

The Entrepreneurial Practice Behavior of Chinese Group Business in Indonesia: Contextualization from Islamic Business Ethics

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Abstract

The purpose of this study is to determine the entrepreneurial practice behavior (EPB) of Chinese groups in running and developing a business. These behaviors will be analyzed using the Islamic business ethics (IBE) perspective to contextualize Islamic values in entrepreneurial practice. This study uses the qualitative approach, and the data collection method uses triangulation such as observation, interview, and documentation. The research object was conducted in Ponorogo, East Java province, where are 67 shops managed by ethics. The result of this study showed that the EPB of Chinese group business ethics shows six (6) behaviors, is high motivation; learning business knowledge through formal and non-formal education; personal savings; commitment to settle all debts on time; fulfilling the rights of employees and costumers properly; and strong determination to develop a business innovation. Then, following contextualization from IBE, four (4) behaviors are al-Quwwah; al-Amanah; al-Hifdz; and al-'Ilm. In addition, several things cannot be reconciled with Islamic roles there are, orientation business Islam; Islam obliges to study of religious knowledge through debt. Although some scholars allow it, Islamic principles recommend avoiding or at least limiting it as much as possible.

Keywords: Entrepreneurial Practice Behavior (EPB), Chinese Group Business, Islamic Business Ethics (IBE); Indonesia

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1. INTRODUCTION

Entrepreneurship is an activity carried out by a person in the form of an effort to gain profit (Rusdiana, 2018). While entrepreneurial behavior is part of the entrepreneurial mindset, in addition to entrepreneurship awareness and entrepreneurial emotions. Entrepreneurial behavior practices (EPB) itself is a set of actions of a person who is driven by knowledge and motivation in taking advantage of opportunities for entrepreneurship, exploiting needed resources, and exploring ways to produce new products or services. (Kuratko et al., 2020).

One of the ethnic groups in Indonesia who are successful in entrepreneurship is the Chinese. The Chinese are not an indigenous community, but in the business world, from upstream to downstream, it turns out that their role in the trade arena in Indonesia is very large. Some experts are of the view that until now,

both on a macro and micro scale, the Indonesian economy can be said to have always been under the control of the ethnic Chinese, who have become so big and deep-rooted that they are difficult to beat by players from other ethnicities (Djakfar, 2012).

According to Seng, and Ann Wang (Seng, 2007b), the Chinese are a flexible ethnic group. They can adapt to any situation so they can be successful with any business and anywhere. Although the Chinese have different characteristics and patterns of doing business, they have one thing in common, namely the passion to improve their standard of living through business.

Several principles are always held by the Chinese in advancing their trade, namely: *first*, being aggressive in maintaining the quality of goods, paying attention to profits and losses, and maintaining customer trust. *Second*, be fast in executing

opportunities and not waste time. *Third*, be brave with all the risks that will be faced, including failure and competition. *Fourth* is resilience, which has stamina and a strong mentality. *Fifth*, do not give up on fate and always try to improve fate (Seng, 2007b).

Meanwhile, Islamic business ethics (IBE) views entrepreneurship as something very important. This can be seen from the opinion (J.Hippler, 2014), which states that Islam does give a lot of focus on matters of worship, but it also focuses equally on how to earn income to support oneself, family, and society. Public Muslims are responsible for making a living according to the teachings of the Qur'an, Sharia law, and the teachings of Islam as a whole. One way to earn a productive livelihood is to engage in economic activities that can produce the real economic needs of the community. Muslims can fulfill their obligations to Allah through entrepreneurial activities.

According to Saripuddin's research, which states that Islam does give a lot of focuses on matters of worship, but it also focus equally on how to earn income to support oneself, one family, and society. Public Muslims are responsible for making a living according to the teachings of the Qur'an, Sharia law, and the teachings of Islam as a whole. One way to earn a productive livelihood is to engage in economic activities that can produce the real economic needs of the community. Muslims can fulfill their obligations to Allah through entrepreneurial activities (Saripuddin 2015).

This proves that entrepreneurship is closely related to Islam. That Islam has determined general principles, especially norms, values, and ethics related to entrepreneurial issues. In several verses of the Qur'an and Hadith, several principles regarding entrepreneurship are found, for example, the terms hard work and independence. The principle of hard work itself is a real step that can produce success (sustenance) but must go through a process full of challenges (risk). And people who dare to go through the risk will get a great chance of sustenance. Furthermore, these Islamic rules regarding entrepreneurship emphasize more the guidance of values, morals, and ethics, which in academic studies are commonly referred to as Islamic business ethics. This business ethic then controls and guides entrepreneurial activity in Islam (Chotim, 2014).

