

## The Principles of Islamic Business Ethics in the Viral Success of Donat Kampar Galesong: A Review of Islamic Economic Law

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### Abstract

This study aims to analyze the implementation of Islamic business ethics principles in the business activities of Donat Kampar Galesong, a growing local brand. The research employs a qualitative descriptive method with a phenomenological approach, focusing on firsthand experiences and perspectives of Donat Kampar Galesong employees. Islamic business ethics principles in this study are classified into three main variables: management ethics, marketing ethics, and environmental ethics. The findings indicate a high level of adherence to these principles, with implementation scores reaching 94.84% for management ethics, 96.48% for marketing ethics, and 95.89% for environmental ethics, leading to an overall average of 95.74%. These results confirm that Donat Kampar Galesong has successfully integrated Islamic business ethics into its operations, demonstrating a strong commitment to the values of justice (*al-'adl*), transparency (*al-shafafiyah*), and trustworthiness (*al-amanah*) within the framework of Sharia Economic Law. The study highlights how ethical business practices align with Islamic principles and contribute to sustainable business success. This study guides businesses to apply Islamic ethics, ensuring sustainability and promoting economic justice and social welfare.

**Keywords:** Islamic Business Ethics; Environmental Ethics; Management Ethics; Marketing Ethics, Sharia Economic Law

### Abstrak

Penelitian ini bertujuan untuk menganalisis penerapan prinsip etika bisnis Islam dalam kegiatan usaha Donat Kampar Galesong, sebuah merek lokal yang sedang berkembang. Metode penelitian yang digunakan adalah deskriptif kualitatif dengan pendekatan fenomenologis, yang berfokus pada pengalaman langsung dan perspektif karyawan Donat Kampar Galesong. Prinsip etika bisnis Islam dalam penelitian ini diklasifikasikan ke dalam tiga variabel utama: etika manajemen, etika pemasaran, dan etika lingkungan. Hasil temuan menunjukkan tingkat kepatuhan yang tinggi terhadap prinsip-prinsip tersebut, dengan skor implementasi mencapai 94,84% untuk etika manajemen, 96,48% untuk etika pemasaran, dan 95,89% untuk etika lingkungan, menghasilkan rata-rata keseluruhan sebesar 95,74%. Hasil ini menegaskan bahwa Donat Kampar Galesong telah berhasil mengintegrasikan etika bisnis Islam dalam operasionalnya, mencerminkan komitmen kuat terhadap nilai-nilai keadilan (*al-'adl*), transparansi (*al-shafafiyah*), dan amanah (*al-amanah*) dalam kerangka Hukum Ekonomi Syariah. Studi ini menunjukkan bahwa etika bisnis Islam mendukung keberlanjutan usaha dan kesejahteraan sosial, serta diharapkan menjadi referensi bagi pelaku usaha dalam menerapkannya.

**Kata kunci:** Etika Bisnis Islam; Etika Lingkungan; Etika Manajemen; Etika Pemasaran; Hukum Ekonomi Syariah

## Introduction

Entrepreneurial activities play a significant role in economic development, especially for individuals with skills and the ability to identify and maximize their potential (Sergi et al., 2019). These individuals have the opportunity to establish new business ventures, thereby contributing to economic growth and reducing reliance on urbanization (Bosma & Sternberg, 2017). A business approach that leverages local potential should also reflect the unique identity and characteristics of the region characteristics (Mailizar, 2022). However, while the growth of micro, small, and medium enterprises (MSMEs) in Indonesia is substantial, ensuring their sustainability and ethical business practices remains a challenge, particularly within the framework of Islamic Business Ethics and Sharia Economic Law.

The Indonesian Ministry of Cooperatives and SMEs (2019) reported that the number of MSMEs in Indonesia reached approximately 65,471,134 business units in 2019, reflecting a 1.98% increase from the previous year (Kementrian Koperasi dan UMKM, 2019). One notable example of a growing MSME is Kampar Galesong Donuts, a culinary business based in Takalar Regency, South Sulawesi. Initially, this business specialized in traditional donuts with a hole in the center, but customer feedback led to the introduction of bombolone, or filled donuts, expanding their product range. Kampar Galesong Donuts differentiates itself through its bite-sized donuts with a uniquely soft texture, which remain fresh for up to four days. Additionally, it offers a wide variety of flavors, including shredded chocolate, almond, strawberry, cheese, tiramisu, and green tea.

