

# Islamic Perception of Business Ethics and the Impact of Secular Thoughts on Islamic Business Ethics

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## **Abstract**

The purpose of this paper is to exhibit the business ethics perception in Islam and to unveil the western secular values and thoughts regarding ethics. We have presented the various repeatedly verses from Holy Quran and teachings of the Prophet. But unfortunately the western dominancy on our systems with great extent effaced our core Islamic values, beliefs and idea regarding business and trade. The dominancy of their organism has occupied a vital rule in all the major activities in our system and we are constrained to follow. Especially Muslims are striving for much profit and they are ignoring the ethical standard of the business, what Islam prohibits and what permits they don't care. Being Muslims we have to follow the rules and regulation for business dealings which stated by Islamic jurisprudence the business will sustain its image and will be able to survive.

**Keywords** Business ethics, Islam, Perception, Western thoughts, Quran, Ahadith, Islamic jurisprudence.

## **1. Introduction:**

In today's modern business each business enterprise is fettered to follow the ethical perspective of the business language because no business activity can be best managed and organized without knowing sound Islamic business ethics especially for Muslims. Because the holy Quran says " Allah has made business legitimate for you" If a person knows about the wide range of issues which are confederated with all the function of marketing so then he/she can best manage the overall business with splendid ways. If we talk about ethics a clear picture comes to our mind about the behavioral aspect of the business person or managers that how he is going to deal customer in best and suitable manner. If the sentiment of ethics is prevail in the

mind of entrepreneur then surely he can never deceive the customer at all. Imprudent behavior in this regard may damage or collapse the overall business goodwill and reputation. The tradition of prophet (May peace be upon him) states "The Muslims are bound by their provisions or stipulations" ( Abu Daud, Hadith No:3120) about infielder and hypocrite who break down the promise the tradition of Holy prophet states thus " the hypocrite is not a promise person if he makes promise he breaks it and if he makes compact, he act traitorously" (Bukhari,1 hadith No: 32) In country like ours we must follow the Islamic jurisprudence regarding business dealing and the way of conducting daily and routine business transactions. In this behalf we can follow the instructions and orders of Holy Quran and Ahadith<sup>2</sup> of our prophet (sws). It is the great bounty of Fiege who revealed the Holy Quran for the direction of human beings with clear revelations over prophet Muhammad (sws) who is the incarnation for all human beings a concise lessons and glade tidings for those who believe on day of resurrection/dooms day, warning and wrath for those who belie all the clear sign or verses. It is unethical if some one makes stratagems or plots in daily routine business transaction with their customers using abuse language and showing despise then he is casting his self into darkness and plunge into astray. The great triumph and avert self from seditious or humiliation is to plain business dealings and good behavior with customers. Ancient people of prophet shuaib (A.S) were famous for unethical dealings and wrong measuring and weighing of goods. They were considering adulteration, feigning and dishonesty in business transaction their triumph and rejoice but they could not know the plot of oft-forgiver, and hence calamity seize them form where they did not know about.

In the holy Quran Allah says" And to Madyan people we sent their brother shu'aib. He said: O my people, Worship Allah, you have no other ilah (god) but Him, and give not short measure or weight. I see you in prosperity and verily I fear for you the torment of a day encompassing" (surah Hud, part 12, verse no 84)

"And O my people, Give full measure and weight in justice and reduce not the things that are due to the people, and do not commit mischief in the land, causing corruption.(Hud, part 12, verse,85.)

"That which is left by Allan for you (after giving the right of the people) is better for you, if you are believers. And I am not a guardian over you" (Hud, part 12, 86)

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1 Book name of the Ahadith

2 Sunnah of the Holy prophet Muhammad( May Peace Be upon Him)

Further Quran says “He said: “O my people, Tell me if I have clear evidence from my lord and He has given me a good sustenance from Himself (shall I corrupt it by mixing it with the unlawfully earned money). I wish not, in contradiction to you, to do that which I forbid you. I only desire reform to the best of my power. And my guidance can not come except form Allah, in Him I trust and unto Him I repent. (Verse no, 88).

Further the people of Madyan said, Quran tells us “They said: O shu’aib, we do not understand much of what you say, and we see you weak among us. Were it not for your family, we should certainly have stoned you and you are not powerful against us.”(Verse no: 92, part 12.)

On other place of the Holy Quran, Allah says, “the dwellers of Al-Aikah (place name near Madyan<sup>3</sup>) belied the Messengers.” (Surah 26, part 19, verse no: 175)<sup>4</sup>

“Give full measure and cause no loss to others” And weigh with the true and straight balance.” (Verse no: 181,182)

“And defraud not people by reducing their things, nor do evil, making corruption and mischief in the land.”

Then we can see what was the requisite for such a transgress nation, they could not outstripped the Quran says “And when our Commandment came, we saved Shu’aib and those who believed with him by a Mercy from Us. And As-Saiyah (torment awful cry) seized the wrong doers, and they lay (dead), prostrate in their homes.”(Verse no: 94, part 12.)

It is clear form the above verses that how the people of Madyan were defrauding the people in things, and they were considering short measure and weights to the people accomplishment in their business.

This is a single parable a thousand of exemplary events in this regard may prove about outcast people and nations.

