

## THE URGENCY OF ISLAMIC BUSINESS ETHICS IN THE ERA OF THE INDUSTRIAL REVOLUTION 4.0

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### *Abstract*

*This article describes the urgency of business ethics in the era of the industrial revolution 4.0. The article is qualitative research in the type of literature research. This research is the analytical description and data analysis using the deductive thinking method. The study results showed that in the era of the industrial revolution 4.0. There are fundamental changes in various fields; one of them is the business field. For that, ethics is needed so the business can generate profits for all. Numerous Islamic business ethics are always relevant in business activities, such as honesty, selling goods according to quality, not using oaths, being loose and generous, building good relations between colleagues, orderly administration, and transparently setting the price is essential for business activities. So the business carried out produces peace and prosperity in the hearts and minds of business people. The corporation has to follow moral and religious values and does not break human principles.*

**Keywords,** *Ethics, Business, Islam, Industrial Revolution 4.0,*

### *Abstrak*

Artikel ini menjelaskan tentang urgensi etika bisnis pada era revolusi industri 4.0. Artikel ini merupakan penelitian kualitatif yang berjenis penelitian pustaka. Penelitian ini bersifat deskripsi analitik dan analisis data menggunakan metode berfikir deduktif. Hasil penelitian ini memperlihatkan bahwa pada era revolusi industri 4.0 terjadi berbagai perubahan fundamental dalam berbagai bidang termasuk bidang bisnis. Untuk itu, diperlukan etika di dalamnya sehingga bisnis dapat menghasilkan keuntungan bagi semua. Berbagai etika bisnis Islam yang selalu relevan dalam aktivitas bisnis seperti kejujuran, menjual barang sesuai mutu, tidak menggunakan sumpah, longgar dan bermurah hati, membangun hubungan baik antar kolega, tertib administrasi, dan menetapkan harga dengan transparan sangat penting di laksanakan dalam aktivitas bisnis. Sehingga bisnis yang di lakukan menghasilkan kedamaian dan kesejahteraan di dalam batin dan pikiran pebisnis, karena bisnis yang dijalankan sesuai dengan nilai-nilai moral dan agama, serta tidak menciderai prinsip-prinsip kemanusiaan.

**Kata Kunci,** *Etika, Bisnis, Islam, Revolusi Industri 4.0,*

## **Introduction**

Business is part of economic activity and has an essential role in fulfilling human needs. Business activities affect all levels of human life, individual, social, regional, national, and international. Every day millions of people conduct business activities as producers, intermediaries, and consumers. Business is an economic activity. Things that occur in this activity are exchanging, buying and selling, producing-marketing, working-employing, and other human interactions, to make a profit (Norvadewi, 2015). Now, the term business has become very popular, mostly started to study and engage in business activities to improve their standard of living. Business is not only carried out by people who have much capital to establish businesses but also by people who have small capital with small-scale businesses. All business people who do business on a large or small scale expect profits that continue to increase annually. Therefore their business is growing and known by the wider community. Business takes place because of interdependence between individuals, international opportunities, and efforts to maintain and improve living standards. Business is also known as an individual (private) business activity organized or established to produce or sell goods or services to make a profit to fulfill the community's needs (Fauzia, 2014).

The business world is dynamic, always moving forward, has many initiatives, is creative, and provides challenges in facing the future with a sense of optimism. Their mobility is high. They move from one area to another according to the season, the situation, the right time, and the county where people need goods (deficient area). Business activities include providing goods at the right time, in the adequate quantity, the perfect quality, and at a suitable price (Alma & Priansa, 2009). Business is becoming a complex reality; many things can affect business activities. Business is called a social activity with its complexity in society. It is because society and business people have the same interests. A businessman has responsibilities to consumers, employees, communities, and the environment in all aspects related to his business (Hidayat & Hasib, 2015).

Islam recognizes the desire to engage in business activities and does not prohibit such activities, and even business activities can be a part of worship if done according to Allah's commands and the Islamic code of ethics. Although in practice, many

businesses today are detached from religion, which to some extent has resulted in contradictions with Islamic morality (Yaya, 2004). In Islam, the trade has grown fast even in the last 14 centuries (M. Ahmad, 2009). Prophet Muhammad SAW was a merchant. Islam was spread mainly through Muslim traders. In the Qur'an, there are admonitions against the misuse of wealth, but it is not forbidden to seek wealth lawfully. Islam places trading activities in a very strategic position amid human activities that make a living and make a living (Hastuti & Anggara, 2017). Business activities in Islam are carried out among humans and Allah SWT so that the responsibility that arises is not only between humans but also between Allah SWT. The efforts should be finished with care and accuracy in the administrative and contracting processes. Businesses should not be fraudulent; lying to get short-term profits. In an enterprise, a business entity can do everything related to its business activities. However, freedom here does not mean unlimited and free from responsibility (A. Prasetyo & Pratiwi, 2016).

