

Conference Paper

The Effect of Islamic Values Understanding Level to the Business Behavior of Sellers in Facing Business Competitions

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Abstract

The stages of understanding Islamic values are divided into five dimensions, which are: *tauhid*, *khilafah*, *ibadah*, *takziyah*, and *ihsan*. A purpose of trading is to get an income which can fulfill human needs in the complex. In society, trading is a vital activity in every level of society. Many kinds of business turn up and have the same purpose, this happen become a background why there is a trade competition. Intrinsic and extrinsic factors are the influence of the traders to do their business. The purpose of this study is to know the Impact of Understanding Islamic Values towards Business' Behavior Traders in Merjosari Market to Confront Trade Competition. The researcher choose Pasar Penampungan Merjosari as a research location and use Muslim traders in the market as a population and sample. The number of population is 699 traders. Non-probability sampling method is used to choose the sample by using purposive sampling. Slovin formula is used to determine the number of sample, which get 87 traders. In collecting the data step, it use the primer data by distributing the research questioners which use quantitative method by analyzing these data: (1) Validity test, (2) Reliability test, (3) Normality test, (4) Classic Assumption test, (5) Multiple Linear Regression test, (6) T-test, (7) F test, (8) Beta Coefficient test. The result of this study shows that the stages of understanding Islamic values in *tauhid*, *khilafah*, *ibadah*, *takziyah*, and *ihsan* dimensions have a positive impact both in partial and simultaneously. The stages of understanding Islamic values in *khilafah* dimension has a dominant impact.

Keywords: Islamic values, business behavior, trader, traditional market, trade competition

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1. INTRODUCTION

Human is a creature that has living role as morally social and economic creature. Human as social creature conducts interaction among humans in their environment to grow and survive in their life. Soekanto (2009) stated that the encouragement and needs of interaction with others caused more by human's instinct as gregariousness living creature. Hafidz et al., (2012) in his research journal, explained that Adam Smith in "The Wealth of Nation" stated that individuals must have sympathy to others, individual interest from any doers included into interest towards the other part of society. Moreover, Adam Smith explained one's motive to do her/his business activity, which caused by self-interest. In other side, as economic creature, humans will always face economic problems with human characteristic that never satisfied about what been gained, and always want to fulfill their living needs continually.

Needs are something that must be fulfilled by humans to survive in order to gain welfare. Human's needs about economic goods will have more meaning and value when it involves others in the fulfillment, because, basically, human is social creature with all limitation characteristics included. This limitation characteristic will lead human to create harmonic relation with others to fulfill their needs, which is it occurred through commerce process. Commerce activity aims to gain income in order to fulfill complex human needs. In line with the goal of commerce itself, many people conduct commerce activity due to their needs that must be fulfilled. This commerce activity occurred in the middle of many societal levels. Many types of business or enterprise with the same goal, then, become the background of business competition. Seller behavior to dominate the market through his/her goods and service in order to gain profit as large as possible is natural characteristic for every businessman. Therefore, this natural characteristic should be pressed down or reduced in order to guarantee the responsibility to the consumers and the related parties to avoid the abuse. The relation of commerce activity with the actors from many levels makes it as must for every businessman to be aware towards good business behavior or business ethics.

(Yaacob et al., 2012) in the research stated that The personality of an individual differs from one another due to many factors such as physiological, environmental, educational, cultural and family backgrounds. In fulfilling the unlimited needs, all types of activity should refer to the prevailed norms in order to make humans have a limitation in their action, thus there will be no abuse for certain parties. These norms are really necessary to give direction and guidance for humans in order to create discipline, peaceful, safe, and harmonic life.

One segment that very interesting to be discussed is place of commerce activity (sale-purchase activity) by people to fulfill their needs, in which it occurred in the market. Market is a place where the sellers and buyers gathered in one place to do economic activity. Economic activity in the market is transaction process between seller and buyer directly, and also as a place to get what people need with appropriate price (Damsar, 2013). The traditional market is one of the market type that mostly available and has the largest access for every societal levels in fulfilling their needs. Pranowo et al., (2015) mentioned that traditional markets relates to the social life and culture conception. The market cultural value aspects include the value of life harmony, the value of mutual cooperation, the value of honesty, the value of deliberation and consensus, the value of tolerance and the value of the order value. From the explanation above, it is clear that traditional market has many advantages, thus it is interesting to be discussed than the modern market.

Despite to be one place as buyer reference, in the other side, the more people who fulfill their needs, indirectly, will give the opportunity to others to be economic actor. Recalling the position of the traditional market as a place of economic activity which reaches low-class society, the researcher argued that commerce activity in traditional market, which seen as vital activity, needs high responsibility between the related parties. This responsibility can be raised and reinforced by the rules and values which rooted directly from the highest source, which has absolute truth, religious norms.

Based on the explanation above, the researcher interested to study about how is the role of religious values affected to the commerce activity, in which the research entitled as "The Effect of Understanding Level towards Islamic Values to the Business Behavior of Sellers at Merjosari Market in Facing the Business Competition".

