

Integrity Practice in Business: A Case Study

Amalan Integriti dalam Perniagaan: Kajian Kes

Nur A'fina Mohamad Sopee¹, Siti Khadijah Ab Manan^{2*}

¹Academy of Contemporary Islamic Studies (ACIS) Universiti Teknologi MARA Shah Alam, Selangor, Malaysia;

²Academy of Contemporary Islamic Studies (ACIS) Universiti Teknologi MARA Shah Alam, Selangor, Malaysia;

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*Perhubungan Penulis:

Siti Khadijah Ab Manan,
Academy of Contemporary
Islamic Studies (ACIS),
Universiti Teknologi MARA
Shah Alam, Selangor Malaysia;
Email: sitik274@uitm.edu.my

Abstract: In the business world, entrepreneurs have to face various ethical issues that are sometimes not so easy to find solutions. The ethical issues may include bribery, nepotism, theft, fraud, conflict of interest, quality control, discrimination, misrepresentation, abuse of public funds, environmental pollution and many more. Practice of integrity is one of the alternatives to reduce the ethical issues. Integrity in the workplace comes in many ways but it applies above all to ensure outstanding character qualities and work ethics including good judgment, honesty, trustworthiness, and loyalty. People who have a high level of integrity at work are trustworthy and reliable; they practice and encourage open and honest communication as well as responsible for their actions. Question to ponder is on whether integrity is still prevalent among workers and customers of a particular business entity. This study therefore aimed to analyze the practice of integrity among the employees and customers of a selected business entity. The study also aimed at identifying the solutions related to integrity problem. Qualitative approach is applied in achieving the objectives of the study and an interview was conducted to get the expected result. A total of six respondents were randomly chosen for the purpose of data collection in this study. The findings showed that generally, integrity is upheld by the employees and the customers in the entity's business activities. Nevertheless, as this study is confined to a single business entity and limited number of respondents, perhaps future research should focus on a larger sample in making the finding more generalizable.

Keywords: integrity, integrity practice, business entity

Abstrak: Dalam dunia perniagaan, para pengusaha berhadapan dengan pelbagai isu etika yang kadang kala sukar untuk mencari jalan penyelesaiannya. Isu-isu etika dalam perniagaan termasuk rasuah, nepotisma, pecah amanah, konflik kepentingan, isu kawalan mutu, diskriminasi, salah guna harta awam, isu pencemaran alam sekitar dan bermacam lagi. Amalan yang berintegriti merupakan satu aspek penting dalam mengekang isu etika dalam perniagaan. Amalan integriti ini boleh dalam pelbagai bentuk dan apa yang lebih utama adalah sikap dan mutu kerja yang berkualiti seperti kejujuran, keadilan dan kesaksamaan, kebolehpercayaan dan juga kesetiaan. Mereka yang berintegriti adalah mereka yang boleh dipercayai dan boleh dipertanggungjawabkan; mereka mengamalkan sikap terbuka dan jujur serta bertanggungjawab dalam tindakan. Persoalan penting yang ingin diutarakan di sini adalah sama ada integriti ini menjadi keutamaan dalam kalangan pekerja dan pelanggan sesebuah entiti perniagaan. Justeru, kajian ini bertujuan untuk menganalisa amalan integriti di kalangan pekerja dan juga pelanggan sesebuah entiti perniagaan. Kajian ini juga cuba untuk mengenalpasti solusi kepada sesuatu isu integriti yang berlaku dalam entiti perniagaan terpilih. Pendekatan

kualitatif telah digunakan dalam mencapai objektif kajian, dan temubual dijadikan instrumen utama dalam memperoleh data. Seramai enam responden dari sebuah entiti perniagaan telah dipilih secara rawak sebagai informen kepada kajian ini. Dapatan kajian menunjukkan bahawa amalan berintegriti masih lagi menjadi keutamaan kepada pekerja dan juga pelanggan entiti perniagaan yang dikaji. Bagaimanapun, kajian yang bersifat kajian kes ini hanya melibatkan satu entiti perniagaan dan beberapa orang responden, justeru adalah perlu untuk kajian lanjut dijalankan ke atas sampel yang lebih besar agar hasil kajian boleh dijadikan "kesimpulan umum" (generalizable).

Kata Kunci: *integriti; amalan integriti; entiti perniagaan*

Introduction

Conducting business is about managing and administering financial and material resources to turn them into profit. Hence, adhering to ethics is important to ensure that the resources would be utilised optimally with minimal wastage and unnecessary leakages. Apparently, businesses are faced with many ethical issues at work such as bribery, nepotism, stealing, lying, fraud and deceit, conflict of interest, quality control issues, discrimination, falsification of information, abuse of public funds, and environmental pollution (Abuznaid, 2009; Nor Faradila, Norleyza, Marini & Rodziah, 2018). Other ethical issues in business include deception, inappropriate weight and measures, hoarding, and even price manipulation as well as false swearing to support a sale (Sulaiman, Muhammad & Sabiu, 2020). In addition, violations of integrity may involve corruption, conflicts of interest, theft and fraud, misuse of power and information, intimidation and discrimination (Hubert, 2018).