Islam provides instructions that in business activities must be there a harmonious relationship, mutual pleasure, and no elements of exploitation and deception. Moreover, the Muslim market experienced a rapid increase in the number of consumers, making the Muslim market the fastest growing market in the world, with an annual turnover of around \$2 trillion for sharia-compliant products (Ahmadova, 2017). Even the need for halal products globally is more than USD\$ 2.3 trillion a year (Adnan, 2013). By all means, this requires ethics in business activities implementation, both for goods and services, especially in the era of the Industrial revolution 4.0 (N. Ahmad et al., 2014).

Islamic business ethics refers to practices that emphasize transparent, trustworthy, and responsible personal and-or organizational business policies and actions that demonstrate integrity and fairness for consumers and other stakeholders (Al-Nashmi & Almamary, 2017) and refers to the applied ethics that relates to the moral principles behind the operation and regulation of business transactions that occur (Shamsudin et al., 2010). Thus adherence to ethics in business activities can help improve the standards of behavior and living of producers and consumers. It is because ethics in business seeks to recognize the relationship of action to the good of individuals, companies, the business community, and society (Yesil & ., 2012). Moreover, in a rapidly changing

business environment, the need to focus on customers has never been as significant as today (A. Hassan et al., 2008). Therefore, learning a few things about business ethics before someone does business is a must. So that an entrepreneur is not trapped in a collaboration that is not blessed and can lead to anti-trust behavior among business people. The enterpriser must update their knowledge about economics and the business field, therefore they are not trapped in non-halal transactions (Fauzia, 2014). Education of Islamic business ethics is one of the essential endeavors in business, as well as being very urgent, especially in the era of the Industrial revolution 4.0

### **Research Methods**

Research is essentially a fundamental tool. In its implementation, it must always be adapted to the science that is its source. It is adjusted that the research aims to reveal the truth in a systematic, methodological, and consistent. This research is qualitative in the type of library research. This research is descriptive-analytic, namely research that aims to describe and analyze the subject under study by using primary and secondary data. Meanwhile, data analysis uses the deductive reasoning method, which concludes a problem based on general things or events to a specific conclusion. This method is used to reveal data collected from a particular way of thinking to a general thought, which can then grant a way of proving a scientific truth.

### **Discussion**

#### **A. Understanding Islamic Business Ethics**

The word ethics comes from the Greek word "ethos" which means custom and habit. It is a study of what was once right and good for man. Etymologically, ethics means the science of what is usually done or the science of customs (Bertens, 2007). Terminologically, ethics is a systematic study of the nature of the concept of value, good, bad, must, right, wrong, and so forth, and the general principles that justify its application. Here ethics can be interpreted as the basis of one's morality and a philosopher in behavior. Ethics for a person is embodied in moral awareness that contains beliefs about "right and not" about something. The feeling arises that he will be wrong if he does something that is not right and comes from moral norms and feelings

of self-respect if he leaves it. The actions taken must be accounted for by oneself. Like his attitude towards others if the work interferes or otherwise gets praise. In other words, ethics is a set of moral principles that enable one to distinguish between good and awful. Ethics also sustain behavior and conduce good attitudes (Hashim, 2012).

Ethics is the main branch of philosophy that studies values or qualities. Ethics includes the analysis and concept implementation, such as right-wrong, good-bad, and responsibility. According to HF Zamzam & H. Aravik (2020), ethics as signs in a community group will be able to guide and remind its members to a commendable action (good conduct) that must be obeyed and carried out. Ethics includes the study of the human soul (Shamsudheen & Rosly, 2019). Ethics is a theory about the behavior of human actions, in terms of good and bad values, as far as can be determined by reason. Ethics is more theoretical and talks about how it should be, while morals are more of a practice that talks about how it is. Ethics is more about investigating, thinking about, and considering what is good and awful, while morals are a good measure of human actions in particular social units (Hulami et al., 2017). Ethics is the same as morality. Akhlak means action and has something to do with the words; Khalid (creator) and makhluk (created). The meaning of morality comes from the plural word in Arabic, akhlaq. The mufrad word is khuluq, which means sajiyyah (fighting), muru'ah (mind), thab'ah (character), and adab (politeness) (Idri, 2015).

Rules in business activities are needed to create a good relationship between the parties involved in business activities, and that good relationship will facilitate the business activities carried out (Salimi, 2016). So, if a business wants to be called an ethically acceptable business, it is necessary to take actions that are acceptable ethically. Most people think that business has nothing to do with ethics but a business that ignores ethical standards will lose its image and cannot survive (Hashim, 2012). Ethics has always been a part of the business. Without ethics, neither business nor individual can function. The absence of an ethical framework that regulates actions leads to the lack of standards of behavior for civil society, which will result in chaos and disorder (Musa, 2015).

