Implementation of Franchise Management for Rumah Makan Wong Solo: Islamic Business Ethics Perspective

Implementasi Manajemen Waralaba Rumah Makan Wong Solo: Perspektif Etika Bisnis Islam

Fikri Reza

ABSTRACT

This study aims to determine what the form of franchise management is and the obstacles to its implementation in the perspective of Islamic business ethics. Rumah Makan Wong Solo Malang, is a reflection of the successful food and beverage industry. Rumah Makan Wong Solo does food business which according to religious norms is also categorized according to Islamic religious norms. For Muslims, business is in accordance with religious principles, which are always measured by the values contained in the Koran and the Sunnah of the Prophet (Hadith). In Islam, business ethics is called morals. Therefore, doing business must fulfill the moral guidance as stated in the source of Islamic teachings itself.

Keywords: *Wong Solo Restaurant, Franchising, Islamic Ethics*

ABSTRAK

Penelitian ini bertujuan untuk mengetahui bagaimana bentuk manajemen waralaba dan hambatan implementasinya dalam perspektif etika bisnis Islam. Rumah Makan Wong Solo Malang, merupakan cermin industri makanan dan minuman yang sukses. Rumah Makan Wong Solo berbisnis makanan yang menurut norma agama, dikategorikan sesuai pula dengan norma agama Islam. Bagi umat Islam, bisnis yang sesuai dengan kaidah agama, yang senantiasa diukur dengan nilai-nilai yang terkandung dalam Al-Quran dan Sunah Nabi (Hadis). Dalam Islam, etika bisnis disebut dengan akhlak. Karena itu, berbisnis harus memenuhi tuntunan akhlak sebagaimana tercantum di dalam sumber ajaran Islam itu sendiri.

Kata Kunci: Rumah Makan Wong Solo, Waralaba, Etika Islam

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Author(s):

Fikri Reza
Universitas Bhayangkara Jakarta Raya, Indonesia
Email: fikri.reza@dsn.ubharajaya.ac.id

Correspondence:
fikri.reza@dsn.ubharajaya.ac.id

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1. Introduction

Providing direction and guidance in the field of franchising in Indonesia is necessary, therefore the Government has issued a regulation, in this case, Government Regulation (PP) No. 16 of 1997 concerning franchising and as the implementation of the Decree of the Minister of Industry and Trade No. 259 / MPP / Kep. / 7/1997 concerning provisions and procedures for implementing franchise business registration.

Franchising is a form of agreement, subject to general provisions in the Civil Code. The parties who enter into a franchise agreement, franchisor, and franchisee are free to regulate the agreement as long as and as long as it fulfills the legal requirements of the agreement as stipulated in book III of the Civil Code.

With the rise of foreign (international) franchise businesses, the Government must be called upon to support local franchise businesses, because the development of local franchise businesses (such as Rumah Makan Wong Solo) will have an impact on the development of related small businesses, where nearly 95% of raw materials and supporting materials are local products.

In Islamic Law, In Islamic Law, the parameters of the sharia must be used to achieve a halal business. Halal business is a business that is carried out following Islamic business ethics as exemplified by the Prophet Muhammad. Four characteristics are emphasized in Islam, namely: (1) Unity, (2) Equilibrium, (3) Freedom (free will), and (4) Responsibility. Only halal business activities are carried out by a Muslim, while what is haram will be abandoned. All of this is solely for the pleasure of Allah SWT. As stated by Allah in the Qur'an:

“And even though Allah has made buying and selling legal and forbidden usury.” (Surah Al-Baqarah, 2: 275)

Islamic business practice is based on syirkah. The term syirkah is a form of transaction or contract of two or more people who agree to carry out financial cooperation to seek profit. According to the number of scholars, there are three pillars of syirkah: (1) *sighat / aqad (ijab qabul)*; parties who have a sense, whether they bring capital (*syariku al-mal*) or bring expertise; and (3) effort.

Changes in the business environment encourage faster and more complex economic development which results in business competition. In general, for companies that have their own capital, it is not a difficult thing to develop a business. Because with sufficient capital the company will be easier to manage management. However, for companies that do not have sufficient capital, it is difficult to develop their business. In addition to having a small capital, it also has to compete with companies with sufficient capital. As a result, the company will gradually be abandoned by its partners and the most tragic fate is bankruptcy.

Along with the weakening of the rupiah exchange rate and political upheaval, the business development process in each company encountered difficulties. Based on this development, various types of new businesses have emerged, but in fact they have been around for a long time. This form of business is one form of cooperation based on an agreement that has been developing abroad for a long time and is considered capable of fulfilling the possibility of development and business, namely franchising. Based on the thoughts and formulations above, this study aims to determine what form of franchise management is, what are the obstacles in

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implementing franchise management and what is the perspective of Islamic business ethics on the implementation of franchise management at Rumah Makan Wong Solo?

2. Literature Review

2.1. Franchise

There are several definitions of franchising put forward by economists. Although the definitions they put forward are different, they are substantially the same. PH. Collin, for example, in the Law Dictionary defines a franchise as "License to trade using a brand name and paying a royalty for it", and franchising as "Act of selling a license to trade as a Franchise. This definition emphasizes the importance of the role of trade names in awarding franchises in exchange for royalties. Inline but somewhat differently, Franchise or franchise in Black's Law Dictionary is defined as A special privilege or sold, such as to use a name or sell products or services.

