

# Measuring Islamic Business Ethics Within Indonesia Islamic Banks

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## Abstract

The business characteristic of Islamic banks is the implementation of Islamic business ethics. Parallel with the trend of increasing preference to ethical institution, Islamic banks should put this as its competitive edge toward its competitor conventional competitor banks. However, only few previous studies discussed about the implementation of Islamic business ethics within Islamic banks and none suggested how to measure such implementation. This paper is a study of the literature on ethics and Islamic business ethics as the first step in developing a measurement tool of Islamic business ethics implementation within Islamic banks. This paper synthesizes the dimensions of Islamic business ethics that is excavated from the Quran and Sunna, being proposed by previous studies. There are seven dimensions, namely unity of God, benevolence, justice and equity, sincere, equilibrium, trusteeship and responsibility. Subsequently, this paper outlines these dimensions into 21 items. The opportunity of future empirical study is recommended at the end of this paper.

**Keywords:** Ethics; Measurement of ethics;

Islamic business ethics; Islamic bank; Unity of God

## Introduction

The business of banking is about integrity, because banks manage the depositors' funds and lend those funds to debtors responsibly (Green, 1989). Therefore, ethical conduct of doing business is crucial to maintain trust of customers to the banks' integrity. Each bank usually set code of conduct as the guidance of implementation of ethics.

The issue of ethics in Islamic bank is even more crucial. As modern bank institutions, Islamic banks must operate strictly in compliance with Islamic law (syaria) based on Quran and Sunna (Van Schaik, 2001). Islamic banks are usually described themselves as being providers of ethical financial services (Wilson, 2005; Saidi 2009). Parallel with the trend of increasing preference to ethical institution (Carrasco, 2006), Islamic banking should take benefit of this condition for boasting its further growth (Saidi, 2009).

Measurement of ethics have become concern

of scholars, thus several methods have been developed. However, for Islamic business ethics, it is still vacant. Filling the gap, the objective of this paper is to develop measurement tools of Islamic business ethics within Indonesia Islamic banks. This is a literature study, so the result will be an initial step in from of dimensions and items of Islamic Business Ethics, which will need further effort testing reliability, validity and confirmatory analysis.

This paper will start its discussion by elaborating in brief about ethics, current methods in testing ethical value, the principles and scope of Islamic ethics, the importance and construct of Islamic business ethics. Conclusion and the opportunity for further studies will be described at the end of this paper.

### Ethics, in Brief

Originates from the Greek word of “ethos”, quoting the Oxford Dictionary, ethics means: (1) a system consist of moral principles as a tool to judge human action as good or bad, right or

wrong; (2) the standard of conduct recognized in relation to specific human actions. Ethics is a part of philosophy concerning moral behavior, to judge something is right or wrong, good or bad, both means and ends (Abuznaid, 2009). Ethics is required in relationships with others (Azmi, 2006). Yet, how to determine the right from the wrong becomes central issue (Azmi, 2006). In brief Hashi (2011) summarized that ethics is standard that prescribe what a man out to do, covering virtues, duties and attitudes as individual and part of society.

As guidance whether an action or behavior is conducted ethically, western philosophers developed framework, which is called ethical theories. In this regards, Al-Aidaros et al. (2013) toward ethical theories, have made comparison to Islamic perspective (Table 1). They argued that Islamic ethics could be considered as Devine command theory, because all of the aspects have been detailed by divine text. Hence, this theory is hardy acceptable in Western literatures.

Table 1: Ethical theories and Islamic perspectives comparison

Theory	Main Idea	Islamic Perspective
Relativism theory	Different societies may have its own ethical codes. No universal principles that can rule all peoples at all times.	Islamic teaching is universal.
Utilitarian theory	The ethical conduct means if the action resulted benefit for majority of people compare to other actions.	Majority nor minority cannot dictate right or wrong
Egoism theory	An individual’s self-interests determine what to be considered as ethically right.	Islamic teaching promotes justice, helping each other and humanity.
Deontology theory	It underscores the duty or obligation as a basis of judgment of right or wrong. It does not concern with the consequences of action.	The source for ethical system in Islam is the Islamic principles. i.e. Quran and Sunna.
Divine Command theory	The rules to identify ethical conduct are given in religion. Meaning, “ethically right” if it is “instructed by God”. Whilst “ethically wrong ” if it is “prohibited by God”.	Islamic ethics is based on Quran and Sunna
Virtue ethics theory	This theory’s focal point is on what makes a good individual rather than what creates a good behavior.	Islam acknowledge for good virtues but also the intentions and the actions.