This paper aims to determine the entrepreneurial behavior of ethnic Chinese in running and developing a business. Then these behaviors will be analyzed

using the perspective of Islamic business ethics to see the contextualization of Islamic values in entrepreneurial practice. The entrepreneurial behavior of ethnic Chinese by Islamic business ethics is expected to be an alternative or even to be adopted and practiced by Muslim entrepreneurs.

2. METHODS

This study uses a qualitative approach with case studies and in the form of descriptive practice-oriented research, to find and describe the best practice variables for certain procedures or processes. The research objects are at Ponorogo District, namely Bangunsari, Banyudono, Kepatihan, Mangkujayan, Tambakbayan, and Surodikraman Villages.

Based on observations, there are 67 shops managed by ethnic Chinese for buying and selling goods and services ranging from printing, cloth, school, and office stationery, building materials, electronics, restaurants, furniture, bicycles, refilling drinking water, private lessons, etc. The source of data in the study includes primary data and secondary data. Determination of informants by using purposive sampling or sample purpose. In this study, the informants taken were several ethnic Chinese traders in Ponorogo. While secondary data is data obtained from graphic documents (tables, notes, minutes of meetings, etc).

The data collection uses triangulation, namely by using three different ways simultaneously (Raco, 2010). The three methods are: *First*, the interview was conducted in-depth using open-ended questions, to obtain data in the form of perceptions, opinions, feelings, and knowledge from the informants. *Second*, the author uses observation techniques to obtain data in the form of objects, motions, or certain processes to obtain a picture of the field in the form of attitudes, actions, conversations, interpersonal interactions, and others from the research subject. *Third*, documents in the form of written materials or objects related to a particular event or activity, either in the form of observations and interviews that have been recorded in field notebooks or in the form of personal documents, official documents, etc.

The analysis technique uses qualitative descriptive analysis techniques. The processing process goes through three stages, namely data reduction, data presentation, and verification or conclusion. The data both come from the results of

observations, in-depth interviews, and from the results of documentation (A. Kadir Ahmad, 2003).

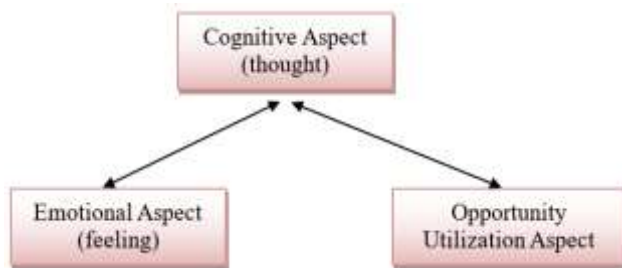
3. RESULT AND DISCUSSION

3.1. Result

Entrepreneurial Practices Behavior (EPB)

According to Kuratko's research, entrepreneurial behavior is part of the entrepreneurial mindset, in addition to entrepreneurial awareness and emotions. The relationship between the three can be described as follows:

Figure 1. Three Aspects of Entrepreneurial



Source: (Kuratko et al., 2020)

According to Bird and Schjoedt states that the knowledge and motivation of an entrepreneur will result in an action that gives birth to an organizational effort. Mindset, intention, learning motivation, and intelligence without being accompanied by action will not create economic value. The essence of the organization is when individuals carry out activities of buying, selling, collecting, and utilizing existing resources. (Bird & Schjoedt, 2009).

Then, according to Hunt and Lerner, that behavior together with decision making has become the center of the study of entrepreneurial action, as the definition refers to, where “*entrepreneurial action refers to behavior in response to decisions under conditions of uncertainty about the possibility of profit-seeking opportunities.*” Furthermore, the behavior contained in entrepreneurial actions is part or type of behavior carried out by every human being. (Hunt & Lerner, 2018).

a. Cognitive Aspect

There are several concepts proposed by several scholars and researchers related to entrepreneurial action. McMullen dan Shepherd (2006). They propose what they call an “*action framework*”. They state that a person's entrepreneurial actions are driven by knowledge (what he knows) and motivation (his strategy) which together lead to opportunities for entrepreneurship. This opportunity will then be

realized by taking action. Thus, entrepreneurial action is the result of cognitive and motivational processes (Kuratko et al., 2020).

