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Hamka's Action Guide for Corporate Social Responsibility

Fatimah Abdullah*

Abstract

This article attempts to explore the works of a Muslim scholar from Indonesia better known as HAMKA (d. 1981) about ethical principles for healthy business growth or better known as corporate social responsibility (CSR) which is deemed as crucial issue today. While in the western world at that era where capitalism predominantly controlled the economy depreciating the moral dimension in business transaction, HAMKA wrote about ethics and values in the field of business since the seventies of the last centuries. In this textual study HAMKA argues that moral dimension such as trust, fair and honesty are necessary to sustain free markets and ethical business practices. On the contrary devoid of integrity in business conduct, will ultimately lead to business failure and, at times, to counterproductive regulation. Due to the current dynamic business environment, Muslims find themselves confronted with serious dilemmas and need guidance from a clearly developed Islamic business ethics which serves the basis of CSR in Islamic perspective. Consequently, business leaders must always assert ethical leadership so as to protect the foundations of sustainable prosperity. This article concludes that both responsibility and morality are necessary in order for business to be sustainable and for global prosperity.

Keywords: CSR, capitalism, integrity, trust, fair, and sustainable.

Introduction

Nowadays ethics has become crucial topics of discussion almost in every dimension of human life. The discussions on ethics seems to cover various aspects such as social and management or CSR includes business and corporate culture which at times fail to conform it self with ethical and legal manners. This is perhaps due to lack of religiosity and thus less concern with the ethical norms and values that contributes to quality of life. Moreover, in facing the pressure and influence of modern ideology namely, capitalism, companies are pushed towards making profit maximization and thus neglecting humanity factors. In order to achieve the objective this materialistic life style, some people only

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concern for the demand of this worldly life solely, which consequently tantamount to moral degeneration and decadent.

Islam perceives that ethics is part and partial of character building which deemed as primary mission of the Prophet (pbuh) and it should be incorporated in a holistic concept of progress and sustainable development of community within the worldview of Islam. The Quran as well as the tradition of the Prophet Muḥammad have prescribed certain manners and recommended certain others for proper ethical conduct in business.

Islam provides set of ethical values and conduct in business activities as seen in the practice of the Prophet in business transaction. Later many ancient Muslim scholars dealt with business ethics as found in Islamic literature. While in the late nineties western moral capitalism is just beginning to appreciate the importance of the moral dimension in business dealing we find that some Muslims scholars who wrote about the field of business ethics since the seventies of the last centuries, chief among them is the Indonesian scholar HAMKA. This historical study focuses on the views of HAMKA on the concept of moral responsibility as guiding principles in business conduct or practices. Abdul Malik Karim Amrullah, better known as HAMKA (d. 1981) was a prominent Indonesian author, scholar and activist. In 1970's, HAMKA was the leader of a non-government Muslim organizations in Indonesia such as, *Nahdatul 'Ulamā'* and Muhammadiyah.

Structurally, this paper is divided into two parts. Part one shall highlight briefly the concept of ethics and virtue as seen from Islamic perspective and the second part will discuss about ethics in business as reflected in the duties and responsibilities of a businessman or CSR.

Ethics and Virtue in Islam

Ethics as a term has its origin in the Greek language and its civilizational outlook. Greek philosophers used the term *ēthos* to refer to character or custom and habit. Ethics is also regarded as a systematic study of our moral ideals and goals, our motives of choice, and our patterns of good and bad conduct. It remains a science of moral action or practice. Ethics gives us some general practical knowledge, but we must still make personal decisions which apply this knowledge to our daily lives¹.

The field of ethics involves systematizing, defending, and recommending concepts of right and wrong in human behaviour. It

¹ The World Book Encyclopedia, vol. 6, 1993, World Book Inc. Chicago, Illinois : World Book, Inc., a Scott Fetzer company.

investigates and analyses general aspects of human behaviour and delineates the theoretical principles of moral conduct. Broadly speaking, ethics deals with the science of morals in human conduct.

