

## **INFLUENCE OF BUDI BICARA (DISCRETIONARY VIRTUE) IN STRATEGIC PLANNING OF BUSINESS ENTERPRISES**

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### **ABSTRACT**

Influence of Budi Bicara or discretionary virtue is essential in organizations. The use Budi bicara in the Malay Muslim intellectualism manifests intellectual empathy and caring through teamwork for sustainable performance. Budi in Malay term is defined as mind and bicara is defined as conversational discourse. Business owners applied Budi Bicara in strategic planning and business activities. The process requires conversational discourse and intellectual participation with empathy, sharing and caring. This chapter explores the application of budi bicara in formulating vision, mission and objectives.

Keywords: *Budi bicara, Strategic management, Intellectual discourse*

## INTRODUCTION

Budi bicara has been used extensively by individuals, group and organizations. Even in the presence of standard operating procedures (SOP), guidelines, and codes, managers are required to exercise budi bicara in managerial decision making.

The main reason for the use of budi bicara is due to the unavailability of information and incompetency of managers to use the information to make rational and logical decisions. Irrational or bounded rationality decision making approach may be used, but it is subjected to the availability of information (Beree, 2016; Suhaimi Mhd Sarif & Yusof Ismail, 2016; David & David, 2017). If the information is inadequate, managers may apply 'satisficing' decisions. In the worst case, managers may just apply intuitive decisions.

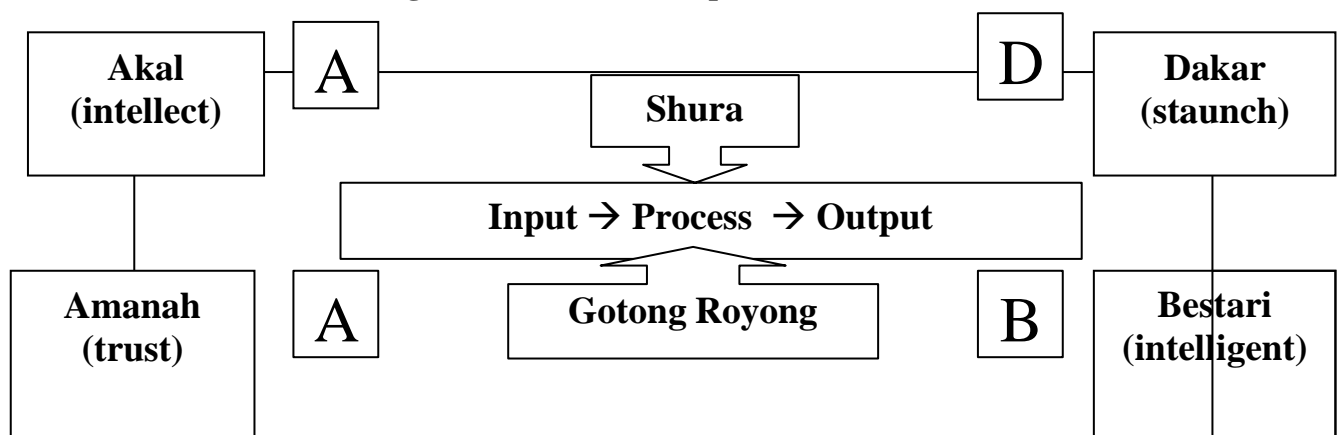
How could managers apply intuitive decision in the environment of evidence-based management? Every decision and action requires evidences for audit purposes (Suhaimi Mhd Sarif & Yusof Ismail, 2016; David & David, 2017). If managers were to use budi bicara decision approach, then how could managers provide the evidences? In budi bicara decision approach, the process is always with shura and gotong royong mechanisms. The evidences can be created through minutes, conversation recordings, and notes.

## LITERATURE REVIEW

### *Budi Bicara*

This section provides explanation on the formulation of organisational vision, mission and objectives of an organization based on budi bicara. Budi is actually the mind, soul and action of reasonable human (Lim Kim Hui, 2003; Husin, 2010). The essence of budi bicara is to apply akal (intellect), dakar (staunch), amanah (trust) and bestari (intelligent) (ADAB) framework (Dzulkifli Abdul Razak, 2021). The operative tools are shura (mutual consensus) and gotong royong (communal work). Figure 1 illustrates the operationalization of budi bicara in the process to formulate vision, mission and objectives of an organization.

