

Islamic Business Ethics and Its Impact on the Performance of Small Micro Enterprises (SMEs) Actors in Serang Regency

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ABSTRACT

This study aims to determine the impact of Islamic business ethics on the performance of Small Micro Enterprises (SMEs) Actors in the Serang Regency. The population in this study is Small Micro Enterprises (SMEs) Actors in Serang Regency, Banten Province. The respondents of this study were 70 SMEs actors in Serang Regency, Banten Province. The research method used is a quantitative method with data collection methods in the form of a questionnaire. The data were analyzed using instrument tests in the form of validity and reliability tests, classical assumption tests in the form of normality tests and heteroscedasticity tests, and hypothesis tests in the form of simple linear regression tests and correlation coefficient tests. The results of this study indicate that Islamic business ethics has a significant positive effect on the performance of Micro and Small Usama in Serang

Regency, with a total contribution of 46 percent, while the rest is influenced by other variables not examined in this study.

Keywords: *Business Ethics; Performance; Small and Micro Enterprises.*

ABSTRAK

Penelitian ini bertujuan untuk mengetahui dampak etika bisnis islami terhadap kinerja pelaku Usaha Mikro Kecil (UMK) di Kabupaten Serang. Populasi dalam penelitian ini adalah Pelaku Usaha Mikro Kecil di Kabupaten Serang Provinsi Banten. Responden penelitian ini berjumlah 70 orang pelaku UMK di Kabupaten Serang Provinsi Banten. Metode penelitian yang digunakan adalah metode kuantitatif dengan metode pengumpulan data berupa angket. Data dianalisis dengan menggunakan uji instrument berupa uji validitas dan reliabilitas, uji asumsi klasik berupa uji normalitas dan uji heterokedastisitas, serta uji hipotesis berupa uji regresi linear sederhana dan uji koefisien korelasi. Hasil penelitian ini menunjukkan bahwa bahwa etika bisnis islam berpengaruh positif signifikan terhadap kinerja Usaha Mikro dan Kecil di Kabupaten Serang, dengan jumlah kontribusi sebesar sebesar 46 persen, sedangkan sisanya dipengaruhi oleh variabel lain yang tidak diteliti dalam penelitian ini.

Keywords: *Etika Bisnis; Kinerja; Usaha Mikro Kecil.*

A. Introduction

The number of Micro, Small, and Medium Enterprises in Indonesia is very large, based on data from the Ministry of Cooperatives, Small and Medium Enterprises (KUKM) in 2018, the number of MSME actors is 64.2 million or 99.99% of the number of business actors in Indonesia. (Sasongko 2020), then increased in 2019 to 65.47 million, up about 1.98% from the previous year (Mahdi 2022). The absorption capacity of MSME workers is 117 million workers or 97% of the labor absorption of the business world. Meanwhile, the contribution of MSMEs to the national economy (GDP) was 61.1%, and the remaining 38.9% was contributed by large business actors, which amounted to only 5,550 or 0.01% of the total number of businesses actors. The MSMEs are dominated by micro-business actors, amounting to 98.68% with a workforce absorption capacity of around 89%.

Meanwhile, the contribution of micro-enterprises to GDP is only around 37.8%. (Sasongko 2020). The number of these actors is spread across all provinces in Indonesia, in Banten Province, the distribution of the number of MSMEs can be seen in the following graph:

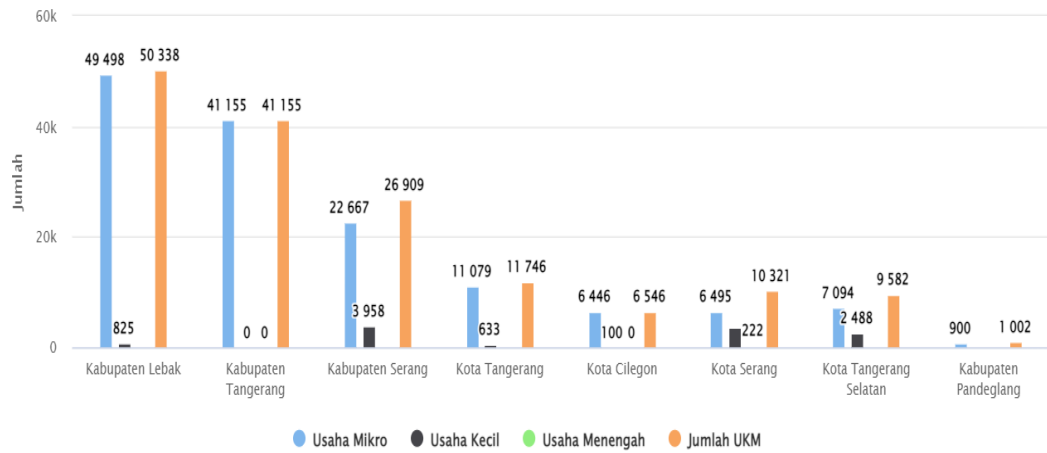


Figure 1. Graph of Number of SMEs by Regency/City in Banten Province in 2018

Based on the data in the graph above, the largest number of SMEs in Banten Province is in Lebak Regency, which is 50,338, the second is in Tangerang Regency with 41,155 SMEs, and the third is in Serang Regency with 26,909 SMEs. The number of SMEs is located in Pandeglang Regency with a total of 1002 SMEs.