Al-Ghazālī views ethics as “study of certain religious beliefs (*i’ṭiqadat*), and of rightness and wrongness of action for the purpose of practice, and not for the sake of mere knowledge. Study of action includes the study of actions directed towards God, of actions directed towards one’s fellow-man in family and in society, of purification of the soul from vices and of its beautification with virtues.”¹

Al-khuluq is normally defines as a state of the soul which determines human actions. This state is neither the soul nor the action. The soul is innate, while character is a state of the soul that causes it (the soul) to perform its actions. The state is acquired by training and practice, while the soul is inborn and part of man’s nature². It has been stated that al-Farabi (d. 950), who was among the earliest great Muslim philosophers to acknowledge the interrelation of the state of the soul with human action, for he stresses: “The states of the soul by which a man does good deeds and fair actions are the virtues, and those by which he does wicked deeds and ugly actions, are the vices.”³

The Qur’an uses the term ‘*khuluq*’ in two verses: “وإنك لعلی خلق عظیم” (And surely you (Prophet Muḥammad) have the best form of morals) and “إن هذا إلا خلق الأولین” As-Shu‘ara’: 137 (This is no other than customary apparatus of the ancients.) In the first verse the Prophet (peace be upon him) has been referred to as having the highest form of moral standards. In all cases the term ethics is closely related to the Qur’anic ‘*khuluq*’.

Accordingly, it can be understood that ‘*ilm al- ākhlāq*’ is the science that *khuluq* or the state of the soul, i.e., character, becomes the object of enquiry. Muslim ethicists view ethics as the science of the human soul. It defines the characteristics and qualities of the soul as well as the methods of how to control and moderate them. So that happiness, the supreme goal of ethics, may become possible to man.

The concept of *akhlaq* differs from Western perspectives of ethics. Ethics, according to Western sociologies is relatively dependent on

¹ M. Abdul Haq Ansari, *The Ethical Philosophy of Miskawayh*, (Aligarh: The Aligarh Muslim University Press, 1st edn., 1964), p. 41.

² Mohamed Ahmed Sherif, *Ghazālī’s Theory of Virtue*, (New York: State University of New York Press, 1975), p. 29.

³ Mohd. Nasir Omar, *Christian & Muslim Ethics: A Study of How to Attain Happiness as Reflected in the Works on Tahdhīb al-Akhlāq by Yahya Ibn ‘Adī (D.974) and Miskawayh (D. 1030)*, (Kuala Lumpur: Dewan Bahasa & Pustaka, 2003), p. 4.

individual perspectives in order to determine good or bad. As a result, there are different perceptions about the concept of ethics. This different viewpoint will cause various opinions about ethics among people and will result in moral chaos within society. Good among some people might be seen as bad for other and vice versa. However, ethics in Islam is revealed. It is not the product of philosophical speculations or rational interpretation of the events resulting from man's social or political life. Islamic ethics or the concept of *akhlaq* is comprehensive and it has a greater emphasis on revelational aspect for the guidance of mankind.

Virtue

The Greek word used by Aristotle that is commonly translated as virtue is *arête*. It is perhaps better translated as "goodness" or "excellence".¹ Virtue is from the Latin *virtus*, i.e. "manliness," the term virtue is used in a manner parallel to that of the Greek *arete*, i.e. "excellence", to denote an excellent character, its opposite is *vice*. Often, virtue is understood as consisting in an excellent combination of characteristics or traits – usually understood as dispositions – of persons, the virtues, which are contrasted with flawed traits or *vices*.² Aristotle in his '*Nicomachean Ethics*' uses the word "excellence" or "goodness" in discussing virtue. He sometimes speaks of a good moral character as "human excellence" or an "excellence of soul". In other words, he promotes virtue as excellent character sometimes known as "moral virtue."³

The focus of philosophical ethics was human conduct or character. It began with definition of character (*khulq*), which was the object of moral judgment. Character was either good or bad and its goodness or badness was the result of the mutual action of the faculties of the soul. Virtue rests in good character.⁴ From this statement, it can be said that virtue is a state of character, whereas character is the seat of virtue.

Virtue ethics is an attempt to discover and classify what might be deemed as moral character, and to apply the moral character as a base for one's choices and actions.⁵ It can be understood that virtue ethics is an approach to ethics which emphasizes the character of the moral agent.

¹ Internet Encyclopedia of Philosophy, *Virtue Ethics*, <http://www.iep.utm.edu/virtueethics/>, accessed July 6, 2011.

² A. Pablo Iannone, *Dictionary of World Philosophy*, (London: Routledge, 2001), p. 541.