2. LITERATURE REVIEW

2.1. Islamic Economic Values

Idri (2014) explained that in Islam, economic activity cannot be separated from basic values that been established in Al-Qur'an, hadith, and other Islamic sources. Islam is full of values which encourage humans to create their economic in which it represented in the suggestion of time discipline, wealth maintenance, work values, increasing production, maintaining consumption, and also Islamic concern about science. It is seen that Islamic economic principle is the implementation of efficiency and benefit foundation by still keeping environmental preservation. Islamic economic motive is looking for

profit both in the world and the hereafter as *khalifah* of Allah by worshipping in the large meaning (*'ibadah ghayr mahdhah*).

Aziz (2008) stated house philosophy in Islamic economy as follows:

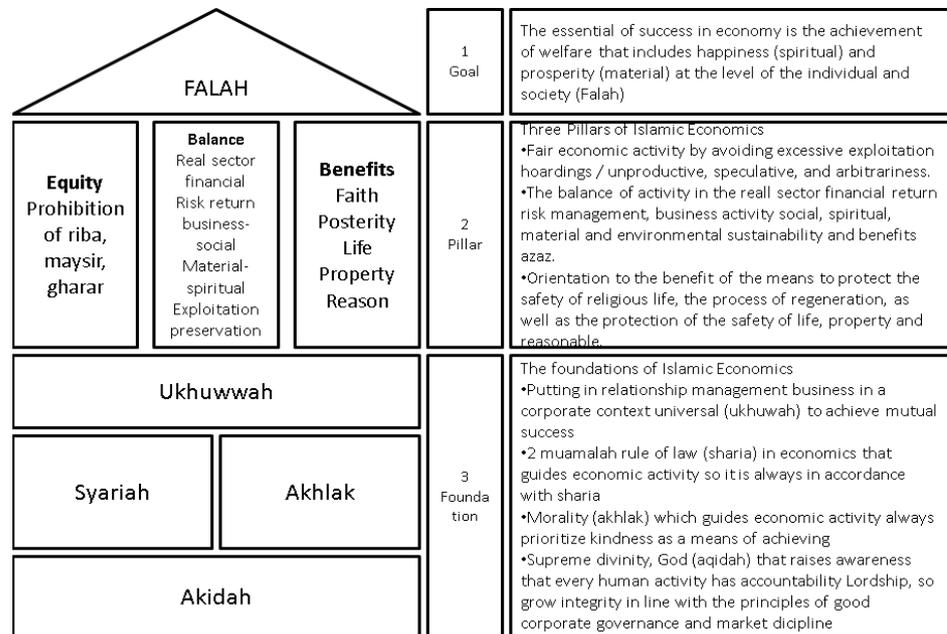


Figure 1: House Philosophy in Islamic Economy Source: House Philosophy in Islamic Economy, Aziz (2008).

While, the design of Islamic Economy which explained by Karim (2004) as below:



Figure 2: Design of Islamic Economy Source: Design of Islamic Economy, Karim (2004).

According to Fathurrahman Djamil in Mardani (2014), in sharia business, there are basic principles that must be considered, *fiqh* rules, *muslahah*, and *tawazun*.

Bautayeba (2014) in his research mentioned about how moral values able to work which explained in the chart as below:

The chart above shows how moral values able to work in Islamic economic system. Trust is basic in Islamic economy. Spiritual factor is very important in the daily living of Muslim, in general, and particularly in economic activity. Since Muslim believe that

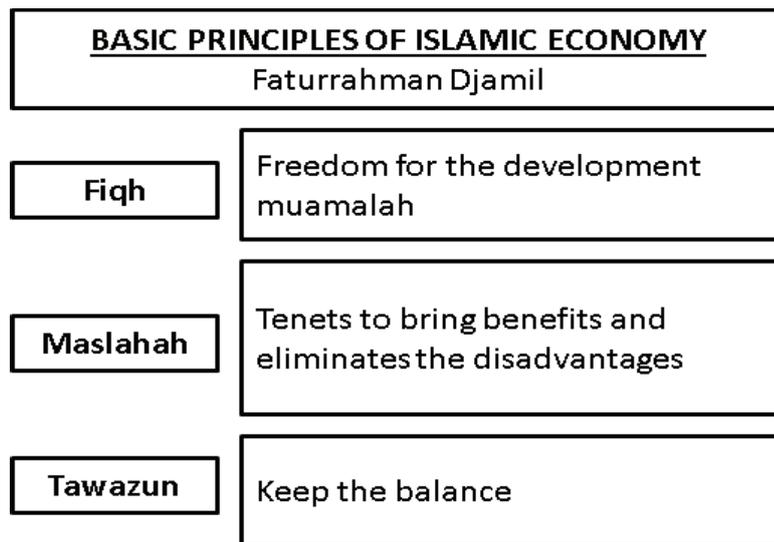


Figure 3: Basic Principles of Islamic Economy Source: Adapted from Mardani (2014).

