EFFECTS OF MAQASID AL-SHARIAH FOR ETHICAL DECISION MAKING AMONG SOCIAL ENTREPRENEURS

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ABSTRACT
An ethical decision manifests the protection and preservation of benefits and rights of business stakeholders. The mainstream practice is based on conventional ethical principles. The application of Maqasid al-Shariah is limited to Shariah compliant enterprises due to the industrial requirements or the need to gain competitive advantage. The unique model of social enterprises combined for-profit and not-for-profit objectives. Such combination requires balancing between profit and social ends. The application of Maqasid al-Shariah is essential for ethical decision making. The study aims to explore the effects of Maqasid al-Shariah for ethical decision making among social entrepreneurs. The study covers important aspects of social enterprises, the use of guidelines, measurement on each decision, and well-being of stakeholders. Based on personal interview with social entrepreneurs, the application of Maqasid al-Shariah allows for the enhancement of wellness, welfare, and well-being of social enterprises and the key stakeholders. The results of the study suggest there is intermediate impact in terms of triple bottom line and stakeholders’ approach to ethical decision making of social entrepreneurs. The study suggests the use of case study method for future research.

Key words: Maqasid al-shariah, Ethical decision making, Social entrepreneurs
INTRODUCTION
In the competitive and dynamic market, business sectors are striving very hard to keep the integrity and competitiveness. Many companies have subscribed to ethical and integrity practices for nurturing the practice of ethical decision making (Faber, 2005; Rodriguez-Dominguez, Gallego-Alvarez & Garcia-Sanchez, 2009; Pae & Choi, 2011; Boivie, Bednar, Aguilera, & Andrus, 2016; Rose, 2016). Codes of conduct, Standard Operating Procedures, and Quality Practices have been the tools to reinforce ethical decision making.

The input to ethical decision making process is primarily based on conventional ethical principles such as utilitarianism, Kantian rights, and Rawlsian social justice. Each of the principle is based on various ethical philosophies (Fernando, 2016; Kleingeld, 2016; Lim, 2016). For instance, under utilitarianism, a decision is ethical when the decision produced greatest benefit for greatest number of people. Then, how about the minority? Likewise, when justice is defined and measured based on procedural justice, then they will be injustice for those who are not able to end the process.

The primary objective of the study is to explore the effects of Maqasid al-Shariah for ethical decision making among social entrepreneurs. What is the meaning of effects of Maqasid al-Shariah is to how far social entrepreneurs apply Maqasid al-Shariah knowledge in making decision and how far the consequences to the social enterprises. Social enterprises are unique business entities because they combined both social and business objectives simultaneously. The primary aim is to provide service or solution for the society. The use of business entity is to enable the continuity and sustainability of service or solution provision to the society.

The discussion of the study is divided into a few parts. Firstly, the study reviewed key constructs of the study, namely social entrepreneurship, ethical decision making, Maqasid al-Shariah, and ethical decision making model. Secondly, the study discussed about the methodology of the study. Thirdly, the study presented the findings and discussion. Finally, the study wrapped the whole paper with a conclusion.

LITERATURE REVIEW

Social entrepreneurship
Social enterprises need a specific framework of governance to make them ethical to the stakeholders. Low (2006) argued that specific framework for social enterprises is necessary due to its dual interests, for profit and for society.

A sound and ethical governance allows for organizational legitimacy for social enterprises. Suchman (1995) contended that legitimacy for enterprises is essential for them to gain trust, support and confidence from stakeholders. O’Neil and Ucbasaran (2016) emphasised that legitimation enables ethical atmosphere for the enterprises.

Ethical Decision Making
Ethical decision making enables organizations to maintain and sustain competitiveness and competitive advantage. Mitchell, Weaver, Agle, Bailey, and Carlson (2016) argued that pluralism in ethical decision making occurs in hybrid enterprises that aim for profit and social ends. Social enterprises aim to achieve multiple objectives for diverse stakeholders. For profit objectives meant for business stakeholders. In terms of social objectives, more diverse
stakeholders. The inter-enterprise stakeholder agency framework is necessary to support multi objective social enterprises.