According to Zheng, that entrepreneurial knowledge can come from several training sources, such as entrepreneurship training institutions (public or private), entrepreneurship training networks (usually under social institutions), franchise shop training systems, and transfer of family business experience (Zheng et al., 2017). Meanwhile according to Secunde, and et al., besides being obtained from the education/training process, entrepreneurial knowledge can also be obtained from outside the education system, especially in the ecosystem and the entrepreneurial business environment in the form of experience (Secundo et al., 2015).

b. Motivational Aspect

Meanwhile, regarding the motivation for entrepreneurship, looking at the literature and research results related to entrepreneurial motivation that has an impact on the performance or running of an entrepreneurial business, mentions some of the main motivations for entrepreneurship, namely to get self-recognition as a successful entrepreneur, to be independent, and for self-development, including as a form of achievement marker in life and the fulfillment of financial needs (Moha Asri Abdullah et al., 2015).

The emergence of the ethnic entrepreneurship business is in line with migration theory, which states that people tend to move from one region or country to another in the hope that a new place will bring new opportunities for them to live a better life. Based on this theory, economists in the 1980s began to formulate the factors of pressure/push to immigrate, and economic factors became one of the main factors influencing the decision to immigrate (Indarti et al., 2020).

c. Opportunity Utilization Aspect

Sarasvathy is combined awareness with entrepreneurial action in development in which the entrepreneur takes a set of actions based on what is provided/available and focuses on choosing between possible outcomes that can be made and a set of prior actions. An entrepreneur tries to combine the cognitive aspects of entrepreneurship, i.e. knowledge of entrepreneurial opportunities and the resources

required, with the more action-oriented aspects of entrepreneurship, such as leveraging relationships and exploiting possibilities. (Kuratko et al., 2020).

According to Seng, several principles have always been held by the Chinese in advancing their trade, one of which is to be fast in executing opportunities without delay. For Chinese traders opportunity only comes once and not a second time, once missed, it is difficult to seize it again. Traders must act quickly, must not wait long, and waste time, time is money, and letting go is throwing away profits and rejecting wealth. The Chinese like to work fast, and when they do, they will put all their thoughts into making it work. For this reason, the Chinese are advancing rapidly, working fast, and increasing their abilities (Seng 2007). Abdul Wahab said that resources are an important factor in the success of SME businesses—which on average are entrepreneurial—in addition to entrepreneurial orientation (EO), both their availability and where they come from, as well as how the SME business uses these resources (Abdul Wahab et al., 2018).

Some of the resources needed by an entrepreneur in his business are HR (labor expertise), technology, economics, and organization or legality. However, the classic problem, namely financial capital (financial) appears in the first place for micro, small and medium entrepreneurs. And capital funds are very much needed by an entrepreneur, namely: for the first time to open a business, expand the business, and finance daily business operations. An entrepreneur is very likely to get business capital from several sources, namely: financial institutions (banks and non-banks), supporting institutions such as insurance companies, and guarantors, as well as own capital or funds prepared from savings. (Sari Juliasti, 2009).

Creation of New Product and Services Theory

Alvarez and Barney developed an action-oriented theory which they named "*creation theory*" which emphasizes opportunity creation rather than opportunity discovery. They argue that entrepreneurial opportunities are created endogenously, by action, reaction, and the treatment of entrepreneurs/entrepreneurs exploring ways to produce new products or services. Creation theory states that the actions of an entrepreneur/entrepreneur are an important source of opportunity, and it is

different from discovery theory where opportunity is assumed to be unrelated to the entrepreneur/entrepreneur (Kuratko et al., 2020). In approaching the market, each customer segment is often only interested in certain products and or services offered by entrepreneurs (Askari et al., 2016).

Thus, efforts are needed to improve and innovate new ideas, techniques, procedures, and designs. This will ultimately advance the business, with innovative products and/or services according to what the entrepreneur perceives or perceives as a business opportunity. (Makhloufi et al., 2021).

Islamic Business Ethics (IBE)

Islam views entrepreneurship as something very important. Islam does give a lot of focus on matters of worship, but it also remains equally important on how to earn an income to support oneself, family, and society. Muslims are responsible for making a living according to the teachings of the Qur'an, Sharia law, and the teachings of Islam as a whole. One way to earn a productive livelihood is to engage in economic activities that can generate income for the real economic needs of the community. Muslims can fulfill their obligations to Allah through entrepreneurial activities (Hassan and Hippler 2014).

Entrepreneurship in Islam is based on the principle of divinity, where all activities start from Allah, aim at the end of Allah, and use facilities that cannot be separated from Allah's Shari'a. When trading, a Muslim considers it an act of worship to Allah. The more diligently he works, the more devoted he is to Allah, the neater his work, the closer he is to Him. And when enjoying various goodness, it occurred to him that all of it was sustenance from Allah to His servants who must be grateful. (Al-Qardhawi, 1997).

