indonesian dictionary is defined as a commercial business in the field of trade, and the field of business. Panji Anoraga defines business as "the buying and selling of good and services". In Straub and Atter's view, a business is defined as an organization that carries out production activities and sells goods and services that are desired by consumers to make a profit.

Business is the exchange of goods, services, or money that are mutually beneficial or provide benefits. According to its basic meaning, business has a meaning as "the buying and selling of goods and service". Business takes place because of interdependence between individuals, international opportunities, efforts to maintain and improve living standards, and so on. Business is also understood as an individual (private) business activity that is organized or institutionalized, to produce and sell goods or services in order to gain profits in meeting the needs of the community. Business is carried out with the aim of obtaining profits, maintaining the company's survival, social growth, and social responsibility. Of the many goals that exist in business, profit plays a very meaningful role and is often used as the sole reason in starting a business.

In the great Indonesian dictionary, business is defined as a trading business, a commercial business in the world of trade and business fields. As for the view of Straub and Atter, a business is an organization that carries out the production and sale of goods and services that are desired by consumers to make a profit. The definition of goods is a product that physically has a form, while services are other activities or business people.

From the description above, here we can define business ethics as a set of values about good, bad, right and wrong in the business world based on the principle of morality. In other words, business ethics means a set of principles and norms that business people must commit to in transacting, behaving, and relating to in order to safely achieve their

land or business goals.

Thus, learning business ethics means "learnig for is right or wrong" which can equip someone to do the right thing based on science, awareness, and conditions based on morality, but sometimes business ethics can also mean managerial ethics or organizational ethics agreed upon by a company. In addition, it can also mean thinking or reflection on morality in economics and business, namely reflection on good, bad, unnatural, appropriate, inappropriate deeds of a person's behavior in doing business or working.

As mentioned a little in the introduction, in order to be called good business, business behavior must meet the requirements from all points of view about business, namely economic, legal and ethical perspectives. Business should not be called a good business if it is not good from an ethical and legal point of view as well.

The words "ethical" and "ethical" are not always used interchangeably and therefore "business ethics" can mean different things. The definition of ethics can be approached with two aspects, namely "ethics as praxis" and "ethics as reflection". Ethics as praxis means that moral values and norms are practiced or not practiced as far as they are practiced. It can also be said that ethics as praxis is what is done to the extent that it is in accordance with or not in accordance with moral values and norms. Ethics as reflection (science) is moral thought. In ethics as a reflection we think about what is done and in particular about what should be done or not done. Ethics as reflection talks about ethics as a reflection to highlight and judge the good and bad behavior of people. Ethics in this sense can be carried out at the popular and scientific level. This happens when reflection is carried out critically, methodically, and systematically, because these three characteristics make thinking reach a scientific level.

Business ethics has several terms that essentially mean the same thing and have a study orientation on ethical issues in the economic field. For example: in English: business ethics ; in Dutch: bedriffsethiek (corporate ethics); in German: unternehmenstihk (business ethics); or management ethics/managerial ethics ; there are also referred to as organizational ethics (organizational ethics), and so on. If ethics is associated with business, then a definition of business ethics can be taken, namely the study of what is right and wrong, what is good and bad that humans do in the business order. Included in the definition of business is about good and bad, wrong and right done by individuals in

a company or organization as well as the actions of the company itself as an institution. And according to Kenneth Goodpaster as quoted by Sobirin, it is said that business ethics is not only limited to individuals and organizations but includes the system that accommodates the organization, namely the economic system. Goodpaster's explanation implies that there is a connection between the economic system and business ethics. The relationship is described by Dawam Rahardjo as follows:

We know that the more advanced human civilization and culture are, the more creations and human inventions in various forms of creation. Creativity is developed to meet human needs both physically and mentally. So several production factors such as machines, raw materials, and so on were created. On the other hand, there are parties who enjoy the copyrighted work of the goods called consumers, users, or users. Furthermore, the process of meeting each other's needs occurs called trade, commerce, or business. The word business in the Qur'an is used *al-ijarah*, *albay'*, *tadayantum*, and *ishtara*. But often the word used is in Arabic *al-tijarah*, derived from the root word *tajara*, *tajran wa tijaratan* which means to trade.

According to Ar-Raghin Al-Asfahani in *al-mufradat figharib al-Qur'an*, *attijarah* means the management of property to seek profit. The Islamic business can be interpreted as a series of business activities in various forms that are not limited by the number (quantity), ownership of property (goods/services), including profits, but limited in the way of obtaining and utilizing the property (there are halal and haram rules).

