Qualitative Study of the Role of Islamic Law in Shaping Muslim Identity and Business Ethics

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ABSTRACT

This qualitative research explores the role of Islamic law in shaping the identity and business ethics of Muslims in West Java, Indonesia. This research investigates how Islamic principles and cultural norms interact to influence ethical decision-making and identity formation among Muslim business owners. Through semi-structured interviews and document analysis, this research uncovers themes of integration between Islamic teachings and local customs, the impact of Islamic ethics on business behavior, the relationship between adherence to Islamic principles and self-identity, and the challenges faced in aligning religious obligations with economic reality. The findings highlight the synergy between religion and culture, the ethical foundation provided by Islamic principles, and strategies used to deal with challenges. The implications of this research include both theoretical understanding and practical application, offering insights for policy makers, business people, and religious leaders in promoting ethical and culturally sensitive business practices.

Keywords: Business Ethics, Business Identity, Islamic Ethical Principles, Muslims, Qualitative Studies, Religious Beliefs, The Role of Islamic Law

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1. INTRODUCTION

The complex relationship between religion, culture and business ethics has long been a topic of interest to academics (Saefudin et al., 2023). Various studies have been conducted to dig deeper into the factors that shape individual and societal identity, as well as ethical behavior in the business context. One example is research on the effect of applying the principles of Islamic business ethics to customer retention at the BMT Al-Ittihad Pekanbaru Sharia Cooperative (Pratiwi & Yusuf, 2021). This research shows that Islamic business ethics emerged as a solution to ethical problems in today’s business world, with the aim of teaching people to cooperate in order to help each other and distance themselves from things that are not in accordance with sharia principles (Pratiwi & Yusuf, 2021). In addition, there is also research that examines the identity factors of the Ukrainian people in opposing foreign policy orientations during the Viktor Yanukovych era (Princess, 2020). This research found that the identity formed in Ukrainian domestic society tends to see Western values such as protection

of human rights, tolerance of other cultures, freedom of religion, individual freedom, and democracy, as well as social welfare as positive references (Princess, 2020). In the context of business ethics, research on ethical behavior in Islamic marketing shows that an entrepreneur in the view of Islam does not only seek profit, but seeks blessings, namely business stability by obtaining reasonable profits and getting the pleasure of Allah SWT (Malahayatie, 2019). Islamic business ethics are also considered as values that are directly related to religion (Pratiwi & Yusuf, 2021). Business culture and ethics also play a role in the formation of employee performance management. This study found that organizational culture contributes significantly to the formation of ethical behavior, because organizational culture is a set of values and norms that guide the actions of all employees (Phatriaka\textit{\textipa{l}ista Intan Apsari et al., 2022}).

West Java is a culturally rich region with a diverse socio-economic landscape, where religious beliefs, cultural heritage and ethical considerations are closely linked to business conduct (Naim & Mokodenseho, 2023). Islamic principles, codified through religious texts and local interpretations, influence individuals' sense of identity and ethical decision-making in their business endeavors (Willya et al., 2022).

One example of the influence of Islamic principles in the world of education and the economy in West Java is the Tiara Islamic Economics College, the Napala Indonesia Foundation, Bogor, West Java (Megayanti et al., 2022). Educational activities at this institution aim to provide an understanding of the opportunities and challenges of youth in facing the era of Society 5.0, especially in the world of education and the economy that existed in that era. Apart from that, in West Java there are also communities in Nunuk Baru Village, Maja District, Majalengka Regency who carry out practices that rely on the teachings of Sundanese ancestors and Islam (Ripa'i, 2012). Their daily life practices reflect how Islamic principles and Sundanese culture interact and influence their belief systems and customary practices (Komaruddin, 2020).

In a business context, ethical decision making is also influenced by factors such as idealism, professional commitment, locus of control, and risk preference (Adriana et al., 2014). Studies conducted at a tax consultant office in the South Jakarta Region show that idealism and professional commitment have a positive and significant effect on the ethical decision making of a tax consultant (Sarib & Mokodenseho, 2023).

Overall, an understanding of how Islamic principles influence an individual’s sense of identity and ethical decision-making in business ventures in West Java is essential (Witro et al., 2021). This will assist in developing a business strategy that is in line with local religious and cultural values, as well as ensuring sustainability and balanced economic growth in the region (Willya et al., 2021).

The study of the intersection of religion and business ethics is not only intellectually stimulating, but also highly relevant in a rapidly globalizing world. As globalization exposes society to diverse cultural influences, understanding how religious teachings interact with contemporary business practices is important for maintaining the integrity of individual identity and communal values (Ali et al., 2022; M. Zikwan, 2021; Muttaqin, 2016; Rayu Mega Permatasari, 2022; Resnadita, 2020; Wardhana & Kurniawan, 2021). This research aims to contribute to existing knowledge by explaining the nuanced ways in which Islamic law shapes the business ethics of Muslims in West Java, a context in which religious and cultural factors are closely intertwined.