Why ethics? Méndez, Clark, dan Martínez said what is known as the "*dark side of entrepreneurship*", which is one of two sides of the same coin. On the one hand, entrepreneurship provides success or splendor, and the creation of measurable innovations, all of which together contribute to development, job creation, innovation, knowledge change, and economic growth. However, the characteristics of the entrepreneur and the context of influence on him – i.e. what influences him while running a business as an entrepreneur—as well as the constant feedback and interaction between the two, can cause damage to the environment and stakeholders. This research from the

other side, such as ethics, is expected to reveal this dark side (Montiel Méndez et al., 2020).

Much of the existing literature linking ethics and entrepreneurship focuses on entrepreneurial ethics at the micro level, with an emphasis on entrepreneurs (entrepreneurs), with an interest in ethical dilemmas that may be particularly relevant to new business settings, although some research has also looked at the dynamics of new business operators, and its impact on ethical behavior at a high level. The field of ethics and entrepreneurship research gave rise to three distinct research groups (Vallaster et al., 2019): (a) Ethics and entrepreneurship in the individual context, (b), Ethics in the context of entrepreneurial organizations, (c) Ethics and entrepreneurship in a social context.

Due to the ethical nature of entrepreneurs related to their psychology as well as their entrepreneurial business behavior, here the author chooses to use the basic principles of Islamic business ethics or basic

ethics in Islamic business that must be owned and practiced by every entrepreneur/entrepreneur in running his business. The basic ethics of Islamic business consists of four behaviors, namely: *al-Quwwah* (strength, courage, skill), *al-Amanah* (trust, honesty, loyalty), *al-Hifdz* (maintenance, execution, execution), and *al-'Ilm* (understanding).

These four basics ethical behavior of Islamic business together will make a positive contribution, to building a business organization, as we can see from the figure below:

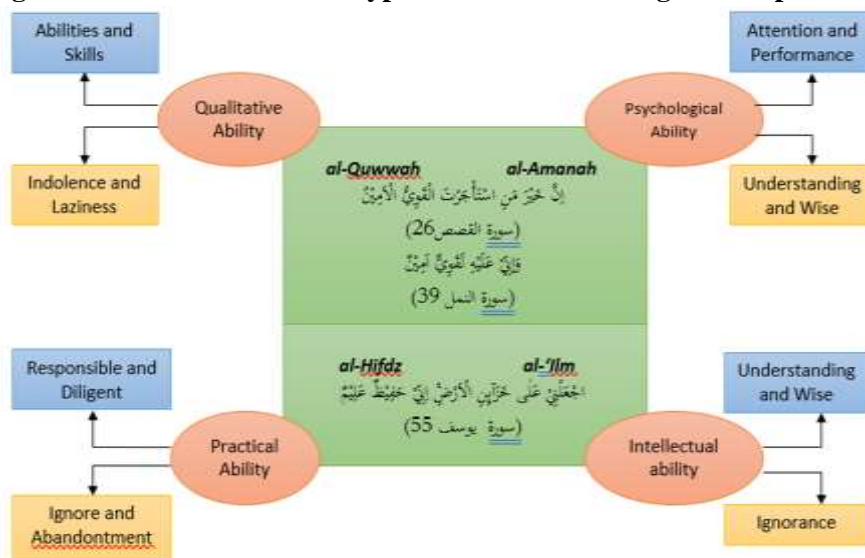
Figure 2. The Basic of Islamic Business Ethics (IBE)



Source: (2010 باددح)

From the figure 2 above, it can be explained in detail in the figure 3 below:

Figure 3. The Basic IBE and Types of Positive and Negative Capabilities



Source: (2010 باددح)

Based on figure 3 above, the indicators for each pillar are explained as follows:

a. *al-Quwwah* and *al-Amanah*

al-Quwwah means the ability and willingness to produce skills and abilities, the entrepreneur's ability to work or create a business, his skills to complete his work, and his practical ability to carry out responsibilities. While *al-Amanah* means keeping and keeping promises, avoiding mistakes and or immorality, failure, and rejection. *Al-Amanah* also means doing everything (work) by its principles, as well as the flow and steps of the process, especially in the field of work that he is engaged in, in the business institution where he

works, and in all behavior according to the code of ethics imposed on him. (2010 باددح)

So a businessman in the *al-Quwwah* category has the strength of the heart (soul; spiritual), mind (mind), and body (physical), not the strength of *al-Syiddah* (violence; rudeness), *al-Shalabah* (rigidity), and *al-Qaswah* (rudeness). What it means is that an entrepreneur must be competent (have the right qualifications), controlled, disciplined, have determination, take a firm stand, and have a passion for work to seek and/or demand anything that benefits him.