Despite the rapid development of MSMEs in Indonesia, there is still a lack of comprehensive studies examining how these businesses implement Islamic business ethics and Sharia economic law principles in their operations. Many business actors prioritize profit maximization while neglecting ethical considerations, which can lead to unfair competition, fraud, and exploitation. Ethical issues in business, such as transparency, fairness, and environmental responsibility, remain pressing concerns in ensuring sustainable economic growth. Therefore, examining the ethical compliance of MSMEs within an Islamic framework is crucial to understanding whether businesses adhere to ethical principles in their operational activities.

Research on MSME development and digital marketing strategies has been widely conducted. For example, a study by Suhardjo (2020), titled *“Digital Marketing Strategies for Small and Medium Enterprises in the Snack Food Sector in Bogor City,”* explored digital marketing strategies for MSMEs. However, Suhardjo’s research primarily focused on the effectiveness of digital marketing based on financial allocation and revenue impact. In contrast,

this study extends the analysis by utilizing the Customer Response Index method to measure the effectiveness of digital marketing. Additionally, this research incorporates an Islamic business ethics perspective, which has not been explicitly addressed in prior studies.

This study introduces a unique combination of digital marketing effectiveness analysis and compliance with Islamic business ethics. While previous research has focused on digital marketing efficiency from a financial perspective, this study explores how ethical principles, such as fairness, honesty, and environmental responsibility, are integrated into MSME operations. The study of *Kampar Galesong Donuts* provides a real-world example of an MSME implementing Islamic ethical values while maintaining market competitiveness.

This study aims to analyze the application of Islamic business ethics principles, particularly in management, marketing, and environmental responsibility, within *Kampar Galesong Donuts*. It also seeks to assess the effectiveness of digital marketing strategies through the Customer Response Index method. Furthermore, this study examines the alignment of MSME business practices with Islamic economic law, ensuring compliance with sharia principles in business operations.

Islamic teachings encompass not only theological aspects but also comprehensive ethical guidelines, including business ethics. In the *muamalah* (socioeconomic) aspect, Islam regulates human interactions in daily economic activities, such as trade, market management, and ethical conduct. Islam permits business activities but emphasizes the necessity of adhering to ethical principles to maintain fairness, justice, and social responsibility. Without ethics, businesses may engage in exploitative practices, leading to conflicts and negative economic consequences (Dianta & Sebayang, 2020). This study asserts that ethical compliance in MSMEs is not only beneficial for business sustainability but also essential for maintaining Islamic integrity in economic activities. Understanding how MSMEs like *Kampar Galesong Donuts* implement Islamic business ethics will provide valuable insights into the broader application of Sharia economic law in the Indonesian MSME sector.

Based on these considerations, this study investigates the extent to which *Kampar Galesong Donuts* adheres to Islamic business ethics in its operations and explores the implications for the broader MSME landscape in Indonesia.

## **Methods**

This study utilizes a qualitative research approach combined with field research to analyze the implementation of Islamic business ethics principles in *Kampar Galesong Donut's* business operations. The objective is to describe, record, analyze, and interpret data collected

through observations, interviews, and document analysis. A qualitative approach is chosen to obtain a deeper understanding of the subject matter (Sugiyono, 2012).

A phenomenological approach is applied to explore real-life conditions in the field, providing a comprehensive insight into business practices and their alignment with Islamic ethical principles (Tumangkeng & Maramis, 2022). Primary data is collected directly by researchers through structured interviews and questionnaires, with respondents consisting of employees of *Kampar Galesong Donuts*.

### **Profile of Donat Kampar Galesong and Respondent Demographics**

*Donat Kampar Galesong* is a culinary business based in Galesong Utara, Takalar Regency, South Sulawesi. This business was founded by Arifuddin Alwi, a graduate of the Makassar Tourism Polytechnic majoring in Culinary Arts, who previously worked as a pastry chef and product consultant at the Dutch company Zeeland Internasional (Yusuf, 2024). The name "Kampar" originates from the abbreviation of "Kampung Parang," a region in Takalar that inspired the brand name. This business was established in 2017 and went viral on social media in late 2019. *Donat Kampar Galesong* is known for its soft texture, durability of 2-3 days, and affordable price, approximately IDR 3,000 per piece.

Initially, these donuts were marketed only through social media and direct sales methods. As demand increased, the business expanded by hiring employees and building production and sales outlets. *Donat Kampar Galesong* later opened a new branch in Makassar and became one of the top five culinary tourism destinations in South Sulawesi. With the help of a local facilitator, the business also established connections with the Takalar Regency Government and developed into a signature local souvenir (Yusuf, 2024).

A summary of the respondents' age, gender, highest level of education, and marital status can be obtained by analyzing their individual characteristics. Table 1 presents the demographic details of employees working at *Donat Kampar Galesong*.