As a complete and comprehensive way of life (deen), Islam has outlined ethical guides to individuals in all aspects of conduct including business activities. The Qur'an explained; "Verily, this Quran guides to that which is most just and right and gives glad tidings to the believers..." (Quran 17:9). In the context of honesty, Allah SWT has said in Quran, "O ye who believe! Fear God and (always) say a word directed to the Right." (Quran 33:70). Besides, Islam emphasizes the importance of practicing good *akhlaq* in all aspects of human life and recognizes it as one of the purposes of sending His messengers. Prophet SAW said, "I have been sent only to perfect the qualities of good *akhlaq*." Allah SWT also says in the Quran, "And you are truly a man of magnificent character." (Quran 68:4)

There are a lot of principles of Islamic business ethics but this study only focused on one principle which is integrity. Giving attention to integrity is essential because the performance of an organization or a company will be good if it has integrity and work

experience in working (Rosmi & Syamsir, 2020). Work is a self-actualization activity in the application of knowledge, skills, and values of beliefs and professional code of ethics that they have. So, business activities or any activity without integrity will have an impact on work disorientation, which in turn can give birth to a void of meaning at work. Integrity is not solely based on personal desires but also based on collective desires that need to be carried out in a consistent, sincere, honest, discipline, and responsible by every single employee at work. Since integrity is essential in ensuring the success of business activities, this study would therefore examine the practice of such ethic in a selected business entity in the country.

Methodology

This study adopt qualitative research design, and interview was used as the main instrument in achieving the objective of the study. This method is suitable based on the study's objectives of analyzing the implementation of integrity among the employees and regular customers (stockists) of the selected business entity in its business activities. The use of this method was to ensure the study is in line with its objectives and also as an effective way to gain an in-depth information on how the employees and customers practice the right ethics which could give positive effects on the performance of the company.

The selected business entity for the study is a family-owned Penang-based firm that has been in operation for many years. The main business of the firm is supplying frozen meat and poultry for Muslim consumers. In selecting the respondents to be interviewed, simple random sampling had been used. A total of six respondents were then selected and interviewed. They consisted of three employees and three stockists of the firm and their age was between 25-60 years old. The employees were named as A, B and C. They are Personal Assistant (PA) to the CEO of the firm and Corporate Relations Officer (labeled as A), Account

Cum Administration Executive (labeled as B) and one of the firm's supporting staffs (labeled as C). While the regular customers (stockists) were labeled as D, E and F. D and E are stockists in Penang while F is a stockist in Kedah. Their responses were recorded for analysis purposes.

Result & Discussion

Discussion on findings is divided into the outcomes from interviews with the company's employees and also the stockists of the company. The following sub-sections analyse the findings of the study.

The Employees

Respondents were first asked on their understanding about the concept of integrity. Respondent A defined integrity as part of Islamic ethics that need to be followed by all people. She also stated that someone has to be honest, fair, responsible in whatever they do, and if all people applied integrity in their daily life, they could avoid giving harm to others including the company's performance. Respondent B defined integrity as an ethic that makes people truthful and transparent. For example, in business, the quality of products is important. So, a business that has transparency regarding the products is a business that implements integrity. The third respondent simply defined integrity as an ethic that is very important in business and all Muslims as well as non-Muslims should apply integrity in themselves such as honesty, diligence, fairness, and others. Judging from the responses would imply that all the employees do understand the concept of integrity and they believed that they are employees with integrity as they practice accordingly.

Respondent A highlighted that, as the Personal Assistant to the CEO, she knew all about the CEO including his personal life. However, she never used any of the information that she has about the CEO especially about his personal life for her advantage. She also stated that she has been serving the company for long time and until today the company still trusted her; which could be proof of her being honest in her job.

Respondent B said that when she made a mistake in making the invoice for the customers, she contacted the customer to admit her mistake as well as apologized to them. Besides, there were times when the customers accidentally transferred the money more than they should pay and respondent B contacted the customers as soon as she was aware of that.

Respondent C also stated that he believed he applied integrity in doing his work at the company. He always work diligently in fulfilling his tasks such as checking the stocks in the store every day even though

nobody reminded him of it because he wants to make sure the stocks are enough for the customers to buy.

The respondents were also asked about how they react when they are facing certain situations. Two situations were given to them. In the first situation, they were asked on "What would you do if you are being overpaid on your paycheck?". Unanimously, all the three respondents would inform their employer about the overpay on their paycheck. This could indicate their honesty and integrity in not taking what they did not deserve to take. The second situation of "Would you cover up for your co-worker who always comes late and leaves early and your boss being unknown about it?" had been responded quite differently. Respondent A answered that "I never told the boss about some of the co-workers who always come late to work. I only reminded them myself.". Respondent B replied; "I never told the boss about the co-workers who always come late to work since they did not have anything to monitor the time when employees come to work.", and respondent C said "I never reported to the boss about this matter even though I aware of that."