³ Louis P. Pojman, *Ethics: Discovering Right and Wrong* (California: Belmont, 1990), p. 160.

⁴ M. Abdul Haq Ansari, *The Ethical Philosophy of Miskawayh*, p. 37.

⁵ Internet Encyclopedia of Philosophy, *Virtue Ethics*, <http://www.iep.utm.edu/virtueethics/>, accessed July 6, 2011.

It stresses the importance of developing good habits of character such as benevolence, generosity and kindness. It may be identified as that which emphasizes the virtues, or moral character. It is primarily concerned with the character traits that are essential to human flourishing.¹

This area of virtue ethics is deemed crucial as alternative to conventional economics system that based greed and selfish behaviour ignoring ethical sanctions and morality. The concept of virtue are closely related to the concepts of duty and responsibility. Hence, it is necessary to explain the duty and responsibility.

The Definition of Duties and Responsibilities

A duty may be defined as the obligation of an individual to satisfy a justifiable claim made upon him by some other individual member or members of that community. The duties which an individual must fulfill if he is to realize the moral ideal are the duties towards his partner in marriage, his children and his other relatives, his guest and visitors, his friends, his fellow-travelers, his servants, his partner in business transaction, his brethren in society, and the ruler of his country. Obligations towards one of these groups of people constitute one set of duties.²

Human responsibility literally signifies the idea of liability, answerability and accountability for doing a certain act.³ In the Islamic view, human responsibility signifies the capacity of man by which he can assume duties, execute them and will be held accountable for the consequences of his actions.⁴ Man will be held accountable for observing the moral system of Islam in three dimensions of his behaviour. The following passage explains the responsibility of man:

They are his responsibility towards Allah, towards the self, and towards society. Man's responsibility to Allah implies his awareness of Allah's commands and prohibitions in all spheres of his life. His responsibility to society demands that he fulfills his obligations that arise out of his interactions with his fellow beings at the community level. At a personal level, he is responsible to strive to acquire all the

¹ Daniel Statman, "Introduction to Virtue Ethics", in *Virtue Ethics*, ed. by Daniel Statman, (Edinburg: Edinburg University Press, 1997), pp. 7-8.

² Muhammad Abul Quasem, *The Ethics of al-Ghazālī*, 208-209.

³ Suzanne Haneef, *What Every One Should Know About Islam and Muslims* (Lahore: Kazi Publications, 1979), p. 77.

⁴ Sayed Sikandar Shah Haneef, *Ethics and Fiqh for Daily Life*, p. 26.

necessary moral qualities that are essential for the development of a moral personality and a moral society.¹

Therefore, duty and responsibility is interrelated. It can be said that duty is to fulfil one's responsibilities in daily activities, dealing with other people, and respecting them. In other words, it is man's duty not to hurt others. By fulfilling one's duty, humans may be able to restrain doing harm to others and observe the rights of others.

With regards to the three dimensions of responsibility mentioned earlier, HAMKA discusses them explicitly in his *Lembaga Hidup*, however, it is beyond the scope of this study to discuss duty and responsibility in detail. The concept of human responsibility in Islamic view is broad and all-embracing.² For that reason, the main focus of this research is HAMKA's ideas of duty and responsibility that have been implemented in the workplace with regard to selected professions. However, before discussing this subject in depth, let us briefly discuss his general idea of the concept of duty and responsibility.

HAMKA emphasises the concept of duty and responsibility in his books. He regards these concepts as essential for they fall under the focus of the concept of virtue. Whenever there is virtue, there must be some possible action to which the virtue corresponds and from which it derives its virtuousness. For example, the character trait of truthfulness is a virtue because telling the truth, in general, is a duty. Likewise, benevolence is a virtue because man has a duty to help others.

The sense of duty and responsibility according to HAMKA emerge from two aspects of human being which are internal and external. Internal aspects mean the sense of virtue in man's soul and external means the right of the others people that must be fulfilled. For a detailed understanding, HAMKA explains that when a person sees a needy person, the sense of sympathy emerges from his heart. It then develops the intention to help that person. When he helps that person, his action is called a duty. Thus for HAMKA, doing good actions is a duty. He summarizes that the sense of sympathy towards others is called virtue and the effort to perform an action

¹ Rafik, Beekum, *Islamic Business Ethics*, Islamic Institute of Islamic Thought, USA, p. 27.

