

Contemporary Business Ethics: A Study in the Seerah of the Prophet Muhammad (SAW)

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Abstract

The history of the business and trade is as old as the history of humanity, itself. Different cultures and regions have their own business ethics throughout the times past. With the rise of globalization, the various sets of business ethics are getting common values and forms. While Islam, being a universal religion, provides guidelines for every aspect of life including trade, commerce and business. Islamic business ethics derive from divine revelation and Sunnah of the Prophet (SAW). Business ethics denotes the behavior of trading entity supposed to follow while interacting with society. The Islamic business ethics take care of the all stake holders from production to consumption including employees, trade agreements, quality standards, environment and social responsibilities. The current paper is aiming to elaborate the business ethics in the light of instructions draw from the Seerah of the Prophet (SAW) in order to provide an insight for humanity to follow them, practically.

Key Words: Islam, Business ethics, Islamic instructions, organizational behavior

Introduction

The term “Islam” is derived from the Arabic root [SLM] which means peace, submission, and acceptance. Religiously, the term means to achieve peace; with Allah; with oneself [inner peace] and with the creation of Allah through submission to Allah; putting one’s trust in Him and acceptance of His guidance and injunctions. This broad definition explains why Islam is more than a “religion” in the commonly limited meaning, which concerns itself mainly with the spiritual and ritual aspects of life. In fact, the term “religion” is an imperfect translation of the Arabic term “deen” which means literally a way of living. That way of living embraces the creedal, spiritual, moral, social, educational, economic and political aspects of life.¹

The religion of Islam has not obligated a specific mode of earning the livelihood rather it commanded to earn through permissible (Halal) means. Amazingly, Islam considers earning of livelihood as a kind of

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worshipping. The Holy Prophet (SAW) says: “The search for halal earning is an obligation after the obligation of prayer”².

Similarly, in another tradition, the Holy Prophet (SAW) mentions: “The search of Halal livelihood is obligated upon every Muslim”.

The companions of the Prophet Muhammad (SAW) were businessmen e.g. Hazrat Abu Bakar (RA) used to do business in clothes while Hazrat Umar (RA) was doing the business in silk. Hazrat Usman (RA) was a noble businessman of the Arab. He said that he never ate from the money of the Muslims rather he only ate from his own money. He was the richest and successful merchant among all the merchants of the Quraish.³ Apart from this, a large number of the Prophet’s (SAW) companions were also engaged in profession of business. The Holy Quran appreciates them by saying:

رَجَالٌ لَا تُلْمِهِمْ تِجَارَةٌ وَلَا بَيْعٌ عَنْ ذِكْرِ اللَّهِ وَإِقَامِ الصَّلَاةِ وَإِيتَاءِ الزَّكَاةِ يَخَافُونَ يَوْمًا تَتَقَلَّبُ فِيهِ الْقُلُوبُ
وَالْأَبْصَارُ⁴

“By the men whom no trade or sale makes neglectful of the remembrance of Allah, nor from establishing Salah and paying Zakah; they are fearful of a day in which their hearts and eyes will be over-turned”.

Similarly, a number of Islamic scholars adopted various fields of business throughout the history besides delivering their academic services e.g. Imam Abu Hanifa (RA) was trading in Silk and Imam Malik was a merchant in cloth.

Businessmen had played a vital role in the propagation and spreading of Islam in various corners of the world. The holy Prophet (SAW) was himself adopted the profession of business because it was his tribal and family profession. The Muslim businessmen were preachers of Islam at the same time while doing business activities. They travelled in the different corners of the world and spread the message of Islam in far-flung areas. Ethiopia, Abyssinia, Somalia and other African countries like Uganda, Kenya, came under the light of Islam. Actually, the cessation of these countries was the result of the honesty, truthfulness

and well-mannered etiquettes of these businessmen rather than compulsion by sword as misunderstood by some Westerns. The geographical study of globe reveals that caravans of Muslim businessmen spread the message of Islam in the nearby areas they were passing through.