The complex relationship between religion, culture, and business ethics has long been a topic of interest to academics, providing valuable insight into the various factors that shape individual and societal identity, and ethical behavior (Mokodenseho & Puspitaningrum, 2022). In the context of Indonesia, the country with the largest Muslim population in the world, the blend of Islamic principles and local cultural norms has played an important role in influencing various aspects of life, including business practices (Chairunnisa & Mukhtar, 2018). This qualitative research seeks to
explore the role of Islamic law in shaping the identity and business ethics of Muslims in West Java, Indonesia.

2. LITERATURE REVIEW

2.1 Islamic Business Ethics

Islamic business ethics are firmly rooted in the teachings of the Quran and Sunnah (traditions of the Prophet Muhammad). At the core of Islamic ethics are the concepts of halal (permitted) and haram (prohibited), which govern various aspects of economic transactions and behavior. These principles emphasize honesty, fairness, transparency, and social responsibility. Concepts such as riba, gharar (uncertainty), and maysir (gambling) are explicitly prohibited, and encourage ethical behavior in economic activities (Anwaril Muttaqin, 2018; Bukido et al., 2022; Nawatmi, 2010).

Scholars such as Muhammad Yunus have highlighted the compatibility between Islamic values and social entrepreneurship, emphasizing the importance of meeting societal needs while adhering to ethical guidelines. This perspective underscores the wider societal impact of Islamic business ethics beyond just making a profit (Marwa, 2013; Muhammad Irham et al., 2023).

2.2 Formation of Identity and Islam

Identity formation is a complex process that is influenced by various factors, including religion, culture, and socioeconomic conditions. For Muslims, religion plays an important role in shaping a sense of self and sense of belonging. Islamic teachings provide a comprehensive framework for personal and communal identity, as Muslims often identify themselves as part of a global ummah (community) who share the same beliefs (Azizah & Fauzi, 2021; Ghaisani & Maulina, 2015).

In the business context, the identity of Muslim entrepreneurs is often shaped by their commitment to Islamic principles. This identity is not only related to their personal beliefs, but also influences their business decisions, as they seek to align their actions with religious values (Hermann, 2010; Rahayu & Fikriyah, 2022).

2.3 The Influence of Culture on Business Practices

Cultural norms and practices play an important role in shaping business behavior, and often interact with religious principles in complex ways. In Indonesia, including West Java, cultural factors are closely related to Islamic practices. The customary practices of the Sundanese culture, for example, can influence business interactions and ethics. Research has shown that local culture can moderate the interpretation and application of Islamic principles, resulting in diverse business practices, even within the same religious framework (Abidin & Murtadlo, 2020; Mulyaningsih, 2019; Wan Sakinah et al., 2012; Woodward, 2019).

2.4 Islam and Business in Indonesia

Indonesia, with its Muslim majority, provides a rich context for studying the relationship between Islam, business ethics and identity formation. Previous research has explored how Indonesian Muslims negotiate their religious values in the business sphere. The concept of moderate Islam in Indonesia has given rise to a unique interpretation of Islamic teachings, which allows flexible adaptation of economic activities while adhering to ethical norms (B et al., 2023; Badru Jaman et al., 2022; Jaman et al., 2023).

In West Java, the blending of Islamic teachings with Sundanese culture has created a distinctive environment where local customs and global Islamic ideals intersect. Understanding how these dynamics influence business ethics and identity formation is critical to understanding the complex relationships that occur.
3. RESEARCH METHODS

The research design for this study is qualitative, as it allows for in-depth exploration of the complex relationships between Islamic principles, cultural norms, identity formation, and business ethics. Qualitative research is well suited to understanding the life experiences, perceptions, and interpretations of individuals in their socio-cultural context.

3.1 Participant

a. Sampling Strategy

Sampling aims to be used to select participants who have knowledge and experience relevant to the research topic. The 15 informants included Muslim business owners, Islamic studies academics, religious leaders, and individuals involved in the local community. This sampling strategy ensures multiple perspectives while focusing on individuals who can contribute meaningful insights.

3.2 Data collection

a. Semi-Structured Interview

Semi-structured interviews became the main method of data collection. This approach provides a flexible framework for engaging participants in open discussions while ensuring that specific research questions can be answered. An interview guide will be developed, consisting of key questions relating to Islamic law, identity, business ethics, and cultural influences. This guide will allow spontaneous exploration of participants' experiences and perspectives.

3.3 Document Analysis

Relevant documents, such as religious texts, regional regulations, and business codes of conduct, will be collected and analyzed. Document analysis will provide context, reinforce participants' perspectives, and enrich understanding of the complex interactions between Islamic principles and local culture.

3.4 Data analysis

Thematic Analysis Thematic analysis, a widely used method of qualitative analysis, will be used to identify patterns, themes, and relationships in interview transcripts and documents. The analysis process will involve several iterative stages: data recognition, initial code generation, theme search, theme review, theme definition and naming, and final report writing. This approach will facilitate comprehensive exploration of the data and enable emerging themes to be identified.

3.5 Data Triangulation

Data triangulation will be used to increase the credibility and reliability of the findings. By comparing and contrasting data from various sources (interviews and document analysis), this study aims to validate the identified themes and provide a more comprehensive understanding of the research topic.