About lawful business transaction we can see the saying of our Holy prophet (saww)

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3 Nation of the prophet Shu’aib( A.S)

4 Quran( the last revealed book)

Islam encourages candor and reliability in business transaction. The Holy prophet said "The honest merchant/business man on the day of resurrection will be rewarded with prophets, pious, virtuous and martyr people". (Tarmidhi, hadith No: 1130).

Now we briefly converse the term ethics, business, business ethics, and the reason why Muslims have failed to follow the instruction of the Holy Quran and sayings of the Holy prophet (saww) in business dealings.

## **2. Literature review**

2.1 Ethics the word ethic is derived from the Greek word "ethos" means custom and usage. A study what ever is right and good for humans.( VU,2011)<sup>5</sup>. Ethics a set of moral principles which enable a person to distinguish between things which one is good and which one is bad. The term ethics is often use as morality, morality in actions is very important constituent no behavior can be positive with out good and resonance base of ethics. Ethics also sustain behavior and it leads good attitude. (Dr Sabahuddin Azmi).

"We may define ethics as normative science of the conduct of human being living in societies- a science which judge this conduct to be right or wrong, to be good or bad. Or in some similar way. William Lillie (1971).

Basically the word ethics if we see it in Islamic perspective means to see what is good and bad socially as well as morally because ethics is something which play important role for making and developing an sound and pious society. (syed abul A'ala Mawdodi,1994)<sup>6</sup>

To be ethical it is required to have clear good judgment and responsibilities. The ethics can be covered from education, a person can get and train ethically by learning, but there is no need of some special education for ethics a person can learn form his surrounding and environment. To solve difficult situation and face different problem requires ethical understanding, a good human interaction needs a good and sound base of ethics, if a business want to be called an ethical accepted business, so it requires to take such action which are ethically accepted. Most people think that business has nothing to do with ethics but it business ignored the ethical standard will loose its image and not be able to survive. (Muhammad Tufail, 2009)

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<sup>5</sup> Virtual university Lahore Pakistan.

<sup>6</sup> The great Islamic scholar and writer of 21st century

## **2.2 Business**

Business can be defined any activity which is done for the purpose of earning profit but legitimate activity is called business. Illegal or unlawful activities not reckon in the limit of the business.

In literary sense, the term business means the state of being busy; it includes all those activity which are related with production, distribution and selling of goods and services with the core object of earning profit. According L. H. Haney," it is a human activity directed towards providing or acquiring wealth through buying and selling."

According to Urwick and Hunt they describes " business as an enterprise which makes, distributes or provides any article or services which the other members of the community need and are able and willing to pay for it." According to R.N.Owen "It includes all the commercial and industrial activities which provide goods and services to people with the objective to earn profit." (Saeed Nasir, 1995)

## **2.3 Business ethics**

So for carrying all these bustles business ethics an important component to formulate particular ethical standard in the framework of commerce and then applied. So business ethics is a device use in exchange transactions to accomplish the obligations. We have seen in the definition of the business and have already define ethics what does it mean, no it is clear that business includes all production and distribution activities relating goods and services, now we have to follow all that business morality which comes under business ethics and which Quran and saying of the prophet tell us that how we should do our dealings and what norm we should kept in mind before dealings. But we are cent percent failed to follow the ordained of fiege and the saying of the Holy prophet, because we debates on business ethics and business morality but when time comes then we ignore the verses of the Holy Quran and the action of the apostle. Being a Muslim we must see and study the Quran and sunnah,<sup>7</sup> as we know being a Muslim that the western secular ethical values are relatively useful in this world but it is respite, and the Islamic code of ethics are much constructive not in this world but also hereafter.

In this paper our core debate is to see business ethics in the radiance of Islamic perception. But unfortunately the western dominancy on our systems with great extent effaced our core Islamic values, beliefs and idea regarding business and trade. The dominancy of their

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<sup>7</sup> Saying and actions of the holy prophet Muhammad(sws)

organism has occupied a vital rule in all the major activities in our system and we are constrained to follow. We discuss it briefly.

## **2.4 Different isms of secularism and the west approach**

West people have the habit of labeling every fruitful growth in the world to themselves. They think that they are playing a major role in the development of the world, about the rules regulation, regarding business and trade, human rights, justice, social and economic development, for example they says that the human right concept was first emerge in Britain, which was drawn up six hundred years after form the advent of Islam, (syed abul A'ala Mawdodi,)

Lack of curiosity of our young generation is also due to the different isms which have gotten different shapes in the west. For remembering the lesson of Islamic ideas to our young generation require a sound and complete set of Islamic core values so It can be hoped to re-stand or rebuilt the mind of our young people to follow the instruction and set of laws of Islam not only in their daily and routine dealings but also in their entire life.

May be there are not many people who have affected from the western sciences and arts but many secular isms which they have presented in shape of agnosticism, or atheism, logical empiricism, realism, atomism, logical positivism, existentialism, evolutionism, naturalism, empiricism, phonomenalism<sup>8</sup>, pragmatism<sup>9</sup>, behaviorism and humanism etc with great extent have embedded in present political, traditional, sciences and arts and social sciences and perceptibly these isms are lacking people from Islamic faiths and believes. So the reason is that we are for away from Islamic philosophy and need to know form Islamic perspective each and every subject. (Ahmad Hussain Kamal, 2002).