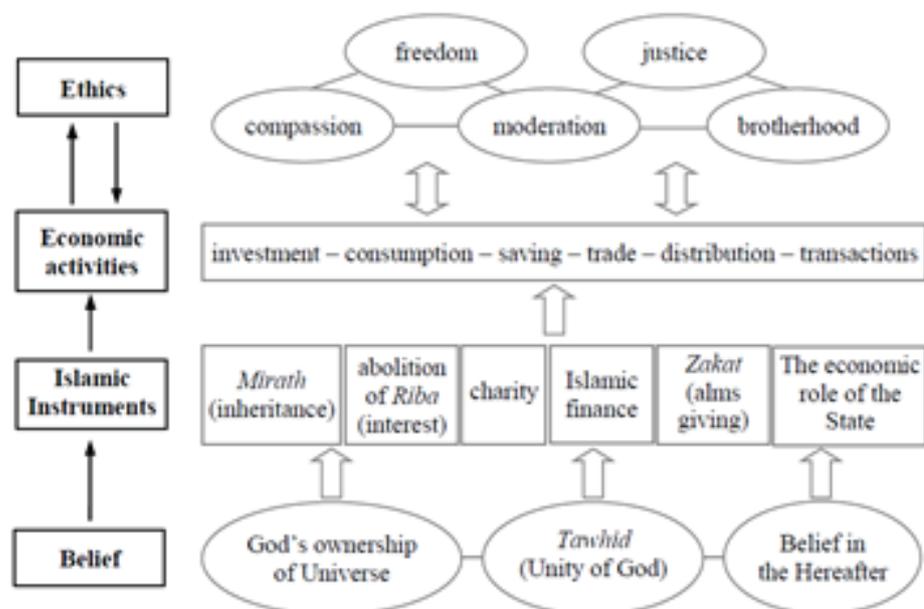


Figure 4: The Works of Moral Values Source: Bautayeba (2014).

Allah is one and that Allah is the only one who create the universe including humans, thus they must obey to their creator, Allah. In Islam, all guidance and order aims to build better life which established over moral and ethic values; humans cannot live happily in this world without Allah’s precept. Meanwhile, every Muslim know that there will be the hereafter where they will be judged. If they disobey Allah’s orders in their life, then they will be punished. This proof leads Muslim to have good behavior in their economic activity as with Islamic guidance. They will be committed to do only about what is good and avoid the bad ones.

2.2. Seller Behavior and Business Competition

According to Purwanto (1990), the behavior is all human actions, either seen or unseen, which based or without based on – including how to speak, how to do something, and how to react – anything comes from the inside or outside themselves.

While competition originated from English which means competition activity. In management dictionary, competition is efforts from two or more companies in which each of them competes to get order by offering the most profitable price/requirement. This competition may be realized in discount, advertisement/promotion, variation and quality, packaging, design, and market segmentation [18].

Nasution et al., (2010) argued that Islamic concept asserts that market must be established over perfect competition principle. However, it does not mean that there should be absolute perfect competition, but there should be perfect competition which covered by frame of sharia rules. Islamic concept understands that market may have effective role in economic living if there is effective perfect competition principle. The market does not expect for any interventions, including state with the authority of price establishment or private sector with monopolistic activity, and so forth.

Main motivation in business activity is profit which defined as the difference between income and cost. In the business activity, they must face business competition which commonly occurred in the business world. Therefore, it needs the strengths or competitiveness as mentioned by Hafidhuddin and Tanjung (2002) as follow:

1. Product competitiveness, which is product that will be offered must have good competitiveness quality;
2. Price competitiveness, where seller is impossible to win the competition if the products are very expensive;
3. Marketing competitiveness, in which marketing world talks about market problem then the most important thing is how to attract consumers to purchase the produced goods;
4. Networking competitiveness, a business unable to have the competitiveness and will lose the competition if it is just self-playing, means there is no cooperation, coordination, and synergy toward other business institutions in many fields.

3. METHOD

The researcher designed this research as survey research with quantitative approach. Population in this research was sellers or traders who conduct commerce activity at Merjosari Market area, with various business types. According to the obtained data, the number of the seller at Merjosari Market is 699 sellers. Sample determination in this research referred to the Slovin formulation. By the data of seller population at Merjosari Market (699 sellers) and tolerance limit or standard error of 10%, the number of samples that used in this research was 87 sellers where it was performed by using nonprobability sampling method and purposive sampling technique. It was conducted with the requirements as follow: Muslim, conducting commerce activity in the range of 09.00 am – 02.00 pm in Merjosari Market, Malang (Pasar Penampungan Merjosari Malang-Merjosari Reception Market of Malang). The researcher obtained primary data from the questionnaire and then the researcher conducted analysis to the obtained data. Indicators and variable meaning that studied in this research as follow:

Variable of Seller Behavior in Facing Business Competition (Y)

Data that obtained in this research then analyzed by using validity test and reliability test, normality test, classical assumption test, multiple linear regression test, f-test, t-test, and beta coefficient test method with the assistance of SPSS programme for Windows v.16.00.