While entrepreneurs with the character of *al-Amin* can maintain rights, in the sense of

understanding them, supporting them, and paying attention to them so that they can be channeled to all parties who are entitled to them. Then he commits channeling (giving) rights in the right way, by practicing the rights of Allah SWT. (worshipping Him), giving rights to those who are entitled to receive them, and guarding the deposits and secrets entrusted to him. (2010, بادحدح)

b. *al-Hifdz* and *al-'Ilm*

The source of these two characters is the word of Allah SWT. which tells that the Prophet Yusuf AS. said to the ruler of the kingdom of Egypt:

قَالَ اجْعَلْنِي عَلَى خَزَائِنِ الْأَرْضِ إِنِّي حَفِيظٌ عَلِيمٌ

Means: Yusuf said: "Make me the treasurer of the state (Egypt); indeed I am a person who is good at guarding, and knowledgeable." (QS. Yusuf (12):55)

The meaning of *Hafidz 'Alim* in the verse is to have two characteristics/characters, namely the ability to maintain whatever (responsibility) is assigned to him, and mastery of knowledge about the procedures for regulating/maintaining what is imposed on him. And if an entrepreneur has these two traits/characteristics, then he will be the best entrepreneur, because he has intellectual expertise and practical ability in doing business, which makes him able to assume responsibility and work wisely.

An entrepreneur who is *Hafidz* (a person who is good at maintaining/maintaining) is a person who does not lose anything—whatever it is. He is psychological characteristics associated with diligent and conscientious nature, understands problems perfectly, and has a strong memory. *Al-Hifdz* also means the ability to be able to refrain from despicable behavior, or what today is known as self-management. While in the business world, *al-hifdz* is often used to refer to work and managerial practices called responsibility, which means being able to carry out tasks and be sincere in work. (2010, بادحدح)

While the entrepreneur in the *al'Ilm* category is someone who has knowledge about the task/job and how the task/job should be done. This knowledge is divided into two types, namely theoretical knowledge obtained from learning and practical knowledge obtained from experience, in

this case, theoretical knowledge becomes the basis for practical, because humans generally start by seeking a logical understanding of the parts - a knowledge—the smallest then gradually perfecting it until it gets the whole knowledge perfectly and best, either by learning and teaching or by training and practice.

From the point of view of the Qur'an, we find that the first verse was revealed to the Prophet Muhammad to show the importance of Knowledge in Islam. Allah SWT. said:

اقْرَأْ بِاسْمِ رَبِّكَ الَّذِي خَلَقَ خَلَقَ الْإِنْسَانَ مِنْ عَلَقٍ اقْرَأْ وَرَبُّكَ الْأَكْرَمُ الَّذِي عَلَّمَ بِالْقَلَمِ عَلَّمَ الْإِنْسَانَ مَا لَمْ يَعْلَمْ

(العلق (96): 1-5)

Means: "(1) Read by (mentioning) the name of your Lord Who created, (2) He has created man from a clot of blood. (3) Read, and your Lord is Most Gracious, (4) Who teaches (humans) using words, (5) He teaches people what they do not know." (QS. Al-'Alaq: 1-5)

After the revelation of the verse, and after studying it, Rasulullah SAW emphasized to the Companions to study the science of religion (Islam) and its laws but did not limit it to just that. The companions also learned knowledge related to trade and business, so many of them became successful traders, businessmen, and entrepreneurs, and became pioneers of entrepreneurial business in their respective communities, even outside the Arabian peninsula. (Faizal et al., 2013). Science is the basic foundation and beginning of the success of any job (business), as well as the main pillar of expertise in work and business.

3.2. Discussions

Overview of EPB of Chinese Group Business in Ponorogo Village

In terms of ethnic Chinese residence, there are several distribution patterns between the various islands in Indonesia. Specifically for Java and Madura, the largest percentage (78.4 %) resides in urban areas, while the remaining (21.6 %) resides in rural areas. This shows that most of the ethnic Chinese in Java and Madura carry out economic activities in the urban trade and industrial sector (Ririn Tri Puspita Ningrum, 2015).

Likewise in Ponorogo City, the majority of ethnic Chinese live and carry out trading activities in urban areas, namely Ponorogo District, although some of them live in rural areas. There are many shops owned by ethnic Chinese in the area ranging from cloth, gold, bicycles, electronics, school and office stationery, necessities, plastic, furniture/furniture, carpets, optical glasses, building materials, sports equipment, premium laundry, printing, cafes, restaurants, water refills, private lessons, motorcycle services, and photo printing.