Our whole education system is based on western thoughts; the institutions in which you people are studying are the remnants of the west, so how it can be hoped from the young generation to survive in such situation" (syed abul A'ala Mawdodi, 1966)

## **2.5 Effect of secular thoughts on modern studies**

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<sup>8</sup> The doctrine that human knowledge is confined to or founded on the realities or appearances presented to the senses.

<sup>9</sup> An approach that assesses the truth of meaning of theories or beliefs in terms of the success of their practical application.

The foundation of all modern studies have been laid down on secular thoughts, for example if we talk about medical, engineering, geology, sociology, business trade and commerce etc we are compelled to follow that thoughts which have been emerged in our life, consequently we have kept faraway from Islamic approach to study all these modern sciences. These secular thoughts are clearly moving in our bloods and causing less keenness to Islamic jurisprudence. (Dr.Ahmad Hussain , 2002).

## **2.6 Theories of the secular thinkers and philosophers**

Niccolo Machiavelli and Martin Luther two rebel minded philosophers with great extent has damage the mind of the people, similarly Sir Thomas More social philosopher, with his book "Utopia", Tommaso Campanella Italian philosopher and theologian, in his book "City of the Sun", with the advent of eighteenth century two more rebel minded philosopher appeared, Renato Russo and Voltaire, Renato Russo published his first article in 1750 and second one in 1753 in the name of "The Beginning of Inequality in Humans" Russo wrote his third book on the name of "Social Contract" in 1763. Russo was the rebel minded philosopher who was completely changed the mind of the people. Karl Marx and Engels, the founder of socialism, Bolshevism, Marxism, and Communism, the Britain Bradley, Green, Boozing, and Hume, German Immanuel Kant, Goethe, Friedrich Hegel, all of these were affected from thoughts and ideas of Russo. From Russo thoughts and ideas most of philosophers have presented their theories and ideas. The thoughts and ideas of Russo were rebel one, and with great extent that ideas and thoughts dented the mind of other people, and the effect of which we can see on Muslims society and traditions. The ideas of different thinkers grown, and the time came when the concept of mercantilism, capitalism and socialism born. He was the Adam Smith who presented the theory of capitalism in his book "Wealth of Nation." Two hundred year old concept of mercantilism which grew in 16th century, and spread in wide areas of sub-continent, America, South Africa and South Asia and the remote parts of the Indonesia and Australia which had effected the economic and social system now become changed in capitalism. Obviously these secular systems had drowned people into marsh. And the Adam Smith just not stopped but he introduced a new theory of "Free Trade" and soon the world whole system of business dealing such as, agriculture, industry, and mineral productions came under this theory and system. Then we see John Keynes theory of saving and investing his theory was also created confusion, and wrote down a book "The General Theory of Employment, Interest and Money" in which he presented a new theory regarding economics in 1936. After that we see a new step in the mid of 19th century which was taken by Karl Marx, by written a detailed and well grounded book in the name of "Capital" which paved the way to socialism. (Kamal Hussain, 2002).

## **2.7 Impacts of secular views**

Now the nations who's societies are built on the basis of these secular thoughts and views, the element of poison must exist there they will considered those things utilitarian for their business and trade, for their economy and society which Islam have prohibited for example, they will not discriminate between legitimate and unlawful resources on acquiring property, they will induce people towards interest, saving, making unfair earning, bribery, theft, hocus-pocus and fraud, making funds, less inclination to alms, free use of wine, alcohol, intoxicant, gambling, flesh of swine, dead animal etc. they western people just makes rules, plans for business ethics and they implement those which are useful for them.( Abul A'ala Mawdodi, 1959)

The most important thing which western theologians have permitted to use in business dealing is interest. But Islam says it is prohibited either it is in any shape or kinds the receiving and giving of Riba (interest) is unlawful dealing and the money which the person earn form it is haram<sup>10</sup>. About the origin of interest it is commonly said that it is created from those secular theories which have presented by different western philosophers in different age and time. The wealthier people considered it a easily source for making surplus money, to get the surplus money secured these wealthier people made a search for persons who could guarantee safe return of money as and when called.

(Dr. Habib-ur-Rehaman, 2003)

## **2.8 What Islam says about business ethics**

Now our core discussion on business ethics its perception in Islam, in first pages we have tried to show that what west thinks about business ethics, they says it is business morality and morality increase the profit of business concern irrespective of considering lawful and unlawful activities or dealings. We have to see first what Islam is.

### **2.8.1 Meaning of Islam**

The world Islam is Arabic world and its origin from SLM<sup>11</sup> (silm) means submission, surrender, obedience, to yield, or to give one's self up. Thus Aslama alone means "he committed himself to the will of God" salm means peace. And silm which also means "the religion of Islam."

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<sup>10</sup> Illegitimate, unlawful

<sup>11</sup> Islam



Islam in law basically of two kinds a) a simple confession with the tongue b) the other that along with confession, there is belief in the heart and fulfillment in practice, and resignation to God. The other meaning of Islam is peace, if one submission and obedience to Allah, that one can achieve real peace of body and of mind and which bring a real peace to society at large. (Khurshid Ahmad, 1999).