4. RESULT AND DISCUSSION

4.1. Profile of Merjosari Market

Merjosari Market, initially, was temporary reception market from Traditional Market of Dinoyo which located on Jl. Mayjen Haryono Malang City. Based on Decision by Mayor of Malang No.14Year of 1982, traditional market of Dinoyo had revitalization which followed by the development of modern market next to the market. In this revitalization, city government had established new location in order to relocate the sellers before the revitalization finished, in which it was located in Merjosari Village. The area of Merjosari Market (or known as Dinoyo Baru Market-New Dinoyo Market) which located on Jalan Mertojoyo Merjosari Village, Lowokwaru District is about 9,947 m². While, the tenant or store that provided by market management is about 1,481 units with the seller of 699 sellers in which 527 sellers are active seller and the remaining of 172 sellers are inactive seller.

TABLE 1: Indicators of Understanding Level towards Islamic Values.

DIMENSION	INDICATOR	MEANING
Tauhid (Unity of God) (X1)	Unity and Integration	1. Integrity among all religious, economic, social, political, and cultural living aspects
		2. Unity among business activity, morality, and searching of Allah bless.
		3. Unity of human's ownership with God's ownership. Profit of business is mandated from Allah, thus, there is social duty.
Khalifah (X2)	Equality	1. There is no discrimination among business actors based on race, skin color, gender, or religion.
	Intellectuality	1. Creative and conceptual ability of business actors which functioned to create, change, and develop all living potentials in the universe to be something concrete and useful.
	Free Will	1. Ability of action from business actors without any external forces, as with parameter of Allah creation
	Responsibility and Accountability	1. The willingness of business actors to be responsible and accountable over their action.
Ibadah (X3)	Total Worshipping	1. The ability of business actors to be free from any relationship of man worshipping towards their own creation (such as power and wealth).
		2. The ability of business actors to make man worshipping to God as spiritual insight as well as moral commitment which lead to the direction, goal, and business.
Tazkiyah (X4)	Honesty	1. Honest characteristic of business actors not to take profit only for themselves by bribery, hoarding, cheating, and deceiving as well as not to manipulate product form quality and quantity aspect.
	Justice and Fairness	1. The ability of business actors to create balance (equilibrium) in transaction (do not reduce the measuring or weighing) and free from oppression such as riba (excessive interest) and business monopoly.
	Transparency	1. The willingness of business actors to accept or consider other's better and more appropriate opinion as well as developing constructive, creative, and positive potential and initiative.
Ihsan (X5)	Goodness for others	1. Willingness of business actors to give goodness for others such as re-scheduling, accepting product returning after it was purchased, and paying loan or credit before the due date
	Togetherness	1. The togetherness of business actors in their responsibility as with their task or duty and togetherness towards business gaining proportionally.

Source: Islamic Basic Values in Business, Mardani (2014)

TABLE 2: Indicators of Seller Behavior in Facing Business Competition.

INDICATOR	MEANING
Quality competitiveness	1. Products with good quality 2. Do not cheat about product's defect
Price competitiveness	1. Selling with standard market price
Marketing competitiveness	1. Promotion 2. Good display/layout
Networking competitiveness	1. Selective in selecting business partner

Source: Adapted from Lesmana's Research (2010)

Respondent characteristic which studied in this research was based on gender, age, last education, and commodity type.

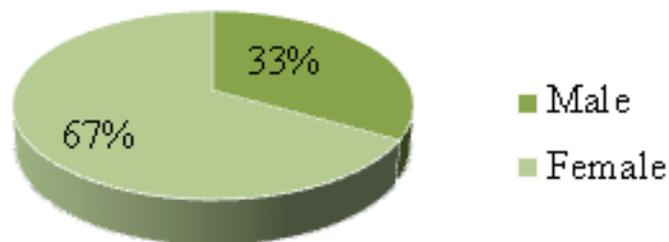


Figure 5: Respondent Characteristic Based on Gender **Source: Processed Primary Data, 2016.**

Based on diagram above, it is found that 29 or 33% sellers as the research respondent are male and 58 or 67% sellers are female.

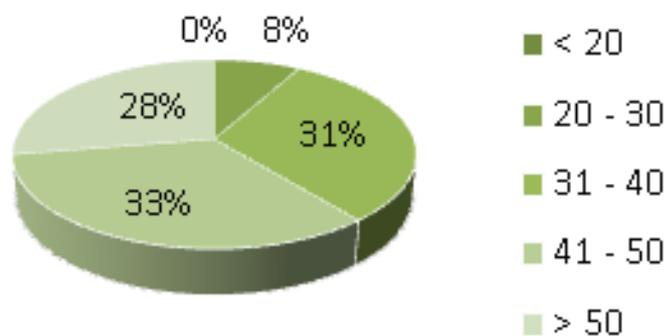


Figure 6: Respondent Characteristic Based on Age **Source: Processed Primary Data, 2016.**

Based on diagram above, it is found that 7 or 8% sellers as the research respondent are in the age range of 20 to the 30 years old, 27 or 31% sellers are in the age range of 31 to the 40 years old, 29 or 33% sellers are in the age range of 41 to the 50 years old, and 24 or 28% sellers are above 50 years old.

