

CHAPTER I

INTRODUCTION

A. Research Background

In this life, economics refers to the needs of every human being, including trade, industry, and other related fields. Therefore, humans cannot be separated from economic activity because the economy is the wheel of life that always rotates and leads humans towards change to become more prosperous. Running economic activities cannot be separated from ethics and morals. If economic activity is interpreted as a behavior or activity carried out by humans, then the behavior or activity must follow certain agreed rules the teachings of the Qur'an and hadith contain noble values that underlie these rules in the Islamic context. Islam places ethical values in the highest position, where to achieve success in business, all economic actors must follow certain ethics in order to avoid practices that are contrary to sharia. This also emphasizes that economic activities should be carried out based on the principle of common interests, the potential for balanced profits, the guarantee of a healthy level of competition, the absence of fraud against other groups, and so on.¹

Economic activity is an important issue for human life, because it intersects directly with the livelihood of many people. In an effort to meet the needs of life, every human being in his capacity as an economic actor will enter the area of economic activity in various sectors, including as a farmer, entrepreneur, service seller, and so on. This is what makes the economic activities carried out by them have a tangent point with other humans. Without a value system or ethics that regulate and are followed together, creating an economic system will be hindered. uncontrolled can even lead to destruction. The phenomenon that will appear is the exploitation of strong

¹ Fitri Amalia. "Etika Bisnis Islam: Konsep dan Implementasi pada Pelaku Usaha Kecil", *Al-Qitishad : Jurnal Ilmu Ekonomi Syariah*, Vol 6. No , January 2014, p 116-125.

investors against small economic actors, the accumulation of economic resources in one group, the distribution of wealth only revolves around a handful of people, the inequality of life in the community, and so on.

An economist can learn how to practice Islamic business with the teachings of tawhid, which has been recognized by Muslim and non-Muslim economists. In the Qur'an, it is explained in Surah An/-Nisa verse 29, which the interpretation states that Allah, the All-Knowing and All-Wise, continuously wants to explain the laws of His sharia to you including the laws regarding the relationship between men and women, and also continuously wants to show you the way of life of those who were before you, namely the prophets and the righteous, and He continuously accepts your repentance as long as you repent sincerely and wholeheartedly. Allah knows who among you repents sincerely and wholeheartedly and who is only half-hearted, and He is Wise in determining His laws. Overall, the application of the teachings of tawhid in Islamic business practices creates a business environment that is not only oriented towards material gain, but also towards blessings and well-being for all parties involved. This creates an ethical, fair, and sustainable business in accordance with Islamic values.²

When running a business or a task, it is necessary to have a sense of responsibility and a rule to regulate the actions that will be carried out. This is what propels a business to move forward in a better direction, commonly known as success. Often business people are faced with difficult conditions in their development. Both those related to the management of the company's internal resources and with the community. A principle that can help business people behave is necessary for dealing with such difficult issues. This is why business ethics are so important.³

² Al-Qur'an Al-Karim Mushaf Al-Qur'an Tajqid, *Surah An-Nisa ayat 29*, CV Penerbit Diponegoro, 2019, p. 83.

³ Universitas STEKOM. Pentingnya Etika Bisnis. At (22:00), <https://stekom.ac.id/artikel/pentingnya-etika-dalam-berbisnis> Viewed on 18 June 2024.

Business ethics is an action in doing business that pays attention to and uses aspects of norms, morality, and religion. Based on this definition, there are several important keywords, namely doing business, norms, morality, and religion. Doing business is conducting business activities either individually or in the form of a business or company. Norms, morality, and religion are actions that are in accordance with regulations and rules that are in line with applicable rules and laws including religious law. In a company or entrepreneurship, business ethics can be a guideline or standard for employees or business actors in carrying out daily activities. Likewise, when companies or business actors conduct business transactions, norms, morals, and religion must really be used. Business transactions that do not pay attention to this will disrupt the survival of the company or business either directly or indirectly and both in the short term and in the long term in the future.⁴