**Maqasid al-Shariah**

Maqasid al-Shariah is a branch of knowledge in Shari’ah. The word ‘maqasid’ denotes goals, purposes or objectives and ‘al-Shari’ah’ manifests Divine law or law that is derived from revelation (Oladapo & Ab Rahman, 2016; Akram Laldin & Furqani, 2013). Technically, Maqasid al-Shariah provides a framework on how rulings are endorsed (became verdict or fatwa). According to Akram Laldin and Furqani (2013), there are three dimensions to form the minds of shariah, namely, the straightness of a path (istiqamat al-tariq); the balance and justice (al-‘adl) and directive destination (al-i’timad). Figure 1 illustrates the three dimensions of Maqasid al-Shariah.

Figure 1: Three dimensions of Maqasid al-Shariah.

The public needs a framework for the purpose of operationalisation. The operations are into policy and practice. Al-Ghazali (1937) operationalised Maqasid al-Shariah into the classification of maslahah (benefits). This is in line with the ultimate purpose of maqasid al-Shariah to identify benefits that are compliant to the Quran and Islamic teachings. Al-Ghazali classified maslahah into necessity (daruriyat), complement (hajiyat) and embellishment (tahsiniyat) (Dusuki & Abdullah, 2007). Figure 2 summarises three categories of maslahah.

Figure 2: Three categories of maslahah
Source: Dusuki & Abdullah, 2007

Necessity to preserve religion, life, intellect, progeny, and wealth. When combines with the three categories of *Maslahah*, necessity category of *maslahah* must preserve five items. Figure 3 illustrates the explanation of five necessity items in the categories of *maslahah*.

Figure 3: Five Necessity Items within Three categories of *maslahah*

Source: Dusuki & Abdullah, 2007

As for Abu Zahrah (1997), *Maqasid al-Shariah* framework can be examined into three elements, namely, education, justice, and maslahah. Education includes advancement of knowledge, instilling new skills and creating awareness. Justice include fair dealings, elimination of justice, fair dealing with employees, and fair dealing with community (Mohammad and Shahwan, 2013). Figure 4 illustrates the three dimensions based on Abu Zahrah’s Maqasid al-Shariah model.

Figure 4: Three dimensions of Abu Zahrah (1997)’s *Maqasid al-Shariah* Model
The classification of Maqasid al-Shariah can be viewed from humanistic sociological perspectives. According to Oladapo and Ab Rahman (2016, p. 291), the relationships of God-Man-Universe enable for betterment in human development, based on al-Asfahani Islamic and holistic development model. The model emphasises on betterment in wealth, health, freedom, security, and spirituality. A moderate, justice and holistic human development that based on maqasid al-Shariah allows for access to adequate income, healthy life, balanced life, and educated human.

The maslahah, education and justice form an understanding on how Shariah mind is operationalised. A good proposal for advancement or new product to increase for profit is not good enough until it can be backed by a solid Shari’ah evidence or authority (Bakar, 2016). According to Bakar (2016), the perspectives of Shari’ah scholars must be flexible and attentive to many views before reconciliation for a balanced and justice views.

**Ethical decision making model**

Conventional ethical decision making uses consequentialist and non-consequentialist approaches in deriving ethical decisions (Appelhoff, Mauer, Collewaert, & Brettel, 2016; Brundin & Gustafsson, 2013). Consequentialists emphasised the greatest benefit to the greatest number of people (Vriend, Jordan, & Janssen, 2016; Komarova-Loureiro et al, 2016) (Vriend, Jordan, & Janssen, 2016). Unlike non-consequentialist approach, it emphasised on duty and responsibility such as justice, rights, virtue, and caring perspectives.

Most business sectors use linear or step-wise approach to decision making. It begins with a state of problem or issue that needs ethical examination for example whether to build a factory in residential area or otherwise (Appelhoff, Mauer, Collewaert, & Brettel, 2016; Brundin & Gustafsson, 2013). Then, the problem will be put into the context of the stakeholders and visualise possible actions that are ethical. After considering the stakeholders and alternative actions, the company will decide on an action that is ethical. The actual
ethical impact will be obtained once it is implemented. Figure 5 summarises the linear flow of ethical decision making process.