Source: Al-Aidaros, Shamsudin, & Idris (2013)

## Methods and Scales Measuring Ethical Values

Now days, ethical rules have become part of business policies and even business culture. Many companies have defined ethical guidance officially with detail instruction, to be bound by its employees for their effective enforcement. In banking, in some countries, even there is such as national ethical conduct for bankers

issued by the local banker association, e.g. in Indonesia (Indonesia Banker Association, 2005) and in Turkey (The Banks Association of Turkey, 2010).

Scholars have developed many tools in measure the implementation of ethical behavior. Some of the most important measurement is highlighted in Table 2. Worth noting, the tools are designed from the perspective of Western ethical theory.

Table 2 : Most important tools in scaling ethical behaviors

No	Name (Author)	Description
1	Defining Issues Test (DIT) (Rest et al.1999)	Objective: Measures level of moral development of a person in social setting through social dilemmas (Shawver & Sennetti, 2009). It is revised in 1999, by DIT-2 (Rest et al., 1999).  Procedure: Assess moral dilemmas using Likert's scale for moral reasoning, i.e.: the personal interests scheme, the maintaining norms scheme and the post-conventional scheme (Rest et al., 1999).
2	Moral Judgment Test (MJT) (Lind 1978)	Objective: It evaluates two aspects of judgment behavior as defined by Kohlberg's Stages of Moral Orientation (Kohlberg, 1975), i.e. 1) moral judgment competence and 2) moral orientations or moral preferences  Procedure: The participant chooses to agree or disagree to a series of arguments outlined in six statements of two ethical dilemmas and a suggested pro position or against in regards with action conducted in the dilemma (Ishida, 2006).
3	Ethics Position Questionnaire (EPQ) (Forsyth, 1980)	Objective: measure individual differences in moral thought based on idealism and relativism framework.  Procedure: the test of ethical ideology employing 20 instruments and a nine-point scale of response (Forsyth, 1980).
4	Machiavellianism (MACH IV) (Christie, 1970)	Objective: it measures the tendency of a person to cheat and manipulate other people for their personal benefit (Machiavellian attitudes), which are "the strongest predictor of unethical intent" (Beu, Buckley, & Harvey, 2003).  Procedure: The participants will rate 20 statements with a seven-point scale.
5	Moral Disengagement Scale (MDS) (Bandura et al., 1996)	Objective: It measures the self-control mechanisms in managing moral disengagement (Bandura et al., 1996).  Procedure: the attributes being measured are justification of moral, labeling to euphemistic, advantageous comparison, responsibility displacement, responsibility diffusion, disregard to consequences distortion, dehumanization and blame attribution (Bandura, 2002).
6	Multidimensional Ethics Scale (MES) (Reidenbach & Robin, 1990)	Objective: it measures constructs relevant to ethical decisions, from the view of Deontology, Utilitarianism, Relativism, Egoism and Justice, It has been revised in 1993 (Reidenbach & Robin, 1993).  Procedure: it consists of eight-item, three-subscale measurement.

Some new tools also have been introduced e.g. Moral Reasoning Inventory test (Weber & McGivern, 2010), which was designed particularly to assess moral dilemmas in business environment. This tools consist of two moral dilemma scenarios with eight moral reasoning statements (Weber & McGivern, 2010).

## Islamic Business Ethics

### *The Importance of Islamic Business Ethics*

According to Islamic teaching, business cannot be conducted in a way in which one become a loser nor greedy (Hussnain, 2011), ensure a balance between profits of companies and the obligation to deliver safe and quality products for customer and towards benefit of social welfare (Abdullah & Ahmad, 2010). It guides to accomplish value-maximization for the wider welfare of the society on the ground of equity and justice (comprising fair play and just dealing) (Saeed, 2001). In deed, Islamic finance scholars argued that the last global financial crisis in 2008 actually is a crisis because of failed morality, greed, exploitation and corruption (Is'haq, 2012). It is as the result of a system of economic without divine ethical spirit in its practices (Adebayo & Hassan, 2013), thereby the main aim of organization is based on expansionary motive particularly profitability and growth only (Is'haq, 2012).

For Islamic banks, implementing ethics conducts is a compulsory for Islamic banks. On the contrary, Wilson (2005) admitted that ethics seemed to be used only as a label and equated with Islamic bank. This is unfavorable condition, because Islamic banks are to enlarge its market share by persuading potential clients. Therefore, the call for clearly formulated Islamic business ethics is urged (Abeng, 1997).