**Table 1.** Characteristics of the Respondent

<b>Description</b>	<b>Category</b>	<b>Percentage</b>
Gender	Male	6.25
	Female	93.75
Age	< 19 years	6.25
	19-22 years	75.00
	23-26 years	12.50
	27-30 years	0.00
	31-35 years	6.25
Education	Elementary School	0.00

<b>Description</b>	<b>Category</b>	<b>Percentage</b>
	Junior High School	0.00
	Senior High School	100.00
Marital Status	Married	12.50
	Unmarried	97.50

*Source: Primary Data, processed (2024)*

Sixteen employees from the Donat Kampar Galesong Production Centre participated in this study as respondents. Table 1 shows that only one male employee (6.25%) is actively working, while the majority (93.75%) are female. Most employees belong to the 19–22 age group (75.00%), followed by the 23–26 age group (12.50%). The remaining employees fall within the 18–35 age range, with 6.25% under 19 and another 6.25% in the 31–35 age group. All respondents in this study have the same educational background, with 100% being high school graduates. Additionally, 87.50% (14 employees) are unmarried, while the remaining 12.50% are married.

### **Islamic Business Ethics**

Islam is a universal religion that encompasses all aspects of human life, including economics. The Qur'an and Hadith not only regulate ritual worship but also provide guidance for conducting economic activities based on justice, balance, and blessings (Kader, 2021; Karimullah, 2023). Islam emphasizes that seeking sustenance is an obligation for every individual as an effort to utilize the blessings given by Allah (SWT). Principles such as honesty, transparency, and business ethics serve as the foundation of the Islamic economic system, ensuring that prosperity is not only individual but also contributes to the well-being of society as a whole.

Allah SWT has promised mercy and grace to those who follow His commands and avoid His prohibitions. As stated in the Qur'an: "And obey Allah and the Messenger so that you may be shown mercy." (Surah Ali 'Imran [3:132]). This divine mercy can manifest in various forms, including sustenance and prosperity granted by Allah SWT. Obedience to Allah SWT and His Messenger serves as the key to attaining mercy, blessings, and success in life. He promises that those who believe and practice piety will receive abundant blessings from the heavens and the earth, whereas those who reject faith will face the consequences of their actions (Surah An-Nur 24:52, Surah Al-A'raf 7:96, Surah An-Nisa 4:59).

In this regard, economic and business activities must also align with Islamic principles (Iqbal et al., 2024). Every Muslim, especially traders and business practitioners, should conduct their businesses in accordance with Sharia law and ethics to attain both divine blessings and

sustainable success (Muin & Ali, 2024). These blessings are not merely financial but also encompass the overall stability, ethical growth, and positive societal impact of their enterprises.

Islamic business ethics emphasize key aspects such as transparency in management, fairness in production, and environmental responsibility (Abeng, 1997; Liestyowati, 2024; Maulana, 2024). Transparency in management ensures that all transactions are conducted honestly and without deception, fostering trust between business owners, employees, and consumers. Fair production ensures fair wages, ethical resource use, and quality halal products, while environmental responsibility promotes sustainability.

Islamic business ethics *encompass* honesty, justice, transparency, social responsibility, and the prohibition of *riba* (usury), *gharar* (uncertainty), and *maysir* (gambling), which are applied in various business aspects, including management, marketing, and the environment (Ashari & Panorama, 2024; Heriyanto & Taufiq, 2024; Puspitasari, 2016). In management, the principles of honesty and transparency ensure that business decisions are made fairly and responsibly, while in marketing, ethical practices prevent consumer deception and build trust. Additionally, environmental responsibility emphasizes that businesses should not only focus on profit but also consider sustainability by adopting halal, eco-friendly, and ethical production methods, thereby creating a balance between profit, morality, and social welfare in accordance with Islamic teachings.

## **Ethics of Management**

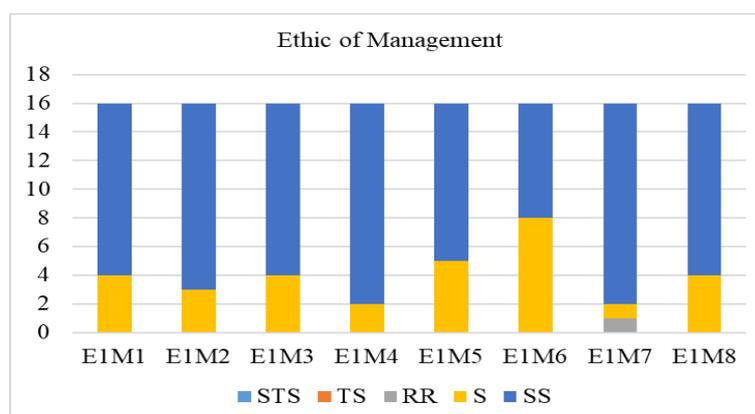
Management plays a crucial role in any organization as it provides a structured approach to organizing work, including planning, coordination, and resource allocation (Abdullah, 2014). Effective management ensures that business operations run smoothly and align with ethical and legal frameworks. Key managerial functions include motivation, communication, supervision, and planning, all of which contribute to a well-functioning organization (Cahyani et al., 2022; Kompri, 2018; Skiba, 2024).