The Covid-19 pandemic that hit all countries, including Indonesia, had a very significant impact on the existence and resilience of MSMEs, based on a survey conducted by the Indonesian Institute of Sciences (LIPI) on MSME actors. The survey data shows that during the pandemic, 94.69% of businesses experienced a decline in sales. Based on business scale, sales decreased by more than 75% experienced by 49.01% ultra-micro businesses, 43.3% micro-businesses, 40% small businesses, and 45.83% medium businesses. Based on the length of business, a decline in sales of more than 75% was experienced by 23.27% of businesses aged

0-5 years, 10.9% of businesses aged 6-10 years, and 8.84% of businesses that had been operating for more than 10 years. Based on the sales method, a decrease in sales of more than 75% was experienced by 47.44% of offline/physical sales businesses, 40.17% of online sales businesses, and 39,(Nugroho 2020).

In addition, the Ministry of Cooperatives and Small and Medium Enterprises confirm that in 2020, 56% of MSMEs experienced a decline in sales turnover due to the Covid-19 pandemic, another 22% had difficulty getting financing or credit, 15% experienced problems in distributing goods, and the remaining 4% had difficulty getting raw materials. (Anik 2022). At the district level, the performance of MSMEs has also decreased. In Serang District, MSME production has decreased dramatically by around 50 to 80 percent, and some business actors have chosen to stop production due to rising material prices. (Maksuni 2020).

One of the factors that have an impact on the performance of Micro, Small and Medium Enterprises (SMES) actors who are Muslim is Islamic Business Ethics, research resultsSampurno (2016)states that Islamic business ethics has a significant positive effect on family businesses,research by Katmas et al., (2022) states that Islamic business ethics has a significant positive effect on the performance of Micro, Small and Medium Enterprises, research results of Silviah & Lestari (2022) shows that the application of Islamic business ethics has a positive and significant impact on the improvement of Micro, Small and Medium Enterprises, research results of Riana & Nafiati, (2021) shows that Islamic business ethics has a positive and significant effect on sales of Micro, Small and Medium Enterprises in Yogyakarta, the research results of Abalala et al., (2021) found that the application of business ethics had a positive and significant impact on the financial and non-financial performance of Micro and Small Enterprises in Saudi Arabia and the research results of Ayyubi & Anggraini, (2019) confirmed that Islamic business

ethics has a positive and significant impact on the performance of Food Micro, Small and Medium Enterprises (MSMEs) in Bogor City.

B. Literature Review

1. Islamic Business Ethics

Islamic business ethics according to Rafik Issa Beekun as cited by (Katmas, Faizah, and Wulandari 2022) is a foundation for running a business that is in line with the principles of morality which are not only about good/bad, right/wrong but also focus on the halal-haram of business activities. Meanwhile, according to Silviyah & Lestari, (2022) Islamic business ethics is a moral in carrying out or running a business based on Islamic values, so that in carrying out its business there are no worries that arise because it has been confirmed as something good and right. As for Hulaimi and Huzaini as cited by (Jubaedi, Sobari, and Gustiawati 2018) Islamic business ethics is ethics in business that always maintains the clarity of religious rules (Shari'a) which is far from greed and egoism. According to Djakfar (2012), Muhammad (2004), and Naqvi (1997) as quoted (Sampurno 2016) Islamic business ethics principles are (1) monotheism (unity), (2) free will (freewill), (3) fair (balance), (4) ihsan (benevolence) and (5) responsibility (responsibility).

2. MSE Performance

According to Hariandja, (2008) in (Wibowo 2017) Performance is the result of work produced by employees or real behavior that is displayed following their role in the organization. In line with that Moehariono as cited by (Katmas, Faizah, and Wulandari 2022) states that performance is also defined as an employee's achievement in carrying out his work, in other words, an employee who can achieve work results following performance standards that have been set by the organization then the employee has good performance. The performance of MSME actors according to Sastrohadiwiyo (2006) in (Wibowo 2017) influenced by five factors, namely (1) Ability, (2) Motivation, (3) Support received, (4) The existence of the work they do, and (5) their relationship with the organization. This study aims to

identify the impact of Islamic business ethics on the performance of Micro and Small Enterprises (SMEs).