Responses of the employees for the first situation proved that they are working with integrity to the employer. However, in the second situation, their act of keeping silent on their colleagues' unethical behaviour is not applaudable. With the exception of respondent A, by not taking any action to the wrong-doers would give a sign that the act is considered acceptable though it is not. Stern reminder should be given to the wrongdoers for not repeating the same act, and a report to the superior should be given if the same problem persist after repeated reminders did not seem to give effect.

The Stockists

The second group of respondents (the stockists) were also asked about the same questions. When asked about the concept of integrity that they understood; respondent D understands integrity as something that guides someone to do the work with honesty. He believed that he does the business transaction with integrity since he did not have any issue with the company so far.

Respondent E explained integrity as a characteristic that every businessman must have because it is very important in doing business. Being honest is part of the basic principle in business activities in avoiding harm to one another. She also believed that in *muamalah*, everyone has to be honest as that is what the Quran and Prophet's teachings have emphasized. Apart from that, she also believed that she always did her part as a customer that was honest in doing the business transaction. She is also a seller so she always make sure that her relationship with customers is good and they trusted each other. Being involved in a business, for sure,

she wanted to get the profit but the most important thing being a Muslim, she said that she must get the blessings from Allah SWT in doing the business. From that, she believed that she must do all the job with integrity.

For respondent F, people with integrity is someone who does his job with honesty and be responsible as well as has the power to guide other people to the right path. He also believed that if people did not do the business full of integrity, then, they would not get the blessings from Allah SWT. There was a case in which respondent F made a mistake that he did not give the exact number of products to his customers and he admitted his mistake and if the customers paid an extra amount of money, he would inform them as soon as possible. He believed that when both parties trusted each other and took care of the relationship, the business that he run would be successful.

Notably, this second group of respondents were also asked about how they react when they are facing certain situations. Two situations were also being posed to them. In the first situation, they were asked about "What would you do if you get additional supply other than what you have ordered?". Respondent D said that "I would return the extras because I believed that those are not mine and I have no right to keep them.". Respondent E responded quite differently by saying "Usually, people would return the extra supply to the supplier but for me, I would pay for the extra. As a stockist, I have to keep a lot of stock so I have no problem with it.". The third respondent (Respondent F) had quite a unique response by saying "I would not give the extra products immediately because I wanted to test the company's employees whether they aware of this or not. I waited for them to call then I admitted that I received the extra supply."

As for the second situation, the respondents were asked on their reaction if "You purchased some items from Company X and the purchased items were damaged in your hands. Would you lie to the company that it was not your fault for you to get refund?". Respondent D immediately reacted that "No, I would never lie. I would be responsible for what I did myself.". Similarly, respondent E said that "As a Muslim, being honest is a priority for me in doing the business so, I would never lie.". The last respondent (Respondent F) gave no different answer by saying that "I would never lie because I believed that businessmen should never lie in doing business."

In general, responses of the respondents in the given situation could indicate that they are honest in their business dealings and that could prove their integrity in business. The response of Respondent F on the first situation however, may pose a question of whether he would eventually inform the supplier for the "test" unanswered. Not informing the supplier for the

over supply of merchandise may give indication of dishonesty in this regard.

Conclusion

Integrity is a moral quality. It is a quality of acting in accordance with the relevant moral values, norms and rules that have been put forward by a particular religious belief or governance standard. In Islam, integrity is among the noble values that have been highly propagated in the words of the Almighty Allah and the sayings of the Prophet PBUH. In this study, the practice of integrity in business is examined. Using qualitative study by employing interviews as the data collection instruments, several interviewees comprising of the employees and stockists of a business entity have been selected for interviews. They were asked on their understanding to the concept of integrity and their responses to several situations. Findings of this study indicate that the employees and stockists of the company practice integrity in their business dealings and activities. However, when the employees were asked on their reaction if their colleague(s) came late and/or went home early, their act of keeping silence to such malpractice is considered as unacceptable owing to the fact that non-punctuality is considered as disintegrity. Compromising to such act is indeed an act of accomplice to the malpractice. The reaction of one respondent among the stockists in the first situation had also shown a sign of compromising to disintegrity when he only return the over-supply of merchandise upon being notified by the supplier. While the concept of integrity is ideal to be practised wholly in reality, a "near to perfect" practice is advocated as this noble value does not only give good impact to the business performance of a company but also the development of the nation generally. In this regard, good governance at all levels of management and administration is very much necessary as a form of curtailing any malpractice. In the context of a firm, having a clear-cut job scope to each level of employees and a proper standard operating procedure (SOP) to the customers would do good in governing integrity. More importantly, the governing standards should not just looked good on paper. They must be governed and monitored in terms of the practice on the ground. This study findings however, is confined to a single business entity with a limited number of respondents. Hence, the outcomes are not generalizable. Perhaps, future research should be conducted in a larger sample to make the findings representative of the entire population.

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