Based on the above understanding, it can be concluded that franchising emphasizes granting the right to sell products in the form of goods or services by utilizing the Franchisor (franchisor) trademark, where the Franchisee (franchisee) is obliged to follow the methods and procedures or procedures established by the franchisor. Concerning granting permits and compliance with standards from the franchisor, the franchisor will provide marketing, promotion, and other technical assistance so that the franchisee can run his business properly.

In franchising, the business relationship that is established is the provision of consulting, promotional assistance, and financing, and other benefits provided to franchisees in exchange for a percentage of sales or profits (royalties) from the franchisee to the franchisor.

One other meaning that is emphasized from the definition of franchising according to John Downes and Jordan Elliot Goodman in the Dictionary of Financial and Investment Terms is that franchises usually also meet the initial cash investment requirements that the franchisee must provide.

This franchisor is based on a franchise agreement, which according to Black's Law Dictionary is: “Generally, an agreement between a supplier of product or service or an owner of the desired trademark or copyright (Franchisor), and a reseller (Franchisee) under which the Franchisee agree to sell the Franchisor product or service or to business under the Franchisor's name.

In such a sense, it can be concluded that a franchisee also runs his own business by using a trademark or service mark and by utilizing the methods and procedures or procedures established by the franchisor. The obligation to use methods and procedures or procedures that have been determined by the franchisor by the franchisee is an independent business, which cannot be combined with its business activities (owned by the franchisee). This means that the franchisee receives exclusivity, and even in many cases, the obligation of a non-competition clause occurs for the franchisee, even after the franchise agreement ends.

Along with the definitions that have been put forward by the leaders, the Government of the Republic of Indonesia Regulation No. 16 of 1977 dated 18 June 1997 concerning Franchising

states that: "Franchising is an agreement in which one party is given the right to utilize and or use intellectual property rights or inventions or business characteristics owned by other parties for a fee based on terms and/or sales of goods. and or services (Article 1 point 1). "

In its form as a business, the franchise has two types of activities (1) franchise product trademarks and (2) business format franchising.

Franchising products and trademarks are the simplest forms of franchising. In product and trademark franchising, the franchisor grants the franchisee the right to sell products developed by the franchisor, accompanied by granting permission to use the franchisor's trademark. Permission to use the trademark is granted in the context of selling the franchised product. For granting the license to use the trademark, the franchisor usually gets a form of royalty payment in advance, and then the franchisor gets a profit (which is often also known as running royalty) through the product being franchised to the franchisee. In its simplest form, product and trademark franchises often take the form of agency, distributor, or sales licensing.

Meanwhile, the business format franchise is the granting of a license by one person to another. This definition can be given by Martin Mandelson in Franchising: Practical Guidelines for Franchisors and Franchisees, a business format franchise is; Granting a license by someone (the franchisor) to another party (the franchisee), this license gives the franchisee the right to do business by using the trademark/trade name of the franchisor, and to use the entire package, which consists of all the elements needed to get a person previously untrained in business and to run it with ongoing assistance on a predetermined basis.

2.2 Purpose of Franchise

Purpose of Franchise are: First, faster expansion. With franchising, business development becomes faster, because there is no need to prepare enormous capital, manpower, and time to establish a new branch office. Second, minimizing the budget for financial expenses. A new branch office is established and owned by the franchisee with investment capital and operating costs borne by the franchisees themselves, so the capital required by the franchisee is relatively less. The capital required by the franchisee is relatively only for the development of the franchise system.

Third, ease in managing the operational system. Franchisees have high enough motivation because franchisees have spent quite high investment funds so that efforts and abilities are mobilized to make their business successful and those who become their responsibility in the operational system.

2.3 Rights and Obligations of Franchisee

Franchise transactions are characterized by a contract agreement that has been mutually agreed upon and will create rights and obligations for the franchisor and franchisee. The contract is legally binding on both parties to receive the rights and carry out their obligations under the contents of the contract agreement.

The franchisor is entitled to receive a franchisee fee from the franchise as remuneration for services provided by the franchisor. Its obligations are to assist franchisees in preparing and

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running their business, including the obligation to give the franchisee the right to use supervision and management, employee training programs, briefings or consultations, and so on.

Franchisees have the right to use a trademark or franchise business system during the contract period, including operating an established business system. In addition, franchisees also have the right to sell products that have a well-known brand and receive facilities provided by the franchisor. On the other hand, franchisees should run the franchise business as best as possible under the quality standards set by the franchisee, maintain the confidentiality of the franchise business, and pay franchisee fees.

2.4 Characteristics of a Franchise and Franchise Agreement

First, exclusive, meaning that the business must be exclusive or unique, meaning that it has advantages or differences with similar businesses, and is not easily copied by other people / patents. Second, proven. This business has been proven and proven (track record) of success. The benchmarks for its success can be seen from, (1) whether it is profitable or not, (2) how the prospects are compared to other businesses, (3) whether the business can survive difficult times, and (4) how the history of the business's ups and downs. Third, franchising really needs standardization. All aspects of the business must be standardized so that the franchisee can operate the business. Fourth, easy to apply the business can be easily accepted to be applied or operated. On the other hand, it can be (easily executed by others). So that people who do not have business experience or knowledge of similar businesses can operate it.

