



Chin Lurus Enterprise: A charity business?

Suhaimi Mhd Sarif

*Department of Business Administration
Kulliyah of Economics and Management Sciences
International Islamic University Malaysia
Email: suhaimims@iium.edu.my*

Abstract

Chin Lurus Enterprise case postulates that a small business could incorporate Corporate Social Responsibility (CSR) perspectives in providing services to the 300 households in his village. There is a need to balance between business and charity. Chin Lurus Enterprise needs to secure its bottomline affordability by having sufficient funds to operate the business. When the business is unable to secure sufficient funds to operate, it will not be able to meet both its economic and social ends. The CSR is also demonstrated by Chin Lurus Enterprise when a due respect given to employees as an investment in personnel development and preventive mechanism to avoid conflict at the workplace.

Keywords: *Corporate Social Responsibility (CSR); Small Business Management; Business Ethics*

Introduction

Chin Lurus Enterprise is a sole proprietor business that belongs to Haji Jasin Jusoh. He started this retail business in 1983 due to the grocery needs of his neighbourhood called Kampung Corner which is populated by some 300 families. Chin Lurus is a nickname of Haji Jasin Jusoh that was given by his neighbourhood folks. Typical of *kampung* culture, people are given nicknames that portray their behaviours. And so Haji Jasin's nickname "Chin" represents a Chinese who normally does business of sorts and "lurus" is self-explanatory where his character is a straight (good) and naïve person. In comparison, people who are strict or fierce are referred as *Din Sengat*, *Man Chengir*, and *Usin Perungus*.

Majority of the residents of Kampung Corner are rubber tappers who earn only RM20-30 daily. The location of Kampung Corner is just in the middle between two small towns. Each town is 20km away. The only public transportation to these small towns is a local bus that plies once in every 2 hours. During the monsoon season, with heavy rain, Kampung Corner would be easily flooded. These prevalent flash floods would take 2-3 days to drain out.

Grocery Supplies

Chin Lurus obtains his supplies from the nearby towns. Dried items are replenished periodically while fresh and wet items such as fish, chicken, meat, vegetables, and fruits are bought on a daily basis. Although not in big quantity, he will be frequenting the

towns every 2 days. No credit terms are given by the suppliers and purchasers are to pay cash every time. However, this is a good opportunity for Haji Jasin to meet his fellow retailers from other neighbourhoods. A typical conversation such as this is often expressed by Chin Lurus with them:

“The supplier does not give any credit term to me. I have to bring a lot of cash to buy the items. Not just me. All the buyers have to pay cash. Ah Thiam is a nice wholesaler, but he is strict with transactions. He never allowed for credit transactions. In fact, his late father, Ah Lam also was very strict too.”

Credit Terms

On the other hand, Chin Lurus has been kind to his kampung folks by allowing them credit purchases. Without any credit card or surety, this is just based merely on trust. Normally, rainy season is a difficult time for everyone. They could not work for many days. No one could work in rubber plantation during rainy season. Chin Lurus rationalized his reason for the credit transaction. Chin Lurus laments:

“I pity them. They have big family. Need to feed children. While waiting for the good time to tap rubber trees, they have no other job. Some might have some short term job as construction assistants or helping Pak Mat, the fruit seller in our neighbourhood, who has a stall at the nearby town. Some might join Pak Min in getting some wages at his cassava and ground nut farm.”

Unfortunately, his kindness is not being appreciated well by the kampong folks. Many of them do not pay the credits given them dutifully. In the long run, these outstanding debts have created a lot of financial difficulties for Chin Lurus to continue his business. Chin Lurus realised the grave situation that he is put in. Chin Lurus sadly declared that:

“I have to use my own savings to purchase grocery items to stock up my store. Look at this record. More than 300 names in the credit record and each of them owe me RM200 to RM300. Some of those debtors avoid me and do not want to pay up. According to some regular customers, those debtors try to escape by not coming to my store but shop at other stores with cash. Can you believe that? They have cash actually. But they just escaped from me. Occasionally, we met at wedding events. They just avoided me. As if I hunted for their debts. I am still a kind and considerate person. I won't chase people to collect debts. Meanwhile, my family members are annoyed with me for being too soft to those people. At the same time, it also occurred to me as to how long I could survive to operate my store using my own savings? Fortunately, besides doing this business, I also have some small oil palm farms that could generate an income of RM10, 000 a month.”

A regular shopper, known as Pak Mat Petai has advised Chin Lurus to engage a debt collection service to recoup the debts from the debtors. For Pak Mat Petai, Chin Lurus is too good to the people and yet not being appreciated. Pak Mat Petai said:

“You must teach a lesson to the debtors who are trying to escape paying their debts. I know them personally. Not because they could not afford to pay, but they are just taking advantage of your kindness. How come they are really serious with their credit purchase of furniture and electrical appliances and pay up accordingly to the terms? This is because if they do not pay the installment of the furniture, the furniture shop

agent will just come and confiscates them. For that reason, they did not escape the monthly repayment. I think if you send a debt collector, they would pay them, either in full or on installment basis.”

The Shop Assistant

Jali (nicknamed as Jali Chin Lurus) is the shop assistant of Chin Lurus Enterprise. He has been working with Chin Lurus for more than 15 years. His main job is to assist Chin Lurus in weighing, packing and delivering the grocery items and cooking gas cylinders. He is paid RM15 a day to work from 7.30 in the morning until 5.30 in the afternoon, Mondays to Saturdays, and Sunday is his off day. The lunch break is from 12.30 p.m. until 2.00 p.m. (longer break on Fridays). Normally, lunch meal is provided by the employer.

