

Behavior Analysis of Tofu Business Producer in Margodadi Village, Sumberrejo Sub-District, Tanggamus Regency, in Islamic Business Ethics Perspective

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Abstract

Business implementation is defined as activities that are allowed in Islam. Business ethics should be applied by business people, because ethics regulates all intentional activities. The implementation of this research was motivated by tofu production companies that deviate from Islamic business ethics. The marketing process had been carried out without transparency of the condition of the goods to consumers. Honesty is regarded as the most important element in ethics. It is the pinnacle of the morality of faith and the most prominent characteristic of believers.

This research formulated two problems: 1) How is the perspective of Islamic business ethics on the behavior of producers in producing tofu in Margodadi village, and 2) How is the perspective of Islamic business ethics on the behavior of producers in marketing tofu in Margodad village?. This research was classified as a field research, by conducting a qualitative approach. The results of this research were analyzed by the deductive method.

The results of this research indicated that the production process had been carried out in accordance with the basic principles of Islamic business ethics, because producers applied the principle of honesty in the use of raw materials, particularly not mixing raw materials between standard quality materials and low standard quality materials. Meanwhile, in marketing, there was a quality that did not match the goods offered and the actual product results. Furthermore, cheating in business is considered as *dzalim* behavior, and is not justified in Islamic law.

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1. INTRODUCTION

In the current business era, business people are required to be capable of obtaining maximum profits. However, they tend to justify various ways regardless of the ethical standards in business. To start and run a business, people should be able to deal with ethics, because the implementation of ethics in business will lead to a prosperous human life through the acquisition of material benefits and happiness in the afterlife with the blessings of Allah SWT.

In developing modern times, the business world now tends to ignore ethics. Although it has generated a lot of debate, the idea of free trade and free competition is constantly evolving due to the excitement of world trade and business organizations. In fact, growing competition can lead to illegal competitive practices that justify any means. In the business world, small capital is expected to generate large business developments with maximum profit.

Honesty is regarded as the most important element in ethics. It is the pinnacle of the morality of faith and the most prominent characteristic of believers. Moreover, honesty has been known as a characteristic of the Prophets. Without honesty, religious life cannot be enforced and worldly life cannot be lived properly. On the other hand, lies are considered capable of leading to hypocrisy.

As stated by Danah Zohar and Ian Marshall (2004), organizations will start their business by developing awareness of meaning, vision, high responsibility, and a shared set of basic values to enjoy long term competitive advantage over focusing on their own interests.

The market defects that are most likely to worsen the image of trade are lies, manipulation, and the mixing of truth with falsehood, either by lying or explaining certain product specifications while favoring another products (Yusuf, 2004).

Islamic business ethics is defined as a moral custom or culture related to the business activities of a company. In other words, islamic business ethics may be regarded as a set of values about good, bad, right, wrong and halal-haram in the business world based on moral principles that conform to sharia (Abdul Aziz, 2013).

According to Post, Lawrence, and Weber, in Ismail Solihin's book, ethics is suggested as a conception of right and wrong actions. Ethics provides guidance to identify the morality of a particular behavior (Ismail, 2006). An understanding of the practice of Islamic business ethics in the economy will be beneficial for small-scale Muslim farmers and will increase their knowledge of discipline (Muhammad Said and Kaviyarasu).

Production companies (producers of goods) should be capable of maintaining business ethics in order to create high-quality products while maintaining customer loyalty. If ethics are found to be deviant in production and affect the results of production, then the market and consumers will be used as benchmarks in the sustainability of a company. Halal transportation is considered very important, because it is a phase that all products must pass before reaching the point of guaranteeing the need for halal products, which requires extra efforts from the halal producer (Hassan Marzukhi, 2016).

Companies also tend to get orders in large quantities, such as from schools, Islamic boarding schools, and others. However, consumers have recently been found returning ordered goods because the goods do not indicate conformity with the quality illustrated through marketing media such as containing formalin, damaged/crushed, and stale. Thus, researcher was interested in exploring the problem further.