In one Hadith in which the Prophet (SWS) reply on the asking of Jibrael (Gabriel (AS) narrated by Abu Hurairah, Jibrael asked, what is Islam? Allah Messenger (sws) replied, "To worship Allah alone and none else, to perform prayer (As-Salat), to give Zakat and to observe Saum (fast) during the month of Ramadan" (M.Taqi-ud-DinAl-Hilali, 1998)

So Islam is the religion of Muslims. As in the holy Quran Allah says "This day, I have perfected your religion for you, completed my favor upon you, and have chosen for you Islam as religion" (surah 5, part 6, verse no 3).

Now if some one seeks another religion for himself, so Allah says "And whoever seeks a religion other than Islam. It will never be accepted of him, and in the Hereafter he will be the one of the losers". (Surah 3, part 3, verse no 85.) Quran says "O you believe enter perfectly into Islam and follow not the footsteps of Satan" (s2, p2 v208)

The holy prophet said "Ad- Din (Islam) is the name of sincerity and will-wishing". (Muslim). We can also study from the holy Quran to know what is exact meaning of Islam for this purpose these verses shows what islam is? S, 20, p16, verses, 13 to16. S 21, p1, v24. S, no 3 v no 19, s no 3 v no 85, s, no 4 v 89, s no 6 v 125, s no 12 v 101, s no 39 v 22, s no 61 v 7, s no 66 v 5. The study of tafsir of Abul A'ala Mawdodi "tafhim-ul-quran 3rd" and Tafsir of Syed Qutab Shaheed "fe zalalil quran"<sup>12</sup> may be fruitful to fully understand the concept of Islam

### **2.8.2 Need of the prophets (messengers)**

To every nations Allah sent Messengers to invite them to the right path and to the worship of Allah alone, bring them out from the darkness of polytheism into the light of monotheism. All the prophets sermonized about monotheism (Tauhid) i.e. belief in the oneness of Allah. In several places in Nobel Quran tell us about this fact, Noah(Nuh) sent to his people, Hud sent to his people Ad, Salih sent to his people Thamud, Shu'aib sent to his people Madyan, Lut(lot) sent to his people Sodom, and Muhammad(sws) sent to his nation and for all mankind and jinn. The purpose of sending all these prophets to people is just to preach about Tauhid, to

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12 Commentary of the holy book Quran

worship Allah and none has the right to be worshipped but Allah. And to worship Allah means to obey Him and to do all that things which He has ordained, and to abstain from all those things which He has forbidden. But the place of Prophet Muhammad (May peace be upon him) among the entire prophet is different, because Muhammad (May peace be upon him) sent for all mankind and jinn. As in noble Quran Allah says “say O Muhammad (sww): O mankind: verily, I am sent to you all as messenger of Allah” (surah no 7, verse, 158) and in another place Allah says “And whatsoever the Messenger (Muhammad (sww)) gives you, take it and whatsoever he forbids you, abstain from it.”(Surah no 59, verse no 7) And also Allah says “Say (O Muhammad (sww)) to mankind) ‘if you love Allah then follow me (accept Islamic monotheism, follow the Quran and Sunnah (legal ways of the prophet (sww)), Allah will love you and forgive you of your sins.”(S.no, 3, v, no 31). (M.Muhsim khan, .M.T.Al-Hilali, 1999).

Narrated by Abdullah Ben Amr ben Al-As, the prophet Muhammad (sww) said: Allah did not send a prophet but gratified him to lead his people to the best way which is known to him, and warn and abstain them against the worst which is known to him. (Shaikh Abdul Aziz bin Abdullah bin Baz, 1999).

Now we have seen from the above what Islam is and why Allah sent Messengers, if we give more Verses and Ahadith our subject will require more time and space which we can not continue here. Now here we shall see what the business ethics concept in Islam what are those business morality which Islam permits and which prohibits.

### **2.8.3 Business ethics in Islam**

The most emphasis which is given in Islam on the ethical character of some one, if we study the holy Quran and Ahadith, we shall find a discernible verses and the saying of the holy prophet Muhammad (sww) on ethical norms and moral codes. Islam emphasized to follow these ethical norms not only in personal and family life but also to follow in business dealings and transactions.

Islam is a complete way of life. It provides guidance for all activities either these are individual, social, material and moral, legal and cultural, economic and political and national or international. Islam invites the man to enter the fold of Islam without any vacillation and to follow Allah guidance in all fields of life. (Khurshid Ahmad, 1999)

The Quran verses and teaching of prophet tell us about the wide range of ethical norms to be followed i.e. in our social contract, contract with family, in equality of the sexes, contract with individual, dealings regarding neighbors, friend, relatives, in business transactions, public

and private life, chastity of women, security of the life and property, justice, protection of honor, ethics with non-combatants, combatants, sanctity of the property, dead body, and rules regarding the declaration of war. (Abul A'ala Mawdodi, 1999).

In one hadith in which prophet Muhammad (sws) says "I have been sent for the purpose of good morals"

In the noble Quran Allah says" ye have indeed in the messenger of Allah an excellent exemplar" (surah no 33, verse no 21.)