Franchise transactions begin with an agreement between the franchisor and the franchisee. The franchise agreement is a written agreement that is legally binding and is the basis of the contractual relationship between the franchisee and the franchisor. The agreement will represent both parties, because the agreement is an agreement that has been mutually agreed upon. The main thing in this agreement is the brand accompanying the products and services to be franchised, besides that it also regulates the marketing system, product standards, advertising, and quality control of the product. The period of validity of the franchise agreement is the period during which the franchisee is held, the franchisee may use the franchised business system. The franchise agreement also enters into an agreement to terminate the agreement if necessary.

The franchise agreement must meet the following criteria: 1) The relationship between the franchisor and the franchisee is a contractual relationship and an agreement that states the rights and obligations of each party that apply for a certain period; 2) An ongoing relationship between each party aims to distribute a product, service, or overall business concept within a certain marketing area; 3) Both the franchisor and franchisee contribute resources to hold and maintain the franchise. Contributions from the franchisor can be in the form of a company's trademark, product, procedure, labor, tools, or process. Franchisees usually provide contributions in the form of venture capital and managerial and operational resources needed to open and run a business with the franchise.

The franchise agreement contains an explanation of the specific marketing methods that are followed, explaining that the key contribution to the success of the franchise business will be influenced by good cooperation between the franchisor and franchisees who will always be in touch with business partners.

Each party manages the business and states certain operating procedures that must be followed by both parties. The establishment of a business with a franchise creates a business entity that usually assists the main business of the franchise.

Both parties, the franchisor, and franchisee have similar general qualities. Often this identity is obtained from using the same trademark and reinforced by advertising programs to promote that identity in a particular market area.

The payments for "initial franchisee fee" and "continuing franchise fee" are not directly stated in these criteria, but in fact, the contents of the agreement are always included with the intention that the rights and obligations of the franchisor are clear and definite.

Before signing a franchise contract or agreement, both franchisees and franchisors must carefully and carefully examine the contents of the agreement so that there are no difficulties later on. Therefore, franchisors and franchisees need to arrange detailed agreements.

The franchise agreement contains provisions regarding matters relating to the relationship between the two parties that are required in the franchise implementation agreement as well as conditions that may arise in the subsequent operation of the franchise.

2.5 Business Ethics in Islam

There are terms of ethics that equate with morals, but there are also those that distinguish them. Karl Barth, explains ethics as follows: ethics (from *ethos*) is comparable to morals (from *mos*). Both are philosophical about customs (*sitten*). The German word site (from old German, *situ*) denotes the mode (mode) of human behavior, a constancy (continuity) of human action. Therefore, in general ethics or morals is a philosophy, science, or discipline concerning modes of human behavior or the constants of human action.

The concept of ethics has become a common vocabulary and is often spoken everywhere and in various contexts by many circles. As a field of philosophy, particularly moral philosophy, ethics has long been the intellectual discourse of philosophers. It has been the center of attention since Ancient Greece. Until now, ethics is still an interesting and actual field of study. It is even considered increasingly important not only to be discussed at the academic level but also to be practiced in the daily life interactions of every civilized human being.

One of Aristotle's well-known philosophers, the great thinker was the first to speak about ethics in a critical, reflective, and comprehensive manner. Aristotle was also the first philosopher to place ethics as a separate branch of philosophy. Aristotle, in this context, questions more about the good life and how to achieve that good life. Namely a quality / meaningful life, reassuring, and dignified. In Aristotle's view, human life will become more quality/meaningful when humans achieve what their life goals are. Achieving his life goal means that man can achieve himself to the fullest. Humans want to achieve what is called value, and what is the ultimate goal of human life, according to Aristotle (and also other Greek philosophers), is happiness, *eudaimonia.*

Etymologically, ethics comes from the ancient Greek word *ethos* which means habit, custom, morality, character, feeling, attitude. It can also mean a way of thinking, an ordinary dwelling place, and a meadow. In the plural form, ethics is called *ta etha* which means customs, and this is what Aristotle uses to show moral philosophy (Bertens, 2002). Meanwhile, in the Latin

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tradition, the concept of "*mos*" (plural: "*mores*") is known, which means customs, habits, and ways of life. In Indonesian, the concept of mos (mores) is interpreted as "moral". Thus the concept of morality has a meaning that is more or less the same as the concept of ethics. In practice, these two concepts are often used interchangeably to refer to the same meaning.

At the terminological level, ethics has three meanings, namely: First, moral values and norms that become a reference for a person or group in regulating their behavior, or in short, it is understood as a value system. Second, a collection of principles or moral values or a code of ethics. Third, knowledge of good and bad (Bertens, 2002).

According to Hook (1986), ethics is related to a matter of choice (moral) for humans. Ethical circumstances are a choice between good and bad; sometimes it is a choice between vices. It is in the process of making the decision to choose that the ethical situation lies. For Thompson (1993), ethics is a world of principles and is governed by moral imperatives.

Ethics or morals in Arabic are called *akhlaq* (from the word *akhlaq*) which means image, identity, or mind. Etymologically, the word morality is the plural form of the word *khulq*. One root with the words *khaliq* (creator, God) and *makhluq* (created, that is, everything other than God). *Khulq* and morality refer to the concept of human creation or events. A person's morals refer to how he was created or made. Morals form habits that are inherent in a person so that they can be viewed as events, nature, or nature of the person (English: habit is second nature). So a person's morals are his constant behavior, which is unusual because that is where his true self lies. So it can be said quite safely that one of the implications of diversity is a moral or ethical life, including in business.

