

Analysis of Sharia Compliance Islamic Business The Industrial Centers of Peci

Survey on Cianjur Regency Craftsmen

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Abstract: This research aims to measure the level of sharia compliance in the industrial centers of peci Cianjur. The research was distributed by the high religiosity the entrepreneurs of peci, but the level of knowledge about sharia compliance is low, and still many found transactions that are incompatible with sharia compliance. The research used quantitative descriptive method, and data collection with questionnaires and interviews with data analysis techniques used descriptive statistics. The population in this research is entrepreneurs in the industrial centers of peci Cianjur, with sample saturated as many 28 respondents in 3 districts. Based on the result of the research, it is known (1) the level of *fiqh muamalah* understanding entrepreneur peci Cianjur that is equal to 67% with good category, the notion of *rukun* and terms of sale and purchase, forbidden transactions, and zakat trading. (2) the level of application of Islamic business ethics that is equal to 76.3% included in the good category, which includes the application of Islamic business ethics from the aspects of principles, management, and business orientation.

1 INTRODUCTION

MSMEs sector has an important role for the economy, because most of Indonesian people work in the sector of SMEs. One of them is the peci industry center located in Cianjur Regency, which has big business potential.

Based on pre-research data conducted on peci craftsmen in Pagelaran Districts with brand Kampoeng Peci Cianjur, monthly turnover reached Rp. 60,000,000. The demand for peci also increased threefold before the month of Ramadan, the celebration of Eid al-Fitr and also Eid al-Adha. Marketing caps have also penetrated to several areas in Indonesia and also penetrated overseas markets.

The peci business in Cianjur begins due to the many demand of caps by the santri in some pesantren located in Cianjur Regency (Nurjaman, 2012). Cianjur people are famous for having high religiosity in accordance with the philosophy of Cianjur. The people of Cianjur Regency are known as a religious society with the majority of the population converting to Islam (wikipedia, 2017).

In line with this, from the pre-research of the craftsmen peci Cianjur has a high level of religiosity, it is shown in the figure 1 below:

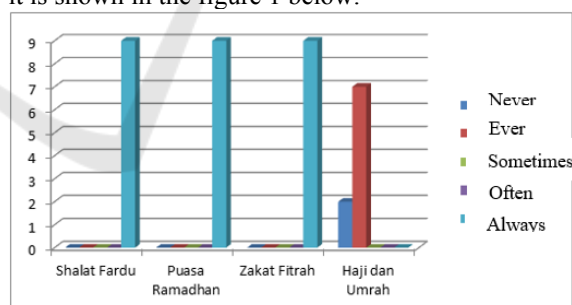


Figure 1: Implementation of Fardu Worship.

The picture above explains the level of the implementation of fardu worship (rukun Islam), that the people who work as artisans of peci there perform fardu or obligatory services such as prayer, Ramadan fasting, and zakat fitrah of 100%.

In addition to fardu worship, the level of implementation of other sunnah worship is also very high. Such as the implementation of sunna prayer (tahajud, witir, dhuha, rawatib), berinfaq and alms, reading the Quran, following religious activities.

However, the high level of religiosity in the implementation of fardu and sunah worship is not directly proportional to the knowledge and implementation of sharia compliance in business implementation in Cianjur peci industry center. Only one out of nine artisans claimed to always pay zakat, while 89% or eight of nine respondents said they rarely paid zakat. Understanding of peci artisans about sharia compliance of Islamic business is still very low. The peci artisans still do not know about the difference of usury and the interest system, the difference of usury and profit sharing, the pillars and murabahah requirements in Islam, and the kind of illicit transactions.

In capital, the artisans of peci in Buniwangi Village Pagelaran sub-district also have difficulties to access the business capital of sharia financial institution because the location is far from downtown of Cianjur Regency, and there is no syariah financial institution like syariah banking and sharia cooperative in that village. This has led to the proliferation of mobile bank practices or loan sharks as an alternative option for borrowing venture capital.

2 LITERATUR REVIEW

Sharia compliance can be defined as follows, that is to comply with or follow the standards or laws or rules relating to human behavior, both with respect to the fundamental law and the branch law that comes from the Qur'an and the hadith of the Prophet. According to Mahmudah, compliance means following a clearly defined specification, standard or law, while sharia compliance means following sharia standards (Mahmudah, 2012). The meaning of sharia compliance is very broad, within the scope of SMEs the implementation of sharia compliance is based on Islamic business ethics, namely principles, norms and standards of behavior that regulate individuals and groups that distinguish what is right and what is wrong in doing business in accordance with Islamic Shariah principles (Nawatmi, 2010).

3 METHODOLOGY

The research method used in this research is quantitative descriptive method. The statistic used in this research is descriptive statistic. The design of this research is descriptive research, in this research describes the implementation of sharia compliance in peci business. The population studied in this study

were 28 respondents. Sampling technique used is Non-Probability sampling In addition, data collection is also done using questionnaires and interview techniques. While the scale-making technique used is Likert scale. Data analysis techniques use descriptive statistics.

4 RESULTS

Based on the results of research conducted to the entrepreneurs peci, sharia compliance level in the Cianjur peci industry centers included in the good category, including the level of understanding muamalah fiqh and application of Islamic business ethics.

Level of understanding of fiqh muamalah an average of 67% included in either category. Here is an interpretation of the results of the research.

