

# Implementation of Islamic Business Ethics Principles in MSMEs in Kutai Kartanegara: A Study at SRC Kurnia Store Tenggarong Seberang

Muhammad Muliadi<sup>1✉</sup>, Rais Abdullah<sup>2</sup>

Mulawarman University, Samarinda, Indonesia.  
Email: muliadimuhammad671@gmail.com

## Abstract

This research aims to determine the implementation of Islamic business ethics principles in Micro, Small and Medium Enterprises (MSMEs) at SRC Kurnia Store Tenggarong Seberang. This research uses a descriptive qualitative approach with data collection techniques through interviews, observations, and documentation. Research informants consist of store owners, employees, and customers of SRC Kurnia Store. Data analysis was carried out through data condensation, data presentation, triangulation, and drawing conclusions. The research results show that SRC Kurnia Store has implemented five principles of Islamic business ethics, namely: (1) Tawhid, although worship facilities are still limited; (2) Balance, with a fair salary system based on regional minimum wage and incentive provision; (3) Free Will, by implementing healthy competition without harming other traders; (4) Responsibility, by maintaining product quality and being responsive to customer complaints; and (5) Truth, by instilling a culture of honesty although price transparency is not yet optimal. This research concludes that SRC Kurnia Store has generally implemented the principles of Islamic business ethics well, but there are still aspects that need improvement such as providing adequate worship facilities and displaying price labels on all products.

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## 1. Introduction

Business is an economic activity that is not only oriented toward achieving material profit but also plays an important role in driving economic development, creating employment, and improving community welfare (Wang, 2024). In the Islamic context, business is viewed as an integral part of worship when conducted according to Sharia principles that prioritize honesty, justice, and responsibility to Allah SWT and fellow human beings.

Micro, Small, and Medium Enterprises (MSMEs) have a strategic role in the Indonesian economy. According to Law Number 20 of 2008, MSMEs not only function as providers of extensive employment but also provide equitable access to economic services for the community (Hariati et al., 2018). Amid their development, MSMEs face various challenges, including aspects of implementing business ethics in accordance with Islamic values.

The implementation of Islamic business ethics in MSMEs has a strategic role in creating business sustainability that is not only economically profitable but also brings blessings to business actors, employees, and society (Silviyah & Lestari, 2022). Islamic business ethics provides a comprehensive value framework that encompasses the principles of tawhid, balance, free will, responsibility, and truth in every aspect of business activities.

However, in practice, many MSMEs have not fully implemented the principles of Islamic business ethics in their operations. Problems frequently encountered include service quality, honesty in transactions, the use of halal and thayyib quality goods, fairness in profit distribution, and responsibility toward employees and the surrounding community (Yusuf et al., 2023).

SRC Kurnia Store, located in Tenggara Seberang, Kutai Kartanegara, is one of the MSMEs that has developed since 2008. With a turnover achievement of IDR 1,000,000,000 per month and status as an SRC brand ambassador in 2018, this store becomes an interesting research object for examining the implementation of Islamic business ethics in the context of structured modern MSMEs.

Based on preliminary observations, although SRC Kurnia Store has endeavored to implement Islamic business ethics well, there are still several aspects that are not yet optimal, such as limited worship facilities and transparency in product price labeling. Therefore, this research aims to deeply analyze the implementation of Islamic business ethics principles at SRC Kurnia Store Tenggara Seberang.

## Literature Review

### 1) Islamic Business Ethics

Islamic business ethics is a set of moral values and principles sourced from the Qur'an and Sunnah, designed to guide the behavior of business actors in conducting economic activities fairly, honestly, and responsibly (Winarsih & Fasa, 2024). This concept not only emphasizes material profit but also spiritual, social, and moral aspects that are an integral part of a Muslim's life.

### 2) Principles of Islamic Business Ethics

According to Nurhaliza & Rohman (2024), there are five basic principles in Islamic business ethics:

- a. Tawhid (Unity); The principle of tawhid affirms that all business activities must be oriented toward devotion to Allah SWT. Tawhid encompasses vertical dimensions (relationship with Allah) and horizontal dimensions (relationship with fellow humans) that must be balanced in business practice (Sholihah, 2020).
- b. Balance (Equilibrium); The principle of balance or justice emphasizes the importance of acting fairly in every aspect of business, including wage determination, profit distribution, and treatment of employees (Azevedo & Nunes, 2024).
- c. Free Will; Freedom in doing business must be exercised with responsibility and must not harm the interests of others or common interests (Zamagni, 2020).
- d. Responsibility; Business actors must be responsible for every decision and business activity, including product quality, service, and social impact of their business activities (Angelov, 2022).