Business ethics are tools used in exchange transactions to fulfill obligations (Hashim, 2012). Business ethics are morals in running a business following Islamic

values so that in carrying out enterprises, there is no concern because it is believed to be good and right. Business ethics is also the thought or reflection on morality in economics and business. Morality means aspects of good and evil, praiseworthy or reprehensible, and therefore permissible or not of human behavior. Morality is always related to what humans do and economic activities that is a significant aspect of human behavior (Fauzan & Nuryana, 2014).

Business ethics are universally applicable (Musa et al., 2020) and are used as a controller of business competition so that they are on the path to good business values (Sampurno, 2016). Islam is perfect teaching that always points to the straight path and does not just let someone work as they please to achieve their desires by justifying all means such as committing fraud, cheating, perjury, usury, bribery, and other vanity acts. Otherwise, Islam provides a boundary or dividing line between what is allowed and what is not, what is right and wrong and what is lawful and unlawful. This boundary or dividing line is known as ethics. Behavior in business or trade also does not escape the existence of moral values or business ethical values. Business people must integrate the moral dimension into the business framework/scope.

For this reason, the integration of Islamic ethics in business has created a business paradigm in the Islamic business ethics system. A business paradigm is a set of thoughts or a specific point of view used as the basis for business activities or as good as an entity (A. Prasetyo & Pratiwi, 2016). Ethics in Islam is considered a product of faith, Islamic sharia law, and taqwa based on a deep belief in the truth of Allah SWT. Islam is a source of values and ethics in all aspects of life as a whole, including the business field (Sampurno, 2016). Islam does not separate business from ethics as well as from ethics of science and ethics of politics. Islam also does not detach religion from the state and material from spiritual. Ethics helps humans act freely but responsibly. Meanwhile, a business is an organization that does the production and sales activities of goods and services desired by consumers to gain profit (Madnasir and Khoiruddin, 2012).

Business ethics in Islam has been stated in Islamic business law known as mu'amalah. Economic activities that aim to meet the needs of human life have particular rules, namely rules in terms of buying and selling (ba'iy), investing (Murabaha), business cooperation (musharakah), using collateral (Rahn), debt transfer (hiwalah) and

many other types of transactions. The business ethics of a Muslim is shaped by faith which is his view of life, which provides basic norms to build and foster all muamalah activities. A Muslim is required by his belief to be a person who is pious and moral, trustworthy, knowledgeable, capable, intelligent, careful, thrifty, diligent, diligent, and determined to work as well as possible to produce the best in the form of *maslahah* and *Falah* (Idri, 2015).

More than that, Islam appreciates humans who work hard as ethical values that lead to *itqan* and *Falah* that bring happiness in the world and the hereafter (Cahyono & Hakim, 2020). Therefore, in every business activity, ethical aspects are fundamental things that must always be considered, for example doing business well. It is based on faith, piety, good manners, honesty, trustworthiness, power, expertise, professionalism, and convenient wages. It is as well as not cheating, not robbing, not ignoring anything, not arbitrarily (proportional), and not doing work that is contrary to Allah's law or Islamic law (Idri, 2015).

Islamic business ethics is a value that has to be done by business people. Islamic business ethics control (regulate) the economic activities because ethical philosophy is based on scientific and religious reasoning to assess the good and bad business practices carried out so as not to harm others (Irawan et al., 2020). The aim is that every economic activity carried out can save natural resources from exploited use (Ariyadi, 2018). At the same time, it can help people solve problems related to morals in the business practices they face. Islamic business ethics must be understood correctly so that the possibility of business destruction will be modest, and with the rightful ethics, you will not feel disadvantaged, and perhaps the community can receive many benefits from buying and selling activities carried out (Hidayat & Hasib, 2015).

According to Yusuf Al-Qardhawi (1995), Islamic business ethics includes three areas. First, in the field of production, a person should work in lawful areas, not exceed things forbidden by Allah, and maintain resources so that they will be sustainable. Second, in the field of consumption, a Muslim must spend his wealth on good things, not devout and not stingy. A Muslim should live a modest life and avoid waste. Third, in the distribution sector, a Muslim should base his activities on the value of freedom

framed in justice. Realizing an ethical business means running a business or job that can generate profits under the laws established by Islam.