"The holy prophet said "the best among you is one whose character is best" (agreed).

The holy prophet said "A person devoid of kindness is devoid of any good" (Muslim).

Holy Prophet said, A time will come upon people when they will not differentiate what they earned is legitimate or unlawful" (Bukhari, 1941.)

In another place the tradition of Prophet (P.B.O.H) states, "To say a good word is just a charity" (agreed). And said "Every good deed is charity" (Bukhari)

The prophet (SAWS) said "he who deceives is not of us" other place the prophet said "the honest merchant will be rewarded on the day of judgment with prophets, pious people and martyrs" (Tirmidhi, 1130.) Honesty in business not mean that the seller always swear by the name of Allah for his transaction if he does so he doing wrong (Ahmad 14982)

The prophet reported to have said "one who has no pros of trust he does not faith and one who he does not fulfill his promise he has no Din (religion). (Tafhimul-Quran, 1994)13

"He who deceives us is not of us" (Muslim). "Be expeditious in doing goods."(Muslim)."  
"(Mulana Sardar Ali khan, 2004).

In short Islam is given too much importance on morality and ethics.

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13 Commentary of the Holy book Quran.

### **3. Ideology<sup>14</sup> of Islamic business ethics**

Here we shall discuss shortly about those beliefs and philosophy which Islam authorizes in business dealing and which comes under the scope of business ethics.

1. Trust
2. Legitimate resources on acquiring property.
3. Order to expenditure
4. Zakat
5. Parsimony (thriftiness) or economic order.
6. Lawful earning
7. Honesty in business dealings.
8. Bounty and humanity in business contacts.
9. Satisfying all business obligations.
10. Reasonable handling of staff.
11. Mutual esteem.
12. Clear business transactions.
13. Purchasing, and buying justly.

#### **3.1 Trust**

Trust should be the first belief for every Muslim, because the faith on Tuhaid (monotheism) is the basic steps for all dealings and actions. There are three aspects of Islamic monotheism.

Oneness of the lordship of Allah, to believe that there is no Lord except Almighty Allah, He is alone the creator, sustainer, planner of the universe and all that exist.

Oneness of the worship of Allah, to believe that none has the right to be worshiped but Alone Allah.

Oneness of the names and qualities of Allah, we must not qualify Allah except

With what He or His Messenger has named or qualify him”

(M.Muhsim khan, M.T.Al-Hilali, 1999).

Allah says in the noble Quran “And subjected to you all that is in the heavens and all that is in the earth, it is all as a favor and kindness from Him. Verily, in it are signs for a people who think deeply” (surah 45, part 25, verse no, 13.)

“Such is Allah, your lord, none has the right to be worshiped but He, the Creator of all things, so worship Him(Alone), and He is the Trustee, disposer, of affairs, Guardian over all things,”(

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<sup>14</sup> Basic principles for business ethics in Islam

surah 6, part,7, verse no 102.) and other place Allah the Almighty says “ Verily We have sent down the Book o you ( O Muhammad(sws) in truth: so worship Allah( Alone) by doing religious deeds sincerely for Allah’s sake only.”(Surah 39, part 23, verse no 02.) Similarly in several other places in the noble Quran we can see about the lesson of monotheism such as in surah no 01, verse no 05, part 01, surah no 02,part no 01, verse no 138, surah no 03,part 03, verse no 30,surah no 07, part 07, verse no 29, surah no 13,part 13, verse no36, surah no 16,part 14, verse no 120, surah no 22, part 17, verse no 31, surah no 24, part no18, verse no 55, surah no 29, part 20, verse no 17, surah no 30, part no 21, verse no 28, surah no 40, part no 24, verse no 14.

### **3.2 Legitimate resources on acquiring property**

The second main thing which Islam allow to his followers is rightful source of wealth and property, if some one earning so they must discriminate between lawful and unlawful source of income, this discrimination is based on such criteria that if one person earning and the other person suffering loss so Islam does not permit such kind of earning and transaction, Islam only allow those transaction in which both the parties have the benefit and their free consent. Because Islam wants impartiality between dealings. (Mawdodi, 1974)

As Allah Almighty says in His noble Quran “O you believe, Eat not up your property among yourselves unjustly except it be a trade amongst you, by mutual consent, and do not kill yourselves,. Surely, Allah is Most Merciful to you.” (Surah 04, part 05, verse no, 29.)

“And whoever commits that through aggression and injustice, we shall cast him into the fire, and that is easy for Allah.”(Surah 04, part 05, verse no, 30.) “And in their properties there was the right of the beggar who asks and the poor who does not ask others” (surah 51, part 26, verse no 19.)

Similarly on other places on the noble Quran we can study about the property such as, surah 2, p.2, v.188, surah 3,p.4,v.186, surah no 4, p.4 v.5 and 7, surah no,59,p.28,v.7and9, surah no 70,p.29,v.25.