Ethics is also a branch of philosophy. As a branch of philosophy, ethics is understood as a moral philosophy or philosophy regarding behavior. In addition, it is also understood as an orientation that contains suggestions for human efforts to answer fundamental problems in life. Ethics is different from morals: morals contain teachings while ethics contains reasons for morality itself. However, Bertens wisely said that ethics and morals are the same, the only difference is the origin of the word. Ethics comes from the Greek ethos, while moral comes from the Latin mos. Both mean the same thing, namely customs, habits, attitudes, ways of thinking, and so on.

In general, ethics can be divided into two, namely general ethics and specific ethics or applied ethics. General ethics is a science or moral philosophy, namely theoretical ethics that includes all activities of human life. Meanwhile, specific ethics are individual, social, and environmental ethics. Thus, it can be said that business ethics is included in special ethics.

Amin explained that ethics (morals in Islam) is the science that explains the meaning of good and bad, explains what humans should do to others, states the goals that humans should aim for in their actions, and shows the way to do what is done.

Madjid Fakhri, in Ethics in Islam, categorically classifies Islamic ethics or morals into four groups, namely (1) scriptural morals, (2) theological morals, (3) philosophical morals, and (4) religious morals. Of the four categories of Islamic ethics above, according to the author's opinion, religious ethics is more appropriate to serve as a theoretical basis in this study without neglecting other ethical categories, of course. Religious ethics are based on the Quranic conceptions of business and business ethics.

Lukman Fauroni assumes that al-Qur'an business ethics are the embodiment of the values of truth, honesty, justice, and accountability in business reality. Thus, what must be endeavored is an in-depth elaboration of the views of the Qur'an on business and the development of business ethics and its relevance in building Islamic business activities and entities. This effort is at least in tune with the ideals of Fazlur Rahman, who strives for the development of ethical thought in the Qur'an which tends to be delayed, due to the tendency of understanding the legal aspects of the Qur'an which is quite dominant.

3.1 Islamic Business Ethics at A Glance

Etymologically, the word business means; business, commerce, shop, company, duties, affairs, and rights. In English, we often hear the sentence It's not your business (this is not your business). Epistemologically, business is an organized individual business activity to produce (profit) or sell goods and services to gain profits in meeting community needs. Thus, the teak trade business is also a business called a business.

Based on what has been explained above, it can be concluded that ethics is the normative science of guiding humans, which gives orders what to do, what to do within our limits as humans. Ethics show who we are with and what to do. Ethics directs us towards actualizing our best capacity. For example, if we are rational, then ethics commands that we must act rationally, logically. Ethics will bring us to glory. Meanwhile, business is an effort to sell goods or services to make a profit.

Etymologically, the word ethics is defined as (1) knowledge of what is good and what is bad and about moral rights and obligations; (2) a collection of principles/values relating to morals; (3) the value of right and wrong that a group or society adheres to.

The words ethics are often just called ethics. Therefore, ethics is a reflection of people's views on what is good and bad and distinguishes acceptable behavior or attitudes from those that are rejected to achieve well in life together. Because the values that are mutually agreed upon are not always the same in all societies, ethical norms may differ from one society to another. What is considered ethical in the "Western" world can be a violation of ethics according to our society in the "East". On the other hand, what is ethical in our opinion in the "East", maybe a violation for society in the "West". Although many ethical principles are universal, caution is needed in studying ethical norms that come from outside. Is it in line with the values of our society, especially the fundamental values that shape our identity as a nation? Especially if these values are to be absorbed or applied in social life at large.

Sumitro Maskun said, in modern society, every profession has ethical basics which are then translated into a kind of "Code of Conduct" for every member of that profession. However, professional ethics is not something sacred and cannot be revised. Philosophers and practitioners are always challenged to evaluate the demands of the times. Ethical values that live and apply in a professional society are guidelines for action. Violation of it will have moral consequences. A person who violates ethics can be isolated by his professional environment. Public opinion can become negative as a result of violating professional ethics. Here, ethics can be considered as a source of positive law. However, there must be a distinction between ethics and law. In the scope of ethics, sanctions for violations of their values are moral in nature, among others, in the form of lowering self-esteem. In turn, ethical values can be adopted into written

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law, so that their application is more effective. However, not all ethical values will become law, because it depends on the extent to which a value undergoes a process in the social system.

Ethical consideration is not only between good and bad, it is not between equally good. Ethics must also refer to standard values, standards of right and wrong. We are faced with ethical issues any time we have to do something that deeply affects others.

This action is not forced. Within us, there is the freedom to choose ways and goals, based on standards that we believe in. These standards can be derived from cultural, philosophical, and religious backgrounds. Some people don't even want to strictly refer to standards. According to them, this standard could be ethically misleading in certain situations. According to Jalaluddin Rahmat, of all these standards, the one that has the most influence on the majority of mankind is still religion.

In practice, there are no absolute ethics. If ethics can be placed on a continuum, then there is Machiavelli's unethical behavior which justifies all means to achieve goals, to the ethical behavior of Moses, Jesus, or Muhammad based on love and respect for others. As an illustration, the first extreme point was put into practice by Hitler, to achieve his political goals by killing millions of Jews. The second extreme point was shown by the Prophet Musa who acted gently when calling on Fir'aun to obey God's teachings, even though Fir'aun was very arrogant and evil. Between the two extreme points, we can put other ethics, such as those taught by Immanuel Kant, Aristotle, John Stuart Mill, or the ethics that we each adhere to.