In Islam, Islamic business ethics demands and directs Muslims to take actions following what is permitted and prohibited by Allah SWT, including carrying out business activities. Humans are free to do business activities to improve their standard of living. The central point of Islamic ethics is to determine human freedom to act and be responsible for their belief in the omnipotence of God. It is just that human freedom is not absolute, which means limited liberty. If humans have infinite independence, it means that they compete with the omnipotence of God as the creator (Khaliq) of all creatures, without exception, humans themselves. Thus it is impossible. In the Islamic ethical scheme, humans are the center of God's creation. Humans are as representatives of God upfront. The word of Allah Surah Al-An'am [6] verse 165, "And it is He who has made you successors upon the earth and has raised some of you above others in degrees [of rank] that He may try you through what He has given you. Indeed, your Lord is swift in penalty; but indeed, He is Forgiving and Merciful."

The figure who can be an example of a successful business person and has good business behavior is the Prophet Muhammad SAW. His behavior; in doing business in Islam can be used to study business ethics. The mentality of the Prophet Muhammad SAW to be a hard worker had been in shape since he was a child. Many business people wanted to work with the Prophet Muhammad because of the Al-Amin title he got. His efforts in doing business made Prophet Muhammad SAW a professional businessman by considering the business ethics he believed in. The Prophet Muhammad SAW also always behaved equally in business, meaning that the Prophet Muhammad SAW never cheated in weighing or measuring the goods traded and that the goods sold were always halal (Hidayat & Hasib, 2015).

Prophet Muhammad SAW was tenacious and dedicated to trading. He has the characteristics of Siddiq, Amanah, Fathanah, and Tabligh. Siddiq means having honesty and always underpinning words, deeds, and beliefs such as the fundamental values taught in Islam. Istiqamah/consistency in faith and the worth of goodness despite being faced with challenges and desires displayed patience and tenacity to produce something optimal. Fathanah means intelligent in understanding deeply everything that are their

duty and obligation. Thus, creativity and the ability to make beneficial innovations will arise. Amanah is trustworthy; it can be implemented in trade honesty and optimal service in all aspects. Tabligh is conveying revelation, meaning that the Messenger of Allah must deliver all the teachings of Allah SWT and provide examples to other parties to carry out the provisions of Islamic principles in everyday life (Barus, 2016).

Thus it is understandable that business ethics concerning Islamic teachings means a thought or reflection on morality that limits its frame of reference to the conception of an organization in economics and business based on Islamic teachings. Islamic business ethics regulate something good or bad, reasonable or unnatural, or whether or not human behavior is allowed in business activities within the scope of individuals and organizations based on Islamic teachings, becoming a standard of value that becomes a reference for business people in various professions, both as business owners, managers, employees, or workers.

Ethics in Islam is the benefit of faith, Islam, and piety based on a firm belief in the truth of Allah SWT. Islam is a source of values and ethics in all human life aspects, including business discourse. An Islamic business must be born to worship Allah SWT to fulfill divine rules (Harahap, 2010). Islamic business ethics is necessary to run an enterprise for business people. It is because the existence of business ethics itself influences the achievement of a business. To run a business, people will carry out their business activities by: (1) producing or distributing goods and services and (2) seeking profit and testing consumer demands. In doing business, business people should rely on the principles of business ethics, namely those concerning good or bad, what is allowed and not allowed, and halal and haram to do business. Ethics in business serves to help entrepreneurs to solve problems related to morals in the business practices they face. Islamic business ethics must be properly understood so that the possibility of business destruction will decrease with correct business ethics, no one will feel disadvantaged, and perhaps the community can receive many benefits from the buying and selling activities (Hidayat & Hasib, 2015).

While the main parameters of Islamic Business ethics are: 1) various actions or decisions are called ethical depending on the intention of the individual who does it. 2) Good intentions followed by good actions will be counted as worship. A lawful

intention cannot change an unlawful act into a lawful one. 3) Islam gives freedom to individuals to believe and act according to whatever they want, but not in terms of responsibility and justice. 4) Believing in Allah grants complete freedom to individuals from anything or anyone but Allah. 5) Decisions that benefit the majority or minority groups do not necessarily mean ethical for themselves because ethics is not a play of numbers. 6) Islam uses an open approach to ethics, not a closed and self-oriented system. 7) Ethical decisions must be based on a shared reading of the Quran and the universe. 8) Islam encourages humans to carry out tazkiyyah through active participation in this life (Beekum, 2004).

While the functions of business ethics are; First, Business ethics seeks to find ways to integrate and coordinate various interests in the business world. Second, business ethics constantly has a role in changing public awareness about a business, especially Islamic business. The way is to provide an understanding and a new perspective on business by using the foundation of moral values and spirituality, then summarized in a form called business ethics. Third, business ethics, especially Islamic business ethics, can also perform a role in providing a solution to various modern business problems that are increasingly far from ethical values; it means that the ethnicity of the business must refer to its fundamental source, namely the Al-Quran and Sunnah (Juliyani, 2016).