From the description above, we can define Islamic business ethics as a set of values about good and bad, right and wrong in the business world based on the principles of morality and also the Quran and Hadith that have been exemplified by the Prophet (peace and blessings of Allaah be upon him). According to Prof. Dr. Amin Suman SH, MM, what is meant by Islamic business ethics is the concept of economic business trade from the point of view of good and bad as well as right and wrong according to Islamic moral standards.

So, in accordance with the statement above, Islamic business ethics according to Mustaq Ahmad is the science of what is good and what is bad and about moral or moral rights and obligations that aim to educate human morality in trade which includes both the trade of goods and the trade of services which refer to the Qur'an and Hadith.

The so-called Islamic business is as often described in the Qur'an Surah Ibrahim:

(32-34), Al-A'raf: (10), Huud: (61). Among the descriptions of business contained in the Qur'an contains the meaning of a person's encouragement to seek sustenance when he sails the ark of life in this world, namely the halal aspect both from the acquisition, and when using it. From this we can draw the definition of Islamic business is a series of business activities in various forms that are not limited in quantity, but in their acquisition and utilization there are limits between halal and haram. This means that Islamic Business Ethics is a series of business activities carried out by individuals and organizations based on Islamic values and norms

Application of Islamic Business Ethics to Muslim Traders in Klambir Lima Kebun Village

In carrying out trading business activities carried out by the people of Klambir Lima Kebun Village who work as traders, they should solely seek blessings from Allah SWT swt. The application of honesty in running a business must exist, because honesty is the key to achieving a higher degree both materially and in the sight of Allah SWT. Not only that, honesty is the main milestone to run a business so that consumers continue to be awake to be able to return to the merchant, and increase purchases from before.

This honest nature can foster affection for fellow humans, as the person loves himself, This is in accordance with what the Prophet PBUH taught about the perfection of a Muslim, honesty in managing a business can lead to honesty in daily life, especially in conducting buying and selling transactions and interacting between fellow humans. Furthermore, regarding the application of justice carried out by traders, it is shown by providing services.

From the results of the research conducted by the researcher, both from the results of the search conducted by the author and from the results of interviews conducted by the researcher, especially with traders who often conduct any trade transactions, it shows that most of the ways of trading with traders in Klambir Lima Kebun Village are in accordance with Islamic business ethics, but there are also some who have not applied Islamic business ethics and commit fraud that often occurs is that traders also often cheat consumers by selling defective goods without informing consumers of their defects. These various frauds can occur because the main motivational factor of traders who want to get as much profit as possible and tend to ignore the main motivation in trading, namely meeting the needs of the community and providing satisfaction in this case is the

consumer, so that consumers are only considered as money-making fields, not as business partners who should both parties, both sellers and buyers, get the same profit, not actually there are those who Harmed.

Traders in Klambir Lima Kebun Village partly carry out a buying and selling system in accordance with Islamic business ethics and some have not implemented Islamic business ethics because according to them, if they apply Islamic business ethics, the goods they sell have defects, most consumers or buyers are reluctant to buy defective goods even though the price is cheaper.

Traders understand Islamic business ethics, but to apply it, such as telling consumers that the goods they sell have defects, sometimes they are honest, sometimes they are also not reasonable, if they are honest, the goods they sell will not sell and they will definitely lose.

Some traders feel that everything is wrong in applying Islamic business ethics because usually they are honest in trading by giving real prices to buyers by taking reasonable profits, but sometimes buyers do not understand and make very low offers so that they can harm them.

Other traders who are always honest in carrying out the buying and selling process, such as if there is a defect in the goods he sells, he will notify the buyer so that the buyer can know about it and the goods that have defects will get a price reduction from goods without defects. In taking profits, it also takes profits appropriately without taking too high profits because if the goods are sold too high, it will result in the goods not selling. And regarding the problem of defective goods, there are also traders who implement a system of exchanging goods.

CONCLUSION

Based on the discussion that the author has conveyed, and after conducting research and careful study on "The Application of Islamic Business Ethics by Muslim Traders in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency", the author can draw the following conclusions:

1. The Implementation of Islamic Business Ethics by Muslim Traders in Klambir Lima Kebun Village, Hamparan Perak District, Deli Serdang Regency has been running

because from the results of research on traders, some already know about ethics and apply it and some know but do not apply it.

2. Based on the results of the research, the business competition carried out by Muslim traders in Klambir Lima Kebun Village , Hamparan Perak District, Deli Serdang Regency can be said to be honest and healthy competition because the traders believe that sustenance has been regulated by Allah SWT. and each has its share. Therefore, traders do not think too much about competition and consider that in trading there must be profits and losses and all of them must be accepted at risk.

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