### *Construct of Islamic Business Ethics*

Many scholars have tried to develop construct of Islamic business ethics, breakdown into the dimensions for the purpose of implementation

from different views, such as from the view of Islamic bank or financial institution (e.g. Saidi, 2009; Gait & Worthington, 2007; Nasution, 2009; Adebayo & Hassan, 2009), from marketing view (Saeed et al, 2001; Ali, 2011), from general management point of view (Rice, 1999; Muhammad et al, 2008; Jalil et al, 2010; Is'haq, 2012) and from leadership (Arslan, 2008, Abeng, 1997). However, because Islamic banks need to be more aggressive in expanding the market here, this particular study will propose the synthesis of Islamic business ethics relevance for the implementation of marketing concept.

Based on analysis of previous studies, Islamic business ethics for the operational of Islamic banks can be synthesized to be seven of dimensions, i.e. unity of God, benevolence, equilibrium, justice and equity, sincerity, trusteeship and responsibility. It should be underscored that these seven dimensions are only as proxy to Islamic ethics for business. It is beyond the ability of the researchers to have comprehensive and all-inclusive coverage of ethics being derived from very wide the teaching of Quran and Sunna (Muhammad et al, 2008).

The seven dimensions of Islamic business ethics are listed herein-under:

(1) **Unity of God:** It means that unity of all aspect of life, because it is in accordance with God's will (Adebayo & Hassan, 2013; Arslan, 2008; Asutay, 2007; Badawi, 2001; Rice, 1999; Wilson, 2006). Nasution (2009) added unity principle brings faiths and attitudes all together as worship (ibadah), including work and business. Unity is the focal point of Islamic thinking (Arslan, 2008, Badawi, 2001). In the implementation, unity of God means mutual care and universal welfare, because people should aware that the universe far much grater than him self (Adebayo & Hassan, 2013). While Nasution (2009) argued, because unity principle bring faiths and attitude all together as worship (ibadah), including work and business. The rules regarding good and bad have been manage well

in Quran, such as working is better done after doing ritual of worship (e.g. 5 times regular praying or shalat) (Nasution, 2009).

(2) **Benevolence:** It means as behavior which gives benefits to other persons with fineness and manumit (Muhammad et al., 2008) and is in contrast to self-interest principle as implied in contemporary economics (Arslan, 2008). It projects goodness and generosity, encompasses mercy, justice, forgiveness, tolerance and attentiveness (Ali, 2011). As result, the implementation, of the principle of benevolence will treat relationships and interaction with others as primarily personal, non-discriminatory (Ali, 2011), and beneficial beyond self and immediate interests and avoid behaving at the expense of others for the sake of maximizing his own benefit (Arslan, 2008). The other implementation particularly in banking, benevolence is need when a debtor cannot pay due loan because facing difficulty, bank will be lenient (Arslan, 2008).

(3) **Equilibrium:** It means maintain balance between the present needs and the future (Asutay, 2007). It also is the attitude to avoid greed, dishonesty and disrespect for the other persons' rights and needs, which the modern capitalism may sometime encourage (Rice, 1999). Saeed et al. (2001) given some examples of these prohibit behaviors such as such as deceiving marketing communication and plasticizing questionable pricing practices. Equilibrium basically reflects the horizontal perspective of human life to complete the dimension of unity as vertical perspective (Nasution, 2009). People should be moderate in consumption and retain a proper position between the need of present and future generations (Khan & Thaut, 2008), as well as determine policy for wealth distribution (Asutay, 2007).

(4) **Justice and Equity:** it means just dealing and fair play to achieve "value-maximization" for strengthening wider welfare of the society (Saeed et al., 2001; Ali, 2011). This principle presents clear objective to eradicate from society

any form of inequity, injustice, exploitation and oppression (Rice, 1999; Wilson, 2006). In this regards, equity, justice and fairness are frequently used as the same meaning (Khan & Thaut, 2008). Along with the concept of benevolence, justice is frequently repeated in the Al-Quran and the Sunna (Muhammad et al., 2011). In the implementation, all transactions include financial transaction should not lead to the exploitation of any party (Gait & Worthington, 2007), put social interests above private interests (Rice, 1999), priority investment funds to companies that show social responsibility (Muhammad, et al., 2008) and Riba is forbidden because its exploitative (Rice, 1999).