² As the Prophet said: "No one will walk a step in the Day of Judgment, but he be questioned; about his life career in what pursuit he spent it; about his youth in what way he worn it out; about his knowledge for what causes he employed it; and about his wealth, how he acquired it and in how he spent it." See Al-Maghribi, Muḥammad ibn Yusuf, *Jami' al-Shamal fī Aḥādīth Khatam al-Rasūl*, ed., Muḥammad al-Qadir *et al.*, (Beirut: Dār al-Kutub al-'Ilmiyyah, vol. 1, 1987), p. 418.

to help others is called duty and responsibility. Virtue and duty and responsibility are interrelated. If they are separated, it is meaningless. For example, if man only develops the virtue of sympathy in his heart without taking action to help others, it is meaningless. Duty and responsibility has to take place so that it can benefit others. In short, virtue is the foundation to the concept of duty and responsibility.¹

For a better understanding of HAMKA's concept of virtue and its relation to the concepts of duty and responsibility, it is necessary to explain the duty and responsibility of various forms of professions because it plays an important role in the implementation of virtues within various aspects of life including in the the work field.²

As mentioned by Muhammad Zia al-Haq, the structure of ethical values has to be given practical expressions and fully operationalized in the function and workings of various professions. The reason being that people involved in various professions conduct the most important activities and stand in the most pivotal position in relation to the community who fully entrust their life to them.³

In this respect, a brief account of some principles of duty and responsibility applied to businessmen will be discussed according to HAMKA's view.

The Duties and Responsibilities of a Businessman

In the Organization

There are several duties and responsibilities for those who work in organizations. Among them are:

Knowledge

Knowledge of how to organize and manage the organization is important for those involved in this field so that they will become confident and courageous to face any possibility that might happen and to implement

¹ HAMKA, *Lembaga Hidup*, pp. 97-103.

² For further discussion on ethics in the work place, see K. H. Didin Hafidhuddin, *Islam Aplikatif*, (Jakarta: Gema Insani, 2003), Shukri Ahmad, "Islamic Work Ethic: A Case Study at Islamic Center (Pusat Islam)," (Unpublished master dissertation, International Islamic University Malaysia, Kuala Lumpur, 1993), Sayyed Hosein Nasr, *Etika Kerja dalam Tradisi Islam*, (Trans), Nasir Muhamad, (Kuala Lumpur: Nurin Enterprise, 1989), and Ahmad Janan Asifudin, *Etos Kerja Islam*, (Surakarta: Muhammadiyah University Press, 2004).

³ Muhammad Zia al-Haq, "Profession Ethics of Islam", *Da'wah Highlights* (Islamabad: Da'wah Academy International Islamic University, 2000) vol. XI, Issue I, 23.

plans and projects. Among the other benefits of knowledge are that it will develop the organization, the workers will know which target they have to focus on in order to gain more profit, they will know the need of consumers and it will also help to produce a variety of products. HAMKA stresses that workers should continuously seek knowledge because they have to follow the trends of particular time. The needs of people will change from time to time.¹

Belief in Oneself

The worker should believe in his own ability and credibility. In other words, he should be independent in completing his work. He should not pass his work to others because there is no guarantee that his work will turn out as he wants because others will not see that work as important as he sees it. It will delay the work and he will not be satisfied. Therefore, the worker should do his own work following his own satisfaction so that it can be done quickly. HAMKA further states that those who believe in his their own abilities will achieve their aims.²

Strength of Will

Belief in oneself will lead to strengthening the will. The strength of the will makes a person different from others. It will help a person to improve himself. From this attitude, it will produce a strong leader with a strong heart and who is brave does not easily give up.³

Time Management

According to HAMKA, time is regarded as an important capital to an organization. Because of good time management, the organization will have many opportunities and profits will increase. However, with lack of time management, the organization will lose many opportunities and once they are lost, it is very hard for them to come by a second time. In this respect, HAMKA says "...time is like a knife that has two sides, if it is used carefully, it can make work done quickly, but if it is used carelessly, it can cut the hand." HAMKA states that time is valuable because from it many duties and responsibilities can be achieved. If it is not used properly, even a small organization can go bankrupt. Therefore, it is dangerous if time is not managed systematically. The benefits of

¹ Ibid., pp. 90-91.

² Ibid., pp. 92-94..