Ethnic Chinese is one of the ethnic groups who are good at trading. They can compete with indigenous people and survive for a long time. The totality of ethnic Chinese entrepreneurs in maintaining their business existence is very visible, starting from the provision of goods or services to services. They always prioritize the best behavior in their business activities to maintain the comfort and trust of consumers. They always try to provide convenience in transactions, innovate, maintain the quality of goods and services, provide discounts at certain times, and always make improvements to business facilities. So it is not surprising that many people in Ponorogo shop at shops belonging to ethnic Chinese.

From a historical perspective according to cognitive aspect, that entrepreneurial action in ethnic Chinese based on some factors such as *technological progress, organizational change*, and *innovation*, that are a significant force driving the emergence of ethnic Chinese entrepreneurs. However, the mechanisms and motivations they choose to run an entrepreneurial business vary, as does the number of people who become entrepreneurs in the community. In the context of the economic transition in China, entrepreneurs have come from various backgrounds over the past few decades. Some are former managers, engineers, or employees in state-owned companies, some are illiterate farmers, and some have resigned from government departments and gone into business as entrepreneurs. (Dai et al., 2019).

According to motivational aspect, that ethnic entrepreneurship business in China during the period of economic development, the growth of entrepreneurial activity has been very fast and phenomenal in the last few decades. During 2002-2011, about one-sixth of adults of working age were involved in early-stage entrepreneurial activity. Chinese society has always valued entrepreneurship in recent years. On average, 69% of the adult population

in China consider starting an entrepreneurial business a good career choice, and 74% of them believe that entrepreneurs are respected and enjoy a high status in Chinese society. They also often see entrepreneurial opportunities as positive opportunities (Huang et al., 2020). This positive perception is what makes ethnic Chinese successful in business.

Furthermore, according to opportunity utilization aspect, Chinese traders/entrepreneurs have the characteristics of daring to take risks, including the risk of failure, loss, or the fall of their trading business. Trading is a risky activity, there is no guarantee that trading activities will bring profits. Therefore, every trading activity needs to be done casually. Brave people must dare to try, open, and advance trading activities. The main enemy of traders is the fear of competition, seeking new business, and facing failure. Without understanding this principle, traders will easily lose and be defeated. By sticking to the principle of "*let you lose but don't fail*", traders will bounce back.

Regarding the origin of the income, the majority of ethnic Chinese use banking as access to capital, but this is not done 100%, because some of the capital comes from family donations and partly from personal savings. Regarding bank loans, they always commit to paying them off immediately.

Meanwhile, in terms of human resources, ethnic Chinese entrepreneurs generally do not use employees who are experts in their fields but focus more on the willingness of people who register as employees, or the willingness to apply for work at the informant's business premises. This is because when the informants set up a business, they only need someone (an employee) to help run their business. Therefore, they took the initiative to provide training to employees, so they can carry out their duties properly.

Other resources are working equipment and raw materials. Informants revealed that they already have suppliers and special distribution channels to obtain their work equipment and raw materials, whether they seek information from where they can get suppliers of equipment and raw materials or get information from family, friends, and previous work experience. In addition, to ensure that all production needs from these suppliers are of good quality so that they can maintain customer trust.

According to Seng, the Chinese trading system is somewhat different from the system used by the West. The Chinese prefer to focus on one trade before

developing it on other trade activities. That way, they can control the trade and monopolize it making it difficult for others to compete with it. For the Chinese, *"let it be little and slow as long as it is safe"* rather than *"what is chased is not found, what is in the hand is released"*. (Seng 2007).

As is the case with the Chinese in Ponorogo, they generally focus on one trade and with existing products, although they also do not deny the importance of making changes/innovations to face the ever-changing times. No matter how important innovation is, ethnic Chinese entrepreneurs still pay attention to time, opportunity, and readiness, especially in this case financial condition, to create these new products and services.

Analysis of EPB of Chinese Group Business in Indonesia: Contextualization from Islamic Business Ethics Viewed

First Indicator: Behavior Perspective

Based on the explanation above, the success of the Chinese in business is the fruit of their sincerity and positive perception of the business world. Ethnic Chinese entrepreneurs have always believed that business always promises pleasure and prosperity, even though the risks they face are many and great. In addition, the Chinese are an ethnic minority, so they are aware of that, they always motivate themselves to become successful entrepreneurs so that they can live independently and not depend on others (begging).

In Islamic business ethics, this behavior is called *al-Quwwah*, because it shows enthusiasm, determination, and commitment to pursue something beneficial. (بَادِدَح, 2010). This behavior includes the teachings of Islam, where a person works to make ends meet to avoid begging, begging, and expecting mercy from people. A Hadith says,

"Verily a person who goes to the mountain, brings his rope, and carries a bundle of firewood on his back, and then sells it, with which Allah guards his face, is far better for him than begging from others, which can be given and can be refused." (Al-Qardhawi, 1997).