(5) **Sincerity:** It means as the truth in word and act, honesty of mind or intention, free from hypocrisy or false pretense (Muhammad et al., 2008). It means also the attitude of friendly, modest and humble, no discrimination exists among Muslims, which the only difference between Muslims should be on the basis of piety (Muhammad et al., 2008; Rice, 1999). As consequences of this principle, Muslims do not cheat and mislead others in hiding known defect (Ali, 2011). In dong trading or transaction, it is mandatory to have mutual consent of parties as a necessary condition for a valid business transaction (Ali, 2011; Khan & Thaut, 2008). In addition, this dimension also will be reflected to the character of a Muslim to be modest and humble (Muhammad et al., 2008; Rice, 1999).

(6) **Trusteeship:** it reflects the view that the ultimate owner of all universe and wealth is God and He creates mankind as His vicegerent (khalifah) (Adebayo & Hassan, 2013). Thus, in acquiring and utilizing this wealth, people must follow legitimate pathway for the benefit of society as a whole (Adebayo & Hassan, 2013; Wilson, 2006). The implications of this principle for Asutay (2007) mentioned universal solidarity, which see people are the same as vicegerent of God to carry his will. Wilson (2006) gave other example in regard with paying Zakat (mandatory charity in Islamic teaching)

as provision to the poor. While Muhammad et al (2008) emphasized the equality of human being.

(7) **Responsibility**: it means the attitude of applying good conducts due to the sense of having to appear before God and to account for ones actions (Muhammad et al., 2008). The dimension of responsibility is the consequences of “free will” which is given by God to human (as His vicegerents) to exploit the word for the shake of social benefit (Asutay, 2007; Nasution, 2009). Since without responsibility, human equipped with free will can harm oneself, society and environment (Nasution, 2009). The implementation of responsibility, Saidi, 2009 as well as Gait & Worthington (2007) talked about prohibition of vanity (*gharar*) refers to asymmetric information, which an exchange contracts may become unclear to

the parties. Arslan (2009) stressed that every individual is fully responsible for his or her acts, and the consequences of the individual’s acts cannot be transferred to someone else. Ali (2011) mentioned that doing sustain responsible marketing by strengthening accountable operation to prevent deception and fraudulent behavior (Ali, 2011). The other aspects are transparent in contract negotiation (Rice, 1997) and using resource by a company in most efficient and socially desirable (Muhammad et al., 2008).

On Table 3, can be seen the detail items of each dimensions of Islamic business ethics, which all totally 21 items. These items will become the measurement to evaluate Islamic business ethics implementation within Islamic banks.

Table 3: The Dimensions breakdown of Islamic business ethics into instrument of measurement

Dimensions	No	Authors	Sources from Al-Quran or Sunna	Inherent Values	Instruments
Unity of God	1.	Saidi, 2009; Nasution, 2009	“Then when the Shalat (prayer) is finished, you may disperse through the land, and seek the Bounty of Allah (by working, etc.), and remember Allah much, that you may be successful” (Al-Quran 62:10)	All activities are basically worship to God	Our employees of Islamic bank will not hesitate for a moment to leave an important meeting with a customer for regular praying (shalat)
	2.	Khan & Thaut, 2008	“The creation of the heavens and the earth is indeed greater than the creation of mankind, yet most of mankind know not.” (Al-Quran 40:57)	Seeks financial and social sustainability	The management of our Islamic bank allocates some profits for community development activities
Benevolence	3.	Arslan, 2008	“And if the debtor is in a hard time (has no money), then grant him time till it is easy for him to repay, but if you remit it by way of charity, that is better for you if you did but know.” (Al-Quran 2:280)	Lenient to debtors who facing difficulties.	Only because an honest reason, Bank may be lenient and give the debtor to postpone the repayment of loan, even forgive the debt
	4.	Ali, 2011, Muhammad, et al., 2008	“And for all, there will be degrees according to that which they did, that He (Allah) may recompense them in full for their deeds. And they will not be wronged” (Al-Quran 46:19)  “...Are those who know equal to those who know not?” It is only men of understanding who will remember (i.e. get a lesson from Allah’s Signs and Verses).” (Al-Quran 39:9)	Banks should treat customers equally regardless their living, buying and capacity, marketing consciousness.	Bank may not differ level of service to customers base on amount of loan portfolio, deposit or profitability of respective customers