Figure 5: The linear flow of ethical decision making process

<table>
<thead>
<tr>
<th>Step 1: Identify problem or issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2: Identify key stakeholders and ethical consideration</td>
</tr>
<tr>
<td>Step 3: Visualise the ethical violation and impact to the stakeholders</td>
</tr>
<tr>
<td>Step 4: Generate possible actions</td>
</tr>
<tr>
<td>Step 5: Choose one action and implement</td>
</tr>
<tr>
<td>Step 6: Evaluate the impact</td>
</tr>
</tbody>
</table>

Source: Saaty (2008)

Based on the above discussion, the study proposes a research framework for the impact of Maqasid al-Shariah in ethical decision making. Figure 6 illustrates the model.

Figure 6: Impact of Maqasid al-Shariah in ethical decision making

The study proposes that the impact of Maqasid al-Shariah in ethical decision making is significant to individual social entrepreneurs, social enterprises, networking of social entrepreneurs, community of business, and other key stakeholders in terms of welfare, well-being, and wellness.

METHODOLOGY

The study aims to explore the effects of Maqasid al-Shariah for ethical decision making among social entrepreneurs. The areas of concerned include the basis for decision making, the use of guidelines, measurement on each decision, and well-being of stakeholders. All the concerns became the basis for the interview questions.
The study contacted social entrepreneurs based on the directory of SME Corporation and Selangor Entrepreneurs Club Network at several events of entrepreneurship. The study conducted personal interview with note taking with four social entrepreneurs. The interview lasted for 30-50 minutes at the venue agreed by the social entrepreneurs. All the four social entrepreneurs conducted different kinds of businesses in Klang Valley. In terms of experience, they are quite new in the business between 3 to 5 years). Table 1 summarises the profile of the social entrepreneurs who participated in the study.

<table>
<thead>
<tr>
<th>Code</th>
<th>Principal business</th>
<th>Position</th>
<th>Location</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE 1</td>
<td>Green electronic solution</td>
<td>Owner</td>
<td>Shah Alam</td>
<td>5 years</td>
</tr>
<tr>
<td>SE 2</td>
<td>Eco-green technology</td>
<td>Owner</td>
<td>Cheras</td>
<td>3 years</td>
</tr>
<tr>
<td>SE 3</td>
<td>Protection home</td>
<td>Owner/founder</td>
<td>Kuala Lumpur</td>
<td>5 years</td>
</tr>
<tr>
<td>SE 4</td>
<td>Performance art</td>
<td>Owner</td>
<td>Kuala Lumpur</td>
<td>5 years</td>
</tr>
</tbody>
</table>

*SE: Social Enterprise

This qualitative approach allows the study to explore for the impact of the *maqasid al-shariah* on ethical decision making approaches used by social entrepreneurs. The reason to use qualitative method is to allow for more information which cannot be obtained through survey (Miles & Hubeman, 1994; Patton, 1990).

The study conducted reliability and validity of the study. This is essential task to ensure the validity and reliability of interview questions (Posthuma, Morgeson & Campion, 2002; Fugard & Pottsm 2015; Dikko, 2016). The study obtained feedback from two independent researchers on the validity of the personal interview questions. The study also solicited social entrepreneurs to review the revised interview question.

**FINDINGS AND DISCUSSION**

The study approached a few social entrepreneurs pertaining to the impact of *Maqasid al-Shariah* on their ethical decision making approach.

According to Social Entrepreneur 1, the childhood experience shaped the ethical decision that emphasised on social responsibility. Social Entrepreneur 1 said:

“My ethical decision is shaped by my childhood experience. When I was small, my parents always showed the good examples. When I reached 15 years old, the Exxonmobil company where my mother is still working at, organized an event to help the village residences of Kuala Selangor. The company has been involved in many social events before and this is just one of them. The objective of the event is to help the villagers to make their place of stay a pleasant and more comfortable environment to live in.