Toshihiko Izutsu looks more at ethical concepts as he finds them in the al-Qur'an. According to him, the concepts of ethics and morals can roughly be divided into two main groups. First, it consists of terms relating to the ethical life of Muslims in the Islamic community (ummah). Second, the group about terms that are religious ethics. The concept in the second category discusses deeply the essential nature of humans as homo religious. This concept according to the Qur'anic understanding, reflects the spiritual characteristics of human nature, and humans as religious beings must understand it. According to a religion that is essentially ethical like Islam, human characteristics must be both religious and ethical at the same time, because between the two there is no real difference in this particular context.

Ethical judgment, said Johannesen, focuses more on the levels of truth and error in human behavior. In criticizing someone for being inefficient, conformist, extravagant, lazy, or slow, we may not necessarily call it unethical. However, standards such as honesty, keeping promises, trustworthiness, fairness, and people are usually used to make ethical judgments about the right and wrong in human behavior.

According to Djatnika, the good elements in Ethics are different from the good understanding contained in religious ethics. In religious ethics, doing good must do good to God, to humans, do good to the environment, and do good to oneself.

The notions of ethics and morals can be said to be similar but not the same. However, somewhat different is the meaning of the word morality, a word that is often interpreted as moral values whose foundation is Islamic teachings. So the term morality contains more Islamic elements with its main reference is al-Qur'an and Hadith. Din Syamsuddin sees that ethics, especially from an Islamic perspective, can be understood both narrowly and broadly. In a narrow sense, ethics is often understood as evaluative things, assessing good and bad. But if it is associated with Islam

which advocates the term morality, then ethics can be understood more broadly, not only ethical in terms of the evaluative factors that give the assessment earlier, but also contains the notion of ethos, namely things that are normative (encouraging). Therefore, morality in the definition of Syamsuddin includes ethics and ethos.

Shihab explained, in the Big Indonesian Dictionary, the word morality is defined as character or behavior. The word morality, although it is taken from Arabic which is usually interpreted as character, temperament, habit, is not a religion, such a word is not found in the al-Qur'an. All that is found is the singular form of the word, namely khuluq which is contained in the Qur'an, surah al-Qalam (68) verse 4. Surely you (Muhammad) are above the great character.

The verse is considered as a consideration for the appointment of the Prophet Muhammad as an apostle. The word akhlak is found in many traditions of the Prophet SAW and one of the most popular is the hadith narrated by Malik: I was only sent to perfect the moral values.

The hadith emphasizes that Muhammad's mission as a Prophet was simply to improve the morals or behavior of mankind to conform to the values revealed by Allah as stated in the Holy Qur'an. Morals in religious teachings cannot be equated with ethics, if ethics is limited to courtesy between humans, and is only related to outward behavior. Akhlak is broader in meaning than previously stated and includes several things that are not outward. Such as those relating to the inner attitude and mind. Diniyah morality (religion) includes various aspects, starting from morals towards Allah, to fellow creatures (humans, plants, and inanimate objects).

According to al-Qurthuby, in Sahih Muslim a hadith that comes from Aisyah states that Muhammad's morals are al-Qur'an. Said al-Junaid, stated that the Prophet's morals were great because nothing was more important by the Prophet than Allah. It is also said that the greatness of the Prophet's morals is due to the gathering of all the moral dignity of him.

In line with what was stated by Quraish Shihab, Toshihiko Izutsu also sees ethics or morals not only as rules that must be played between humans. However, ethics or morals fall into three categories, according to ethical concepts in the Qur'an, namely; a category that shows the attributes of God, a category that describes the fundamental attitude of humans towards God as a creator, and a category that shows the principles and rules of behavior that belong to and live in Islamic society.

From what Quraish Shihab and Toshihiko Izutsu explained, it can be understood that ethics according to Islam does not only regulate the relationship between humans, but also between humans and their God, and also between humans and other creatures such as animals.

When we refer to the second definition of ethics, a set of principles or values relating to morals, then business ethics will contain the understanding of how to do business following the standards of moral values. This definition has an Islamic nuance. Whereas in the third sense, business ethics refers to the notion of how to do business under the values prevailing in a certain society or group. Understanding like this is of course not measured from the values according to the habits (customs) that apply in that community group. To measure the quality of good business ethics, it can be seen from the extent to which the technical quality of doing business is following the prevailing values of goodness.

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In a business context, the prevailing ethics must be following the prevailing norms. Doing good business according to religious norms, of course, must also be following the norms of the religion being held. For Muslims, business is following religious principles, which are always measured by the values contained in the Qur'an and the Sunnah of the Prophet (Hadith). In Islam, business ethics is called morals. Therefore, doing business must fulfill the moral guidance as stated in the source of Islamic teachings itself. Apart from religion as the principle of public belief or belief, ideology is also the benchmark for prevailing norms. In Pancasila as an ideology in the state, nation and society in Indonesia, there are business benchmarks. The benchmarks in Pancasila can differ from the ideological values of other countries. This of course has far-reaching implications. Business ethics in a liberal society are certainly different from business ethics that apply to other societies, because of differences in basic values. Example: ethics in Western societies vs ethics in Eastern societies.

Thus, the notion of business ethics can be understood very broadly, because the content of ethics itself is very dense. But what determines whether a business is ethical or unethical is the values in the Qur'an and the hadith of the Prophet. A Muslim can be said to have good ethics in doing business if the manners and contents of the business are carried out following the rules outlined by Allah. In other words, he did not violate what was forbidden by Allah. On the other hand, a Muslim is considered to have no ethics if he does business with other people but does not heed the rules of his religion.