However, Islam also does not fully justify this behavior, especially for Muslim entrepreneurs, that Islamic entrepreneurship is not only world-oriented, but based on divine principles, where all activities start from Allah, aim at the end of Allah, and use facilities that cannot be separated from Allah. When trading, a Muslim considers it an act of worship to Allah. The

more diligently he works, the more devoted he is to Allah, the neater his work, the closer he is to Him. And when enjoying various goodness, it occurred to him that all of it was sustenance from Allah to His servants who must be grateful. (Al-Qardhawi 1997).

Second Indicator: Entrepreneurial Knowledge Perspective

Furthermore, what was conveyed by that entrepreneurial knowledge can be obtained from outside the education system, especially in the entrepreneurial business ecosystem and environment in the form of experience. (Secundo et al., 2015). So, according to Zeng said, entrepreneurial knowledge can come from several training sources, such as entrepreneurship training institutions (public or private), entrepreneurship training networks (usually under social institutions), franchise shop training systems, and transfer of family business experience. (Zheng et al., 2017). In reality, ethnic Chinese entrepreneurs generally get a lot of knowledge about business from experience, both when working in a company (employees) and taking lessons from family business experiences. And all the knowledge from this experience, they make learning material in carrying out all the work in their business.

In Islamic business ethics, this behavior is included in *all* categories, because it shows an ability to do everything based on knowledge. But Islam has a slightly different concept, as conveyed by Islamic scientists, that is, an entrepreneur must have theoretical knowledge gained from learning and practical knowledge gained from experience, in this case, theoretical knowledge becomes the basis for practical because humans generally start by seeking a logical understanding of the smallest parts –a knowledge– then gradually refine it until it gets the whole knowledge perfectly and best, either by learning and teaching or by training and practice. (بَادِدَح, 2010).

Specifically for Muslim entrepreneurs, the knowledge that must be studied first is religious knowledge before studying business knowledge. According to Islam, religious knowledge is the basic foundation and beginning of the success of any work (business), as well as being the main pillar of expertise in work and business. As Allah says in QS. al-'Alaq (1-5). After the revelation of the verse, and after studying it, Rasulullah SAW emphasized to his companions to study religious knowledge (Islam) and its laws, after he suggested learning knowledge related

to trade and business so that many of them became traders who success.

Third Indicator: Financial Capital Perspective

The classic problem experienced by entrepreneurs is financial capital, and it appears in the first place for micro, small and medium entrepreneurs. These capital funds are very much needed by an entrepreneur, namely: for the first time to open a business, expand the business, and finance daily business operations. An entrepreneur is very likely to get business capital from several sources, namely: financial institutions (banks and non-banks), supporting institutions such as insurance companies, and guarantors, as well as own capital or funds prepared from savings. (Sari Juliasti, 2009). And regarding the origin of the income, the majority of ethnic Chinese use banking as access to capital, but this is not done 100%, because some of the capital comes from family donations and partly from personal savings. However, they always commit to paying it off immediately.

Some Muslim scholars say that raising enough capital to start a business without debt is also very burdensome. Considering these factors, they agreed to allow Islamic companies to have a certain level of debt in their capital structure. This acceptable threshold allows a debt-to-equity ratio of 30-33% (Mohamed Eskandar Shah Mohd Rasid, Ajim Uddin, 2019), or equal to 1/3 of the total external financing. In essence, the basic principle of Islamic finance, debt should be avoided or at least limited.

However, the commitment of ethnic Chinese businessmen to immediately pay off debts is also good behavior in Islam. Islam requires a fair attitude by paying off debts if they can pay them so that they are free from their responsibilities. If not, then he has done wrong and is entitled to receive sanctions in this world and the hereafter. Even a person who dies *fi sabilillah*, despite his high position cannot abort the burden of sin against the debtor. The Prophet said: "*All the sins of a martyr will be erased except debt*" (Al-Qardhawi, 1997).

In addition, ethnic Chinese entrepreneurs always strive for the best for their employees, namely by providing decent salaries, providing salaries on time, and providing infrastructure to develop work skills. Likewise for customers, namely by maintaining the quality of goods and services and providing the best service. These behaviors in Islamic business ethics are included in the *al-Amanah* category because they

show an ability to give what is the right of customers and employees. Then these behaviors as an attempt to build the quality of "*trust*" in him, so that a healthy network can be created with customers and other entrepreneurs in the required market. And specifically for Muslim entrepreneurs, there are more responsibilities, namely giving part of their wealth to those who are entitled to receive it, through alms, infaq, and zakat, and carrying out worship that must be carried out for people who can afford it, namely Hajj.

