

Strengthening Islamic Economic Ethics for Online Business Actors in Facing Digital Disruption

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Article Info

Volume 2 Issue 4
December 2024

Article History

Submission: 05-11-2023

Revised: 27-12-2024

Accepted: 28-04-2024

Published: 31-12-2024

Keywords:

Islamic Business Ethics,
Digital Disruption, Online
Business, Service Learning,
Sharia Economic
Empowerment

Kata Kunci:

Etika Bisnis Islam, Disrupsi
Digital, Bisnis Online,
Service Learning,
Pemberdayaan Ekonomi
Syariah



Welfare: Jurnal Pengabdian
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Abstract

The rapid development of digital technology presents opportunities as well as challenges for online business people, especially in maintaining business ethics according to Islamic principles. The seminar activities held at IAIN Kediri aim to strengthen understanding of Islamic economic ethics for students and online business people in facing digital disruption. The community service method used is service learning, which involves interactive learning through theory, practice and reflection. This seminar includes an explanation of the basic concepts of Islamic business ethics, group discussions to explore the application of sharia principles in online business, as well as a simulation of ethical business management. The results of the activity showed an increase in participants' understanding regarding the importance of integrity, honesty and responsibility in running an online business. In addition, this activity encourages participants to integrate Islamic values in their digital marketing strategy, creating a balance between profit and blessing. This activity makes a real contribution in empowering online business people to face the challenges of the digital era ethically and professionally.

Abstrak

Perkembangan teknologi digital yang pesat menghadirkan peluang sekaligus tantangan bagi pelaku bisnis online, terutama dalam menjaga etika bisnis sesuai prinsip Islam. Kegiatan seminar yang diadakan di IAIN Kediri bertujuan untuk memperkuat pemahaman etika ekonomi Islam bagi mahasiswa dan pelaku bisnis online dalam menghadapi disrupsi digital. Metode pengabdian masyarakat yang digunakan adalah *service learning*, yang melibatkan pembelajaran interaktif melalui teori, praktik, dan refleksi. Seminar ini mencakup pemaparan konsep dasar etika bisnis Islam, diskusi kelompok untuk mengeksplorasi penerapan prinsip-prinsip syariah dalam bisnis online, serta simulasi pengelolaan bisnis yang etis. Hasil kegiatan menunjukkan peningkatan pemahaman peserta terkait pentingnya integritas, kejujuran, dan tanggung jawab dalam menjalankan bisnis online. Selain itu, kegiatan ini mendorong peserta untuk mengintegrasikan nilai-nilai Islam dalam strategi pemasaran digital mereka, menciptakan keseimbangan antara keuntungan dan keberkahan. Kegiatan ini memberikan kontribusi nyata dalam memberdayakan pelaku bisnis online untuk menghadapi tantangan era digital secara etis dan profesional.

1. INTRODUCTION

The era of digital disruption has brought fundamental changes to various aspects of life, including the economic sector (Kraus et al., 2021). Widespread digitalization has created new opportunities for business actors, especially online businesses, to reach a wider market at a more efficient cost (Javaid et al., 2024). However, behind these opportunities, there are major challenges that must be faced, such as increasingly fierce competition, demanding transparency, and the potential for unethical business behavior. This is of particular concern to students of the Faculty

of Islamic Economics and Business (FEBI) at IAIN Kediri, who are future entrepreneurs and sharia-based economic actors. They need a strong understanding of the principles of Islamic economic ethics as a guide in running a sustainable online business based on Islamic values. Business ethics are the main foundation in running a sustainable business (Ade et al., 2023). In the midst of global competition and dynamic market demands, integrity and moral responsibility are key elements to ensure business continuity. Business ethics include principles that direct business actors to act honestly, fairly, and responsibly towards all stakeholders, including consumers, employees, business partners, and the environment. By implementing business ethics, companies not only gain trust from external parties but also create a harmonious and productive work environment within the organization (Bews & Rossouw, 2002).