Islamic management ethics emphasize honesty, transparency, and responsibility in decision-making, ensuring financial resources are managed efficiently, and business activities comply with Islamic law (Maulana, 2024; Puspitasari, 2016). These ethics are guided by several key principles. *First*, business activities should be undertaken with sincere intentions to seek the pleasure of Allah SWT (E1M1), as sincerity ensures long-term benefits (Ab Aziz et al., 2014). *Second*, business operations must align with Islamic law (E1M2), following the principle of *amar ma'ruf nahi munkar* to uphold ethical conduct and integrity (Muhammad, 2023). *Third*, worship should take precedence over business activities (E1M3), as emphasized in Surah Al-

Jumu'ah [62:11] (Helfaya et al., 2018). Fourth, businesses must avoid usury (*riba*) in transactions (E1M4), complying with the prohibition stated in Surah Al-Baqarah [2:278]. *Fifth*, financial accountability and record-keeping (E1M5) are essential for transparency (Cain Piers, 2001), as mandated in Surah Al-Baqarah [2:282]. *Sixth*, employers must prioritize employee welfare and fair compensation (E1M6) (Mustafa & Rehman, 2024) under the Prophet Muhammad's (SAW) teachings (HR Bukhari No. 2359). *Seventh*, ethical business communication (E1M7) is crucial for fostering trust and cooperation within an organization (Mezgár, 2006). *Lastly*, fair and just human resource management (E1M8) ensures justice in hiring, promotions, and workplace policies (Shen et al., 2009), as commanded in Surah An-Nahl [16:90]. Islamic business ethics ensure fairness, honesty, and kindness, promoting sustainable success and economic justice while fulfilling social and spiritual responsibilities (Abdullah, 2014; Antonio, 2011).

The implementation of business management ethics can be observed through eight key indicators: business intentions to seek the pleasure of Allah SWT (E1M1), conducting business under Islamic law (E1M2), prioritizing worship over business (E1M3), ensuring business activities are free from usury (E1M4), maintaining accurate financial records (E1M5), prioritizing employee welfare (E1M6), fostering effective communication (E1M7), and implementing fair human resource management practices (E1M8).

Respondents' perceptions of management ethics were assessed using a Likert scale, divided into five categories: STS (Sangat Tidak Setuju – Strongly Disagree), TS (Tidak Setuju – Disagree), RR (Ragu-ragu – Undecided), S (Setuju – Agree), and SS (Sangat Setuju – Strongly Agree). The implementation of management ethics in Kampar Galesong's donut business activities is illustrated in Figure 1.



**Figure 1.** *The Implementation of Management Ethics*

Figure 1 illustrates that respondents generally have a positive perception of the implementation of management ethics principles. The highest-rated indicator is **(E1M4)**:

Business Activities Free from Usury, with 14 respondents strongly agreeing and two agreeing. This reflects a strong awareness among employees that buying and selling activities must be conducted without elements of usury.

The prohibition of usury is a fundamental principle in Islamic finance. Antonio (2011) emphasizes that all Sharia-compliant business and financial transactions must be free from usury. This aligns with the command of Allah SWT in Q.S. Al-Baqarah (2:278): “O you who have believed, fear Allah and give up what remains [due to you] of interest, if you should be believers.” Empirical evidence supports this principle. Adherence to the prohibition of usury positively impacts bank fund collection, reinforcing the economic benefits of ethical financial practices. These findings highlight the importance of maintaining Sharia-compliant business ethics to ensure financial integrity and organizational sustainability.

### **Ethics of Marketing**

According to the American Marketing Association (AMA), marketing is the process of planning and executing the conception, promotion, pricing, and distribution of goods and services to meet customer needs and achieve business objectives (Brunswick, 2014). A well-structured marketing strategy not only enhances brand awareness but also strengthens customer relationships by delivering value through quality products and services (Hyun et al., 2024; Zineldin, 2006). Additionally, service quality plays a crucial role in fostering customer loyalty, as it has a positive and significant impact on customer retention and satisfaction (Singh et al., 2023). Businesses that prioritize high service standards tend to build stronger trust and long-term relationships with their customers, ultimately leading to sustainable growth and competitive advantage in the market.