- e. Truth (Truth, Goodness, Honesty); Honesty is the main foundation that must be upheld in every business transaction to build trust and bring blessings (Putri et al., 2023).

### 3) Previous Research

Several studies related to the implementation of Islamic business ethics in MSMEs have been conducted previously. Rianti (2021) analyzed the implementation of Islamic business ethics principles in online buying and selling transactions on the Lazada Marketplace. Winarsih & Fasa (2024) researched the implementation of Islamic business ethics in Islamic marketing strategies. Sitio & Umaroh (2024) examined the principles of business ethics in MSMEs of salted fish traders in Pangandaran.

This research differs from previous studies because it focuses on traditional retail MSMEs that have developed into structured businesses through partnership programs, and uses a data triangulation approach involving owners, employees, and customers to obtain a comprehensive perspective.

## 2. Method

### 2.1. Research Design

This research uses a descriptive qualitative methodology based on interpretive epistemology, suitable for exploring how organizational actors understand and implement the principles of Islamic business ethics (Nobi et al., 2023). A single case study design with SRC Kurnia Store as the unit of analysis allows for in-depth investigation of contemporary phenomena in real-life contexts.

The store was purposively selected based on: (1) demonstrated commitment to Islamic values; (2) significant growth trajectory indicating sustainability; (3) formal organizational structure; and (4) willingness to provide research access. The research was conducted from October to December 2025 in Tenggarong Seberang, Kutai Kartanegara Regency, East Kalimantan.

### 2.2. Sampling and Participants

Purposive sampling selected information-rich informants until data saturation was achieved (Bell et al., 2022). Five informants represented three stakeholder categories:

Key Informants: (1) Mrs. Sulis Riami (Owner, 16 years of experience); (2) Mr. Rianda (Store Manager, 10 years of service).

Supporting Informants: (3-5) Three loyal customers: Mr. Aril (10-year customer), Mr. Yoyo (7-year customer), Mrs. Sholehah (9-year customer).

Multi-stakeholder sampling allows for triangulation of perspectives, reducing single-source bias (Farquhar et al., 2020).

### 2.3. Data Collection

Three complementary methods ensure methodological triangulation (Amado, 2022):

**Semi-Structured Interviews:** Individual interviews were conducted using protocols developed from the theoretical framework. Interviews were audio-recorded with consent and transcribed verbatim. Example questions: "How does the store ensure employees can fulfill worship obligations?" (tawhid); "How are wages determined?" (balance); "How does the store face competition?" (free will).

**Participant Observation:** Researchers conducted observations for two weeks, documenting operations, interactions, and practices. Observations focused on observable manifestations of ethical principles using a structured template.

**Document Analysis:** Documents examined included organizational records (contracts, wage structures, SOPs), physical artifacts (displays, price labels, worship facilities), digital communications (WhatsApp interactions, social media), and business data (sales records, supplier agreements).

### **3. Results and Discussion**

#### **3.1. Result**

SRC Kurnia Store was established on December 26, 2008, by Mrs. Sulis Riami with an initial capital of IDR 300,000. In 2013, the store joined the Sampoerna Retail Community (SRC), which provided training programs and business management assistance. Significant development occurred in 2015 with building renovation from wood to concrete. In 2018, the store owner was entrusted to become an SRC brand ambassador.

Currently, SRC Kurnia Store has 8 employees and records a turnover of IDR 1,000,000,000 per month, meeting the criteria for small businesses according to Law No. 20 of 2008. This store also empowers surrounding MSMEs by accepting consignment products such as fried foods and ready-to-eat vegetables.

##### **3.1.1. Principle of Tawhid**

Research results show that SRC Kurnia Store has implemented the principle of tawhid through the owner's awareness that business success is inseparable from Allah SWT's blessing. Mrs. Sulis emphasizes the importance of maintaining balance between *hablumminallah* (relationship with Allah) and *hablumminannas* (relationship with fellow humans).

The store has provided time for employees to perform prayer worship in shifts so that the store can continue to serve customers. Before work, a briefing is held to arrange worship schedules. However, available worship facilities are still limited, consisting of a partitioned warehouse that can only accommodate two people for congregational prayer.

From the perspective of product halal certification, customers express strong confidence because the products sold are well-known brands that already have halal certification. This finding is consistent with Sholihah's (2020) research, which emphasizes that performing prayer at work reflects the implementation of tawhid values in business.

Aspect requiring improvement: Provision of a more adequate and comfortable prayer room to support employees in fulfilling worship obligations.