In the context of desire, business ethics plays an important role in ensuring that business activities are not only oriented towards short-term profits but also consider the long-term impact on the social and ecological environment (Torelli, 2021). Businesses that instill good ethics tend to be better able to manage risks, maintain their reputations, and face increasingly complex regulatory challenges. For example, companies that implement environmental sustainability policies, such as waste reduction or the use of renewable energy, not only meet market needs but also make a real contribution to maintaining the balance of the ecosystem.

In addition, business ethics helps create solid trust between companies and consumers. Consumers today are increasingly critical of product proposals, production methods, and the social impact of companies. They tend to choose products from companies that demonstrate a commitment to social responsibility and ethics. Research shows that consumer trust can be a significant competitive advantage for companies. By building trust through ethical actions, companies can create long-term loyalty, which in turn increases business desires (Torelli, 2021).

Business ethics also serves as a guideline in complex decision-making, especially in the digital era full of disruption (Kraus et al., 2022). In the face of situations such as data exploitation, manipulation, or violation of workers' human rights, ethical principles help business actors stay on the right track of information. This approach not only protects the company from legal risks but also maintains the reputation and core values held by the organization.

In sustainable business management, business ethics cannot be seen as an additional burden but rather as an investment strategy. By running a business ethically, companies can achieve more holistic success, covering economic, social, and environmental aspects (Dahlan et al., 2024). This is the foundation for creating a business that is not only profitable but also has a positive impact on society and future generations. Therefore, the integration of ethics in every aspect of business operations is an inevitable need in building a better future.

In this context, the application of Islamic economic ethics is increasingly relevant. Principles such as honesty, justice, responsibility, and halal must be the foundation for every business activity, including in facing the challenging digital era. Problems that often arise in online businesses, such as price manipulation, consumer fraud, and exploitation of personal data, require solutions that are eliminated from Islamic values. Without a strong understanding and application of Islamic economic ethics, online business actors, especially students as the younger generation, are vulnerable to falling into practices that are not in accordance with sharia principles (Soediro et al., 2024).

This community service activity aims to provide education and strengthen understanding of Islamic economic ethics to FEBI IAIN Kediri students. With an interactive and applicable approach, this activity is expected to equip them with insight and skills to apply Islamic values in online business. In addition, this activity also seeks to develop the character of Muslim entrepreneurs who have integrity, are able to compete healthily, and contribute to improving community welfare through sharia-based businesses.

Based on the results of the literature review, several previous studies have shown that Islamic economic ethics can be a key factor in increasing sustainability and consumer trust in online businesses. A study conducted confirmed that business actors who apply sharia principles tend to get higher consumer loyalty (Jannatul & Mulia, 2024). On the other hand, research by Rahman (2021) shows that a low understanding of Islamic ethics is one of the main causes of the

emergence of unethical business practices in the digital sector (Aravik et al., 2023). Therefore, this activity is designed to answer these needs by providing training and mentoring for students as prospective sharia business actors.

Through this program, it is hoped that a generation of Muslim entrepreneurs will be created who are not only technically competent but also have a high commitment to Islamic values. This is a strategic step in building a healthy, ethical, and sustainable online business ecosystem while also contributing to strengthening the sharia-based economy in Indonesia.

2. METODE

Service learning is an implementation method that integrates academic learning with community service, allowing students to gain hands-on experience while making real contributions to society. In the program "Strengthening Islamic Economic Ethics for Online Business Actors in Facing Digital Disruption," this method is applied with systematic stages to ensure maximum achievement of goals.

The initial stage involved collecting data through interviews, group discussions, and surveys of FEBI IAIN Kediri students as prospective entrepreneurs. The identification results showed that most students face challenges in understanding and implementing Islamic business ethics in the digital world, such as managing transparency, honesty, and social responsibility in online businesses.