Business ethics can be interpreted as knowledge about ideal procedures in organizing and managing, among others: norms and morality that apply universally and apply economically and socially. Considerations taken by business actors in achieving their goals by paying attention to the interests, social and cultural phenomena of society. To understand what “ethics” is, it is necessary to compare it with morality. The definition of ethics comes from the Greek “Ethos” meaning customs or habits. Ethics is related to values, good ways of living, good rules of life, and all habits that are adopted and passed on from one person to another or from one generation to another. This definition is relatively the same as morality. Morality comes from the Latin “Mos” which in its plural form “Mores” means customs or habits. In general, ethics and morality mean a value system about how humans should live well as humans who have been

⁴ Syaiful Bahri. *Etika Bisnis dan Profesi* (Bandung : Media Sains Indonesia 2020), p. 10.

institutionalized in a custom that is then manifested in a consistent and repetitive pattern of behavior over a long period of time as befits a habit

is not to be bargained for, let alone abandoned, but to be carried out. Business ethics in Islam is a set of principles and guidelines based on Islamic religious teachings that aim to direct business behavior towards justice, honesty, and social responsibility. The implementation of Islamic business ethics is not only relevant in large-scale businesses, but it is also important to be applied in small and medium enterprises, including food stalls. Small and medium enterprises play a vital role in the Indonesian economy. They not only contribute to economic growth, but also job creation.⁵

Mr Hardi's noodle shop is one of the well-known food stalls in Sleman, renowned for its distinctive noodle dishes and friendly service. This noodle shop was chosen as the focus of the study because it stands out as a small business that has been operating consistently since 2000. Its long-standing presence allows it to maintain a strong reputation and customer loyalty, which makes it an ideal subject to study how Islamic business ethics are applied in practice. Mr. Hardi, as the owner, is recognized by the surrounding community for his honesty and the quality of the products he offers. What sets this noodle shop apart from other similar businesses is its commitment to Islamic ethical values, including honesty, fairness, and transparency in business operations. By applying these principles, the shop has been able to build strong customer trust and create a reputation for fairness and integrity, which is essential for the success of any small business.⁶

In the Islamic perspective, conducting business in accordance with religious teachings not only ensures success but also blessings and prosperity. The application of Islamic business ethics can be beneficial in small businesses like Mr. Hardi's noodle shop by promoting balanced profits, ethical

⁵ Kementerian Koperasi dan Usaha Kecil dan Menengah Republik Indonesia, "Peran UKM dalam Perekonomian Indonesia," Viewed on 6 August 2024, <https://www.kemenkopukm.go.id>.

⁶ Zakiatul Husna, *Laporan Observasi Warung Bakmi Pak Hardi di Sleman*, Sleman, 10 Juni 2024, tidak dipublikasikan.

treatment of employees, and the use of halal and quality ingredients. Therefore, this research aims to explore how these ethical principles can be further developed and applied in other small businesses across Indonesia.⁷

B. Research Questions

Based on the background above, the researcher wants to formulate the problems in this study, namely:

1. How is business conducted at Mr Hardi's Sleman noodle shop?
2. How is the implementation of Islamic business ethics at Mr Hardi's Sleman noodle shop?

C. Research Objectives

Based on the problem formulation above, the objectives of this study are as follows:

1. To find out how business activities are carried out at Mr Hardi's Sleman noodle shop.
2. To find out how the implementation of Islamic business ethics at Mr Hardi's Sleman noodle shop.

D. Research Benefits

In this study, researchers hope that this research can be a source and scientific guidance for the community regarding the importance of every village having a Village-Owned Enterprise Mr Hardi's Sleman noodle shop. This consists of two kinds of benefits, namely:

1. Academic Benefits

⁷ Muhammad Syafii Antonio, *Muhammad SAW: The Super Leader Super Manager* (Jakarta: ProLM Centre, 2013), hlm. 156.

This research is expected to increase academic understanding of how Islamic business ethics are applied in daily business practices at Mr Hardi's Sleman noodle shop.

2. Practical Benefits

The benefit that can be taken for the readers is that it can be a reference for traders in applying Islamic business ethics at Mr Hardi's Sleman noodle shop and generally be a consideration for the local government to apply these Islamic business ethics to all traders in the Yogyakarta area.