Four Indicator: Creation Theory Perspective

The last part is the action-oriented theory or "*creation theory*" which prioritizes creating opportunities rather than finding opportunities. That entrepreneurial opportunity is created endogenously, with actions, reactions, and treatments of entrepreneurs/entrepreneurs who explore ways to produce a new product or service." Creation theory states that the actions of an entrepreneur/entrepreneur are an important source of opportunity, and it is different from discovery theory where opportunity is assumed to be unrelated to the entrepreneur/entrepreneur (Kuratko et al., 2020).

Often each customer segment is only interested in certain products and or services offered by entrepreneurs (Askari et al., 2016). Thus, efforts are needed to improve and innovate new ideas, techniques, procedures, and designs. This will ultimately advance the business, with innovative products and/or services according to what the entrepreneur perceives or perceives as a business opportunity.(Makhloufi et al., 2021).

In this case, ethnic Chinese entrepreneurs do not deny the importance of innovation to maintain business continuity. But they are more focused on the business that is being carried out until it succeeds. As time goes by, they also think about innovating new products and services, which of course takes into account the time of opportunity, readiness, and financial condition. This reality is what was conveyed by Seng that the Chinese trading system was somewhat different from the system used by the West (Seng 2007). The Chinese prefer to focus on one trade before developing it on other trade activities. That way, they can control the trade and monopolize it making it difficult for others to compete with it. For the Chinese, "*let it be little and slow as long as it is safe*" rather than "*what is chased is not found, what is in the hand is released*".

In Islamic business ethics, this behavior is included in the *al-Hifdz* category, because it shows the ability to be responsible for what is charged to him. A *Hafidz* entrepreneur has a diligent, thorough nature, understands problems perfectly, has a strong memory, and a commendable nature (be careful) (2010, *بإدح*). Mature readiness to make new products is also a teaching of Islam. Islam allows an entrepreneur to make variations in the form of products according to the needs of the community. So there is a need for planning, analysis, and statistics to develop products to meet the needs of the community. In that planning, what is more, important needs to be prioritized over what is important, or what is primary rather than secondary? The Qur'an provides an example of planning through the story of the Prophet Yusuf. Prophet Yusuf once made plans for the next 15 years covering production, storage, consumption, and distribution, to deal with famine and a long dry season in Egypt and the surrounding area. (Al-Qardhawi, 1997).

It is important to know, that Diligence in work is also an important norm in Islam. Islam not only recommends just work but also asks them to work diligently and well. The point is to do something diligently and finish it perfectly. So being diligent in work is an obligation and an order that must be fulfilled. In a sahih hadith it is stated, which means: "Indeed, Allah requires *Ihsan* for everything, if you kill then do it well and if you slaughter, then slaughter well. A person should sharpen his knife to relieve the suffering of the one he slaughtered." (HR. Muslim). In another hadith, it is stated, which means: "Indeed, Allah loves one of you who when he work he pursues the work." (HR. Baihaqi) (Al-Qardhawi, 1997).

4. CONCLUSIONS

Based on the explanation above, the conclusions obtained from this research are that the entrepreneurial behavior of the Chinese ethnic group shows five behaviors, namely: *first*, having a high motivation to become a successful entrepreneur being financially independent, and avoiding being dependent on others (begging for help). *Second*, learn about business knowledge through formal and non-formal education (experience of working or being an employee in someone else's company and family). *Third*, using personal savings, family assistance, and access to banking for funding and business development. *Fourth*, commit to settling all debts on time. *Fifth*,

fulfill the rights of employees and customers properly, namely by providing adequate facilities for employees to develop their abilities, providing adequate salaries and delivering them on time, and maintaining customer trust by always presenting good products or services. *Sixth*, having a strong determination to develop the business through the innovation of new products or services with full readiness, calculation, and prudence.

Objectively, these behaviors are by the four basic ethics in Islamic business, namely, *al-Quwwah*, *al-Amanah*, *al-Hifdz*, and *al-'Ilm*, in other words, these behaviors are also taught by Islam. However, several things cannot be reconciled with Islamic teachings, namely: *first*, orientation. In Islam, business or business is not just to meet the needs of life, but all good behaviors in it, such as honesty, discipline, diligence, and earnestness are a form of obedience and piety to Allah. *Second*, regarding knowledge, Islam obliges us to study religious knowledge before business science, this is to ensure that all business activities are protected from things that are forbidden by Allah, cause damage to the earth, and cause harm to human life. *Third*, regarding the acquisition of capital and business development through debt. Although some scholars allow it, in principle, Islam recommends avoiding or at least limiting it as much as possible.

5. REFERENCES

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