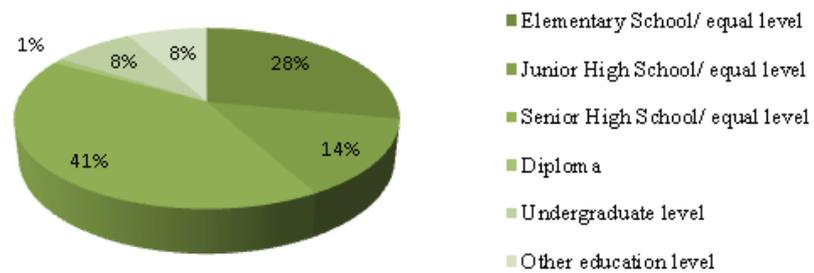


Figure 7: Respondent Characteristic Based on Last Education **Source: Processed Primary Data, 2016.**

Based on diagram above, it is found that 24 or 28% sellers as the research respondent are owning last education of Elementary School/equal level, 12 or 14% sellers are owning last education of Junior High School/equal level, 36 or 41% sellers are owning last education of Senior High School/equal level, 1 or 1% seller is owning last education of diploma level, 7 or 8% sellers are owning last education of undergraduate level, and 7 or 8% sellers are owning other education level.

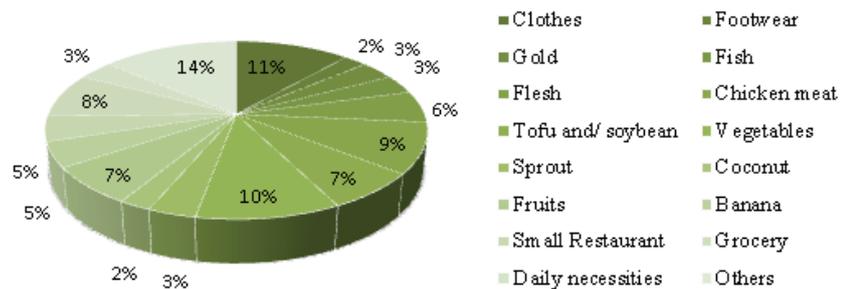


Figure 8: Respondent Characteristic Based on Commodity Type **Source: Processed Primary Data, 2016.**

Based on diagram above, the researcher determined research sample of 87 sellers as respondent that consisted of many commodity types. From all commodity types, the highest percentage is other commodity type for 12 or 14% sellers, while clothes or fashion commodity type is about 10 or 11% sellers.

This research might be used to know how the effect of understanding level towards Islamic values (*tauhid, khalifah, worship, tazkiyah, and ihsan*) to the business behavior of sellers at Merjosari Market in facing business competition. In addition, the understanding level of Islamic values which consist of *tauhid, khalifah, worship, tazkiyah, and ihsan* dimension served as independent variable and business behavior of sellers

at Merjosari Market in facing business competition served as dependent variable. Statistical test was performed in order to see how the effect of independent variable to the dependent variable in which the result as below:

4.2. The Effect of Understanding Level towards Islamic Values (*Tauhid* Dimension) to the Business Behavior of Sellers at Merjosari Market in Facing Business Competition

Hypothesis test through t-test about the understanding level towards Islamic values (*tauhid* dimension) stated that H₁ confirmed. It means that there was positive and significant effect about the understanding level towards Islamic values (*tauhid* dimension) to the business behavior of sellers at Merjosari Market in facing business competition.

Tauhid means unity and integrity in all societal living aspects including, economic, social, cultural, and religious aspect which become unity to accompany every human activity in searching for Allah's bless through the goodness. *Tauhid* also defines as unity between man ownership and God ownership. All which belong to man in this world are mandate from Allah including wealth from their business. Therefore, there is social responsibility in one's wealth. *Tauhid* concept also means equality, where there is no discrimination among business actors over the race, skin color, or religion. Muslim sellers understand that among muslim sellers are brother and sister and indeed, they should not disappoint each other. From this explanation, it can be found that Islam offers integrity in creating unity. Upon this view, ethics and business will be integrated, both vertical and horizontal, creating very important equation in the societal living system.

Muslim sellers who are well- understood about *tauhid* concept will be able to take position of themselves as economic actors with good behavior and will not disappoint others. (Zaman et al., 2015) in his research stated that "Islam is the law of nature and its business philosophy excess only when the relationship between human being with Allah becomes stronger. In fact this is the religion that link success to the actions if human being makes it with the accordance of Allah and surrendered in front of Him".

The sellers realize that every activity in earning income always based on Allah's bless and realize that wealth and grace come from Allah SWT. Muslim sellers realize that Allah is the creator of universe and always watch over the actions.

The understanding level towards Islamic values (*tauhid* dimension) which owned by sellers at Merjosari Market as proven in the t-test, had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition.

It means that the understanding level towards Islamic values (*tauhid* dimension) which owned by sellers at Merjosari Market would lead the sellers to have good behavior in their business, thus it would bring to the market condition with healthy competition. The higher understanding level towards Islamic values (*tauhid* dimension), the better behavior of sellers at Merjosari Market.

Moreover, this research result was in line with the research that conducted by Juliansyah (2011) where Juliansyah found that *tauhid* dimension was one from many factors which affected or causing factor of sellers at Ciputat Market had ethical behavior in running their business in Islamic way.