Islamic marketing ethics is based on optimizing values such as solidarity with others and respect for Allah's creations, refraining from harming others and avoiding bad marketing practices. According to Islam, every group or individual is free to make as much profit as possible while adhering to faith and ethics (Laeheem, 2018).

Marketing ethics in business have an impact on company profits (Puspitasari, 2016). Business actors who follow Islamic marketing ethics run their businesses not only for personal and worldly profits but also to gain profits in the afterlife through marketing methods that Allah SWT. will be happy and not harm other parties involved (Aravik et al., 2022).

Marketing ethics in Islamic business can be assessed through eleven key indicators, including selling halal and good products (EIP1), being honest in measuring and weighing (EIP2), not concealing defects in goods (EIP3), refraining from badmouthing competitors

(EIP4), avoiding hoarding (*ihthikar*) (EIP5), not deliberately lowering prices to harm competitors (EIP6), not deceiving buyers (EIP7), avoiding *ba'i najasyi* (artificial price inflation) (EIP8), ensuring transactions are free from coercion (EIP9), upholding the right of *khiyar* (the option to cancel a sale) (EIP10), and demonstrating kindness, friendliness, and respect toward customers (EIP11). These ethical principles align with Islamic teachings and promote fairness, honesty, and mutual benefit in business transactions.

Muslim business owners strive to ensure that their earnings come from halal sources, as they do not want to nourish their families with haram goods, knowing that the consequences in the afterlife are severe (Ayyubi & Lubis, n.d.). The products they sell must be halal, pure, and good, avoiding prohibited items such as alcohol, dog meat, pork, narcotics, and other illegal substances. This principle is emphasized in the Qur'an, where Allah SWT commands: "O humanity! Eat from what is lawful and good on the earth and do not follow Satan's footsteps. He is truly your sworn enemy."

Honesty in measuring and weighing is a fundamental principle in business, as emphasized in the Qur'an. Allah SWT warns against those who cheat in measurements, stating: "Woe to those who give less [than due], who, when they take a measure from people, take in full, but if they give by measure or by weight to them, they cause loss" (QS Al-Muthaffifin/83:1-3). This command underscores the importance of fairness and integrity in trade, ensuring that transactions are conducted with justice and without deceit.

Business actors must not conceal defects in the products they sell, as honesty fosters trust and ensures blessings in transactions. The Prophet Muhammad ﷺ stated, "Two people who buy and sell have the right to choose as long as they have not separated; if both act honestly and provide an explanation, their transaction will be blessed, but if they lie and hide defects, the blessing will be wiped out" (Hadith Sunan An-Nasa'i No. 438). Research also indicates that transparency in product quality positively impacts MSME profits (Silviah & Lestari, 2022).

In Islamic teachings, business actors are not allowed to disparage others' businesses to persuade customers to buy from them (Abdullah, 2014). Fair and healthy competition benefits both business actors and consumers. This principle is reinforced in *Riyadus Shalihin*, where the Prophet Muhammad ﷺ stated, "Let no one of you sell with the intention of discrediting what another person is selling" (Muttafaq Alaih).

In Islamic business ethics, engaging in *ihthikar* (hoarding and monopolizing goods or services to manipulate prices) is prohibited, as it can negatively impact consumers and create market imbalances (Maarif & Nugroho, 2023). This ensures fair business practices and protects

public welfare. The Prophet Muhammad ﷺ emphasized this in a hadith: “No one hoards things unless he has done something wrong” (Sunan Abu Dawud No. 2990).

In Islamic business ethics, maintaining a healthy market requires fair competition, where prices should not be manipulated to undercut competitors unfairly. The Prophet Muhammad ﷺ emphasized that price regulation is in Allah’s control, stating: “Indeed, it is Allah who fixes the price, who narrows and widens the sustenance, and I truly hope to meet Allah in the condition that none of you demands any injustice in blood and treasure” (HR Abu Dawud No. 3451).

In Islamic business ethics, honesty (shiddiq) is a fundamental trait that every businessman must uphold, including not deceiving buyers. Fraudulent practices can lead to loss of trust and customers, while honesty directly correlates with sustainable profits. The Qur'an warns against using false oaths to justify dishonest actions: “*And do not make [your oath by] Allāh an excuse against being righteous and fearing Allāh and making peace among people. And Allāh is Hearing and Knowing*” (QS Al-Baqarah/2:224).