Referring to the description above, there are several problems formulated in this research: 1) How is the perspective of Islamic business ethics on the behavior of producers in producing tofu in Margodadi village, and 2) How is the perspective of Islamic business ethics on the behavior of producers in marketing tofu in Margodad village?.

2. THEORETICAL BASIS

Definition of Islamic Business Ethics

Ethics is derived from the Greek *ethos*, or in the plural form *ta etha*, which means customs or habits. In this definition, ethics is associated with good living habits, both in a person and in a society.

Ethics includes the analysis and application of concepts such as right and wrong, good and bad

and responsibility. Ethics is the science of good and bad, and of moral rights. Ethics is a normative science, because it aims to determine what an individual should or should not do (veithzal et al., 2012).

According to Hughes and Kapoor, business is defined as an individual business activity that is organized to produce and sell goods and services in order to earn profits to fulfill the needs of the community.

Basic Principles of Islamic Business Ethics

Therefore, Islam offers the basic values of general principles applied in business in accordance with the times while still considering the dimensions of space and time. These principles include unity, balance, freedom, responsibility, *ihsan*, truth, virtue and honesty.

The term blessing is defined as wisdom, which indicates the good graces that Allah has given to his creatures, physically and mentally. *Barokah* is referred to as abundant and diverse and sustainable virtues (Sarkaniputra, 2004).

Sharia is utilized as a source of ethics that shows the importance of protecting the interests of consumers and producers as well as the way they produce and consume products that conform to sharia guidelines (Memon dan Asy Syatibi, 2007).

Definition of Production

Production activities in economics are defined as activities that create benefits (utility) both now and in the future (Mustafa, 2007).

Production in Islamic View. According to Islam, the earth and everything in it is a mandate from Allah SWT to the caliph to be used appropriately for the common good (M Abdul Manan, 1995).

Definition of Marketing

Marketing is regarded as a social and managerial process that involves the interests of individuals or groups in meeting needs and wants through the exchange of goods or services to consumers from producers.

Definition of Islamic Marketing. According to Bukhari Alma and Donni Juni Priansa, Islamic marketing is perceived as a strategic business discipline that directs the process of creating,

offering, and changing values from one initiator to its stakeholders, in conformity with contracts and the principles of the Qur'an and hadith. Thus, neither the seller nor the producer has a clear pricing strategy (Negash G. E, 2020).

3. RESEARCH NETHOD

Regarding to the research objectives to be achieved and the type of data required, this research used a qualitative research approach. This research was classified as field research, which means direct research conducted in the field or directly to respondents. Qualitative research has been known as research that states the data findings in verbal form and analyzed without statistical techniques.

This research focused on the nature of the data, therefore there was no particular conditioning on the object, the researcher acted as a key instrument in obtaining data. The data consisted of written or spoken words from people or observable behavior, the approach used was inductive and the research results were more likely to emphasize meaning (Djama1, 2019).

Data in this research could be collected by conducted observations, interviews, and documentation.

4. DISCUSSION

History of the Establishment of Tofu Production Company in Margoda village, Tanggamus Regency

The tofu production company is one of the companies located in Tanggamus Regency that produces soybeans, this company has been operating for approximately twenty years. The owner of this company is Mr. Murisun, he is the owner and full person in charge of the tofu production company.

Mr. Murisun started his business in 2001. During the process of developing his business, he already has a wife and has 4 children. Mr. Murisun was initially starting his business by buying basic materials and additional production materials. The production equipment used is still traditional until the present time.

In 2001, he started his business independently, with a capital of eight million rupiah, which came from severance pay from his farming products. He spent all that capital for raw materials, complementary materials and production equipment.

Vision and Mission

Vision: To become a well-known tofu production that always fulfills the needs of the community.

Mission: To create product variants that are desired by consumers with halal and healthy product innovations..

Tofu Product

In its development, tofu has been made into various products, the product variants offered to consumers include *tahu kopong*, *tahu isi*, *tahu putih*, and *tempe gembus*.

Employee Recruitment

In looking for employees, every company will conduct the employee recruitment process, including in the tofu production company being examined. Recruitment of employees in this company was carried out by providing easy requirements. Most importantly, employees should have the intention to work well for the company.