### **3.3 Order to expenditure**

The basic teaching of Islam tells us about spending and not collection of money, but here the purpose of spending is not that a man must spent on his or her luxury and spam works but the main point is when a person saved more than from his needs so then it is obligatory to spent that excess amount or money on the way of Allah (sake of). So Islamic concept here is totally different than other secular concepts, here Islam says if one spend for the sake of Allah, his wealth increase, and there will be blessing on his property and wealth and Allah will give

him recompense. We can find a several verses in the Holy Quran in which Allah ordained to spend for His sake and He will requite for.

Allah says in the Quran “And they ask you about what they ought to spend. Say: “that which is beyond your needs.” (Surah 2, p2, v 219.)

“Satan threatens you with poverty and orders you to commit Fahsha (evil deeds); whereas Allah promises you forgiveness from Himself and Bounty, and Allah is All Sufficient for His creatures needs, All Knower.”(Surah 2, p2, v 268.)

“And whatever you spend in good, it will be repaid to you in full, and you shall not be wronged.” (Surah 2, p2, v 272.)

“Allah will destroy Riba (interest) and will give increase for Sadaqat (charity, alms), and Allah likes not the disbeliever, sinners.” (Surah 2, p2, v 276.)

Similarly in surah no 02, p2 v.280, surah no 02, p2 v.264, 265, surah no 02, p2 v.271, surah no 02, p2 v.267, surah no 02, p2 v.264, surah no 30, p21 v.39, surah no 35, p22 v.29, 30, surah no 51, p2 6v.19, surah no 04, p05 v.36. Quran also teaches us about to spend for the sake of Allah.

### **3.4 Zakat:**

Islam prohibits earning only for self and not caring the poor people in the society. Islam prevents the concentration of wealth in few hands but ensures the distribution among the poor people in a prescribed rate. Zakat<sup>15</sup> will be collected from all those who are involved or engaged any productive business activity or having excess money or holding assets for a period of not less than one year. Islam ensures the best of social security and bring Cooperation with the rest of the community members. (Habib Ur ehman, 2003.)

Because zakat purifies the wealth and bring prosperity in a state and efface the concept of socialism and capitalism in which wealth comes under the control of one hand. In various places in the noble Quran Allah Almighty says “take Saddaqa from their wealth in order to purify them” (surah 09, verse no 103, part no 10). And other place Allah says “ As – Sadaqat are only for poor Al Masakin, and those employed to collect and to attract the hearts of those who have been inclined, and to free the captives, and for those in debt, and for Allah’s cause. (Surah 09, verse no 60 part no 10). In surah Baqara Almighty orders “Establish worship and pay the poor due (give zakat), (verse no 43.) “Perform As-Salat and give zakat (poor due) and that is the

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15 A contribution from wealth in the way of Allah.

right religion.”(Surah 98, verse no 05, part no 30.) We can also find several verses in the Holy Quran in which Allah have cleared about the ZAKAT, for example we can see the following verses in the noble book. In surah no 73, part no 29, verse no 20, surah no 58 , part no 28 , verse no 13 , surah no 41 , part no 24 , verse no 07 , surah no 33, part no 22, verse no 33 , surah no 31 , part no 21, verse no 04 , surah no 27, part no 19 verse no03,no surah no 24 , part no 18 , verse no 37 , surah no 23 , part no 18 verse no 04, surah no 22 , part no 17, verse no 41, surah no 21 , part no 17 verse no 72 , surah no 19 , part no 16 verse no 31, surah no 09 , part no 10 verse no 05 , surah no 05 , part no 06 verse no 12, surah no 04, part no 05 verse no 77, surah no 02 , part no 01 verse no 43.)

The main object of zakat and charity is to help those people who do not beg of people at all. In one hadith narrated by Abu Hurairah: the prophet said seven people will be shaded by Allah under shade on the day of resurrection among them one will be he who practices Charity so secretly that his left hand does not know what his right hand has given”. (M.Muhsim khan, M.T.Al-Hilali, 1999).

### **3.5 Parsimony (thriftiness) or economic order**

Islam also prohibits Muslim from spending spam and not like a prodigal person. Islam orders to every Muslim to spend according to their needs and they must keep up the concept of parsimony. Those who are extravagant, spendthrifts and niggard persons are not like in Islam. This lesson of Islam tell us about if one person who having sufficient money and spending more than form his need may be a chance to becomes poor and nor permits any person who do act of niggardly or become a meager and do not spend to fulfill his needs but like those who go between these two way. Islam has also closed all the doors of extravagance and made clear rules and regulation for all the things which breaks down the equal distribution of wealth. Islam proscribes all those activities which brings and creates spiritual and moral problems. Allah Almighty says in his book “And those who, when they spend, are neither extravagant nor niggardly but hold a medium (way) between those.” (Surah no 25, part no 19, verse no 67.) In other place Allah says “verily, the spendthrifts are brothers of the Shayatin (devils) and the Satan is ever ungrateful to his Lord”.( surah no 17, part no 15 verse no 27.) so we can find several other interpretations of Fiege in different verses of the Holy Quran. Such as Surah no 07, part no 08, verse no 31, Surah no 17 , part no 15 , verse no 26 and 27, Surah no25 , part no 19 , verse no 67 , Surah no 04 , part no 04 verse no 06 , Surah no 06 , part no 08 , verse no 141.