**Figure 1: Budi Bicara Operationalization**



### ***Formulation Process***

Participants in the formulation of vision, mission and objectives will use budi bicara with shura and gotong royong. The following lists the formulation process (Suhaimi Mhd Sarif & Yusof Ismail; David & David, 2017).

Develop a strategic vision

Develop a company mission statement

Develop core values

Link the vision and mission with core values

Develop organisational objectives

Develop specific performance target with balanced score card

### ***Developing a Strategic Vision***

A strategic vision is top management's visualisation about the company's long-term direction, business mix, targets, and ways to achieve them. It is an aspiration of the top management's big picture's view of the company will be heading in the future. David & David (2017) argued that top management should avoid too generic or catchy statement like "We will be a global leader in every market we venture into." Such statement is very general and difficult to be translated into doable and actionable tasks. A good vision statement will be able to convey top management's aspiration, view, and visualisation into the kind of business for the company. More importantly, such vision provides a reference for all levels of managers to translate into decisions and actions.

Top management should not be a sole party to decide on the vision statement. There is a need for top management to apply budi bicara. The essence of budi bicara is the application of akal (intellect), dakar (staunch), amanah (trust) and bestari (intelligent) (ADAB) framework (Lim Kim Hui, 2003; Dzulkifli Abdul Razak, 2021). The operative tools are shura (mutual consensus) and gotong royong (communal work). Once the shura has agreed collectively with gotong royong stances, then the vision statement can be visualized and communicated.

The wording of a vision statement should be able actionable. David & David (2017) postulated that vision statement is to be visualised into graphic, is forward-looking, focused, feasible, have business sense, and memorable. Top managers should avoid vague, incomplete, bombastic words, generic, very superlatives and repetitive.

More importantly, a sound and well communicated strategic vision of a company is able to get 'buy-in' from all managers, able to avoid costly decisions and actions, able to be cascaded to other managers.

### ***Developing a Company Mission Statement***

A company mission statement describes the present business and the purpose of the business. Since it is about business, the mission statement should be able to describe the company's products/services, specific buyers' needs and the customer groups, and identity.

Top management should not be a sole party to decide on the mission statement. There is a need for top management to apply budi bicara. The essence of budi bicara is the application of akal (intellect), dakar (staunch), amanah (trust) and bestari (intelligent) (ADAB) framework (Lim Kim Hui, 2003; Dzulkifli Abdul Razak, 2021). The operative tools are shura (mutual consensus) and gotong royong (communal work). Once the shura has agreed collectively with gotong royong stances, then the mission statement can be communicated.

### ***Linking the Vision and Mission with Company's Budi***

The company's budi is necessary to guide the decisions and actions of company's staff for the benefit of the company. Universal values such as fairness, honesty, integrity, ethical, innovative, teamwork and passionate about high quality products. At this juncture, managers need budi bicara by integrating akal (intellect), dakar (staunch), amanah (trust) and bestari (intelligent) (ADAB) of all members for synergy and sustainability.

### ***Setting Objectives***

The vision and mission statements will be converted into targets/objectives. There are two kinds of objectives, financial and strategic objectives.

Top management should not be a sole party to decide on the objectives. There is a need for top management to apply budi bicara. The essence of budi bicara is the application of akal (intellect), dakar (staunch), amanah (trust) and bestari (intelligent) (ADAB) framework. The operative tools are shura (mutual consensus) and gotong royong (communal work). Once the shura has agreed collectively with gotong royong stances, then the organizational objectives can be cascaded.

### ***Translate Vision, Mission, Core Values, Objectives and Strategy into Balanced Score Card***

Top management should apply budi bicara with the essence akal (intellect), dakar (staunch), amanah (trust) and bestari (intelligent) (ADAB) with the operative tools of shura (mutual consensus) and gotong royong (communal work) in translating vision, mission, and objectives into actionable strategies and plans. Figure 2 shows the cascading process from vision to mission, objectives, strategies and plans.

**Figure 2: Cascading Process from Vision to Mission, Objectives, Strategies and Plans**

### ***Organisational Strategy Map***

Top management should apply *budi bicara* with the essence *akal* (intellect), *dakar* (staunch), *amanah* (trust) and *bestari* (intelligent) (ADAB) (Lim Kim Hui, 2003; Dzulkifli Abdul Razak, 2021) with the operative tools of *shura* (mutual consensus) and *gotong royong* (communal work) in the organizational strategy map. This point is made in the various stories of the prophets. The believers must separate themselves from disbelievers. Nobody can remain passive. This lesson is reinforced with the stories of Nuh (7:64), Hud (7:72), Lut (7:82-83), Shu'aib (7:88) and Salih (7:75). Having outlined the main theme of the *sūrah*, Khaled (n.d.) looks at some brief passages. He says that the lesson of 7:02 is that, "you (the reader) should publicise the teachings of Islam and you should not allow anyone's criticism to make you ashamed of it." The general principle is found in the next *āyah*. Allah says,

