

The Influence of Islamic Business Ethics on Business Development According to al-Ghazali

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Abstracts

This article aims to find out how the concept of business ethics based on the perspective of Ghazali which can be a reference for small and medium-sized micro enterprises. Research conducted in the form of descriptive using literature studies and discussing the results of previous research. The results of this research explain that Islamic business ethics for Muslim entrepreneurs must be carried out in accordance with applicable Islamic rules and refer to Al-Ghozali's 8 ethics. The business that is run is not only to pursue the benefit of the world but also to strive for the welfare of the afterlife by not forgetting worship when carrying out business activities. A sharia-based business is a business that is run by adhering to Islamic principles, the way it is carried out and the way in which assets are managed are properly regulated by religion.

Keyword: Business Ethics; Islamic Business; al-Ghazali;

INTRODUCTION

Man as caliph on earth is entrusted to empower nature as well as possible for the welfare of all beings. Humans have an obligation to create a society that maintains a good relationship with God, works towards a harmonious community life and preserves religion, spirituality and culture. To achieve this goal, Allah sent down the Qur'an to guide in various issues such as *aqidah*, *sharia*, and morals for the sake of the happiness of life in this world and the hereafter. The Qur'an contains only general principles for various problems of Islamic law, especially matters of a muamalah nature. Islam is a universal faith that is simple, easy to understand and understand. It is based on three fundamental principles, namely *tawhid*, caliph, and is or justice (Umar Chapra, 2006).

Business is an important thing for anyone who lives in this world, because it is closely related to the lives of many people. In addition, business is also one of the pillars of support in an effort to support economic development and development in general. That's why there are so many people in this world. It is based on a profit and participation in the builder of the economy as a whole. However, in the order of implementation there are still many business people who aim for a profit, but what he gets is not a profit (Naqvi, 2003).

So, what caused this? Is it because the system it runs, or is there something else not included in a business activity? Researchers assume that the causes are all moral or ethically ruled out in businesses that may still be influenced by the neo-classical understanding of the Walrasian model which firmly rejects the influence of ethical factors in the policy-making process by consumers / manufacturers (businesses). In fact, morals or ethics are very important in the business world. And indeed, business should be judged from a moral point of view, just as all other human activities are also judged from a moral point of view (Berten, 2000). Therefore, the ethical element is very important presented in a business activity. Likewise, Islam, as a comprehensive teaching Islam has a perfect guidance (Qur'an) and certainly contains fundamental principles and instructions where the answers to all problems can be found including problems related to the business world (Ahmad, 2001).

The principles contained in the Qur'an are widely interpreted and packaged so simply that it is easily understood by many people with the hands of the previous scholars as the foundation of a theory. Looking at the problems that exist about the rise of business ethics that are wrong among business people. Many scholars write about the application of business ethics to business development. Among the scholars who pursue and discuss ethical issues in the business is a scholar who is famous for his philosophy and Sufism, namely Al-

Ghazali. In this research, the researcher wants to examine the influence of Islamic business ethics on business development.

Literature Review

Moh. Nawawi in his research entitled *The Concept of Children's Moral Education according to al-Ghazali in the Book of Ayyuhal Walad*. This research seeks to reveal moral education is a vehicle for human breeding to a plenary figure who is praiseworthy, morally good, and of course believes and fears Allah SWT. Moral education in this case is very important to be instilled early, especially in involving children as the seeds of the nation that are expected to germinate, become buds, and finally present as a whole figure who contributes meaningfully (Moh. Nawawi, 2014).

Niken Agustin in the paper entitled *Implementation of Sharia Business Ethics Norms on Pamella Swalayan in DIY Reviewed from Al-Ghazali's Perspective business ethics*. This research examines the implementation of Shariah values from the aspect of business ethics perspective of al-Ghazali, among others: 1) al-Ghazali is seen as a major figure who has an important role in the development of the Islamic world; 2) *Kitab Ihya Ulumuddin* is one of al-Ghazali's monumental books and until now is still a reference to the study of Islamic Legal theory; 3) Ethical issues in business are needed by business people in the midst of free trade as it is today (Agustin, 2015).

Yani et.all (2019) in the article titled *Muslim consumer behavior and the consumption of halal products, that explains the impact of modernization on the lifestyle of some Muslim societies that tend to ignore gender boundaries. religious (Islamic) restrictions on consumption of 'food/drinks, medications, even beauty products'* (Yani & Suryaningsih, 2019).