4. RESULTS AND DISCUSSION

4.1 Major Themes

1. Integration of Islamic Principles and Cultural Norms

One of the prominent themes emerging from the data is the integration of Islamic principles and local cultural norms in the business practices of Muslims in West Java. Participants consistently highlighted how Islamic teachings are intertwined with
Sundanese customs, thereby creating an overarching ethical framework for their business. This integration can be seen from the emphasis on honesty, fairness, and social responsibility, which are considered as religious obligations and cultural values.

2. Impact on Business Ethics

This study highlights the significant impact of Islamic law on the ethical decision-making of Muslim business owners. Participants stated that Islamic principles, such as the prohibition of interest (riba) and the requirement for transparency, greatly influenced their business practices. The ethical dimension of their actions is deeply intertwined with their religious beliefs, shaping a sense of responsibility not only to themselves, but also to their community and faith.

3. Formation of Identity and Self Perception

Identity formation emerges as an important aspect in this study. The participants shared how their adherence to Islamic principles in business plays an important role in their identity as Muslims. Their business is seen as an extension of their faith, leading to increased self-confidence as individuals of noble character. This sense of identity is strengthened by their interactions with fellow Muslims and by recognition of their ethical behavior within their community.

4. Balancing Challenges and Measures

This study reveals the challenges Muslim business owners face when trying to align their business practices with Islamic law. These challenges include avoiding interest-based transactions, ensuring supply chain compliance with ethical standards, and aligning with cultural expectations. Participants spoke of the delicate balancing act needed to uphold their religious principles while managing economic constraints and societal pressures.

4.2 Discussion

1. Cultural and Religious Synergy

The findings of this study are in line with existing research on the compatibility of Islamic values with local cultural norms (Saadah, 2020; Wahyuddin et al., 2021). The experiences of the participants reflect the deep-rooted synergy between Islamic principles and Sundanese cultural practices. This synergy not only shapes business ethics, but also contributes to a sense of cultural continuity and identity, reinforcing the notion that religion and culture are intertwined in complex ways.

2. Cultivating Ethics and Identity

This study underscores the concept of Islamic ethics as a restraining force in the lives of Muslim business owners (Mukminin’Azmi et al., 2022; Muslim et al., 2006). Islamic principles provide a moral compass that guides ethical decision-making, fostering a strong sense of responsibility and accountability. These ethical barriers, in turn, become important factors in the formation of identity, influencing how participants perceive themselves and are viewed by their communities.

3. Negotiating Challenges

The challenges faced by the participants highlight the dynamic nature of applying religious principles in a contemporary business context. This study reveals the strategies used by the participants to overcome these challenges, which range from seeking guidance from Islamic scholars to innovative business practices aligned with Islamic values. This negotiation process emphasizes the flexibility and adaptability of Islamic business ethics while maintaining its basic principles.
4.3 Implications

The findings from this study have theoretical and practical implications. Theoretically, these findings contribute to a deeper understanding of the complex interplay between Islamic principles, cultural influences, identity formation and business ethics. This study enriches our knowledge of how these elements interact and shape the ethical landscape of Muslim business owners.

Practically, the insights gleaned from this research are of value to policy makers, business people, and religious leaders. Understanding how Islamic law informs business ethics and identity formation can guide the development of more culturally sensitive and ethically aligned business practices. Policymakers can leverage these insights to foster an enabling environment for responsible and sustainable entrepreneurship, while religious leaders can provide guidance that addresses the evolving challenges faced by Muslim entrepreneurs.

4.4 Limitations and Future Research

As with any other research, there are limitations that must be acknowledged. This study focuses on a particular geographic and cultural context, namely West Java, which may limit the generalizability of the findings. In addition, the study relied on participants’ self-reports, which may be influenced by social desirability bias.

Future research may expand in scope to cover other cultural regions or contexts to provide a more comprehensive understanding of the relationship between Islamic law, culture, identity, and business ethics. Comparative studies across different cultural and religious backgrounds can shed light on the universal elements and specific contexts of this phenomenon.

5. CONCLUSION

This research investigates the complex interplay between Islamic law, cultural norms, identity formation, and business ethics among Muslims in West Java. This research uncovers the deep integration of Islamic principles with Sundanese culture, which provides a holistic framework for ethical business conduct. The experiences of the participants reveal the profound impact of Islamic ethics on ethical decision making, underscoring the role of religion as an ethical anchor. This study also highlights the challenges of negotiating and the flexibility of Islamic ethics in adapting to contemporary business realities.

By contextualizing the findings in the existing literature, this study contributes to our understanding of the complex relationship between religion, culture and business ethics. The implications of this study extend beyond academia, providing insights for policy makers who want to create an enabling environment for responsible entrepreneurship, businesses who want to align themselves with local cultural values, and religious leaders who support communities in facing dilemmas. ethics. Although this research focuses on specific cultural and geographic contexts, its findings offer a foundation for further research in other areas and among diverse religious communities. Ultimately, this research deepens our understanding of the diverse relationships between religion, culture,

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