Role and nature of ethical values in Islam

Islam is merely not restricted to a narrow term of “religion”. Rather, it is a comprehensive code of living. The place of ethics is very high and esteemed in it which is explained why Prophet Muhammad (SAW)

summarized his assignment in the subsequent words:

“I was not sent except to perfect moral characters”⁵

The Qur’an does not speak of Iman [faith] as an abstract concept or a quality that is independent of action. It ties between “faith” and righteous deeds as inseparable components of what constitutes a true believer. Prophet Muhammad was even more explicit when he negated the quality of faith from a dishonest person even if he claims to be a “Muslim”;

“There is no faith for one who lacks honesty”⁶

Equally, the Holy Prophet (SAW) knotted faith to the acts of kindness to others. He says: “Whoever believes in Allah and the [life] hereafter, let him be hospitable to his guest, and whoever believes in Allah and the [life] hereafter, let him not hurt his neighbor, and whoever believes in Allah and the [life] hereafter, let him say something beneficial or remain quite”.⁷

Business ethics has become an integral part of the current business system. Institutions for business management and administration are imparting this subject on regular basis being a compulsory component of the syllabus. Hence, this subject has been expanded through inclusion of many social topics into pure financial field. However, it is felt direly, to devise a balanced and moderate system for the whole world which can be proved useful and healthy for the humanity. Islam is a unique code of life which provides instructions about beliefs and spiritual life at one

hand, and, also provides guidance about political, social, economic and moral values, on the other. It is not a combination of abstract doctrines rather it is comprehensive amalgamation of human spiritual and physical requirements. There is no single aspect of human life which has not been provided guidance in its instructions. The present discourse is about Business ethics, which has been elaborated in the seerah of the Prophet (SAW) after explaining the importance of business in Islam.

Significance of Business in Islam

Earning the livelihood is the basic need of every human, therefore, every human has adopted a specific profession. However, trade and business is considered as prime source of earning bread through the human history. The tribe of Quraish was engaged in the profession of business and the paternal uncle of the holy Prophet (SAW) was a businessman. The tribe of Quraish used to travel for business twice in a year. In summer, they used to travel towards Syria and in winter, to Yemen and Jordan. Quraish, as a whole tribe, earned a respectable place in the surrounding tribes and communities due to custodianship of Holy Kaaba. They were in a good financial position than other tribes. The Holy Quran describes this special favour of Almighty Allah over Quraish as:

لَا يَلْفُفُ قُرَيْشٌ إِلَّا فِيهِمْ رِحْلَةَ الشِّتَاءِ وَالصَّيْفِ،⁸

“Because of familiarity of Quraish, that is their familiarity with the trips of winter and summer”

The significance of business and trade is mentioned in the holy Quran as:

لَا تَأْكُلُوا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ⁹

“O’ you believe, do not devour each other’s property by false means, unless it is trade conducted with your mutual consent”

This verse mentions that unjust and unfair consumption of some one’s property is not justifiable, rather it should be avoided. Similarly, the other forms of prohibited earnings e.g. theft, robbery, fraud and contamination should be shunned, as well. The messenger of Allah

(SAW) stated that worth and value of the true and honest trader in the following words:

التَّاجِرُ الصَّدُوقُ الْأَمِينُ مَعَ النَّبِيِّينَ وَالصِّدِّيقِينَ وَالشُّهَدَاءِ¹⁰

“The truthful, trustworthy merchant is with the Prophets, the truthful, and the martyrs”

In another tradition, the holy Prophet (SAW) mentioned that; “The seller and the buyer have the right to keep or return goods as long as they have not parted or till they part; and if both the parties spoke the truth and described the defects and qualities (of the goods), then they would be blessed in their transaction, and if they told lies or hid something, then the blessings of their transaction would be lost”.¹¹

Principally, Islam emboldens contributions by its followers and discourages beggary. In the holy Quran the giving of zakat is mentioned 32 times and appreciated the givers 16 times who spends for the pleasure of Almighty Allah upon poor. But, not even a single time, begging is encouraged in any verse, at all. Trade and business is considered is the best way of earning the livelihood. Doing business as per guidelines of Islamic Shariah; is not only beneficial the present world life but also for the life of hereinafter. Generally, business activities are carried out for accomplishing the worldly requirements and profit making, however, setting the mindset of fulfilling the needs of humanity can lead them to the high degree of worship, as well. Contrary to this, a trader or business man, who violates the regulations of Shariah and try to earn without the discrimination of permissible and forbidden will be considered as wrongdoer and disobedient.