4.3. The Effect of Understanding Level towards Islamic Values (Khalifah Dimension) to the Business Behavior of Sellers at Merjosari Market in Facing Business Competition

Hypothesis test through t-test about the understanding level towards Islamic values (*khalifah* dimension) stated that H₂ confirmed. It means that there was positive and significant effect about the understanding level towards Islamic values (*khalifah* dimension) to the business behavior of sellers at Merjosari Market in facing business competition.

In Al-Qur'an Allah SWT said that humans created to be *khalifah* in this world means to be a leader and affluent the world. *Khalifah* concept contains the meaning of intellectuality, free will, as well as responsibility and accountability. Intellectuality means Creative and conceptual ability of business actors which functioned to create, change, and develop all living potentials in the universe to be something concrete and useful. While, free will means the ability of action from business actors without any external forces, as with parameter of Allah creation. Responsibility and accountability mean willingness of business actors to be responsible and accountable for their action [6]. It is related to the statement of Arif (1985) that "Ownership rights in Islam originate from the concept of Khalifah (stewardship) ... that Allah (S.W.T) is the sole owner of the property and that man as vicegerent of Allah (S.W.T) is merely trustee and custodian ...".

Muslim sellers that positioning themselves as *khalifah* in the world will always do good deeds which in line with good business behavior. Muslim sellers have the willingness to assist consumers in fulfilling their needs, not force the consumers to purchase in their store, recording the loan or credit, and always keep mandate from consumers.

Thus, the self concept of *khalifah* able to lead business actors to behave as with the good business ethics.

The understanding level towards Islamic values (*khalifah* dimension) which owned by sellers at Merjosari Market as proven in the t-test, had the positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. It means that the understanding level towards Islamic values (*khalifah* dimension) which owned by sellers at Merjosari Market would lead the sellers to have good behavior in their business, thus it would bring to the market condition with healthy competition. The higher understanding level towards Islamic values (*khalifah* dimension), the better behavior of sellers at Merjosari Market.

4.4. The Effect of Understanding Level towards Islamic Values (Worship Dimension) to the Business Behavior of Sellers at Merjosari Market in Facing Business Competition

Hypothesis test through t-test about the understanding level towards Islamic values (worship dimension) stated that H₃ confirmed. It means that there was positive and significant effect about the understanding level towards Islamic values (worship dimension) to the business behavior of sellers at Merjosari Market in facing business competition.

Worship is a term includes anything that loved and blessed by Allah, either words or actions, hidden (spiritual) or seen (physical). Business, in its relation to the worship, is manifestation for Allah SWT. Islam views everything which related to the world can be connector in the life of hereafter. It is due to all activities can be valued as worship if it is based on the rules that been ordered by Allah.

Concept of worship in economic activity can be the ability of business actors to be free from any relationship of man worshipping towards their own creation (such as power and wealth) and make worshipping to God as spiritual insight as well as moral commitment which lead to the direction, goal, and meaning of actualization towards the business activity. Every muslim seller who has the intention that her/his business activity is a worship, then he/she will not careless or forget their duty as muslim such as pray for five times a day, *du'a* or *dizkr* after pray, obligatory fasting, and always expect blessing from Allah SWT with maximal efforts. Worship dimension as binding of muslim sellers to place their business activity based on worship for goodness in the world and hereafter.

The understanding level towards Islamic values (worship dimension) which owned by sellers at Merjosari Market as proven in the t-test, had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. It means that the understanding level towards Islamic values (worship dimension) which owned by sellers at Merjosari Market would lead the sellers to have good behavior in their business, thus it would bring to the market condition with healthy competition. The higher understanding level towards Islamic values (worship dimension), the better behavior of sellers at Merjosari Market.

However, this research result was different with the research that conducted by Faiz (2009), where Faiz found that worship dimension significantly had no effect to the variable of seller behavior, either partially or simultaneously.

4.5. The Effect of Understanding Level towards Islamic Values (*Tazkiyah* Dimension) to the Business Behavior of Sellers at Merjosari Market in Facing Business Competition

Hypothesis test through t-test about the understanding level towards Islamic values (*tazkiyah* dimension) stated that H₄ confirmed. It means that there was positive and significant effect about the understanding level towards Islamic values (*tazkiyah* dimension) to the business behavior of sellers at Merjosari Market in facing business competition.

According to Asutey (2007), it stated that the axiom of *Tazkiyah*, in the Islamic economics axiom, is concerned with growth towards perfection through purification of attitudes and relationships directs the individual towards self-development, which leads to economic and social development in harmony with the growth activity that requires purification. *Tazkiyah* principle manifested in honesty, justice and fairness (*adl'*), and transparency. Honesty means the honesty of business actors not to take the profit only for themselves by bribery (*riswah*), hoarding (*ihthikar*), and not to manipulate product form quality and quantity aspect (*tadlis/ghabn*). Fairness means ability of business actors to create balance (equilibrium)/moderation in transaction and free from oppression such as *riba*(excessive interest) and business monopoly. While, transparency means willingness of business actors to accept or consider other's better and more appropriate opinion as well as developing constructive, creative, and positive potential and initiative [6].