C. Method

The method used in this study is quantitative. quantitative research in opinion Arikunto, (2010) is research whose data is expressed in the form of numbers or numbers that can be calculated systematically. While the population is the entire research subject (Bachtiar 2018). The population in this study were all Micro and Small Enterprises (SMEs) in Serang Regency, Banten Province. Determination of the number of samples in this study refers to the opinion of Ferdinand (2002). Ferdinand, (2002) states that the sample size depends on the number of indicators used in all variables. The number of samples is equal to the number of indicators multiplied by 5-10. So the number of samples in this study was set at 70 respondents, which was obtained from the total number of indicator variables used in this study, namely 10, then multiplied by 7 ($10 \times 7 = 70$).

The type of data used in this research is primary data. According to Bungin (2015), Primary data is data that is collected directly from the source and processed by itself for use. The data collection method used is a questionnaire. A questionnaire by (Bungin 2015) is a method in the form of a series or collection of questions that are systematically arranged in a list of questions, then sent to the respondent to be filled out. Questionnaires were distributed to 70 SMEs actors in Serang Regency.

The data analysis method in this study is a quantitative descriptive approach, the analytical tool used is the SPSS version 23 program, the first test is the validity test which is used to measure the validity or validity of a questionnaire. Furthermore, the reliability test where a questionnaire is said to be reliable or reliable if someone's answer to the statement is consistent or stable from time to time. After the instrument is valid and reliable, then the classical assumption test (normality test and heteroscedasticity test) is carried out, then a simple linear

regression analysis is performed, because there is only one independent variable and one dependent variable in this study. The hypothesis test was only tested t to see the effect of the independent variable on the dependent variable.(Najmudin and Syihabudin 2022)

D. Results and Discussion

1. Research result

a. Respondent Identity

Respondents in this study were 70 Micro and Small Enterprises (SMEs) in Serang Regency who had filled out the survey. Researchers systematized respondents based on gender and their SMESM clusters. The types of SMEs actors who fill out the survey can be seen in the following table:

Table 1. Respondent Data by Gender

No	Gender	Amount
1	Man	42
2	Woman	28
	Number of Respondents	47

Source: Questionnaire Data Processed, 2022

Based on the data in the table above, it is shown that there are 70 respondents, consisting of 42 men and 28 women. Based on gender, the majority of respondents are male.

Table 2. Respondent Data by Class

No	Workplace	Amount
1	Food Cluster SMES Actors	51
2	Craft Cluster SMES Actors	19
	Number of Respondents	70

Source: Questionnaire Data Processed, 2022

Based on the data in the table above, the respondents of food cluster SMES actors are 31 people, and crafts cluster SMES actors are 19 people, the majority of respondents are from Food Cluster SMES actors.

b. Research Instrument Test

1. Validity test

The validity test was carried out using SPSS version 23 software. The results of the validity test of all items in the questionnaire can be seen in the following table:

Table 3. Validity Test Results

Question Items	R-Value Calculate	R-Table Value	Conclusion
Variables of Islamic Business Ethics			
X.1	0.629	0.235	Valid
X.2	0.738	0.235	Valid
X.3	0.700	0.235	Valid
X.4	0.550	0.235	Valid
X.5	0.576	0.235	Valid
Performance Variables			
Y.1	0.767	0.235	Valid
Y.2	0.560	0.235	Valid
Y.3	0.431	0.235	Valid
Y.4	0.667	0.235	Valid
Y.5	0.398	0.235	Valid

Source: SPSS Data Processed, 2022

Based on the results of the validity test in the table above, it is known that the r-count value of all question items is greater than the r-table (0.235), so it can be concluded that the question items in the questionnaire are all valid.

2. Reliability Test

The reliability test was carried out using SPSS version 23 software. The results of the Cronbach's Alpha reliability test for all questionnaire items can be seen in the following table:

Table 4
Reliability Test Results

Variable	Cronbach's Alpha value	R-Value Table	Conclusion
Islamic Business Ethics (X)	0.630	0.235	Reliable
Performance (Y)	0.466	0.235	Reliable

Source: SPSS Data Processed, 2022

Based on the results of the reliability test in the table above, it is known that the value of Cronbach's alpha variable Islamic business ethics (X1) is greater than the r-table ($0.630 > 0.235$, and Cronbach's alpha value of MSE performance variable (Y) is greater than the r-table ($0.466 > 0.235$). Thus, it can be concluded that all variables in this study are reliable and reliable.

c. Classic assumption test

1. Normality test

The normality test was carried out using SPSS version 23 software. The results of the Kolmogorov Smirnov normality test can be seen in the following table:

Table 5.
Kolmogorov Smirnov . Normality Test Results

One-Sample Kolmogorov-Smirnov Test
Unstandardized Residual

N		70
Normal Parameters, b	mean	.0000000
	Std. Deviation	2.41075600
	Most Extreme Differences	
	Absolute	.062
	Positive	.045
	negative	-.062
Test Statistics		.062
asymp. Sig. (2-tailed)		.200c,d

Source: SPSS Data Processed, 2022

Based on the results of the normality test in the table above, it is known that the significance value of the Kolmogorov Smirnov test is greater than the alpha value ($0.200 > 0.05$), so it can be said that the residual model data is normally distributed or the assumption of normality has been met.