After identifying the problems, the program was designed to cover three main aspects. First, theory, which focuses on explaining the concept of Islamic economic ethics and how its principles can be applied in online businesses. Second, practice, which involves simulating online business management in accordance with Islamic ethical principles, so that participants can directly apply the knowledge gained. Third, reflection, which is carried out through discussion and joint evaluation to reflect on the experiences and learning of participants during the activity, so that they can better understand and internalize ethical values in running their online businesses.

This activity is carried out in several main stages. First, workshops, where material on Islamic business ethics is delivered by lecturers and practitioners to provide in-depth understanding. Next, discussions and reflections, where students share their experiences, discuss the application of Islamic business ethics, and compile learning reports to analyze the learning gained. The last stage is an evaluation of the program's achievements based on success indicators, such as increasing participants' understanding of business ethics and students' ability to teach the concept. The results of this program are then published through seminars and scientific journals to expand its impact (Zunaidi, 2024).

3. RESULTS AND DISCUSSION

The community service activity held on October 29, 2024, at the Home Theater, 4th Floor, IAIN Kediri Library, with the theme "Sharia Economic Innovations to Face Global Challenges in Realizing SDGs," provided significant results in increasing the understanding of Islamic business ethics among participants, most of whom were students of the Faculty of Islamic Economics and Business (FEBI) IAIN Kediri and prospective entrepreneurs. This activity aims to introduce and strengthen the concept of Islamic economic ethics in facing digital disruption and global challenges, with a focus on the application of sharia values in online business. The evaluation of the activity showed that 85% of participants experienced a significant increase in understanding of the concept and application of Islamic business ethics, especially in the context of managing an online business in accordance with sharia principles.

This result is in line with the objectives of the community service activity, which is designed to educate participants about the importance of business management based on sharia values, especially in the fast-paced and challenging digital era. Through training conducted in the form of seminars and interactive discussions, participants are given an understanding of how to integrate principles such as honesty, transparency, fairness, and social responsibility into their online businesses.

The importance of understanding the concept and application of Islamic business ethics for prospective entrepreneurs, especially in managing online businesses in accordance with sharia principles, cannot be underestimated. Amidst the rapid development of technology and the digital world, there are more and more business opportunities that can be utilized by young entrepreneurs, especially in the form of online businesses. However, without sufficient understanding of Islamic business ethics, many business actors are at risk of falling into practices that are not in accordance with sharia principles, such as usury, *gharar* (uncertainty), and fraud. Therefore, prospective entrepreneurs need to be given a deep understanding of Islamic business ethics to ensure that the businesses they run are not only economically profitable but also bring blessings and goodness to the wider community.

In the context of managing an online business, the application of Islamic business ethics is very important because this business operates in a fast-paced space with minimal physical supervision. Although online businesses open up great opportunities for growth, there are great risks in terms of transaction transparency, protection of consumer personal data, and potential fraud. Sharia principles, which prioritize fairness, transparency, and social responsibility, can be a clear guide for online business actors to avoid practices that harm others. For example, in online business transactions, business actors must ensure that the products sold are in accordance with the description, the prices charged are fair, and there is no element of fraud or cheating. In addition, payments made must be free from usury and must be fair to both parties. With a strong understanding of this, prospective entrepreneurs can build a business that is not only profitable but also has a positive impact on consumers and society.



Figure 1. Delivery of material

One of the main principles of Islamic business ethics is maintaining honesty and integrity in every transaction. In online businesses, where interactions with consumers often occur virtually, it is important for entrepreneurs to instill the values of honesty and transparency in their business operations. This includes providing honest information about the products or services offered, not hiding weaknesses or deficiencies in the product, and providing good after-sales service. In addition, Islamic business ethics also emphasizes the importance of sustainability and social responsibility in business. In online business practices, this means that entrepreneurs do not only focus on personal gain but also consider the social and environmental impacts of every business decision. For example, businesses that produce or sell goods must pay attention to the sustainability of production and not damage the environment, as well as provide benefits to the surrounding community, such as creating jobs or making positive social contributions.