### **3.6 Lawful earnings**

Islam emphasis on legitimate and Halal earning. There is no compliance in Islam for those business men who conduct their business dealings through unlawful and unligitimate

means and earns profit. Islam permits only for legitimate business as Quran tells us, “O you who believe: Eat not up your property among yourselves unjustly except it may be trade among you by mutual consent” (part no 5, surah no 4 verse no 29.)

In surah Al-Baqarah ALLAH says “These are they who have purchased error for guidance, so their commerce was profitless. And they were not guided”(S.2,P.1,V.16.) we can also study Ahadith in which Prophet has clearly mentioned the importance of legitimate earning, one day some one asked from Holy Prophet about best sort of gains, Prophet said, a gain which a man work with his hands, and all legitimate activities.(Ahmad, 1576.)

Every Muslim business men should aware from all lawful means of business and dealings. Because once Holy Prophet said, A time will come upon people when they will not differentiate what they earned is legitimate or unlawful” (Bukhari, 1941.)

Islam forbids tyrannical dealing such as Riba (interest) and condemns it, Holy Quran says “Allah has permitted trading and forbidden Riba” (s.2 p.3 v.275.) the prophet said “may Allah send down His curse all the persons who uses, pays, witnesses and write down the Riba” (Ahmad. 624), Almighty ALLAH says, “eat up not one another’s property unjustly (stealing, robbing, deceiving etc.) and nor give bribery to the rulers” (s.2.p, 2 v.188.) so we can see from the above verses and Hadith that how Islam strictly forbids unlawful dealings and business.

### **3.7 Honesty in business dealings**

Honesty in business dealing is also move up in Islam. There should be clear dealing between seller and buyer. If seller sells his goods or things on fake basis then he will be guilty for that. Islam condemns all fraudulent business dealings. The prophet (SAWS) in several Ahadith also prohibited his followers from doing such practices. The seller and buyer must be honest in dealings there would be no other motive which make a transaction fraudulent and in which both become guilty.

Allah almighty says in His book “woe to those who give less in measure and weight (AL-Mutaffifin). Those who, when they have to receive by measure from men, demand full measure. And when they have to give by measure to other men give less than due. Do they not think that they will be resurrected, on a great day” (s no, 83. p no, 30. v1-6.) In surah Nisa verse no 29, Quran says” o you believe, eat not up your property among yourselves dishonestly except it be trade amongst you, by mutual consent”. The prophet (SAWS) said “he who deceives is not of us” other place the prophet said “the honest merchant will be rewarded on the day of judgment with prophets, pious people and martyrs” (Tirmidhi, 1130.) Honesty in business not mean that the seller always swear by the name of Allah for his transaction if he does so he doing wrong (Ahmad 14982).so we can find a lot to verses and Ahadith of the prophet. Some of the verses of the holy Quran may also emphasis on honesty such as. S.n0 02,



p. 01 verse no 42, s.no 03, p 03, verse no71, s.103, p, 30, v03, s, 33, p21, v, 08,s,04,p,05,v,107.,s, 08,p,09,v2, .,s, 08,p,10,v58, s,22,p1,v38.

### **3.8 Bounty and humanity in business contacts**

Islam emphasis that one should be soft and flexible in business transaction. The dealing between buyer and seller should be on humanity basis. Both the parties either they will creditors or debtors should free to demand his money back. Islam is strictly prohibited from hard words and harsh language in business dealing. The Allah messenger said “may mercy be on him who is soft and decent in his dealing with others” several verses from the holy Quran shows that hard words and language must not be used while dealing or talking with others Allah says in His book “And be moderate in your walking and lowering your voices”(s, 31 p, 21, v 19.) the prophet said “give him the best thing the best amongst you” (Muslim 3002).

### **3.9 Satisfying (fulfilling) all business obligations**

Islam strictly emphasis on fulfilling all promise because in one Ahadith prophet has reported to said: one who not fulfills his promise is a trait of hypocrite” by fulfilling promise and contact is an important thing for traders because no one can be trustworthy if he is not fulfilling his deeds. In other place the prophet said “Muslims are bound by their stipulations” if we study the holy Quran we can find a several verses which tell us about fulfilling promises surah 5 Allah Almighty says” O you who believe fulfill your obligations”( p.6,v1) we can also study about fulfilling of promise from the holy book such as in surah 53, part 27, v 37, s 68, part 29 v,39, s,21 p 17 v09, s 39 part 24 v 74, and s 48, part 26 v 10. All the things between the parties either seller or buyer must be cleared and fulfilled and not lead to any dispute and discrepancy.

### **3.10 Reasonable treatment of staff. /workers**

Prophet (SAWS) said” the wages of the workers must be paid before the sweat dries upon his body” (Majah 2434). And other place said” I will be opponent to those persons on the day of resurrection who does not give him his due to a person who have finished work for him” Islam also teach us to give your brother as you self eat, drink as u self drink wear as u self wear and think as u self think for your self and family. This is the responsibility of the employer that he should provide all the basic things that is give him fair wages, provide him good working condition, and treat him ethically. This way Islam encourages and builds up the guts of love.