2. Heteroscedasticity Test

The heteroscedasticity test was carried out using SPSS version 23 software. The results of the heteroscedasticity test can be seen in the following table:

Table 6
Heteroscedasticity Test Results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.391	1	.391	.196	.659b
	Residual	135,418	68	1991		

Total	135,809	69
a. Dependent Variable: RES2		
b. Predictors: (Constant), Islamic Business Ethics		

Source: SPSS Data Processed, 2022

The table above shows that the significance value of the Islamic business ethics variable is greater than the alpha value ($0.659 > 0.05$), so it can be concluded that there is no heteroscedasticity in the regression model in this study.

d. Hypothesis testing

1. Statistical t--test

T-test of Islamic business ethics Variable on the performance of SMEs is carried out using SPSS version 23 software. The results of the t-test can be seen in the following table:

Table 8
t-Test Results Statistics

		Coefficients				
		Unstandardized		Standardized		
		Coefficients		t	Sig.	
Model		B	Std. Error	Beta		
1	(Constant)	15,465	2.108		7.335	.000
	Islamic					
	Business	.217	.104	.245	2,083	.041
	Ethics					

a. Dependent Variable: MSE Performance

Source: SPSS Data Processed, 2022

Based on the results of the statistical t-test in the table above, it is known that the t-value of the Islamic business ethics variable is greater than the t-table value ($2.083 > 1.668$) and the significance value is smaller than the alpha value

($0.041 < 0.05$, thus, the Islamic business ethics variable significant positive effect on the performance of Micro and Small Enterprises (SMEs).

2. Correlation Coefficient Test

The correlation coefficient test was carried out using SPSS version 23 software. The results of the correlation coefficient test can be seen in the following table:

Table 7
Correlation Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.245a	.600	.460	2.42842

a. Predictors: (Constant), Islamic Business Ethics

Source: SPSS Data Processed, 2022

The table of test results above shows that the correlation coefficient of Islamic business ethics variables on the performance of MSEs is 0.460. This value indicates that the performance of MSEs is influenced by Islamic business ethics by 46 percent, while the rest is influenced by other variables not examined in this study.

2. Discussion

Based on the results of the research above, it is known that the t value of the Islamic business ethics variable is greater than the t table value ($2.083 > 1.668$) and the significance value is smaller than the alpha value ($0.041 < 0.05$). The calculation results show that Islamic business ethics has a significant positive effect on the performance of Micro and Small Enterprises (SMEs) in Serang Regency, while the correlation coefficient of Islamic business ethics on MSE performance is 0.460. This value confirms that the performance of Micro and Small Enterprises in Serang Regency is influenced by Islamic business ethics by 46 percent, while the rest is influenced by other variables not examined in the study. So that it can be said, the

more Islamic business ethics are applied in running a business, the better the performance of MSEs will be.

The results of this study are in accordance with the results of research conducted by previous researchers, namely the results of Sampurno (2016) which states that Islamic business ethics has a significant positive effect on family businesses, research by Katmas et al., (2022) which states that Islamic business ethics has a significant positive effect on the performance of Micro, Small and Medium Enterprises, research results Silviah & Lestari (2022) which shows that the application of Islamic business ethics has a positive and significant impact on the improvement of Micro, Small and Medium Enterprises, research results Riana & Nafiati, (2021) which shows that Islamic business ethics has a positive and significant effect on the sales of Micro, Small and Medium Enterprises in Yogyakarta, the results of the study Abalala et al., (2021) who found that the application of business ethics had a positive and significant impact on the financial and non-financial performance of Micro and Small Enterprises in Saudi Arabia and the research results Ayyubi & Anggraini, (2019) which confirms that Islamic business ethics has a positive and significant impact on the performance of Food Micro, Small and Medium Enterprises (MSMEs) in Bogor City.

E. Conclusion

Based on the results of the research and discussion above, it can be concluded that Islamic business ethics has a significant positive effect on the performance of Micro and Small Usama in Serang Regency, with a total contribution of 46 percent, while the rest is influenced by other variables not examined in this study. Thus it can be said, the more Islamic business ethics are applied in the business management process and product marketing, the better the performance of Micro and Small Enterprises in Serang Regency will be.

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