## **RESEARCH METHODOLOGY**

Influence of *Budi Bicara* or discretionary virtue is essential in organizations. The use *Budi bicara* in the Malay Muslim intellectualism manifests intellectual empathy and caring through teamwork for sustainable performance. The study uses qualitative research method through personal interviews with small and medium enterprises owners. The researchers approached them due to close relationships with the business owners. Since the basis for the interaction is about engagement, the personal interviews use conversations with the business owners (MacDonald et al., 2013; Ngozwana, 2018; Jimenez et al., 2019). Even though the conversation is casual, the researchers still need to do preparation before the interview (Castillo-Montoya, 2016; Majid et al., 2017), such as securing informed consent, research permits and validated interview protocol (Yeong et al., 2018).

The study aims to obtain the views of the business owners of small and medium enterprises on the influence of *Budi Bicara* or discretionary virtue. Before the actual interview, the researchers have secured informed consent from informants, research permits from relevant

authorities, and validated interview protocol. The study obtained personal interviews results with note-taking due to data privacy and confidentiality sought by the informants. The researchers finalized interview notes immediately after the conversations. Then, the researchers obtained verification from the informants. The researchers use thematic analysis on the verified interview notes.

## **RESULTS AND DISCUSSIONS**

This part presents the feedback of informants on the influence of Budi Bicara or discretionary virtue in their business practices. All of the small and medium enterprises were given nicknames to honor their confidentiality.

### ***Pak Su Enterprise***

Pak Su Enterprise used to work in the general trading for many years. When he saw the opportunities to run his own sports outlet, he quit the job. He approached his close friends and contacts who used to be in his general trading business.

When he was asked whether there is influence of Budi Bicara or discretionary virtue in his business ventures. Pak Su Enterprise said:

“In our approach, we used Budi Bicara in all activities of our business enterprise. Budi Bicara to me is the highest level of our ability to make decision, not just based on facts and figures. We need to make sense of our figures. As Muslims we performed two-rakaat solat to get guidance from Allah. This solat shows that we are powerless. We need the guidance from Allah.”

Pak Su’s approach is spiritual-drive Budi Bicara decision making. This approach has humanistic elements while facing the reality of businesses (Mhd. Sarif, 2020; Yuen & Ng, 2021).

### ***Pak Mat Enterprise***

Pak Mat Enterprise used to work in the army of artillery for 21 years. He chose catering business for his post retirement employment. This is common practice for ex-military personnel to choose a business venture as post retirement employment. During the 18-month preparatory duration, Pak Mat learnt about business management, marketing, finance, operations management and culinary.

Being too long in military service, Pak Mat has been spared from the public life. During his service military personnel did not exercise budi bicara in his decision and action. Pak Mat said:

“In army, you just have to adhere to the instructions. Where to live, how to live, how to spend with family and friends, are written in the procedures. Now when you are in the civil life, you have to make your choice. It is difficult to make a choice. I rather wanted to spend my retirement with a monthly pension in my home town. However, the demand for civil life is beyond my imagination.”

### ***Pak Chat Enterprise***

Pak Chat just completed her secondary school and did not pursue tertiary education due to his passion to work in the retail industry. He loved car accessories. His business is about cars and cars accessories. Pak Chat said:

“We applied a lot of Budi Bicara in car accessories. If you are talking about Budi Bicara with our customers, yes, we have to use a lot of Budi Bicara. There is no fixed price, but we need to meet the satisfaction of our customers.”

The three case studies revealed the Budi Bicara is highly applied in business activities and business decisions. Budi Bicara is needed when businesses are dealing with customers.

## **CONCLUSION AND RECOMMENDATIONS**

Budi bicara manifests intellectual empathy and caring through teamwork for sustainable performance. Budi in Malay term is defined as mind and bicara is defined as conversational discourse. The application of budi bicara in strategic planning and business activities is apparent in any nature of business activities. The informants suggests to apply budi bicara with the essence akal (intellect), dakar (staunch), amanah (trust) and bestari (intelligent) (ADAB) with the operative tools of shura (mutual consensus) and gotong royong (communal work) in translating strategic plan into strategic actions and outcomes.

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