Table 1: Thickness Observation Data Processing.

Value Criterion	Description
0-20%	Very less
21-40%	Less
41-60%	Enough
61-80%	Good
81-100%	Very good

From the table 1 it is known that the level of understanding of rukun jual beli included in the category of very good, understanding of terms of sale and purchase of illicit transactions into the category of good, while among these indicators, the understanding of zakat trade is the lowest with sufficient category, it caused by many entrepreneurs who do not know about the haul and nishab zakat trade. Based on the research, the level of application of Islamic business ethics average entrepreneur cap Cianjur for 76.33% which included into the good category, which includes:

4.1 Principle

Level of application of principle as one of syariah compliance measurement found in table 2 below.

Table 2: Category variable literacy of Islamic banking products.

Indicator	Implementation of the Basic Principles of Islamic Business Ethics
<i>Tauhid Uluihiyyah</i>	88,93%
<i>Tauhid Rububiyah</i>	67,50%
Balance	80,00%
Freedom	80,36%
Responsible	67,86%
Ihsan	73,57%
Average	76,37%

The level of application of the principle of responsibility is the lowest due to the still uncovering of illicit transactions in the form of usury and gharar.

4.2 Management

Good business requires management activities to achieve success. In addition, for Muslim entrepreneurs should perform management activities in accordance with sharia. Based on the results of research on the application of sharia-based management values in the Cianjur peci industry centers can see in table 3:

Table 3: Level of Implementation of Sharia Management.

Indicator	Implementation of Sharia Management
Production	82,38%
SDM	79,52%
Finance	58,57%
Marketing	75,36%
Average	73,96%

The level of application of sharia management of peci entrepreneurs is good category, in addition to low financial management because the peci entrepreneurs are still not routinely in performing financial stakes and still use loans with usury system from loan sharks and banks.

4.3 Orientation

Business in Islam is not only aimed to gain material benefits for the entrepreneur, but also must be beneficial to the environment and society, and the most important is to be blessed by doing business. Table 4 is the level of implementation of Islamic business orientation by entrepreneurs peci Cianjur, that is:

Table 4: Level of Implementation of Islamic Orientation.

Indicator	Implementation of Islamic Orientation
Profit	82,38%
Benefit	79,52%
Zakat	58,57%
Blessing	75,36%
Average	73,96%

The average level of implementation of the orientation or business objectives of Islamic entrepreneurs peci Cianjur is 81.12% which is included into the category very well, it means that the purpose of business entrepreneur peci cianjur is in accordance with the purpose of doing business in Islam, with details as follows:

4.3.1 Profit, Benefit, and Zakah on Trade

Any business or trading activity would want to earn a profit as reflected in the operating profit earned. In addition, the business must also provide benefits for the community and the environment. Islam also obliges to pay zakat trade. Terms of trade zakat, namely:

Table 5: Terms of Trading Zakah.

Haul	1 Years
Nishab	85 grams of 24 carat gold
Kadar zakat	2,5%
formula	(Capital rotates (stock) + Profit + current accounts receivable) - debt
Assumption	<ul style="list-style-type: none"> ▪ price of 1 gram of gold = Rp. 556.000 x 85 gram = Rp. 47.260.000 ▪ no debts and receivables

Based on the table 5, shows the level of entrepreneurs who are obliged to zakat and not obliged to zakat. With nishab zakat Rp. 47.26 million per year, then 96.4% of entrepreneurs are included in the category of obligatory zakat. Average turnover of entrepreneurs per year is Rp. 503.207.000, while the potential of zakat trade reached Rp. 352,245,000.

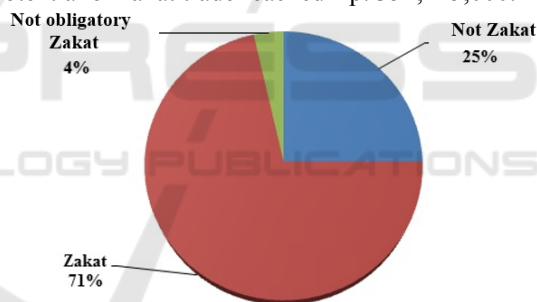


Figure 2: Level of Zakat Implementation.

The figure 2 shows that 4% of entrepreneurs who have not obliged to pay zakat, 71% entrepreneurs who must pay zakat obligation and have fulfilled obligations, and 25% entrepreneurs who have obliged zakat but have never paid zakat business.

4.3.2 Blessing

Level of implementation of Islamic business orientation with blessing indicator that is:

Table 6: Level of Application of Blessings.

Indicator	Implementation	Interpretation
Qanaah	73,57%	Good
Feel closer to Allah SWT	86,14%	Very Good
Average	79,86%	Baik

Table 6 shows the level of application of qanaah of 73.57% with good category, meaning that entrepreneurs caps feel quite with business profits obtained. In addition, 86.14% of entrepreneurs felt closer to Alloh with business. It is very important to apply in order to get blessings from Allah SWT.

5 CONCLUSIONS

The conclusion of this research is that the level of sharia compliance in Cianjur peci industry center are included in good category, covering the level of understanding of muamalah fiqh and the level of application of business ethics of Islamic entrepreneur peci Cianjur in the form of application of principle, syariah management and business orientation entrepreneurs peci enter in very good category.

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