## **B. Industrial Revolution 4.0**

The industrial revolution 4.0 is a new phenomenon. The world is witnessing a shift from gasoline-powered cars to *self-driving cars* that are controlled by information technology (internet) via *smartphones* ( Kasali, 2017) . The industrial revolution has changed the way humans work into automation or digitization through innovations. The industrial revolution 4.0 is here and brings the phenomenon of disruption, a situation where the movement of the industrial world or job competition is no longer linear. Disruption initiates the birth of new business models with more innovative and disruptive strategies (Suwardana, 2018) , including global business development.

The concept of the industrial revolution 4.0 was introduced by Professor Klaus Schwab (2019) in his book, *The Fourth Industrial Revolution*, which states that the

industrial revolution 4.0 can fundamentally change how we live, work, and relate to one another (Lase, 2019). The revolution affects fields of scientific knowledge such as biology, physics, economics, industry, and other disciplines (Teduh et al., 2019). The term Industry 4.0 itself was officially born in Germany, precisely when the Hannover Fair was held in 2011. The German state was interested in this matter because Industry 4.0 is part of its development policy, High-Tech Strategy 2020. This policy aims to keep Germany at the forefront of manufacturing (H. Prasetyo & Sutopo, 2018).

In the era of revolution 4.0, everything connected to information systems, internet use, and social media such as WhatsApp, Facebook, Line, Instagram, and YouTube, is essential in the business world. The existence of the industrial revolution 4.0 is indeed a new challenge for business existence with various dialectics in it. Social media as a business medium requires standard moral rules so that no inequality results in losing the essence of business that puts the company on the brink of collapse because there are no more rules as guards and shields that keep the participation of various interested parties in it. It is where Islamic business ethics can become a foundation in business activities so that doing business becomes an activity that benefits everyone.

### **C. The Urgency of Islamic Business Ethics in the Era of the Industrial Revolution 4.0**

Business ethics enter all social systems, not only in the Islamic system (Naqvi, 1994). The concept of Islamic business ethics is motivated by Islamic teachings; the Prophet Muhammad SAW was sent by Allah to accomplish morals. According to Rasulullah SAW, people who apply ethics in life, including in business, will benefit; for example, people who give charity with their wealth will increase, people who apologize will get the glory, and people who are tawadhu (humble) will be exalted. On the other hand, people who violate ethics or noble character will get losses both in this world and the hereafter, for example, people who like to do wrong to others or miserly people and do not want to give charity because they are worried that their wealth will run out. Rasulullah once warned Muslims to avoid these two negative attitudes (Idri, 2015).

Ethical issues are very significant, especially in the present context where many treatments of employees, such as equality and fair wages, must be handled in line with

ethical norms set by Islam (Musa et al., 2020). As part of society, a Business organization is responsible for fulfilling the economic commitment and legal, ethical, and philanthropic commitments to stakeholders (MK Hassan et al., 2019). Thus, Islamic business ethics can guide employers to understand business and treat workers as business partners, including in management and profit-sharing (Pfeifer, 2001).

According to Muhammad Adli Musa (2015), the proper way of Islamic ethical behavior in business is based on leniency, which includes courtesy, forgiveness, elimination of difficulties and compensation; service motive, where the organization provides needed services to society; and awareness of Allah, which requires Muslim entrepreneurs to remember Allah in the conduct of their business. Muslim entrepreneurs in running their business must work hard and run their business according to Islamic ethics, always place customers with attractive, sweet words, mutual respect, and tenderness and pay attention to the interests of all parties (Abdul & Azmi, 2014).

Many verses of the Qur'an require ethics in business activities, such as in Surah Al-Baqarah [2] verse 282 and Surah An-Nisa [4] verse 29 explains to seek sustenance in a good way. In addition, Islam gives freedom to its adherents to do business (venture) and guarantees business people, business partners, and consumers to benefit from each other. Islam does not allow a person to work as he pleases to achieve his desires by justifying all means such as committing fraud, cheating, perjury, usury, bribery, and other vanity acts. The central point of Islamic ethics is to determine human freedom to act and be responsible for their belief in the omnipotence of God. At this point, Islamic business ethics becomes very urgent, especially in the era of the Industrial revolution 4.0. Some of the essential components of Islamic business ethics that are very important in the industrial revolution 4.0 eras are as follows:

1. Honesty

Honesty is a behavior that is adherence to the facts and is timeless, including in the era of the Industrial revolution 4.0. Honesty still occupies a special place in any activity. Honesty means consistency between beliefs, attitudes, expressions, and behavior. Honesty is an honest attitude in all business processes without the slightest fraud. Honesty is the main foundation in running a business. Honesty is synonymous with trust. Every business people should have a living heart so that he can protect the

rights of Allah, the rights of others, and the rights of himself (Rahman, 1979). Honesty is central to effective management. It keeps people from being tempted to abuse the resources entrusted to them (Khairi, 2013).