Soritua Ahmad and Ulul Azmi in their article titled *Muslim Consumer Behavior in a Sharia Maqosid Perspective*. The results of this study indicate that the benefits derived from purchasing goods and services with sincere worship intentions create *maslahah* goals that can be achieved by halal activities. Islam allows its people to legally produce things to create something useful. According to Islam, Muslims must purchase goods and services according to the principles approved by Tayyiban in verse 168 Al-Baqarah. (Harahap et al., 2020).

Inka Cisilia Nurteta in the article titled *Al-Ghazali's thoughts on business norms and ethics and their role in the Islamic economic system*. The result of the discussion is that according to al-Ghazali, morality (morality) is the mental state that is the source of the birth of an action in which it arises naturally, easily, without calculation to profit. As a good person, when he meets others in need

of help, he helps naturally without having time to think about the risks. Likewise, people with difficulty naturally commit crimes when given the opportunity (Nurteta, 2015).

METHODS

The research used is library research, the techniques of which are the most important is research that collects material by reading journal books and other forms of material or commonly called literature research (Hadi, 1990). To understand the problems to be discussed, the author will use the short intellectual history (Intellectual History). In this approach, the researcher briefly describes intellectual history and the characteristics it as a paradigm distinct from the sub-sections of historical science and other related disciplines.

1. Data Source

The data source used in this study is the documentation method that is looking for al-Ghazali thought data, especially in the field of sharia business norms and ethics using primary data and secondary data. Journal Primary Data that discusses Al-Ghazali's Thoughts on business ethics while secondary data in the form of books that review al-Ghazali's work.

2. Collecting Data Technique

Data collection techniques in the form of documentation techniques that look for data about things or variables in the form of notes, transcripts, books, newspapers, magazines, inscriptions, meeting minutes, agenda, and so on (Arikunto, 2002). By researching a number of literature (library research), then sorting it out by prioritizing the excellence of the author.

3. Data Analysis

When analyzing data, the researcher uses qualitative data analysis method, that is, data that cannot be measured or evaluated directly with numbers. As one approach, the content analysis method is used (Nata, 2001). This analysis is a research technique for developing formulas that draw conclusions by systematically and objectively identifying specific characteristics of messages in a text. (Nawawi, 1998).

RESULTS AND DISCUSSION

Al-Ghazali Profile

His full name is Abu Hamid Muhammad Ibn Muhammad Al-Ghazali, who is famous for his Islamic argumentators, a call for his great service in guarding Islam from the influence of heretical teachings and Greek rationalism. He was born in 450 H, coinciding with 1058 M in *Ghazalah* a small town that was located in *thus khurasah* region which was then one of the centers of science in the Islamic world (*Tim Penyusun Ensiklopedi Islam*, 1997). He was born into a very simple family, his father was a wool craftsman as well as a merchant of his weaving, he was also a devout religious person, and had a high religious spirit, as seen in his sympathy to the scholars and expected his son to be, a scholar who always gives advice to the people (Himawijaya, 2004).

Al-Ghazali's Thoughts on Islamic Business Ethics

The word ethics comes from the Greek word *ethos* which means custom. In the dictionary Webster ethics is the distinguishing character, sentiment, moral nature, or guiding beliefs of a person, group, or institution (special character, sentiment, moral character, or belief that guides a person, group or institution) (Webster, 1981). The more unequivocal meaning of ethics is the systematic study of the nature of value concepts, good, bad, ought, right, wrong, etc. And of the general principles which justify us in applying them to anything; also called moral philosophy (Zubair, 1995). While in terms of Islamic scientific treasures ethics are better understood as morals, ethic, and Philosophy *al-Adabiyyah*. Lafadz *akhlak* is a plural form of *khuluk*, formed from *wazan fa'ala-yaf'ulu*, *mauzun Khalaqo-yakhluqu* (Munawwir, 1997).

Ibn Miskawaih, the first Muslim philosopher to discuss morality, also defined similarly. According to him written by Khudhair, morality is, "a state of the soul that encourages to do it without thinking and contemplation." (*Hârun li al-nafsi dâ`iyyatun lahâ ilâ af`âlihâ min ghairi fikrin wa rawiyyatin*) (Khudhair, 1997).

And according to Al-Ghazâlî himself written by Faisal morality is defined by "The expression of the condition that settles in the soul, where all behavior is derived from it with ease without the need for a process of thinking and contemplation. If the condition of his soul becomes the source of good deeds again praised, both in reason and sharia, then the condition is called good morals, and if the source of it is bad deeds, then the condition is called bad morals" (Badroen, 2006). Morality or ethics in Islam is a representation of a set of axioms that include four important elements, namely: divinity, balance/alignment, free will, and responsibility. Or in other words religion is like an ethical axiom (Badroen, 2006).