### **3.11 Mutual respect/ esteem**

Give respect to others in business dealing is the dominant principle of Islam. Businesses that base on selfishly earning and producing and not caring the society are considered illegal. Islam also emphasis on mutual respect in dealings. In holy Quran Allah says “By no means shall you attain piety unless you spend of that which you love and whatever of goods you spend Allah knows it well” (s 3, p 4 v92) in several places in the holy Quran it is mentioned that Allah loves kindness and deal with people with kindness. In surah 03 verse no 119 and surah no 05 verse no 54 discussed about love with people. So kindness and mutual respect in business dealing is the leading principal of Islam.

### **3.12 Clear business transaction and purchasing and selling justly**

Business man should be bound for clear business transaction. The buying and selling activities should be on mutual consent and not under coercion. Islam strictly prohibits such dealings in which both the parties are not clear. Even Quran tell us every Muslim business man if he is on dealing with other person so he must write down that agreement and must be cleared to both the parties. As the holy prophet is reported to have said “sale is not that which is done with out mutual consent sale is a sale which involve only mutual consent” (majah, 2176). Allah says in his book “O you who believe: Eat not up your property among yourselves unjustly except it may be trade among you by mutual consent” (part no 5, surah no 4 verse no 29.). “And whoever commits that through aggression and injustice, we shall cast him into the fire, and that is easy for Allah.”(Surah 04, part 05, verse no, 30.).

## **4. Prohibit and illegal affairs in business transaction**

There are also some dealings in business which Islam considered unethical and illegal contacts and transactions. The seller must not adopt such matters which do not come under the scope of Islamic business ethics. These matters now days are very common in practice in business society. They may include.

### **Earning from Haram (illegal activities) such as selling and buying of win, alcohol, drugs.**

- i) Doing fraud in business dealings,
- ii) Often swearing by seller for selling his products, or
- iii) Showing things which are not in reality, window dressing of the products, etc. and those transactions in which parties make promise and not make it to fulfill.
- iv) Hoarding to make high profit, speculative activities, and

- v) Interest in which Quran strictly forbidden.
- vi) Fixation of prices,
- vii) Flesh of the Haram animals,
- viii) Weapon which cause human destructions,
- ix) Intoxicants, flesh of pig,
- x) Storing of foodstuff for future time and then sell out with the expectation to earn some profit,
- xi) Fraudulent business practices for selling the products in market,
- xii) Black marketing, dealings in bad condition goods and stolen goods, cheating in business dealings, giving short measures
- xiii) Transactions which involve uncertainty.

## **5. Recommendation**

Now what is important to do especially by Muslim as well as by non-Muslim, we have exposed briefly the basic of business ethics in previous pages. Allah says "This day, I have perfected your religion for you, completed my favor upon you, and have chosen for you Islam as religion" (surah 5, part 6, verse no 3). This religion (Islam) the old name is Din, not new. It is almost 4000 years old name which was the Din (religion) of Harat Ibrahim (A.S) who was the spiritual leader and 3/4th of the world accept the power of spiritual seniority, not only Muslims but also Jews, Christians, pagans, Zoroastrian, were agreed on his spiritual supremacy.( Tafhim-ul-quran 1994) and Allah says in His book " He has chosen you and has not laid upon you in religion any hardship: it is the religion of your father Ibrahim( Abraham). It is He (Allah) who has named you Muslim both before and in this Quran" (surah 22, part 17, verse 78). Now if it is cleared that Islam not a new religion it is old one and the religion of Ibrahim. So then no doubt that Muslim and non- Muslim both should follow the rules of this religion which is Islam in their lives either these are social activities, religious activities or business dealings or worship now they are bound to follow Islamic monotheism. In the Holy Quran Allah says "he commands them for Islamic monotheism and all that Islam ordained, and forbids them form all disbelief, polytheism of all kinds that Islam has forbidden. He allows them lawful things i.e. Goods, foods deeds, and beliefs and prohibits them as unlawful things i.e. deeds, beliefs, dealings."(Surah, 7 parts 9 verse 157).

Generally for every Muslim business man we suggest these following dominant points to remember and adopt.

- Both seller and buyer must accept the supremacy of Almighty Allah, they should accept HIS sovereignty, love Him and follow whatever HE order and abstain from, in all dealings if its relate business dealing or any other moral conduct in social life

- Business dealing should be pure, the trader must be cleared with other party, especially the seller in dealings must out all the things clear, he should be honest and when promised then must fulfill. Dealings should be faired not fake.
- Softness must be kept in mind by traders or sellers while dealings, because gentleness is the basic thing for all dealings.
- Do not make the basis of dealings on bribery or corruption, interest, fraud, lie, etc
- The seller and buyer should also put aside their dealings from all illegitimate sources such as, gambling, black marketing, speculation, stock reserve or hoarding of food, fixation of pricing and all illicit items from which Islam is prohibited.

## **5. Conclusion**

In today modern business world business ethics have their own dominant role in business society. We accept that the secular business morality is utilitarian and supposed to be relative and may give benefit to the society and both to seller and buyer as well, but the Islamic perception on business ethics not only useful and relative but also base on humanity and work for long time. Muslims especially adopt those practices which benefit to mankind and review all the business activities which are unlawful and also harm for society and for his/her own organization. This way we can say the business world will be prosperous and will survive for long time.

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