Muslim sellers who own *tazkiyah* characteristic will always be accompanied by transparency characteristic in improving themselves to be better. It will be reflected

in honesty characteristic; honesty in perfecting the weight or measurement, always conduct discussion, and always learn from anyone in order to be better individual. This characteristic will create business competition atmosphere which suitable as it is expected, thus there will be no disappointed parties in the business activity.

The understanding level towards Islamic values (*tazkiyah* dimension) which owned by sellers at Merjosari Market as proven in the t-test, had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. It means that the understanding level towards Islamic values (*tazkiyah* dimension) which owned by sellers at Merjosari Market would lead the sellers to have good behavior in their business, thus it would bring to the market condition with healthy competition. The higher understanding level towards Islamic values (*tazkiyah* dimension), the better behavior of sellers at Merjosari Market.

4.6. The Effect of Understanding Level towards Islamic Values (*Ihsan* Dimension) to the Business Behavior of Sellers at Merjosari Market in Facing Business Competition

Hypothesis test through t-test about the understanding level towards Islamic values (*ihsan* dimension) stated that H₅ confirmed. It means that there was positive and significant effect about the understanding level towards Islamic values (*ihsan* dimension) to the business behavior of sellers at Merjosari Market in facing business competition.

Ihsan is willingness to do good deeds and places the business in order to do goodness for others. This principle contains the sense of goodness for others (benevolence) and togetherness. Goodness for others (benevolence) means willingness of business actors to give goodness for others such as re-scheduling, accepting product returning after it was purchased, and paying loan or credit before the due date. While, togetherness of business actors in their responsibility as with their task or duty and togetherness towards business gaining proportionally [6]. Muslim sellers who own *ihsan* characteristic will always be good-hearted person. It will be reflected by friendly attitude in serving customers, help each other with pleasure, keeping public facility, keeping cleanness, and always forgive the mistakes.

The understanding level towards Islamic values (*ihsan* dimension) which owned by sellers at Merjosari Market as proven in the t-test, had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. It means that the understanding level towards Islamic values (*ihsan* dimension) which owned by sellers at Merjosari Market would lead the sellers to have good behavior in

their business, thus it would bring to the market condition with healthy competition. The higher understanding level towards Islamic values (*ihsan* dimension), the better behavior of sellers at Merjosari Market.

The research result was in line with the research that conducted by Mohammad and Mustofa, in which Mohammad and Mustofa found that *ihsan* dimension affected to the variable of seller behavior. While, similar research by Juliansyah (2011) also found that *ihsan* dimension was one from many factors which affected or causing factor of sellers at Ciputat Market had ethical behavior in running their business in Islamic way.

4.7. Simultaneous Effect of Understanding Level towards Islamic Values (*Tauhid, Khalifah, Worship, Tazkiyah, and Ihsan* Dimension) to the Business Behavior of Sellers at Merjosari Market in Facing Business Competition

Hypothesis test through F-test about the understanding level towards Islamic values (*tauhid, khalifah, worship, tazkiyah, and ihsan* dimension) simultaneously had positive and significant effect from the understanding level towards Islamic values – *tauhid* dimension (X_1); *khalifah* dimension (X_2); *worship* dimension (X_3); *tazkiyah* dimension (X_4); and *ihsan* dimension (X_5) – to the business behavior of sellers at Merjosari Market in facing business competition.

Idri (2014) explained that in Islam, economic activity cannot be separated from basic values that been established in Al-Qur'an, hadith, and other Islamic sources. Islam is full of values which encourage humans to create their economic in which it represented in the suggestion of time discipline, wealth maintenance, work values, increasing production, maintaining consumption, and also Islamic concern about science. It is seen that Islamic economic principle is the implementation of efficiency and benefit foundation by still keeping environmental preservation. Islamic economic motive is looking for profit both in the world and the hereafter as *khalifah* of Allah by worshiping in the large meaning (*'ibadah ghayr mahdhah*).

Islamic Sharia places human relationship appropriately, makes the humans able to be interacted each other in balance and mutually beneficial. Sharia also gives moral filter towards resource allocation and distribution as with brotherhood and economic social fairness concept, as well as system which motivates the strength to reach the goal of needs fulfillment by equal distribution, income, and wealth.

Islamic basic values in business – *tauhid*, *khalifah*, worship, *tazkiyah*, and *ihsan* – are representation from good behavior that will lead every business actor who own those characteristics to always run their activity with good behavior.

The understanding level towards Islamic values which owned by sellers at Merjosari Market as proven in the F-test, had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. It means that the understanding level towards Islamic values which owned by sellers at Merjosari Market would lead the sellers to have good behavior in their business, thus it would bring to the market condition with healthy competition. The higher understanding level towards Islamic values, the better behavior of sellers at Merjosari Market.

In addition, this research result was in line with many similar studies with various dimensions of understanding level towards Islamic/sharia/religious values. Those studies such as study that conducted by Fitriana (2014) which found that Islamic business ethics affected significantly to the variable of muslim seller behavior in Bamegapura Market Sungai Danau Village. While, the research of Rosydah (2014) found that there was significant effect of Islamic business ethics to the muslim seller behavior in Kureksari Village, Waru, Sidoarjo. As well as the research by Yenti (2009) also found that the understanding of sharia values affected significantly to the business behavior of sellers in Minang at Aur Kuning Market, Bukittinggi.