Honesty is the pinnacle of morality and the most prominent characteristic of believers. Without honesty, religion will not be established, and life will not go well. In Islam, honesty is the most basic requirement in business activities. The business will not run well without being supported by honest owners and employees. Honesty is a reflection of the faith that owners and employees have; they are not used to lying in producing and selling products or profit manipulation. Honesty in business is to maintain trust with people other. Principle honesty will generate various commendable attitudes, namely: not covering the defects of the sold goods, not committing fraud in buying and selling, not doing gharar (fictitious transactions) in buying and selling, not taking usury, and not taking oaths so that the goods sold sell well (Fauzan & Nuryana, 2014).

Being honest in running a business is an attitude exemplified by the Prophet Muhammad. The Prophet strongly advocated honesty in all forms of business activity. According to the Prophet, honesty will lead to virtue, and virtue will lead to heaven. On the other hand, lying will lead the perpetrator to badness and eventually to hell. Rasulullah SAW said: *"From Ibn Mas'ud RA, from the Prophet SAW he said, It is obligatory for you to tell the truth, for the truth leads to virtue and virtue leads to Paradise, and the man who continues to speak the truth and endeavors, to tell the truth, is eventually recorded as truthful with Allah, and beware of telling of a lie for telling of a lie leads to obscenity and obscenity leads to Hell-Fire, and the person who keeps telling lies and endeavors to tell a lie is recorded as a liar with Allah."* (Narrated by al-Bukhari and Muslim) (Idri, 2015).

Prophet Muhammad is an example of an honest person in every action and word. He was famous as a person who never lied; before becoming an apostle and after being prophetic. Because of honesty and trustworthiness, the Quraysh entrusted some of their property handled by him. In fact, before moving to Medina, he still kept the trust of the Mecca society that was hostile and planned to kill him. He is honest in times of security or war, when solemn and jests time. He forbade lying even if he frolicked to make

people laugh. He was also upright to friends and foes. He was also truthful with Allah SWT. Every revelation that came down he always conveyed as it was without reducing or adding even the slightest. He also delivered the revelation from Allah SWT even though sometimes the revelations that came down seemed less in favor of him, such as the revelation that criticized his attitude towards a blind friend when he was receiving the head of Quraysh. Besides being known as an honest man, Muhammad did not compromise with dishonesty. Aisha narrated that Muhammad SAW said, "The attitude that Allah's Apostle dislikes the most is lying. If someone tells a lie, he stays silent so that the person concerned understands that he is urging him to repent for the lie" (Fadilla et al., 2021).

Honesty may feel painful and scary, yet it brings good to all for a lasting time. In the business world, being honest may reduce sales, invite disputes with clients and consumers, or result in the loss of parties. But honesty will be truthful. Allah says: "The truth is from your Lord. So, never be among those who doubt (it)." (Surah Al-Baqarah [2]: 147).

In a business where the competition is very tight, it is not uncommon for producers to make up their product marketing with advertising media and untrue words, reduce the scale, and so on. Even though Allah SWT has warned, "*Woe to the defrauders! (in measuring and weighing). Those who take full measure 'when they buy' from people but give less when they measure or weigh for buyers*" (Surah Al-Mutaffifin [83]: 1-3). "*Give full measure, and cause no loss 'to others'. Weigh with an even balance, and do not defraud people of their property. Nor go about spreading corruption in the land*" (Surah Ash-Shu'ara [26]: 181-183). The words of the Prophet Muhammad SAW, "*The Muslim is the brother of another Muslim, and it is not permissible for a Muslim to sell his brother goods in which there is a defect, without pointing that out to him*" (Sunan Ibn Majah 2246).

Honesty is needed in the business world and the economy in general. Business people and the government continue to make various efforts so that business relations can be done rightfully. It means that all parties involved in the relationship obtain their rights and carry out their respective obligations. These efforts include making contracts with various provisions, laws, and regulations that force business people to be honest,

transparent, and trustworthy. All of these are prerequisites for the emergence of a modern industrial economy. It means that honesty and other virtue values cannot just arise that need rules and contracts (Antonio, 2013). Trading practices, unbased on the ethics of honesty, can be classified into several forms of fraud (tadlis) committed by traders on quality, quantity, time, and price.