In Islamic business ethics, the practice of *ba'i najasyi* is strictly prohibited as it involves fraudulent manipulation of prices to deceive buyers. Scholars highlight two main reasons for its prohibition: first, it constitutes dishonesty, and second, it intentionally harms consumers. This aligns with the Hadith in Sunan Ibnu Majah No. 2164, where the Prophet Muhammad SAW explicitly forbade buying and selling through *najasyi*—artificially inflating prices to mislead buyers.

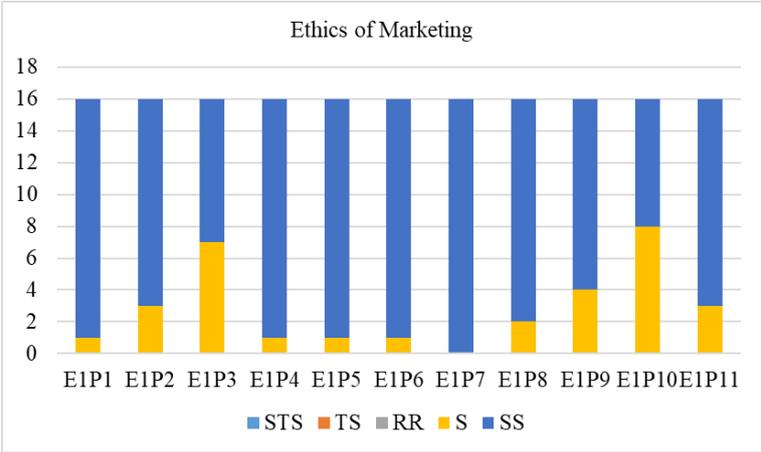
In Islamic business ethics, transactions must be conducted voluntarily and without coercion, fostering mutual respect and fairness. Allah SWT emphasizes this principle in QS An-Nisa/4:29: “*O believers! Do not devour one another's wealth illegally, but rather trade by mutual consent. And do not kill each other or yourselves.*” Sampurno (2016) explains that applying Islamic business ethics, particularly ensuring transactions are free from coercion, positively impacts business development, including in the home industry (Silviyah & Lestari, 2022).

Islamic business ethics emphasize fairness and mutual consent in transactions, upholding the principle of *an tarâdhin* (mutual agreement). To ensure fairness, Islamic law grants the right of *khiyar*, allowing either party to confirm or cancel a transaction before finalizing it (Lorien et al., 2022). The Prophet Muhammad SAW stated, “*If two people have carried out a sale and purchase transaction, then one of them may carry out khiyar as long as they have not separated, or both may carry out khiyar (from the start); if both of them have agreed on the khiyar, then the sale and purchase is valid.*” (Hadith Sahih Muslim No. 2823). Ibn Umar practiced this by delaying his departure after a transaction to ensure the other party had time to reconsider.

Islamic business ethics emphasize honesty, fairness, and kindness. Business actors must sell halal products (QS Al-Baqarah/2:168) and ensure honesty in transactions (QS Al-Muthaffifin/83:1-3). Fraud, hoarding (*ihthikar*), price manipulation, and artificial price inflation (*ba'i najasyi*) are prohibited (Sunan An-Nasa'i No. 438; Sunan Abu Dawud No. 2990; Ibnu Majah No. 2164). Transactions must be voluntary (QS An-Nisa/4:29), and the right of *khiyar* allows reconsideration before finalizing a sale. Kindness toward customers fosters loyalty (Sahih Muslim No. 4760).

The implementation of business marketing ethics can be seen from eleven indicators, including selling halal and good goods/products (EIP1), being honest in measuring and weighing (EIP2), not hiding defects in goods (EIP3), not badmouthing other businesses (EIP4), not being allowed to hoard (*ihthikar*) (EIP5), not being allowed to drop prices to bring down competitors (EIP6), not to deceive buyers (EIP7), not to carry out *ba'i najasyi* practices (EIP8), no coercion in doing business (EIP9), the right of *khiyar* in buying and selling (EIP10), friendly and being kind and not rude to customers (EIP11).

Response of respondents to the marketing ethics question using the Likert Scale and divided into five scale, which are: STS (Sangat Tidak Setuju means Strongly Disagree), TS (Tidak Setuju means Disagree), RR (Ragu-ragu means Undecided), S (Setuju means Agree) and SS (Sangat Setuju means strongly Agree). The Implementation of Marketing Ethics in Kampar Galesong Donut Business Activities is shown in Figure 2.