The influence of visual or role model has shaped Social Entrepreneur 1 to value the impact of any action and decision not just individual (*fardy*) but also the society (*jama’ie*).

Action (*’amal*) has been always louder than word (*kalam*). Social Entrepreneur 2 added:
One of the activities that we did was painting and cleaning the residence’s park which was already rusted and full of rubbish when we got there. After a couple hours of cleaning, we planted some mangrove trees at the nature park and I was fortunate enough to have an opportunity to plant one tree at the swamp there. It was such a fun and memorable experience to contribute in preserving our mother nature. Soon by the end of the day, Exxonmobil’s employees gave out new clothing and food to the villagers in the closing ceremony. Although all of the work done was exhaustive, it was still satisfying to know that we have accomplish our part as a fellow human being in helping other less fortunate people and clean the environment.”

Social Entrepreneur 1 used linear decision making approach that always emphasised on consequences and impacts in terms monetary and tangible terms. According to Social Entrepreneur 1, the impact on money and physical performance is visible. The role of maqasid al-Shariah provided the quantum of decision based on Maqasid al-Shariah in terms of maslahah. In the term used by Social Entrepreneur 1 is the impact to the key stakeholders and how that could make the social enterprise continuously relevant in the competitive world. Figure 7 depicts the impact of maqasid al-Shariah on ethical decision making at SE 1.

In terms of Maqasid al-Shariah, Social Entrepreneur 1 inclined towards preserving the nature, which in return can have impact to the environment. For business sectors, climate change has been heavily debated (Begum & Pereirra, 2015; Nikolaou, Evangelinos, & Leal Filho, 2015). The inclination can be in the category of necessity and education (Burke et al, 2016). While the damages of the environment has been detrimental, some efforts through education and awareness can be considered as damage control mechanism (Smith, 2016). At least, some business decision makers realized the situation.

As for Social Entrepreneur 2, the volunteerism influenced him to make ethical decision. Social Entrepreneur 2 stated:

“My ethical stance began when I decided to be social entrepreneur based on one event that I volunteered to give a helping hand and provide assistance in
managing a program called Eco Green in planting trees in a university. The main motive was to raise the awareness of global-warming that is happening around the world and also the rising temperatures that causing an increase in sea level. The main task was to plant trees around the campus and also to offer a few tips and tricks on how to be more environmental friendly.

The decision made by Social Entrepreneur 2 to be social entrepreneur has been the practice (‘amal) that being repeated consistently (‘amal soleh bi al istiqamah) in a more natural and practical to the society. The global warming issue has taken Social Entrepreneur 2 into more serious level by promoting to others (ta’muru al-ma’aruf) that has impact to the relationships with humanity and the universe.

In addition, the extension of social work included educated and learned people. Social Entrepreneur 2 said:

We managed to cover a few main places around the university and started to plant some trees. Afterwards they conducted a short talk about global warming. It was very informative and enjoyable. Each participants formed a group to discuss and collaborate with one another to come up with a few ideas on how to tackle the current problem. Exchanged of ideas happened and at the end of the day everybody managed to come with ideas and solutions. At the end, participants were given goodie bags and Eco Green was hoping to conduct this activity elsewhere around us.”

The feedback from Social Entrepreneur 2 is related to volunteerism factor as Maqasid al-Shariah input in ethical decision making. There is an impact of volunteerism in shaping ethical consideration (Jain, 2016). Such behaviour has long lasting impact (Bazerman & Sezer, 2016).

Social Entrepreneur 2 has emphasised on two factors for the impact of Maqasid al-Shariah on ethical decision making, namely volunteerism and wisdom. The term volunteerism can be related to competition in charity (fastabiqul khairat) (Sarif, 2015a) and the practical human wisdom (Ulū al-Albāb) (Sarif, 2015b). Figure 8 illustrates the impact of maqasid al-Shariah on ethical decision making at SE 2.