In carrying out business activities, al-Ghazali emphasized that always guided by Islamic business ethics (Ghozali, n.d.), al-Ghazali broadly classified it into 8 ethics as mention in Fitriani et. al article (Fitriani et al., 2022), including of:

1. Business activities must be based on elements of justice, goodness, virtue and the absence of justice.
2. There must be clarity between business people, so that there is no fraud.
3. Build good business relationships and trust.
4. Receivable debts must be resolved immediately before the right time.
5. Reduce margins by selling cheaper, and in turn increase profits.
6. Business activities are not only to pursue the profits of the world alone, because the real profit is the afterlife.
7. Stay away from bad transactions.
8. Profiting with consideration of existing risks.

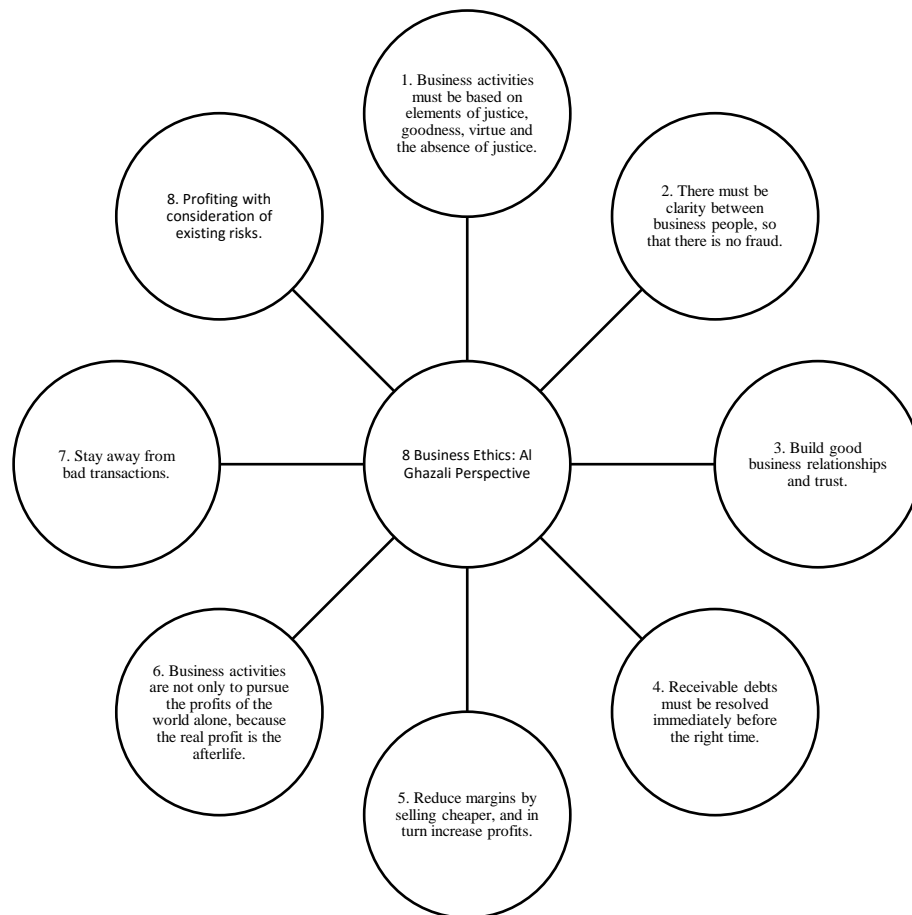


Figure 1. 1 Business Ethics: Al Ghazali Perspective

Influence of Islamic Business Ethics in Business Development According to Al-Ghazali

To get welfare in the human world must work. The work in question can be done by working for others or trying to run a business on your own. Business is an activity that a person does to meet the needs of others by getting profit. Business itself is allowed to Islam by continuing to carry out these activities based on Islamic sharia. Islamic law becomes the handle of Muslim entrepreneurs to run their businesses to stay in the right corridors. Remembering Allah SWT in every activity of a Muslim will keep them in the right path (Zaky, 2002).