Equilibrium	5.	Rice, 1999 ; Arslan, 2008	<i>“And spend of your substance in the cause of Allah, and make not your own hands contribute to (your) destruction; but do good; for Allah loveth those who do good.”</i> (Al-Quran 2:195)	Condemnation of ostentatious consumption.	Islamic banks limit products or services that support the activities of consumption (not investment or production)
	6.	Saeed, et. Al, 2001	<i>“Then, shall ye be questioned that Day about the joy (ye indulged in!).”</i> (Al-Quran 102:8)  <i>“And violent is he in his love of wealth.”</i> (Al-Quran 100:8).  <i>“...Such are the possessions of this world’s life; but in nearness to Allah is the best of the goals (To return to).”</i> (Al-Quran 3:14)	Acquisitiveness ( <i>takathur</i> ) which is passion for higher status, wealth, and adherents will not be allowed	Profits to be made on the basis of “win win” benefit for all parties
	7.	Muhammad, et al., 2008	<i>“If ye are on a journey, and cannot find a scribe, a pledge with possession (may serve the purpose). And if one of you deposits a thing on trust with another, Let the trustee (Faithfully) discharge His trust, and let him fear his Lord. Conceal not evidence; for whoever conceals it, - His heart is tainted with sin. And Allah Knoweth all that ye do.”</i> (Al-Quran 2: 283)	Proportional in action	Our Islamic bank will not take excessive measures although it was to protect the interests or rights of us.
	8.	Saeed, 2001	<i>“If both the parties spoke the truth and describe the defects and qualities (of the goods), then they would be blessed in their transaction. And if they told lies or hide something then the blessing of their transactions will be lost”</i> (Hadist by Bukhari, no: 1937)	Honesty	Islamic banks avoid deceptive advertising, including gimmick marketing.

Table 3 : The Dimensions breakdown of Islamic business ethics into instrument of measurement (continue)

Dimensions	No	Authors	Sources from Al-Quran or Sunna	Inherent Values	Instruments
Justice and Equity Sincerity Trusteeship	9.	Muhammad, et al., 2008	"24. <i>And those in whose wealth is a recognised right. 25. For the (needy) who asks and him who is prevented (for some reason from asking).</i> " (Al-Quran 70:24-25)	Company must show social responsibility attitudes	Islamic bank gives incentives to customers who create social and environmental benefit
	10.	Rice, 1999	" <i>But those who before them, had homes (in Medina) and had adopted the Faith,- show their affection to such as came to them for refuge, and entertain no desire in their hearts for things given to the (latter), but give them preference over themselves, even though poverty was their (own lot). And those saved from the covetousness of their own souls,- they are the ones that achieve prosperity.</i> " (Al-Quran, 59:9)	Prioritize social interests rather than private interests	Islamic banks are social agent, who put social interest above the interest of institution and shareholders
	11.	Rice, 1999	" <i>Those who devour usury will not stand except as stand one whom the Evil one by his touch Hath driven to madness. That is because they say: "Trade is like usury," but Allah hath permitted trade and forbidden usury. ..."</i> (Al-Quran 2:275).	Forbidden of <i>riba</i>	Our Islamic bank avoids Riba in all its forms, but when the product is in the gray area, we shy away or act transparently to customers.
	12.	Saeed, et al., 2001 Khan & Thaut, 2008.	" <i>Give full measure when ye measure, and weigh with a balance that is straight: that is the most fitting and the most advantageous in the final determination</i> " (Al-Quran 17: 35).  " <i>And O my people! give just measure and weight, nor withhold from the people the things that are their due: commit not evil in the land with intent to do mischief</i> " (Al-Quran 11:85).	Promote fair in pricing	Islamic banks is transparent about price (margin) calculation
	13.	Muhammad et al., 2008; Rice, 1999	"..... <i>verily, the most honorable of you with Allah is that (believer) who has At-Taqwa [i.e. one of the Muttaqun. Verily, Allah is All-Knowing, All-Aware..</i> " (Al-Quran 49:13).  " <i>Allah does not look to your bodies, to your faces, but He looks to your hearts and your deeds.</i> " (Hadist by Muslim No. 6219)	The character of Muslims are modesty and humble	Our personality is modest and self-effacing
	14.	Ali, 2011	" <i>1) Woe to those that deal in fraud; 2) Those who, when they have to receive by measure from men, exact full measure; 3) But when they have to give by measure or weight to men, give less than due; 4) Do they not think that they will be called to account?"</i> (Al-Quran 83:1-4)	The cheating, misleading others and hiding known defects are prohibited.	In providing information about a product, Islamic Bank will explain in a way that is easy to understand and clearly including risks and additional costs for customers
	15.	Ali & Gibbs, 2013; Asutay, 2007.	" <i>And spend of your substance in the cause of Allah, and make not your own hands contribute to (your) destruction; but do good; for Allah loveth those who do good.</i> " (Al-Quran 2:195)	The value of solidarity	Islamic banks disregard profits by providing products or services to the poor
	16.	Wilson, 2006	" <i>Of their goods, take alms, that so thou mightest purify and sanctify them; and pray on their behalf. Verily thy prayers are a source of security for them.....</i> " (Al-Quran 9:103).	Provision for the poor and needy comes through zakat being earmarked for social expenditures.	As an institution based on Islamic law, our Islamic bank obeys paying zakat, in addition to payment of taxes.
	17.	Muhammad, et al., 2008	" <i>O mankind! We created you from a single (pair) of a male and a female, and made you into nations and tribes, that ye may know each other (not that ye may despise (each other))....</i> " (Al-Quran 49:13).	Equality of human being	Our bank products are not only meant for Muslims, include in regards with recruitment and promotion of employees.