3. Methodology

3.1 Types of research

Based on its nature, this research is a descriptive study. The reason for choosing descriptive research is to provide data that is as accurate as possible so that it can get a clear picture of the area to be studied.

A research location is a place where this research is carried out in order to obtain information and data. This research took place at PT SBD (Rumah Makan Wong Solo) Malang. This was done on the basis of the consideration that this location (Rumah Makan Wong Solo) was the only one that stood in Malang, classified as in demand, easy to reach, and available the necessary data so that it made it easier to carry out research.

3.2 Method of Collecting Data

The types and sources of data used in this study are: (a) Primary data sources, namely data sources that provide data and information directly through field research. (b) Secondary data sources, namely data sources that indirectly provide information that supports primary data sources such as laws and regulations, documents, and various literature related to this research as literature review material.

3.3 Data Analysis

In processing this data, the researchers used the method: (a) Inductive is a method in which the researcher collects data from various sources and then draws general conclusions; (b) Deductive

is a method in which the researcher provides limitations from general data to draw specific conclusions.

While the data analysis technique uses content analysis, which is an analysis of the content of the data obtained. According to Berelson, "content analysis is a search technique for the objective, systematic, and quantitative description of the manifest content of communication (Berelson in Valerine J.L Kriekkhoff, tt: 85).

This content analysis is defined by Valerine J.L Kriekhoff with a research technique that aims to describe objectively, systematically, and qualitatively the contents of an express communication message. This is also explained by R. Holsti, “any technique for making inferences by objectively and systematically identifying specified characteristics of messages. (Soerjono Soekanto, 1986: 22).

4. Result and Discussion

4.1 Islamic Business Ethics in Implementing Franchise Management

4.1.1 Production Aspects

As a food business that is managed by a Muslim (who always seeks the pleasure of Allah) and is run in a country where education is predominantly Muslim, Wong Solo aspires to continue operating within the guidance of Islamic ethics guided by the Koran and al-Hadith. For this reason, Wong Solo believes in three bases, namely:

a. The effort is carried out as an effort to jihad in the path of Allah and as an effort to prevent oneself from grievous punishment.

b. Wong Solo's efforts always strive to achieve profits, but these efforts are carried out in the framework of worship (t*a'abbud*) to Allah and at the same time submitting oneself (*mujahadah*) to Him.

c. Following the sunnah of the Prophet who ran his business as a trader.

The ethical foundation is realized in production ethics, distribution and service ethics, and consumption ethics. In the production process there are four (4) ethical principles guided by Wong Solo, namely:

1) Every task is considered a task of the caliphate so that all work is carried out in the framework of human prosperity (QS. Hud; 61).

2) The materials used are materials that are *halal thayyiba* (halal and good) so that Wong Solo in slaughtering chickens also pays attention to its halalness. In this context, the slaughter is carried out under special control/guidance by an ustad by paying attention to (1) *basmallah* at the time of slaughter, (2) using a sharp knife, and (3) if a non-Muslim supplier must be believed

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that the animal was slaughtered by Muslim employees. trained and guided by staff and ustad Wong Solo.

3) The workforce always works hard, is diligent, active, and productive to create the best for society (QS. 89: 19-20).

4) Standardization of materials.

4.1.2 Marketing Aspects

As an inspired company, the service process at Rumah Makan Wong Solo is always carried out in a professional Islamic manner. This means that services are carried out following the provisions set by the leadership (based on confirmation with requests) and always under the guidance of Islamic ethics.

a. Striving for work enthusiasm with a systemic and synergistic spirit.
b. Each task is carried out with full affection among the Rumah Makan Wong Solo family, among Muslims (*ukhuwwah islamiyah*), and among others (*ukhuwwah insaniyah*).
c. Full of hospitality
d. Exemplary behavior and worship.
e. Dealing with consumers with respect.

On the one hand, the things obtained from the business are used for the benefit of the Wong Solo family, and on the other hand, for the benefit of many humans. So axiologically its use is also pursued in the guidance of Islamic ethics.

a. For daily family maintenance (consumptive spending) to carry out activities and devotion to Allah in a lawful manner.
b. Avoid arrogance and extravagance.
c. Spending property productively for business development of Rumah Makan Wong Solo and other possible businesses.
d. Executed by hoping for the pleasure of Allah SWT in this world and salvation in the hereafter.
e. Issue zakat on posts that have been distributed by the Al-Muhajirin Zakat and Infaq Body (BAZIS) as the agency that the company has trusted to distribute.

To ensure that company money and franchisees' money is used properly, Wong Solo has jointly appointed marketing staff to carry out activities at their respective locations. Franchisees work with local advertising agencies for advertising and in some cases create their promotional materials that comply with Wong Solo regulations.

Thus, Rumah Makan Wong Solo utilized the results obtained for the extended family of Wong Solo and the surrounding community following the demands of Islamic ethics. For more details, Wong Solo business ethics can be seen in the following diagram (figure 1).