³ HAMKA, *Lembaga Budi*, p. 94.

good time management according to HAMKA are a healthy body and mind and peace and happiness in the heart.¹

In addition, HAMKA stresses that, time for rest must also be included in managing time. If it is not emphasized, it will cause workers stress. Therefore, time for rest is important for the mind and body to be fresh before resuming work. At this point, HAMKA explains that Islam places great emphasis on time management. It can be seen in the practice of ṣalāh (prayer). In performing ṣalāh, Islam encourages its followers to perform it on time. Ṣalāh is the time to rest from work. In ṣalāh, man has to give his full concentration to Allah and free his mind from worldly matters. He has to surrender all things to Allah and ask Allah to help him resolve his difficulties. After he performs this act of worship, he is able to start his job energetically and peacefully.²

HAMKA also pays attention to the role of the employer. He states that the employer should divide work among his subordinates according to their abilities so that works can be performed quickly and more efficiently. In order for the works to be performed properly, he should make his subordinates regard the work as their own so that they will give their utmost effort to accomplish it.³

Focus on the Management of an Organization

A person involved in this field should give full concentration on improving and developing his organization from becoming static without progression. He should think of how to decrease the spending of the organization for unneeded things and increase spending on useful things that will profit the organization. He should observe other successful organizations as a means of motivation to improve himself. He should not feel happy of the praises but take the criticisms that benefit him. As for the leader, HAMKA stresses that he should examine the condition in the organization such as those of employees whether they work under pressure, happily, lazily or hard. There is also the matter of officers who dictate power over their subordinates or are two-faced in order to be promoted. These bad conditions should be eliminated in any organization. The employer should provide social welfare to his employees. He should realize that there are many people who earn their income from his organization and because of that he should protect them and not merely

¹ Ibid., p. 95.

² Ibid., p. 97.

³ Ibid., p. 98-99.

focuses on earning profits. It is the responsibility of the employer to take care of the overall welfare and betterment of his workers. This includes fair wages, good working conditions and suitable work.¹

Honesty and Trustworthiness

HAMKA states that profit is not only measured in terms of money. There are many people who have money but fail as an organization. Therefore, according to HAMKA, what is important is upholding honesty and trustworthiness in the organization's environment. Trust and honesty are the basic requirements in dealing with others. Workers should practise honesty and trustworthiness in fulfilling contracts and promises with others. In order to develop an organization, any deception and breaking of promises must be avoided. HAMKA states that people who commit such misdeeds have lost their own dignity and virtue.

Maintaining the Quality of the Product

HAMKA describes that a company which survives for a long period of time is still known by people and its products are in high demand even though there are many new companies offering the same and similar products. This is because it maintains its productivity and quality of products from the very beginning of its operation until now. New companies which maintain their quality of products only at the beginning but neglect it after gaining a little profit are doomed to fail. After earning profit, they become proud and greedy. Such behaviour cannot help that company to survive. HAMKA further states that Islam emphasizes on the quality of the product by introducing the concept of *ihsan*. This concept implies the idea of doing something without any anticipation of gaining something in return. In other words, the company maintains the quality of the product with the intention that it benefits consumers even though it might bring in less profit.²

Knowing the Interests of the Consumers

Different people have different interests. Thus, it is the duty and responsibility of a company to investigate the interests of different groups of people. Interests differ according to place. In other words, the

¹ Ibid., 99-101. See Muhammad Zakaria, *Etika Pejabat: Panduan Majikan dan Pekerja Hebat*, (Kuala Lumpur: Telaga Biru Snd. Bhd., 2006), p. 48.

² HAMKA, *Lembaga Budi*, pp. 102-103.

interests of people who live in towns are different from those who live in rural areas. A company is responsible to fulfil the interests and the needs of people by considering their conditions. It should focus on present demands because as time changes so will the interests of people.¹

Promotion and Advertisement

The owner of a company should allocate a budget for advertisement and promotion even though his company is established. This is necessary in order to become more developed. In advertising and promoting his products, some requirements need to be observed, for example; attraction, colour, arrangement of words, language style, suitable time, and creativity.²