Table 3 : The Dimensions breakdown of Islamic business ethics into instrument of measurement (continue)

Dimensions	No	Authors	Sources from Al-Quran or Sunna	Inherent Values	Instruments
Responsibility	18.	Saidi, 2009.  Gait & Worthington, 2007	<i>“And do not eat up your property among yourselves for vanities, nor use it as bait for the judges, with intent that ye may eat up wrongfully and knowingly a little of (other) people’s property.”</i> (Al-Quran 2:188).  <i>“O ye who believe! Eat not up your property among yourselves in vanities: But let there be amongst you Traffic and trade by mutual good-will.....”</i> (Al-Quran 4:29)	Prohibit of vanity ( <i>gharar</i> ) refers to asymmetric information which an exchange contracts may become unclear to the parties.	Our Islamic Banking transparent about information of where and to whom the customer funds are invested.
	19.	Wilson, 2006	<i>“38) Namely, that no bearer of burdens can bear the burden of another; 39) That man can have nothing but what he strives for.”</i> (Al-Quran 53:38–39)	The employees are responsible for their own actions and cannot blame the others for their shortcomings	One important principle that our Islamic Bank employees responsible for their actions and can not blame the management for the consequences.
	20.	Rice, 1999	<i>“Do not harbor envy against one another; do not outbid one another [with a view to raising the price]; do not bear aversion against one another; do not bear enmity against one another; one of you should not enter into a transaction when the other has already entered into it; and be fellow brothers and true servants of Allah.</i> (Hadist by Muslim, No: 4650)	Fairness in contract negotiation.	In negotiating, our Islamic bank is open and transparent in order to avoid the possibility of future disagreement
	21.	Muhammad, et al., 2008	<i>“If ye are on a journey, and cannot find a scribe, a pledge with possession (may serve the purpose). And if one of you deposits a thing on trust with another, Let the trustee (Faithfully) discharge His trust, and let him fear his Lord. Conceal not evidence; for whoever conceals it,- His heart is tainted with sin. And Allah Knoweth all that ye do.”</i> (Al-Quran 2: 283)	A Company should make the most efficient and socially desirable use of the business resources.	Islamic banks do not support the business activities of the customer that create social damage, destroy nature or manufacture of illicit goods.

## Conclusion

To achieve the objective, this paper discuss about ethics in brief and its measurement, prior to description about Islamic ethics and the construct of Islamic business ethics.

The implementation of Islamic business ethics in Islamic bank is a compulsory, because these banks must strictly operate in compliance with Quran and Sunna, which have highly concern regarding ethics in every aspect of human life, including business. However, only few previous studies discussed about the implementation of Islamic business ethics within Islamic banks and none suggested how to measure such implementation.

Islamic business ethics is divine command, different with other type of framework within

ethical theory. This paper synthesizes the dimensions of Islamic business ethics from previous studies that is proposed by scholars upon digging Quran and Sunna. There are seven dimensions, namely (1) unity of God, (2) benevolence, (3) justice, (4) sincere, (5) equilibrium, (6) responsibility and (7) trusteeship. Subsequently, this paper outlines these dimensions into 21 items that becomes instrument of scaling.

### Future research opportunity

This paper only reveals theoretical aspect of Islamic business ethics, while it is quite detail but still need further test before using as measurement tools. Exploratory study by taking samples within Indonesia Islamic banking sampling frame is possible to posit validity and reliability of the measurement.

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