**Figure 2.** *The Implementation of Marketing Ethics*

Based on Figure 2, as a result, respondents have a positive perception of the general application of marketing ethics. The indicator with the highest score is EIP7, which shows that all respondents (16 persons) strongly agree that sellers should not commit fraud when purchasing and selling.

Not fooling buyers is part of an honest attitude (*shiddiq*), which is one of a prophet's traits that a businessman must possess. Fraud against purchasers can cost a business customers. Non-deceptive behavior is closely proportionate to earnings realized. The reason for prohibiting this activity is found in Q.S. Al-Baqarah/2:224, which states: “*And do not make [your oath by] Allāh an excuse against being righteous and fearing Allāh and making peace among people. And Allāh is Hearing and Knowing (Q.S. Al-Baqarah/2:224)*”. Rasulullah SAW said in Hadith H.R, Abu Dawud No. 4320 which means: “*A major betrayal is when you relay a conversation to your brother and he defends you while you lie to him (H.R, Abu Dawud No. 4320)*”.

### **Ethics of Environmental**

Business interacts with at least eight environments that are relevant to the study of business ethics (Lawrence, 2017). A company must pay more attention to eight business environments: customers, competitors, economic, technological, social, political, legal, and geophysical.

The application of environmental ethics in the Qur'an is found in QS Al-Baqarah/2:177, which means: “*Righteousness is not in turning your faces towards the east or the west. Rather, the righteous are those who believe in Allah, the Last Day, the angels, the Books, and the prophets; who give charity out of their cherished wealth to relatives, orphans, the poor, 'needy' travelers, beggars, and for freeing captives; who establish prayer, pay alms-tax, and keep the pledges they make; and who are patient in times of suffering, adversity, and in 'the heat of battle. It is they who are true 'in faith', and it is they who are mindful 'of Allah'” (QS Al-Baqarah/2:177).*

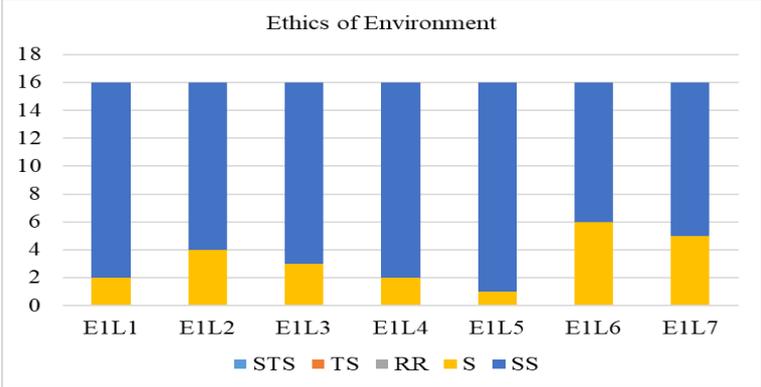
In this regard, Islam emphasizes the importance of social values in society. Islamic business environmental ethics are business practices that reflect an Islamic ethical responsibility to the business environment. The most important aspect of business moral responsibility is accountability to themselves and to God.

The implementation of business environment ethics is reflected in seven key indicators: practicing an attitude of *ihsan* (EIL1), fulfilling promises and agreements (EIL2), promptly repaying debts (EIL3), paying wages on time (EIL4), being tolerant (EIL5), ensuring business profitability (EIL6), and preserving nature in business activities (EIL7) (Adyaksana & Pronosokodewo, 2020). *Ihsan* fosters responsibility to Allah SWT, as the Prophet Muhammad SAW stated, “*You worship Allah as if you see Him, and if you do not see Him, He actually sees you*” (HR Al-Bukhari No. 48). Sampurno (2016) found that *Ihsan* positively influences business operations. Fulfilling promises (EIL2) is a moral duty, as breaking them aligns with

hypocrisy (HR Muslim No. 89). Business actors are also urged to settle debts promptly (EIL3), as stated in Hadith Sunan An-Nasa'i No. 4614. Timely wage payments (EIL4) reflect trustworthiness, emphasized in "Give wages to employees before their sweat dries" (HR Ibnu Majah No. 2434), supported by Nuryanti & Fauzan (2021), who highlight its positive impact on worker welfare. Tolerance (EIL5) is essential in diverse business interactions, aligning with QS Al-Kafirun (109:1-6). Business profitability (EIL6) is a means to benefit others, as Prophet Muhammad SAW stated, "The best human is the one who benefits others" (HR Ath-Thabrani). Lastly, preserving nature (EIL7) is a duty of Khalifah (earth's stewards), emphasized in QS Ar-Rum (30:41-42), warning against environmental corruption. These ethical principles ensure sustainable and responsible business practices in accordance with Islamic teachings.