Providing Good Services

“Service is king”. This is how HAMKA portrays the importance of good services in improving the company. HAMKA states that the company should provide good services to consumers. They should observe their style of language when dealing with consumers. They should use proper language and serve them politely. Such approaches can attract consumers to deal with them again and they will also invite their friends to do the same thing. HAMKA states that the basic way to attract consumers is by showing good behaviour. According to HAMKA, good behaviour will capture the consumers’ heart. As he says, “A company can tie its relationship with people through virtue”.³

Business Transactions

This discussion is different from the abovementioned for it is more specific on business transactions between the seller and buyer. In this discussion, HAMKA emphasizes on small business activities that can be observed in our daily life. HAMKA mentions several guidelines for theory duty and responsibility of traders or sellers in business transactions in order to become virtuous businessman. He arranges the points according to what should be done and what should not be done by businessmen. The following are some of the important points highlighted by HAMKA:

Do Not Speculate

¹ Ibid., p. 104.

² Ibid., p. 105.

³ Ibid., p. 106.

By speculation, HAMKA means guessing the price of essential commodities will increase in the future. This will lead to the intention to make a large profit by hoarding large stocks of commodities to wait until the prices increase and then selling them at higher price. During the time of scarcity and crises, people desperately need such commodities that they have no choice except to buy the commodities at the price offered. This behaviour, according to HAMKA, is a blameworthy behaviour for it harms people. In addition, hoarding is a kind of business exploitation of consumers. Therefore, he mentions that the ruler of the state has to fix the prices of commodities to be affordable for the public. He also has to make a list of commodities which cannot be increased in price because the price has been determined by the government.¹

HAMKA states that Islam condemns hoarding. This act is called *ihtikār* or can be understood as monopolizing foodstuff. HAMKA regards whoever practices this bad behaviour selfish because they only think about their own profit without being concerned with the negative consequences that will harm society. They do not follow the guidelines provided by Islam in business that promote every transaction taking place among Muslims should be done within the Islamic parameters of *halāl* (permissible) and *haram* (forbidden). However, if the price of commodities increases by itself and are stored without the intention of a future increase it is not forbidden.² It is the duty of Muslims to avoid the practice of hoarding and monopolizing the commodity for it brings harmful to the society.

Fake Money

The other form of duty and responsibility in business practices is avoidance passing fake bills. HAMKA differentiates between the bad consequences of stealing money and passing fake bills. The consequence of stealing money for him involves a person who stole the money and a person from whom it had been stolen. A thief will be punished and a victim will lose his money. It stops at that point. In contrast, the consequence of passing fake bills will affect the entire society. The sin of the one who passes the money will continuously increase as long as the money passes from person to person. This harmful behaviour becomes common to all people in a society. Furthermore, the harmful effects from stealing money to the society will stop when the thief dies but the harmful effects from the behaviour of passing fake bills will

¹ Ibid., p. 109.

² Ibid., p. 110.

continuously harm the society until the fake bills are destroyed. Therefore, HAMKA urges the destruction of fake bills.¹

Elaborated review of the Goods

HAMKA condemns excessiveness in promoting and praising the products because the actual products usually do not match the standards for which it has been praised. It is unethical and sinful to deceive the consumer. This behaviour is harmful if customers buy the product because they were attracted by false promotion. According to HAMKA, a person who practices this behaviour has lost his pride and dignity. Therefore, HAMKA advises people to avoid swearing or praising a product to support a sale. He gives two consequences of a person who loves to swear. The first consequence is if he swears falsities, it is considered as one of the seven biggest sins and will be punished in hereafter.

The second consequence is if he is honest swears the truth. He is considered to be degrading the quality of his products and his dignity is decreased for the honest man need not swear because people naturally believe him. The Prophet (peace be upon him) sternly warned Muslims against such behaviour. He says, “The swearing by the seller may persuade the buyer to purchase the goods, but that will be deprived of Allah’s blessing”.² HAMKA further states that doing business is to help people and its profit is just reward. The duty and responsibility of a businessman is to avoid deceitful practices and uphold honesty in business activities.

States the Defects of Products

HAMKA forbids the behaviour of hiding any defect of the product. He warns the seller not to mix the bad and the good products with the hope that customers will think that they are all good products. This kind of behaviour, for him, is a kind of abuse. He suggests labelling products according to their qualities and stating their price so that customers can make their own choice.³ HAMKA supports his statement by bringing the *hadīth* of the Prophet (peace be upon him) which states:

“The Prophet once passed by a stock of grain. He touched it and felt moisture inside the stock. He asked the seller what it was. The merchant said: “O Prophet of Allah, rain poured upon this stock.”