In Quran and traditions of the Prophet (SAW) trade is discussed in good words and persuasive manners. In different verses of Quran e.g. Baqra 162, Jumah 10, Ankaboot 17, Qasas 77, Jasiah 12 and Muzammil 20; benefits of trade have been explained and it is prescribed as blessing of Allah and adoption of trade is explained in persuasive manners. In one verse journey for trade has been made a valid excuse for lessening the amount of reciting the Quran in Tahajjud.¹²

Right in the childhood, the holy Prophet (SAW) travelled with his uncle

in the business visit to the Syria at the age of nine. Resultantly, the holy Prophet (SAW) inclined towards the profession of business. He earned a virtuous and noble reputation through honesty, truthfulness and trustworthiness. A rich and respectable lady of Quraish known as Khadija offered to him to do business with her on partnership due to his widespread upright fame. He accepted the offer and travelled to Syria as her partner and returned back with extra ordinary profits. This partnership which was based on honesty and trustfulness, brought a message of marriage from Khadija (RA).

Islamic Business Ethics

1. Truthfulness

Islam demands from each of its followers to remain truthful and straightforward in all actions as well as speaking. The field of business also stresses on truthfulness being a hardcore requirement of every human being. The Holy Quran narrates:

وَأَوْفُوا الْكَيْلَ وَالْمِيزَانَ بِالْقِسْطِ لَا نُكَلِّفُ نَفْسًا إِلَّا وُسْعَهَا وَإِذَا قُلْتُمْ فَاعْدِلُوا وَلَوْ كَانَ ذَا قُرْبَىٰ وَبِعَهْدِ اللَّهِ
أَوْفُوا¹³

“Give full measure and full weight in all fairness, We do not obligate anyone beyond his capacity, and be just when you speak, even though the one (against whom you are speaking) is a relative; and fulfill the covenant of Allah”.

Similarly, the Holy Prophet (SAW) has stated:

التَّاجِرُ الصَّدُوقُ الْأَمِينُ مَعَ النَّبِيِّينَ وَالصِّدِّيقِينَ وَالشُّهَدَاءِ¹⁴

“The truthful, trustworthy merchant is with the Prophets, the truthful, and the martyrs”

In another tradition, the Holy Prophet (SAW) is reported as below:

“I bought something from the Prophet (SAW) before he received his Prophetic commission, and as there was something still due to him I promised him that I would bring it to him at his place,

but I forgot. When I remembered three days later, I went to that place and found him there. He said: You have vexed me, young man. I have been here for three days waiting for you.¹⁵

Once, the Holy Prophet (SAW) told the business community:

“Indeed, the merchants will be resurrected on the Day of judgement with the wicked, except the one who has Taqwa of Allah, who behaves charitably and is truthful”¹⁶

Similarly, those traders who do not deal with honesty and cheat the customers, they have been warned by the Prophet (SAW) in the following words:

“Whoever sells defective goods without pointing it out, he will remain subject to the wrath of Allah, and the angels will continue to curse him.”¹⁷

Avoiding false oaths

The instructions of the Holy Prophet (SAW) reveal that using oaths in selling of products is not a commendable act because they impress the buyer and hinder his free decision. This is in the case of using oaths in real in genuine situation, whereas the case of false oaths is concerned, they are forbidden at all. The Holy Prophet (SAW) strictly forbade to use false oaths in selling and purchasing; He narrates:

“Three are the (persons) with whom Allah would neither speak on the Day of Resurrection, nor would look at them nor would absolve the and there is a painful chastisement for them. The Messenger of Allah (SAW) repeated it three times. Abu Zar (RA) remarked: They failed and they lost; who are these persons, Messenger of Allah? Upon this he (the Holy) Prophet) observed: They are: the dragger of lower garment, the recounter of obligation the seller of goods by false oath.”¹⁸