##### **3.1.2. Principle of Balance**

SRC Kurnia Store has implemented the principle of balance through a fair salary system based on the District Minimum Wage (UMK). In addition to basic salary, employees receive allowances according to position and work risks. The organizational structure consists of crew, cashier, checker, admin, and store manager with proportionally adjusted compensation.

The store manager stated that when profits increase, salary revisions are made and incentives are given to diligent employees. The store owner has also sent an employee for Umrah pilgrimage as appreciation for 10 years of service.

Customers observe that employees work comfortably without pressure, and the relationship between the owner and employees is very harmonious, with no rigid hierarchical distance visible. This finding supports the research of Azevedo & Nunes (2024), which states that proportional salary distribution increases employee motivation and loyalty.

##### **3.1.3. Principle of Free Will**

SRC Kurnia Store implements the principle of free will responsibly through healthy competition strategies: (1) ensuring the availability of goods stock needed by the community; (2) offering competitive but fair prices; and (3) improving service through routine briefings on friendliness to customers.

The store's relationship with surrounding traders is well established, evidenced by the many traders who consign their goods such as fried foods and ready-to-eat vegetables. The store owner always reminds employees to maintain good relationships with surrounding traders.

Customers assess that the store competes healthily, with fair prices even cheaper than modern stores like Indomaret. Zamagni's (2020) research affirms that free will in trading must be limited by moral norms to create a fair and mutually beneficial business climate.

### 3.1.4. Principle of Responsibility

SRC Kurnia Store demonstrates strong commitment to the principle of responsibility through several measures:

- 1) **Product Quality:** Before receiving goods, condition and expiration dates are checked by special checkers. The store has a return agreement with distributors for damaged goods.
- 2) **Complaint Handling:** When there are customer complaints, the store conducts introspection by checking the condition of goods and comparing with CCTV recordings. If the store's fault is proven, goods will be replaced even if already taken home by customers.
- 3) **Customer Goods Safekeeping:** Items left behind are stored properly and owners can be contacted through the WhatsApp number printed on shopping receipts. If not collected for a long time, items are sold and the proceeds are put into a charity box.

Customers give high appreciation for the quality and safety of goods sold, as well as the store's responsiveness in handling complaints. This finding is consistent with Angelov's (2022) research on the importance of seller responsibility for quality and safety of goods.

### 3.1.5. Principle of Truth and Honesty

SRC Kurnia Store implements a culture of honesty through several methods:

- 1) **Recruitment:** Honesty is the main requirement in recruiting employees.
- 2) **Routine Briefing:** Honesty values are always emphasized in daily briefings.
- 3) **Monitoring System:** CCTV is installed to prevent deviations, with the awareness that "human honesty is as thin as tissue" so a control system is needed.
- 4) **Product Information:** Employees are directed to read package descriptions so that the information conveyed is accurate.

Customers feel honesty in service, especially price consistency between display and cashier. However, there is a deficiency in transparency because products on display do not yet have clear price labels, so customers must ask first.

Nevertheless, there are no indications of fraud or price manipulation practices. This finding supports the research of Putri et al. (2023), which states that honesty builds consumer trust and loyalty.

Aspect requiring improvement: Posting price labels on all products on display to increase transparency and customer convenience.

## 4. Conclusion

Based on the research results, it can be concluded that SRC Kurnia Store Tenggara Seberang has implemented the five principles of Islamic business ethics with strong commitment, including the principle of tawhid implemented through providing worship time for employees and awareness that business must be based on obedience to Allah SWT although worship facilities are still limited, the principle of balance realized through a fair salary system based on UMK, provision of allowances according to position, and timely salary payments, the principle of free will implemented responsibly through healthy competition strategies without harming other traders, the principle of responsibility reflected in product quality checks, responsive complaint handling, and safeguarding customer goods, and the principle of truth and honesty instilled through a culture of integrity although transparency in price labeling is not yet optimal, so that overall SRC Kurnia Store has demonstrated business practices in accordance with Islamic values with several aspects that still require improvement to achieve more perfect implementation.

Regarding recommendations, this research provides suggestions to SRC Kurnia Store to provide more adequate and comfortable worship facilities (prayer room) and post price labels on all products on display to increase transparency, suggestions for future research to expand research objects by involving more MSMEs in the Kutai Kartanegara region or other areas, examine the influence of implementing Islamic business ethics on financial performance and sustainability of MSMEs, and develop an implementation model of Islamic business ethics that can be applied to various types of MSMEs, as well as suggestions to the government to provide incentives or awards to MSMEs that consistently implement Islamic business ethics principles, conduct training and mentoring

programs on Islamic business ethics for MSME actors, and provide easy access to capital for MSMEs that implement business practices in accordance with Islamic values.

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