The Prophet remonstrated: “Then why did you not place the wet

¹ Ibid., p. 113.

² Ibid., pp. 114-115.

³ Ibid., pp. 116-117.

wheat over the rest of the stock, so people could see it for themselves. Any one practicing deception has no relationship with me.”¹

HAMKA further elaborates that a seller has to bear in his mind that he will not achieve happiness in his heart if he deceives others. Therefore, truth and honesty are the basic requirements of trade and dealing with others. If there is any defect, it should be revealed. HAMKA reminds that deceit in transactions will lead to failure in business because someone who has been deceived will tell others. This will ruin the business. In contrast, honesty in business will lead to success in this world as well as the hereafter.²

Business does not only lead to profit in this world but also in the next on the condition that it is practiced with the intention to attain the blessing of Allah. Profits in the hereafter are permanent and give absolute pleasure. Therefore, in dealing with people, Allah consciousness is important.

Unjust Measurement

HAMKA describes a dishonest as he who when he buys something, he wants the seller to be honest with him, but when he sells something, he cheats the buyers when weighing and measuring the commodities. Such people have committed injustice. This is one of the oldest ways of cheating in business namely selling commodities with at a less than the standard weight or measurement.³ Allah had ordained the following:

“Woe to those that deal in fraud. Those who, when they have to receive by measure from men, exact full measure. But when they have to give by measure or weight to men, give less than due. Do they not think that they will be called to account? On a Might Day”⁴

According to HAMKA, it is the duty of the government to make sure that measurements should be the same in both buying and selling an item. They have to announce the accurate measurement and weights to the public. This action will prevent this deceitful practice in business from harming the society. Although it cannot be totally eliminated it can still be decreased.⁵

¹ Transmitted by al-Bukhārī, *Ṣaḥīḥ al-Bukhārī*, vol. 3, in “the Book of Sales”, Ḥadīth no. 996, 392.

² Ibid. p. 118.

³ Ibid. p. 122.

⁴ *Al-Muṭaffīfīn*: 1-5.

⁵ HAMKA, *Lembaga Budi*, p. 123.

States the Market Prices of Commodities

HAMKA states that the Prophet (peace be upon him) has prohibited traders to hide anything about the price of commodities or giving false information about the price in dealing with the farmer. HAMKA explains that sometimes an urban trader hastens to meet those approaching the town with their goods and conceals the price of similar things. HAMKA promotes that a trader should be honest by telling the exact market price and reminds himself that he is a middleman who is helping a farmer to sell his commodities in town. Honesty and trustworthiness are important in order to maintain a good relationship between traders and farmers. This relationship will benefit both parties.¹

Conclusion

Due to the current dynamic business environment, Muslims find themselves confronted with serious dilemmas and need guidance from a clearly developed Islamic business ethics. HAMKA views on business ethics which based on the Quranic and the Prophetics injunctions may provide simple guideline for business conduct. The moral laws derived from the Quran, including its business ethics, are not left totally to an individual's personal choice or discretion. Therefore, any business activity bereft of ethical content or when pursued an end in itself is condemned by the Quran.

Likewise, all business practices involve explicit or implicit harm and injustice to the contracting parties or to the public at large are disapproved by Islam. Muslims are exhorted to seek the felicity of the day of the hereafter (*al-Akhirah*) through making a proper use of the bounties provided by Allah here on earth. Although the Quran has declared business as lawful, yet it is equally explicit in reminding the Muslims that their business engagements should not become a hindrance in the way of compliance with God's imperatives. Corporate responsibility and accountability are considered a pre-requisite in fulfilling one's moral obligation under Islamic law. Such an obligation implies that not only are marketing executives accountable towards the society at large, but ensures the smooth actualization of marketing ethics by prohibiting corporations from making illicit gains. A breach of corporate responsibilities constitutes a breach of Islamic principle.

The responsibility carried out by the business is a system of shared values and mutual commitment to joint elevation and prosperity are fundamental for a global community as well as communities of a smaller

¹ Ibid. pp. 123-126.

scale. A business can be seen as a large influential movement for positive social change, through necessitating the groundwork of moral values under business decision making, otherwise stables business relationships will dissolve and fall apart.

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