There is a positive relationship between environmental performance and company value (Adyaksana & Pronosokodewo, 2020). The implementation of business environment ethics can be seen from seven indicators, including practicing an attitude of *ihsan* (EIL1), fulfilling promises and agreements (EIL2), immediately paying off debts that are obligations (EIL3), paying wages on time (EIL4), being tolerant (EIL5), profitable business (EIL6), preserving nature in doing business (EIL7).

The respondents' responses to the environmental ethics questions were measured using a Likert Scale, divided into five categories: STS (Sangat Tidak Setuju – Strongly Disagree), TS (Tidak Setuju – Disagree), RR (Ragu-ragu – Undecided), S (Setuju – Agree), and SS (Sangat Setuju – Strongly Agree). The implementation of environmental ethics in Kampar Galesong Donut business activities is illustrated in Figure 3.



**Figure 3.** *The Implementation of Environmental Ethics*

Figure 3 highlights the strong implementation of environmental ethics in Kampar Galesong's donut business activities. The highest-rated indicator is (EIL5) tolerance, with 15 employees strongly agreeing and 1 agreeing. This reflects a workplace culture of mutual respect and acceptance, where employees value diversity and uphold harmonious interactions. Their

commitment to serving customers from various backgrounds aligns with the principle that all buyers are esteemed, ensuring customer satisfaction and fostering business growth.

**Implementation of Islamic Business Ethics**

Table 2 provides an outline of how Islamic business ethics were applied to Kampar Galesong's Donut business activities.

**Table 2.** Implementation of Islamic Business Ethics Score

<b>Ethics Variable</b>	<b>Percentage (%)</b>	<b>Average (%)</b>
Management	94.84	
Marketing	96.48	95/74
Environment	95.89	

*Source: Primary Data, processed (2024)*

Table 2 outlines the application of Islamic business ethics in Kampar Galesong's donut business activities, which is rated as very good (95.74%). This reflects strong adherence to Sharia Economic Law, emphasizing ethical management, fair marketing, and environmental responsibility. According to Maryam (2022), these principles positively influence business blessings, ultimately leading to financial growth, customer expansion, and increased consumer loyalty.

Islamic business ethics is an integral part of Sharia Economic Law, which serves as the legal and moral foundation governing business activities in accordance with Islamic principles. The implementation of Islamic business ethics aligns with Sharia Economic Law, which upholds justice (*al-'adl*), transparency (*al-shafafiyah*), and trustworthiness (*al-amanah*) in commercial transactions. These ethical values ensure that business operations adhere to Islamic commercial contracts (*mu'amalat*), such as *murabahah* (cost-plus sales), *ijarah* (leasing), and *mudarabah* (profit-sharing agreements), which emphasize fairness and mutual benefit. Furthermore, the prohibition of usury (*riba*), fraud (*gharar*), and unjust exploitation (*zalim*) reinforces the integrity of financial transactions. By integrating these principles, Kampar Galesong's business model not only complies with Sharia Economic Law but also enhances profitability promotes ethical business conduct, and ensures long-term sustainability while upholding Islamic economic values.

**Conclusion**

Islamic business ethics refer to the ethical principles that must be upheld in business activities under Sharia Economic Law, as outlined in the Al-Qur'an and Hadith. These ethics serve as a foundation for ensuring fairness, transparency, and accountability in commercial

practices. This study categorizes Islamic business ethics into three key areas: management ethics, marketing ethics, and environmental ethics. Each of these components plays a vital role in fostering ethical decision-making, promoting mutual benefit, and ensuring business sustainability within the framework of Islamic principles.

The findings reveal that Donat Kampar Galesong has successfully implemented Islamic business ethics, with a high level of compliance across all three ethical dimensions. The company's adherence to justice (*al-'adl*), transparency (*al-shafafiyah*), and trustworthiness (*al-amanah*) reflect its commitment to Sharia-compliant business practices, ensuring ethical interactions with employees, customers, and the environment. Furthermore, the application of Sharia Economic Law principles—such as the prohibition of *riba* (usury), *gharar* (uncertainty), and *zalim* (exploitation)—reinforces the integrity of its financial transactions and business operations.

This research contributes to the growing discourse on Islamic business ethics and serves as a reference for entrepreneurs, business practitioners, and policymakers seeking to integrate Sharia-compliant ethical principles into their business models. Future studies are encouraged to explore broader industry applications and conduct comparative analyses to further enhance the understanding of Islamic business ethics and Sharia Economic Law in various business sectors.

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