Figure 8: The impact of maqasid al-Shariah on ethical decision making at SE 2

The local situation triggered Social Entrepreneur 3 to decide ethical decision. Social Entrepreneur 3 mentioned:

“My ethical experience began when I joined a social entrepreneurship event called Feed The Homeless. The main objective of this event is to find the
homeless around Kuala Lumpur, get to know their story, give some motivational talk and provide them some basic needs. This program is conducted by one of the big social care society at university. This program managed to get a lot of sponsors and fund.

The ethical experience that Social Entrepreneur 3 gone through has been memorable in terms of maslahah to the people in terms of basic needs such as shelter, food and health. In addition, the objective (al-Ghayyah) of the social activity has been grounded on humanitarian (al-hurriyyah al-insaniyyah). Figure 9 illustrates the impact of maqasid al-Shariah on ethical decision making at SE 3.

Figure 9: The impact of maqasid al-Shariah on ethical decision making at SE 3

In more memorable situation, Social Entrepreneur 3 said:

This program was conducted for 2 days and there was almost 25 students who joined this program. We managed to find a lot of homeless at Chow Kit, Jalan Tunku Abdul Rahman, Jalan Pahang and many more. Once we found them, we will befriend with them. Motivational talk also was held and conducted by one of the student who had experienced this situation. After the talk was given, we provide them with some of the basic needs such as food, toiletries, and clothes. Since we’ve got sponsors, we managed to provide them food that can lasts for a week. This was an amazing experience for me since I have not been experiencing such situation. The program managed to reach its objective and I’m looking forward to join such activity in future.

The local situation that experienced by Social Entrepreneur 3 contributed to the protection of the welfare of people. Social causes business people to give consideration on the welfare and well being of people (Chell et al, 2016). While business aims at making profit, but social end is always essential (Fok, Payne and Corey, 2016).

A passion for art has inspired Social Entrepreneur 4 to practical ethical decision. Social Entrepreneur 4 said:

“We love art. Kakiseni is our passion. It is located at the heart of Malaysia, Kuala Lumpur this organisation helps social entrepreneurs with arts. They believe that all a good things should be share. Based on this also they generate their income by performing a theatres, a shows. From that, they will obtained the revenue and give it to charity. Not just that, they also held an audition to find any young talents and then this talented star will be train to be actors or many types artist to ensure their legacy. Lately they organised one
project which is called ‘Hati’. The objective of this project is to collect a
donation in the forms of used items such as clothes, blankets and many more.
Not just this project, they also organised a festival which is Kakiseni
International Arts festival in Pavillion, Kuala Lumpur. Kakiseni contributed
many things to Malaysians. They should be appreciated and we should give
support to this type of organisations.

Social Entrepreneur 4 emphasised on heart as the basis for ethical action and decision.
The intuition (al-Dhameer) and affective (al-Qalb al-Salim) elements allow for high
ethical behaviour (Islam, 2013; Hefner, 2012; Sloane, 1999). The ethical input that
emphasised by gone through has been memorable in terms of Figure 10 illustrates the
impact of maqasid al-Shariah on ethical decision making at SE 4.

Figure 10: The impact of maqasid al-Shariah on ethical decision making at SE 4

CONCLUSION
The study aims to explore the impact of Maqasid al-Shariah for ethical decision making
among social entrepreneurs. Based on the results of the study the impact can be observed in
the application of Maqasid al-Shariah into enhancing the wellness, welfare, and well-being
of social enterprises and the key stakeholders. In terms of Maqasid al-Shariah, social
entrepreneurs are inclined towards preserving the nature, people, and wealth. The well being
of people should be prioritised in deciding social business activities. At least, some business
decision makers realized the situation. In addition, volunteerism factor also served as
Maqasid al-Shariah input in ethical decision making. Needless to say, the protection of the
welfare of people influenced ethical decision of business people to give consideration on the
welfare and wellbeing of people. The results of the study suggest there is intermediate impact
in terms of triple bottom line and stakeholders’ approach to ethical decision making of social
entrepreneurs.

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