4.8. The Strongest Effect of Understanding Level towards Islamic Values among Tauhid, Khalifah, Worship, Tazkiyah, and Ihsan Dimension to the Business Behavior of Sellers at Merjosari Market in Facing Business Competition.

The research result on beta coefficient test showed that beta coefficient value to the understanding level towards Islamic values for *khalifah* dimension (X₂) had the highest value than other Islamic values – *tauhid* dimension (X₁), worship dimension (X₃), *tazkiyah* dimension (X₄), and *ihsan* dimension (X₅) – as well as it had the lowest significance value than other Islamic values that studied in this research. It means that the understanding level toward Islamic values (*khalifah* dimension) had largest effect/most dominant effect to the business behavior of sellers at Merjosari Market in facing business competition.

Khalifah or leadership means ordering, leading any activities to the intended goal. Islamic demand is more universal that leadership leads to more specific case towards individuals that live as leader, either leader for themselves or the group. Therefore,

leadership in Islam started from individual. Besides that, leader accountability in Islamic context is not only to humans, but also, the most important, is responsibility and accountability to Allah, the Creator [27].

Amali (2015) in the mini thesis mentioned that in hadith of Rasulullah SAW, leader term appeared in *ra'in* or *amir* word such in hadith of Imam Bukhari in hadith narrated by Abdullah ibn Umar R.A that Rasulullah SAW said: "each of you is leader that will be taken the responsibility over your leadership... Know that all of you are leader and all will be taken the responsibility over your leadership". From the hadith above, it could be found that every human created to be *khalifah* in this world to be leader and affluent the world.

While, *khalifah* dimension in the variable of understanding level towards Islamic values included reflection of intellectuality, free will, and responsibility. Intellectuality means Creative and conceptual ability of business actors which functioned to create, change, and develop all living potentials in the universe to be something concrete and useful. Intellectuality characteristic will lead muslim sellers to think how the best way to gain profit in business without disappointing others. Intellectuality also encourages muslim sellers to always create innovation following the era development and following consumer's demand. Innovation may be manifested as product improvement or marketing improvement. Related to the business competition, the innovation will encourage business competition which finally leads to the effective and efficient economy. Thus, intellectuality in *khalifah* dimension is seller characteristic which able to encourage good business behavior.

While, free will means ability of action from business actors without any external forces, as with parameter of Allah creation. Business actors, in this case is sellers, able to conduct any activities that they want without any force or pressure from anyone as long as it is not out of the prevailed norms. Free will also means respecting other's opinion and avoiding force or pressure in conducting business activity such as forcing consumers to buy certain product. This activity will lead to the consumer's empathy due to the consumers feel valued. Consumers or buyers are free to determine their choice to which seller they will purchase product. And then, the consumers itself that will have self assessment to each seller.

The last but not least point of *khalifah* dimension is responsibility and accountability which mean willingness of business actors to be responsible and accountable over their action. These responsible and accountable characteristic of muslim sellers will gain many benefits such as obtaining trust from related business actors. Business actor, such as agents and consumers, will have no doubt to conduct business activity with

muslim sellers due to trust each other foundation. From this case, responsibility and accountability characteristic will guarantee parties that related to the business and none will be disappointed. Faizal (2013) stated that "... he has the responsibility to perform ibadah and be a khalifah. Muslim entrepreneur should search for Allah's blessings above all other factors. Muslim entrepreneurs perform entrepreneurial activities not solely for profit, but above all, to fulfill the *fardu kifayah*"

Every muslim sellers who realize that they are leader who will be taken by responsibility in the hereafter, will be able to guarantee that the economy runs as the sharia rules, and assure that there is no violation to the human right in every economic activity. *Khalifah* dimension – a with intellectuality, free will, and responsibility and accountability characteristic – is important point in running sale-purchase activity or commerce activity to gain value according to consumer's perspective in facing business competition. Thus, the understanding level of Islamic values (*khalifah* dimension) could be stated as the most dominant dimension or the most affected variable to the business behavior of sellers at Merjosari Market in facing business competition.

5. CONCLUSION

Based on the research result and discussion, then it could be drawn by conclusions as follow: First, the understanding level of Islamic values *tauhid* dimension had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. Second, the understanding level of Islamic values *khalifah* dimension had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. Third, the understanding level of Islamic values *ibadah* dimension had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. Fourth, the understanding level of Islamic values *tazkiyah* dimension had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. Fifth, the understanding level of Islamic values *ihsan* dimension had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. Sixth, the understanding level of Islamic values *tauhid* dimension; *khalifah* dimension; *ibadah* dimension; *tazkiyah* dimension; and *ihsan* dimension simultaneously had positive and significant effect to the business behavior of sellers at Merjosari Market in facing business competition. Seventh, the understanding level of Islamic values *khalifah* dimension had the strongest or most dominant effect to the business behavior of sellers at Merjosari Market in facing business competition.

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