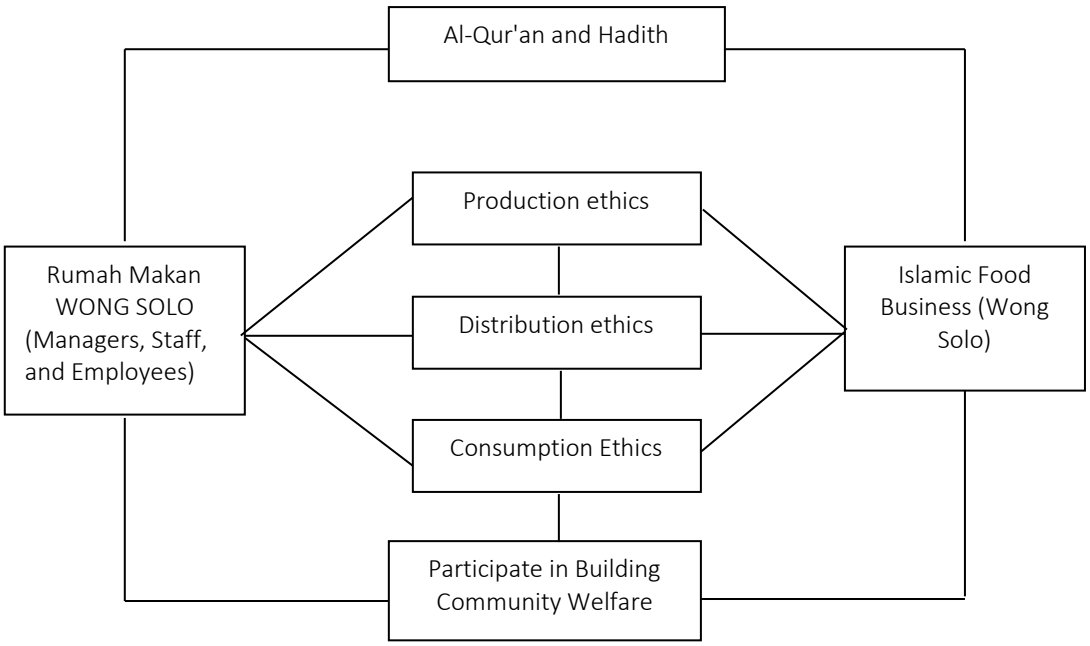

Figure 1 Diagrammatic Business Restaurant Wong Solo (Operational Structure)

4.1.3 Personnel Aspects

There are six characteristics of Wong Solo employees that are always strived for and fostered intensively. The six characteristics are as follows:

First, they are always productive, creative, and initiative, so that they are present among their friends and their workers (QS. Al-Baqarah (2): 141). Second, starting something with the end in mind, meaning that all his actions are preceded by divine intentions and the goal of achieving the pleasure of Allah SWT. Third, always put priority. In the hadith of the prophet, it is explained *aula laka fa aula* (look for the main one). Fourth, always think win-win, think positively (*husnuzdhan*), because everything contains wisdom. Fifth, always prioritizing common interests rather than self-interests, even though self-interest is important, it is fulfilled by doing collective work. Sixth always improves the quality of oneself in carrying out their duties and responsibilities as the word of God. "When you finish doing one job, really do another job. Then draw near to Allah. Thus, if the scientific quality of an employee is related to that habit, it will look like the following figure 2:

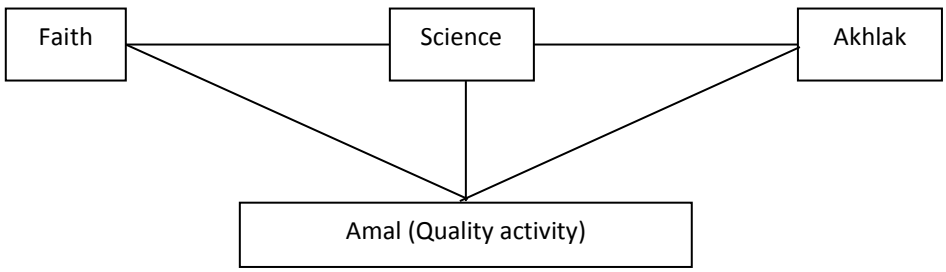

Figure 2 Employee Characteristics

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In general, these characteristics were a contributing factor to the success of Wong Solo in the past, and are expected to be in the future as well.

It is also stated in the documentation of RM Wong Solo, that the criteria for success for RM Wong Solo are not limited to material achievement alone. but lucky and got guidance from God because of his devotion. With such success criteria, the success of Wong Solo in his business is the achievement of goals, namely an advanced and Islamic business in the context of jihad in the way of Allah, and the prevention of Wong Solo's people from a painful punishment, as well as benefiting the family and society.

The success criteria as believed by Rumah Makan Wong Solo are relevant to the criteria of a successful mukmin as described in the Al-Qur'an Surah Al Mukminun verses 1-9. "Truly happy are mukmin, namely those who are devoted in their prayers, and those who turn away from futile work, and those who pay zakat, and those who take care of themselves (their genitals) except for their wives or slaves they have; then verily they are in this matter blameless. Whoever seeks beyond it, they are the transgressors. And those who keep their trusts and promises, and those who keep them They are the ones who will inherit, that is, they will inherit the paradise of their eternal paradise therein.

The above verse clearly explains the success criteria for a believer which is formulated in the following points: **First,** *Fi Sholatihim Khosyiuun* (People devoted to prayer). Prayer is a means of communication for a servant with his god, a place to complain and ask for hope, a way to get closer to the Creator who can provide a way for every problem of life. Takbiratul Ihram is the opening sign, getting rid of all temptations due to facing the Almighty, the tongue reading the prayer the heart feels the meaning. It is hoped that the path of success will be opened for a servant

Second, *Wa anil laghwi mu'riduun* (Abstain from Lagha's actions) Every day diligently do good deeds, do good to others, with family, neighbors and the environment. The times are regulated in a disciplined manner, they do not pass meaninglessly. But filled with creativity to devote oneself to the Creator.