To determine employee eligibility, this company conducted certain tests or practices in the required field. Furthermore, the eligibility criteria for the results of the work are neatness, accuracy in printing tofu, and strength in managing tofu.

Producer Behavior in Producing Tofu in Margoda Village, Tanggamus Regency

The company had combined raw materials (materials a and materials b). In addition, the company also added the quality of other materials, namely complementary materials. This method was conducted to further minimize production costs while selling at the same price as standard raw materials.

In the production process, no fraud was found by the company. The company also combined standard raw materials, and the production process was adjusted to the materials used. No other ingredients were added, including food

preservatives, formalin, and food coloring.

Poor product quality was caused by the provision of claims beyond normal limits. In addition, employees feel pressured due to work targets beyond the average number of production.

Company behavior should refer not only to legal behavior but also to moral and ethical behavior (Elangkovan and Said, 2013 and Lagan, 2000).

Producer Behavior in Marketing Tofu in Margoda village, Tanggamus Regency

Tofu production companies initially marketed their products through oral promotion, deposited them in stores, and sold them to the market every day. Thus, the results of their products are now becoming known to the public.

The quality of the product with the desired specifications tended not to conform to the generated products. Furthermore, many financial constraints were also found from consumers. This incident indicated that both parties have suffered a loss.

The company was found to treat loyal customers with inappropriate behavior. The attitude of ignoring the customer led to the customer being reluctant to repurchase the goods. This incident should not have been done, because it may endanger the good image of the company in the eyes of consumers.

The marketing process of tofu production had lowered their consumer confidence. Loyal product customers would gradually be ignored by the arrival of new traders, in order to quickly raise the company's name. Meanwhile, the company is also not supposed to serve other customers by not recording the order specifications as a reference in making the product, because it may lead to a mismatch of orders at the due date for picking up goods. In addition, the service of replacing ordered goods that do not comply with specifications has also deviated from the principles of Islamic business ethics, because the company is considered to have taken such actions without an agreement with the consumer.

5. DATA ANALYSIS

Perspective Analysis of Islamic Business Ethics on Producer Behavior in Tofu Production in Margodadi Village, Tanggamus Regency

The tofu production process at Mr. Murisun's company in Margodadi Village, Tanggamus Regency, was found to have conformed to the basic principles of Islamic business ethics, specifically the principles of unity and truth. In the production process, the producer had managed to do justice to the buyer.

In general, various socio-economic / demographic factors such as the education level of the older generation, the more religious population and the urban population are more likely to be aware of the superiority of the halal principle (Golnaz, R., *Zainalabidin, M., Mad Nasir, S. and Eddie Chiew, 2010).

5. CONCLUSION

Based on the results, discussion and analysis of the research, it may be concluded that the tofu production process at Mr. Murisun's company in Margodadi Village, Tanggamus Regency, had conformed to the basic principles of Islamic business ethics, specifically the principles of unity and truth. In the production process, the producer was found to have done justice to the buyer. This indicates that the tofu production process had been carried out by applying the principle of honesty to customers. Furthermore, the production process had also been carried out by prioritizing health and hygiene.

Meanwhile, the marketing process of tofu in this company had slightly violated the principles of Islamic business ethics. The quality of the products offered or agreed upon in the order tended not to conform to the quality of the products. Due time for taking orders was often undisciplined for various reasons, thereby causing consumer saturation and frustration and might hinder the market activity. This indicates that marketing needs to be carried out in accordance with Islamic business ethics, thereby avoiding customer loss.

Perspective Analysis of Islamic Business Ethics on Producer Behavior in Tofu Marketing in Margodadi Village, Tanggamus Regency

The marketing process of tofu had been perceived as violating the principles of Islamic business ethics. The quality of the products offered or agreed upon in the order tended not to conform to the quality of the products. Due time for taking orders was often undisciplined for various reasons, thereby causing consumer saturation and frustration and might hinder the market activity.

According to Islam, business activities are not only aimed at obtaining financial benefits, but also to achieve the essence of humanity as the implementation of human responsibilities as creatures and caliphate in achieving the goodness and blessings of Allah. (Muhammad Anas).

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