Al-Ghazali said that this belief in the power of Allah Almighty is included in the concept of tawhid, where a Muslim will believe that all things done have been arranged by Allah (Chothia, n.d.). Tawhid can combine economic, social, and political concepts, as well as religion based on religious laws. In the economic activities of tawhid is a tool for all humans to maintain their behavior in business. With the surrender to God, business people will always keep their actions from things that are forbidden by their religion. For deviant behavior will bring harm to individuals and others (Afdawaiza, 2009). The sunnah is done to ask Allah for help both for his efforts and for himself. The efforts made will still be done with the accompaniment of prayer because the person who only tries without praying is an arrogant person. Every activity carried out is still balanced with Sunnah prayers and practices such as dhuha prayer, tahajud prayer, sunnah fasting, and others. Prayer is not only done alone but involves the whole family (Syamsuri, 2016).

Responsible for the goods sold is an obligation that must be done so that buyers do not hesitate to return to buy in that place. In addition to being responsible, honesty is also needed in business. Muslim entrepreneurs must uphold the meaning of honesty in transacting by not reducing the dose or number of goods purchased. Goods that use doses or scales such as rice will be sold a number requested by buyers without reducing the dose. The amount that the buyer wants is not reduced to get more profit. Even the seller will give an additional bonus by increasing the number of these items if the buyer is already a subscription (Ma'ruf, 2001).

Regulating business in accordance with other Islamic rules is to not practice business malls such as committing fraud, reducing the scales, *riba'*, *gharar*, and hoarding goods. *Gharar* is vague. In buying and selling goods that become objects must be clear the shape should not be the goods sold are still in the wild or the child that is in the stomach of the mother. In order for the transaction not to contain *gharar* elements, the seller must show the goods he sells to the buyer

(Agustin, 2015). Al-Ghazali describes the ethics in business as mentioned in Hasan's article (Hasan, 2014) with the figure below.

1. Products traded are halal
2. No monopoly
3. Not doing business practices such as *gharar*, fraud, usury, *ihthikar* and reducing the scales.
4. Balance (fairness) is seen when they want to set aside some of their wealth for others,
5. Responsible for the goods they trade.

Figure 1.2 Principle Business Development based Al Ghazali Perspective

Islamic business ethics explains how Muslim entrepreneurs should conduct business in accordance with applicable Islamic rules. Business that is run not only pursues the benefits of the world but still pursues the welfare of the hereafter by not forgetting worship when running business activities. Sharia-based business is a business that is run by sticking to the rules of Islam in the process and the way of managing its property is well regulated by religion (Rahman, 2010).

The process must be done well without harming the other section. Although a human being has the freedom to act, they still have a responsibility to others by not making them disappointed with the goods sold. Property management must be done well and not on a spree. Awareness of property as an absolute right of Allah makes Muslim entrepreneurs to be grateful for all the windfalls they get (Kraff, 1998).

Sharia-based business is done by someone by always remembering and surrendering all the results of the business that has been done to Allah, by surrendering to Allah and considering work as one's worship will always be sincere in this work is what is meant by *tawhid uluhiyah*. Muslim entrepreneurs who mostly follow religious activities to know Islamic laws both about worship and *muamalah* have influenced them to do business in accordance with Islamic

teachings. Things done in business according to Al-Ghazali so that a business can grow.

CONCLUSION

Paying attention and reviewing the previous description, one can conclude the following: According to al-Ghazali, morality is a state of mind, the source of the birth of an action in which the action arises spontaneously, easily, without calculating profit or loss. When good people meet others in need of help, they naturally help them without having time to think about the risks. From an Islamic perspective, Sharia business ethics is an ethical reference in the form of *Akhlaqul Karimah* in Sharia-based business practices. Sharia standards and business ethics are based on goodwill and mutual enjoyment ('an taradhin) between parties while adhering to halal and good aspects.

In carrying out business activities, al-Ghazali emphasized to always be guided by Islamic business ethics, al-Ghazali broadly classified it into 8 ethics, namely: business activities must be based on elements of justice, goodness, virtue and the absence of ability, there must be clarity between business people, so that there is no fraud, building good business relations and trust, receivable debt must be resolved immediately before the right time. Reducing margins by selling cheaper, and in turn increasing profits, business activities are not only to pursue world profits alone because the actual profit is the afterlife, keeping away from fraudulent transactions, making profits in consideration of existing risks.

Islamic business ethics explains how Muslim entrepreneurs should conduct business in accordance with applicable Islamic rules. Business that is run not only pursues the benefits of the world but still pursues the welfare of the hereafter by not forgetting worship when running business activities. Sharia-based business is a business that is run by sticking to the rules of Islam in the process and the way of managing its property is well regulated by religion.

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