Prohibition of Hoarding and Black Marketing

The balanced and just religion of Islam prohibits from hoarding in order to make possible the smooth supply of products to the markets. This advice also assists in keeping the prices in the reach of customers and

minimizes the chances of fleeing. Those who hoard are warned with the coming of wrath while those who avoid this, are given glad tidings. The Prophet (SAW) described as following:

الْجَائِبُ مَرْزُوقٌ وَالْمُحْتَكِرُ مَلْعُونٌ¹⁹

“The importer is blessed with provision and the hoarder is cursed”

Prevention of Usury/undue interest

There is zero tolerance policy for usury in the teachings of Islam. The instructions of the Holy Quran and practices of the Holy Prophet (SAW) strictly negate any sort of compromise on it. Usury is the base of many evils and it exploits the poor/needly. The Holy Quran maintains as:

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا²⁰

“And Allah has permitted sale and prohibited riba (usury).”

يَمْحَقُ اللَّهُ الرِّبَا وَيُزِيلُ الصَّدَقَاتِ وَاللَّهُ لَا يُحِبُّ كُلَّ كَفَّارٍ أَثِيمٍ²¹

“Allah destroys riba (usury) and nourishes charities, and, Allah does not like any sinful disbeliever”.

The act of usury is considered as bad that all stakeholders in executing of deed of usury are held responsible by the Shariah. The messenger of Allah has been reported to say curse on all members of the deed as:

“Allah's Messenger (SAW) cursed the accepter of interest and its payer, and one who records it, and the two witnesses, and he said: They are all equal.²²

Proscription of Adulteration and Deception

Adulteration, contamination and deception are nowadays considered as an expertise in dealings of business while the religion of Islam strongly condemns all these acts. The holy messenger of Allah observes as:

“He who took up arms against us is not of us and he who acted dishonestly towards us is not of us..²³ ”

In another tradition of the Prophet (SAW), it is described with more detail:

“It is narrated on the authority of Abu Huraira that the Messenger of Allah (SAW) happened to pass by a heap of eatables (corn). He thrust his hand in that (heap) and his fingers were moistened. He said to the owner of that heap of eatables (corn):

What is this? He replied: Messenger of Allah, these have been drenched by rainfall. He (the Holy Prophet) remarked: Why did you not place this (the drenched part of the heap) over other eatables so that the people could see it? He who deceives is not of me (is not my follower).²⁴

Curtailing/Deceiving in measuring and weighing

One of the most awful acts in trading is the act of curtailment and deceiving in measuring as well as weighing. Islam considers this act as very dreadful and terrible. Using this obnoxious technique, the so-called traders try to earn manifold profits unjustly through fleecing customers. Islam has warned all those who commit this detestable act with severe penalties in this world as well as hereinafter. The Holy maintains:

وَيْلٌ لِّلْمُطَفِّفِينَ، الَّذِينَ إِذَا اكْتَالُوا عَلَى النَّاسِ يَسْتَوْفُونَ، وَإِذَا كَالُوا لَهُمْ أَوْ وَزَنُوا لَهُمْ يُخْسِرُونَ.²⁵

“Woe to the curtailers, who, when they measure something to receive from people, take in full, and, when they measure or weigh something to give it to them, give less than due.”

Explaining the above verses, Tibri narrated in his commentary that when the messenger of Allah reached Madina, the locals of Madina had earned a bad name in measuring and weighing. Allah Almighty revealed the above Surah and the locals reformed their way of weighing and measuring.²⁶

Once the Holy Prophet (SAW) addressed to the group of businessmen and told them:

“Indeed you have been entrusted with two matters (measuring and weighing) that nations preceding you in the past were destroyed for.”²⁷

Prevention of Gambling and Speculation

The esteemed Islamic Shariah has ordained to refrain from gambling and speculation in business and trading. This menace is not restricted in cash deals only rather it can be found in many shapes in business deals with different nomenclatures. Gambling was a common phenomenon in era of ignorance, especially, in business deals, which was declared prohibited, consequently. Nowadays, many modified and modern shapes of gambling are in vogue with variety of names e.g. lottery, fixing and raffle draw etc. These all methods and means lead to exploitation of the poor and cause financial imbalance in society. The Holy Quran maintains:

يَا أَيُّهَا الَّذِينَ آمَنُوا إِنَّمَا الْخَمْرُ وَالْمَيْسِرُ وَالْأَنْصَابُ وَالْأَزْلَامُ رِجْسٌ مِنْ عَمَلِ الشَّيْطَانِ فَاجْتَنِبُوا ذَلِكُمْ

تُفْلِحُونَ²⁸

“O you who believe: wine, gambling, altars and divining arrows are filth, made up by Satan. Therefore, refrain from it, so that you may be successful.”

The Role of Business Ethics in Modern World

The modern business entrepreneurs are well aware that business is not restricted to the art of profit making like the past in the modern times. The business ethics has entered in the trade transactions globally. The world has reached to an agreement on the significance of business ethics. Modern social scientists are of the view that ethics has an impressive and vital role in business. In their opinion, ethics are derived from three main source i.e. religion, culture and law. Business ethics are considered important because they correspond to human needs, harvest credibility in public as well as in employees, lead to better decision making, earn profits and protect the society. Some of the major modern business ethics include honesty, integrity, trustworthiness and promise keeping, loyalty, fairness, concern for others, respect for others, law

abiding, commitment to excellence, leadership, reputation and accountability.²⁹

However, modern business experts and thinkers are of the view that some basic elements should be taken into consideration while speaking and dealing in business related matters, they are as under:³⁰

Human rights:

This characteristic means that all business related activities should respect the well-known values and standards of human rights and should refrain from any activity leading to abuse of human rights.

Labour standards:

This ethical standard means that labours and workers required for production should not be forced to work by compulsion, there should not be any discrimination in engagement and job, child labour should be avoided at all costs, and, labours should be given the right of association and the right of communal negotiating

The Environment:

This ethical value means that business related activities should protect and support environmental challenges. The sense of responsibility to save environment should be undertaken and all measures as well as technologies should be developed and employed to make business activities environment friendly.

Anti-corruption:

All types of corruption should be refrained and efforts should be made to avoid corruption in its all shapes. Honesty and trustworthiness should be incorporated in the foundations of every business deal.

Business people and their enterprise require to be reminded about their role and responsibilities. In the view of the Dr. Muzammil Siddiqi, the following issues need special attention in the present scenario;³¹

1. All inhabitants of the world should be considered as one family and

there should be no discrimination on basis of tribe, country, gender, colour or faith.

2. Earth and its resources are not confined to humans only, rather, other creatures have an equal right to live in this biosphere.

3. The mineral and other resources should be used with caution and care. Other creatures should not be put in danger and human produced waste should be tackled suitably.

4. Humans are one household. Diversity is normal and handsome. We should try to understand other people's religions and cultures.

5. Businesses should promote ethical standards in their enterprise, People involved in business should always be honest, truthful, and fulfil all promises and commitments. We must eliminate fraud and cut-throat competition.

Conclusion:

Comparison of modern business ethics with Islamic one reveals that both standpoints are on the same pitch regarding the importance of ethics and morality in business dealings. However, on the other side, it is also a fact that Islam introduced and supported business ethics many centuries right before the modern thought. Islam has presented the very vast and obvious concept of ethics which is based on the foundations of justice and fairness. The minimum degree of ethics in Islam is that one should fulfill his obligations/responsibilities and refrain from teasing any one from the creation of Almighty Allah. Nowadays, ethics in Muslim community is falling down due to scarcity in the belief of answerability before Almighty Allah and seriousness about preparation for the life in hereinafter. Each and every Muslim is responsible that he should stir up the urgency of answerability and life hereinafter which, resultantly, lead to the perfection in the business deals and transactions. Business ethics are considered one of the most significant subjects nowadays. Almost, all professional and vocational institutions have included this as subject in their respective syllabi. Muslims should pay extra heed to this subject because historically, it has influenced the propagation of Islam in various regions of the world and there is enormous space for acting like past in the modern times, too.

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