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## 2. Selling Goods According to Quality

Selling goods according to quality is the most significant motto of global business, especially in the era of the industrial revolution 4.0. Quality is the grade standard, a high appreciation for production results in business. So when there is a lack of transparency in terms of quality, it becomes one of the ethical defects in the trade that means ignoring moral responsibilities in the business world. The expected responsibility is sustainable (balance) between making a profit and fulfilling the basic norms of society in the form of law and ethics or customs. Disguise quality is tantamount to cheating and lying.

Furthermore, the pursuit of profit by disguising quality is synonymous with unfairness. It has indirectly suppressed the buyer. Oppression is a negative aspect of justice, which is very much against the teachings of Islam. Oppression is injustice. Because of tyranny, those who do wrong will never benefit as He says: *Moses responded, "My Lord knows best who has come with 'true' guidance from Him and will*

*fare best in the end. Indeed, the wrongdoers will never succeed.*" (Surah Al-Qasas, [28]: 37)

This kind of attitude, among other things, eliminates the source of blessing because it harms or deceives other people that there is an exploitation of rights that are not justified in Islamic teachings. The company must inform the facts to its market. Made and marketed products must truly reflect products that are by evidence and have no element of manipulation.

### 3. Not Using Oath

Using an oath is not wise in business. Because doing business is a way to get sustenance from God. However, sometimes there is a temptation to cheat by lying and even swearing falsely to convince consumers, thus that the business they run becomes profitable, huge, and famous. False oaths are from *tadlis* behavior because there is hidden information, and the merchant will try to convince the buyer. They are not all because of the *tadlis* element since sometimes the information provided is under the condition of the object of the transaction. In practice, this perjury is carried out chiefly by traders to sell their wares. This false oath includes lying about the amount of capital and profits, the condition of the merchandise, and others. Even though the perjury can sometimes make commerce sell and alleviate a trade because it can convince buyers, in Islamic economics, blessings will be wiped off the results of commerce in that way.

Islam has regulated righteous business procedures. It is a prohibition of using the oath (*al-Qasm*) in doing business. Getting used to swearing in business activities is not recommended in Islam. Such an act will take away blessings. The Word of Allah SWT, "Do not use Allah's Name in your oaths as an excuse for not doing good, not guarding against evil, or not making peace between people. And Allah is All-Hearing, All-Knowing." (Surah Al-Baqarah [2]: 224). Indeed, those who trade Allah's covenant and their oaths for fleeting gain will have no share in the Hereafter. Allah will neither speak to them, nor look at them, nor purify them on the Day of Judgment. And they will suffer a painful punishment." (Surah Ali 'Imran [3]: 77).

Messenger of Allah (SAW) said, "Swearing produces a ready sale for a commodity, but blots out the blessing." (HR Muslim). It was narrated from Abu

Hurairah that the Messenger of Allah (ﷺ) said: "There are three to whom Allah will not speak on the Day of Resurrection, nor will He look at them or purify them, and theirs will be a painful torment: A man who has surplus water in the desert but refuses to give any to a wayfarer; a man who sells a product to a man after 'Asr and swears by Allah that he bought it for such and such amount, and he believes him when that is not the case, and a man who swears allegiance to a ruler, and only does so for worldly gains, so if he gives him some of (these worldly benefits) he fulfills his oath of allegiance, and if he is not given anything he does not uphold his oath of allegiance." (HR. Ibn Majah). Sheikh Abdul Aziz bin Abdullah bin Baaz stated, "Oaths in buying and selling are makruh, whether the perpetrator is a liar or an honest person." If the person likes to lie, then the oath that is makruh leads to haram. "The sin is bigger. The punishment is painful. It is called a lying oath."

#### 4. Lax and Generous

In every transaction, there is contact between the seller and the buyer. Sellers should be friendly, gentle, and generous to every buyer. A smile from a seller towards a buyer is not a reflection of a favorable attitude that soothes the heart so that buyers will feel happy. And it's not even impossible that in the end, they will become loyal customers who will benefit from business development in the future. On the other hand, if the seller is not friendly or rude in serving the buyers, they will run and not want to come back. Business in Islam views other people as subjects, not merely as objects. Business people who harm others will ultimately harm themselves. Because what is done to other people will also happen to him. Other people in the business must be seen as partners that should not be harmed (Asy'arie, 2016).

The Word of Allah SWT; *"It is out of Allah's mercy that you 'O Prophet' have been lenient with them. Had you been cruel or hard-hearted, they would have certainly abandoned you. So pardon them, ask Allah's forgiveness for them, and consult with them in 'conducting' matters. Once you make a decision, put your trust in Allah. Surely Allah loves those who trust in Him."* (Surah Ali 'Imran, [3]: 159 ). Rasulullah SAW said: *"Allah has mercy on someone friendly and tolerant in business"* (Narrated by Bukhari and at-Tirmidhi).