Furthermore, Islamic business ethics also provide guidance in dealing with the current digital disruption. The rapid development of information technology has brought about major changes in the way people do business. Therefore, prospective entrepreneurs need to understand how technology can be used to facilitate their business operations while still maintaining sharia principles. For example, in terms of using digital payment systems, such as e-wallets or application-based payments, it is important for entrepreneurs to ensure that the transactions carried out do not involve interest (*riba*) or elements of uncertainty (*gharar*). With a strong

understanding of Islamic business ethics, prospective entrepreneurs can use technology wisely, without violating the sharia principles that underlie their business.

Overall, the importance of prospective entrepreneurs' understanding of Islamic business ethics is not only limited to the moral aspect but also contributes to the sustainability and competitiveness of the business itself. Businesses that are run by following sharia principles have the potential to grow more stably and last longer because they prioritize justice and compliance with social and religious norms. In addition, by instilling strong ethics in business, entrepreneurs will gain the trust of consumers, which in turn will increase their brand loyalty and reputation. Therefore, it is important for prospective entrepreneurs to prepare themselves with a deep understanding of Islamic business ethics in order to face the challenges of the digital world and build a successful, sustainable business that benefits the wider community.



Figure 2. Photo with the community service team

The discussion of these results can be compared with previous studies that show that strengthening ethics in business, especially those based on sharia principles, has a positive impact on sustainability and ethical business management. Research by Ali et al. (2020) shows that business management that pays attention to sharia principles can reduce business practices that are detrimental to society, such as fraud and exploitation. In addition, this community service activity also refers to Islamic economic theory, which emphasizes the balance between economic profit and social responsibility. According to M. Umer Chapra (2017), Islamic economics not only aims to maximize profits but also ensures justice and social welfare. In this case, this community service activity has succeeded in conveying the message of the importance of integrating sharia values in the business world, which in turn contributes to the achievement of the SDGs, especially in terms of poverty alleviation, reducing inequality, and creating decent work.

In addition, this discussion can also compare the results of activities with other community service activities that focus on sharia-based economic empowerment. For example, activities carried out by the Sharia Economic Forum at the University of Indonesia showed that the application of sharia principles in business can increase compliance with regulations, as well as improve the reputation and competitiveness of businesses, even in an increasingly digitally connected world. In this case, the activities carried out at IAIN Kediri succeeded in showing the relevance and importance of Islamic business ethics education as a basis for creating entrepreneurs who are not only economically successful but also contribute to the welfare of society as a whole. Overall, the results of this activity show that by educating prospective entrepreneurs and FEBI students about the importance of Islamic business ethics, especially in facing digital disruption, they are better prepared to face global challenges and contribute to achieving the SDGs. Thus, this community service not only provides short-term benefits through increasing participant understanding but also contributes to more equitable and sustainable economic development in the future.

4. CONCLUSION

The activity "Strengthening Islamic Economic Ethics for Online Business Actors in Facing Digital Disruption" successfully achieved its main objective, which was to increase the understanding and awareness of FEBI IAIN Kediri students as prospective entrepreneurs

regarding the importance of implementing Islamic business ethics in managing online businesses. Through stages that included delivering theory, simulation practice, and in-depth reflection, participants gained insight into the principles of Islamic ethics, such as justice, honesty, and social responsibility, which are important foundations in running a sustainable business. The evaluation results showed that the majority of participants understood the relevance of the concept of Islamic business ethics in facing the challenges of digital disruption, especially regarding transparency in online transactions, price fairness, and business sustainability. In addition, discussions and reflections strengthened participants' awareness of their role as business actors who contribute to the welfare of society. This shows the effectiveness of the service learning approach, which not only provides theoretical understanding but also applicable practical experience. This activity is a model for developing the competency of prospective entrepreneurs based on sharia values, which are relevant to the needs of the modern business world. In conclusion, strengthening Islamic business ethics is a strategic solution in creating an online business ecosystem that is in accordance with sharia and able to survive in the digital era.

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