Basically, Jali has his lunch at Chin Lurus's house. In fact, Jali is renting a house of two bed rooms for RM60 a month belonging to Chin Lurus. Jali's wife (Syidah, nicknamed as Syidah Jali Chin Lurus) is working as a clerk in a factory nearby from 8am-5pm, Mondays to Saturdays with RM700 a month salary. They have three children, aged 7 to 11, and they are attending a nearby primary school. Jali is the one managing his children's schooling times and Chin Lurus is flexible about that. Sometimes, Chin Lurus's wife helps in sending and fetching Jali's children to and from the school. Chin Lurus's wife, Kak Salmah (nicknamed as Salmah Chin Lurus, due to a few Salmahs in the neighbourhood) is a school teaching assistant of the school. Jali is very grateful of his job and the kindness of his employer and his employer's family.

Chin Lurus said:

“I treat Jali just like my own sibling. One day a few years ago, I found him sleeping at the backdoor of my store. Initially, I helped him with some medical treatment, food, shelter and clothing. After a few days, Jali requested a job since he was jobless. He came from Penang. A lorry driver gave him a lift and was supposed to help him search for a job in Taiping. Unfortunately, he was robbed by the lorry driver and dumped not far from Chin Lurus's shop. I told him that I could not pay him a lot since my store is very small. Jali was not very concerned about the amount of salary. As long as he could meet his ends, he had no problem. After some years working, we decided to marry him to Syidah, our neighbour's daughter. They had become close and to avoid unnecessary vices due to the intimate relationship, they were quickly married off. Jali has been assisting Syidah's family in some small jobs such as grass cutting and plumbing while he was staying with us. Jali was happy with the arrangement. After their marriage, they rented our house. Actually, I have a few rented houses in our neighbourhood. ”

Grocery store closure

Chin Lurus has to make a very important decision. The debt in his store keeps increasing. There is a need to collect old debts. In fact, there are more new debts from the neighbourhood. He has to a conclusion that he has no choice but to close down his store. Indeed, Chin Lurus could not afford to continue making 'charity' to the society at his own peril. He decides to close shop.

The closure of Chin Lurus Store would mean the termination of employment for Jali. However, Chin Lurus has assured Jali that he will be employed as his personal assistant

cum driver in managing his rented houses, small oil palm farms and some land brokerage business.

“Chin, how about the bad debts? Aren’t you going to collect them?” Asked Jali when Chin Lurus conveyed his decision to close Chin Lurus Enterprise’s store.

Chin Lurus said:

“Jali, I am not going to close Chin Lurus Enterprise. It is only the grocery store. The sole proprietorship is still in operation but with other businesses. You are still my employee that is as my personal body guard, personal assistant and car driver with RM2000 per month salary. On top of that I am giving you EPF, SOCSO, and medical benefits. Don’t worry; the work is a lot easier. Just follow me anywhere I go. Don’t worry about your children too. When we have to work outstation, Kak Salmah could help you to send and fetch your children.”

Jali still could not understand. How could his employer just ignored about the bad debts. He estimates that the total bad debt could be around RM100, 000. It is not a small amount. Chin Lurus could build two more houses for rent, which in return, he could get at least RM300 rental each a month.

In the end, Chin Lurus Enterprise is still in operation. It is no more in retail business but is now a fully property brokerage business.

Discussion Questions

1. What is the leadership style of Chin Lurus as the manager and owner of Chin Lurus Enterprise?
2. What could be the reasons for Chin Lurus for not collecting the bad debts of the grocery store of Chin Lurus Enterprise?
3. Would you consider Chin Lurus Enterprise as a social enterprise? Why?
4. What is the employment status of Jali with Chin Lurus Enterprise when the new business starts operating?
5. What is the legal status of Chin Lurus Enterprise especially considering the change from retailing to property brokerage?

Additional Readings

Abor, J. Y., Gyeke-Dako, A., Fiador, V. O., Agbloyor, E. K., Amidu, M., & Mensah, L. (2019). Consumer and Retail Lending. In *Money and Banking in Africa* (pp. 203-215). Springer, Cham.

Akter, S., Jamal, N., Ashraf, M. M., McCarthy, G., & Varsha, P. S. (2019). The rise of the social business in emerging economies: A new paradigm of development. *Journal of Social Entrepreneurship*, 1-18.

Cheah, J., Amran, A., & Yahya, S. (2019). Internal oriented resources and social enterprises' performance: How can social enterprises help themselves before helping others? *Journal of Cleaner Production*, 211, 607-619.

Kamaruddin, M. I. H., & MdAuzair, S. (2019). Conceptualizing Islamic Social Enterprise (ISE) from Islamic Perspective. *International Journal of Management, Accounting and Economics*, 6(4), 368-381.

Shah, N. H. (2015). Retailer's replenishment and credit policies for deteriorating inventory under credit period-dependent demand and bad-debt loss. *Top*, 23(1), 298-312.

Shaked, I., & Orelowitz, B. (2017). Understanding retail bankruptcy. *American Bankruptcy Institute Journal*, 36(11), 20-73.

Stollberger, J., Las Heras, M., Rofcanin, Y., & Bosch, M. J. (2019). Serving followers and family? A trickle-down model of how servant leadership shapes employee work performance. *Journal of Vocational Behavior*, 112, 158-171.

Yang, J., Gu, J., & Liu, H. (2019). Servant leadership and employee creativity: The roles of psychological empowerment and work-family conflict. *Current Psychology*, 1-11.

Zaernyuk, V. M., Nazarova, Z. M., Kosyanov, V. A., Filimonova, N. N., & Vershinina, O. V. (2016). Solving the problem of credit defaults in retail sector. *European Research Studies*, 19(2), 205-210.