## 5. Building Good Relationships Between Colleagues

Islam emphasizes constructive relationships with anyone, including fellow business people. Islam does not want the domination of one player over another, whether in the form of monopoly, oligopoly, or others that do not reflect a sense of justice or income distribution. Competitors in business are not something that is forbidden. Competitors can achieve fair and healthy (*fastabiqul khairat*) and seek the blessings of Allah SWT to create diversity, be it ethnicity, culture, and ecology. On the contrary, competition should be able to stimulate people to become better (*khairul ummah*). Rivalry is looking for partners to trigger people to be more productive and continue to innovate in business. However, in competing, one must maintain ethics and rules that have been outlined by religion (Asy'arie, 2016), stay away from all actions that result in a distorted market, not only harming other people but more than that because it is not justified (forbidden) by sharia (Gitosardjono, 2013). The attitude of suspecting a competitor is an act that tortures and leads to disharmony in relations with fellow *ummah*. On the other hand, trusting others will awaken inner peace and forge closer and more harmonious fraternal relationships. Trust is the nature of human beings and the nature of the universe.

## 6. Good administration

Islam wants everything done as neat, correct, tidy, and orderly. The processes must be followed in business activities properly. In business, debts can occur, so the Qur'an teaches the need for good administration so that humans avoid mistakes that may occur. *"O believers! When you contract a loan for a fixed period of time, commit it to writing. Let the scribe maintain justice between the parties. The scribe should not refuse to write as Allah has taught them to write. They will write what the debtor dictates, bearing Allah in mind and not defrauding the debt. If the debtor is incompetent, weak, or unable to dictate, let their guardian dictate for them with justice. Call upon two of your men to witness. If two men cannot be found, then one man and two women of your choice will witness—so if one of the women forgets the other may remind her. The*

*witnesses must not refuse when they are summoned. You must not be against writing 'contracts' for a fixed period—whether the sum is small or great. This is more just 'for you' in the sight of Allah, and more convenient to establish evidence and remove doubts. However, if you conduct an immediate transaction among yourselves, then there is no need for you to record it, but call upon witnesses when a deal is finalized. Let no harm come to the scribe or witnesses. If you do, then you have gravely exceeded 'your limits'. Be mindful of Allah, for Allah 'is the One Who' teaches you. And Allah has 'perfect' knowledge of all things." (Surah al-Baqarah, [2]: 282).*

## 7. Pricing Transparently

Business must be run transparently and fairly. One form of transparency and fairness in doing business is in taking profits. Producers can take profits, intermediaries (wholesale) can enjoy profits, and retailers can make profits. However, these profits should be in a reasonable portion. Because in Islam, business people do not only pursue profit as much as possible as taught in the capitalist economy but also orient to the attitude of ta'awun (helping each other) as a social implication of business activities. Strictly speaking, doing business is not just looking for material profits but is based on the awareness of making it easier for others to sell or buy goods (Idri, 2015).

Pricing must follow the ability of the buyer. Those who can afford it will pay according to the generally accepted price, while those who are less able will pay according to economic conditions. Therefore, every business transaction in Islam must be on the principle of willingness between the two parties (equally pleased) (Surah An-Nisa' [4]: 29). Therefore, the transacting party must have the same information (complete information) so that no party feels cheated where there is something unknown to one party (a condition where one party does not know information that is known to the other party, this is asymmetric information (Fauzi, 2017). So setting prices non-transparently can contain fraud (tadlis) and is against Islamic values and norms. Setting prices transparently is highly respected so as not to fall into prohibited business practices.

From the various explanations above, numerous business ethics in Islam are significant in business development, including in the era of the Industrial revolution 4.0.

Honesty, selling goods according to quality, not using oaths, being loose and generous, building good relations between colleagues, orderly administration, and transparently setting prices will always be relevant in business activities. So that the carried out business produces peace and prosperity in the minds and thoughts of business people, because the business activities are carried out following moral and religious, and do not injure human principles. Changes in technology and information, with various changes in the world, of course, will not change ethical values and are always relevant.

### **Conclusion**

The explanation above concluded that in the era of the industrial revolution 4.0, there were fundamental changes in various fields, including business. For that, ethics is needed in the business activity can generate profits. It can lead to unfair and exploitative competition If various innovations and creativity are not accompanied by value in the form of ethics in business activities. Therefore, Islam, as a religion, highly values business in formulating various ethical values that come to *itqan* and *falah* that lead to happiness in the world and the hereafter. Islamic business ethics such as honesty, selling goods according to quality, not using oaths, being lax and generous, building good relations between colleagues, orderly administration, and setting transparent prices are significant in business activities. So that the business carried out produces peace and prosperity in the minds and thoughts of business people because the business activity is carried out following moral and religious, and does not injure human principles.

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