Third, *Lizzakati Failun* (Issue Zakat) Believers who have the characteristics of success feel that what they enjoy in their life is a gift and a blessing from Allah SWT. He realized that when he was born into the world, he didn't bring anything. Therefore, a successful believer never makes a calculation if he is told to be grateful, likes to set aside his wealth as a personal culture, his property is zakati, given infaq and alms is interpreted.

Fourth, *Li amanatihim wa ahdihim raun* (Keeping the Trust and Keeping Promises) Reflects the value of trust in him, being very careful about the trust he gives. In him it is recorded that Allah knows whatever happens to some extent during the day or night. Nothing is hidden from the substance of the Most High. He kept all his promises and he never denied it.

Fifth*, Li Furujihim Hafizuun* (Maintaining his *Fraj*) His appetite is maintained, controlled does not do anything wrong. Never take illegal roads without procedures through the marriage contract. In addition to being able to reduce lust against the seduction of demons in the heart, he also strives to uphold moral values as far as his ability.

On the other hand, in the letter of Asy-Shams: 8 Allah SWT explains that human efforts are carried out on two grounds of thought. Some are carried out based on devotion, and some are carried out based on evil, which can be briefly seen in the following diagram. According to the Islamic view, a person or group of people called successful is a person who runs a business or daily activity based on piety. Meanwhile, a business that is not carried out on this basis, even though it receives quite a lot of results and power, is still categorized as unsuccessful. RM Wong Solo always tries to fulfill his daily activities based on devotion. So, the goal of success for the human beings of RM Wong Solo is a progressive professional effort and to prevent the people of RM Wong Solo from a painful punishment that benefits the community and the success of the world and the hereafter.

It should be noted that as a consequence of the importance of entrepreneurial activities, Islam emphasizes the importance of developing and enforcing an entrepreneurial culture in the life of every Muslim. The Muslim entrepreneurial culture is humane and religious in nature, in contrast to other professional cultures that do not make religious considerations the basis of its work.

Thus, a Muslim entrepreneur will have basic characteristics that encourage him to become a creative and reliable person in running his business or carrying out activities in the company where he works. The basic characteristics include:

1. Always like and aware of the provisions and changes. This determination is found, among others, in the concept of faith (Surah Al Anbiya: 125). Meanwhile, changes are carried out on muamalah problems, including the improvement of the quality of life (Surah al Ra'd: 11).

2. Be innovative, which distinguishes it from others. Al Quran places humans as caliph, with the task of prospering the earth, and making changes and improvements (al Hadith).

3. Make serious efforts to benefit others. There are several traditions of the Prophet which explain the necessity of one person to benefit others. The best human being is a person who benefits others (al Hadith). Who helps someone to solve difficulties in the world, God will undoubtedly release him from difficulties in the next day (al Hadith). Who loves someone in the world, then the One in Heaven will love him (al Hadith) It is not called a person to believe before he loves his brother as he loves himself (al Hadith).

4. His work is built sustainably. Not only for a moment or himself or his contemporaries, but for a longer time and generations afterward. It was not only endeavored to do well in its time, but also afterward. Strictly speaking, institutionalization is needed for the work system. Many hadiths and verses guide in this regard. Among them: Work for the world as if you live forever, and work for the hereafter, as if you would die tomorrow (al-Hadith). If you know that you will die tomorrow, please plant dates today (al-Hadith). We should worry those who leave their offspring in a weak condition, worry about their future (QS. Al Nisa ': 9).

5. Conclusions and Recommendations

The form of franchise management at Wong Solo Restaurant can be understood, that the management it implements (at Wong Solo Restaurant Malang) is ant management. In fact, in the life of the ants, there is a very meaningful lesson for mankind. Namely the lessons of patience, persistence, persistence, and continuity in the effort to achieve goals. This expression

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is not an exaggeration, because the ant keeps repeating its efforts many times until it achieves its goal. He hung from the tree, then fell and then got back up and tried to climb again, and fell back. And so on until he succeeded in achieving what he wanted

The obstacles in implementing franchise management at Wong Solo Restaurant include 1) competition with foreign franchises, 2) employees/employees who ask for salaries as given by other larger restaurants.

The perspective of Islamic business ethics on the implementation of franchise management at Rumah Makan Wong Solo shows that as a consequence of the importance of entrepreneurial activities, Islam emphasizes the importance of developing and enforcing an entrepreneurial culture in the life of every Muslim. The culture of Muslim entrepreneurship as shown by the owner of Rumah Makan Wong Solo is human and religious, in contrast to other professional cultures that do not make religious considerations the basis of their work. As a consequence of the importance of entrepreneurial activities, Islam emphasizes the importance of developing and enforcing an entrepreneurial culture in the life of every Muslim. The Muslim entrepreneurial culture is humane and religious in nature, in contrast to other professional cultures that do not make religious considerations the basis of its work.

Although the issue of carrying out obligations is a concern for Wong Solo Restaurant, however, attention to employee rights along with the increasing demands of various real needs in society should be a priority concern by the owner of Wong Solo Restaurant. Employees/employees at Wong Solo Restaurant should also think realistically, that the conditions of development in society are getting harder now, including those faced by Rumah Makan Wong Solo so that the persistence and work ethic in behaving to maintain the sustainability and development of Rumah Malan Wong Solo is maintained.

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