

THE ROLE OF HISBAH BOARD IN ENSURING ETHICAL BUSINESS PRACTICE IN KANO METROPOLIS

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**BEING A DISSERTATION SUBMITTED TO THE INSTITUTE
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Declaration

I, YahyaSulaimanBaguda, hereby declare that this Dissertation is the product of my own independent research effort undertaken under the supervision of Prof. GarbaBala Bello. It has never been presented elsewhere for the award of any certificate. All sources consulted have been duly acknowledged.

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Certification

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Dedication

This Dissertation is dedicated to my parents. May Allah (SWT) grant them AljannatulFirdaus.

Amin

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All praise and gratitude is to Almighty Allah (SWT). Peace and blessings of Allah (SWT) be upon our noble Prophet, Muhammad (SAW), his family, his companions and those who follow his right path till the day of judgement.

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ABSTRACT

There are numerous complaint attributed to the unethical business practices that comprise a lot of lies, fraud and cheating, hoarding, organized monopoly, jerking up of price and many other unethical behaviors committed by the traders, despite the fact that Kano state has full institutionalized Hisbah board that should ensure and control ethical practices. Thus, this research aimed at assessing the role of Hisbah Board in ensuring ethical business practice in Kano metropolis. Descriptive survey research design was used which enable the study to employ questionnaire instrument of collecting data to answer the research questions and ascertain the veracity of the hypotheses. The total numbers of 384 samples were drawn in the study, representing the members of business community in Kano metropolitan markets. Cronbach's alpha reliability analysis was used to test the reliability of the instrument for the data obtained. Descriptive statistics and chi-square were also employed to analyzed the data using the SPSS version 22. The finding of the study indicates the rejection of all the hypotheses. Meaning that Hisbah Board has not been adequately able to control weight and measures, ensures quality of product, control monopoly/hoarding, control cheating and fraud. It is, therefore, recommended that Hisbah Board must impose and ensure adherence to business ethics by traders through their various unions and permanent stationing of Hisbah staff in the markets to checkmate their activities.

CHAPTER ONE

INTRODUCTION

1.1: Background to the Study

Business activities had been permitted by Allah SWT in many verses in the *Qur'an* and the *Ahadith* of the noble prophet (p.b.u.h). Allah SWT said “And Allah permitted trade and prohibited usury (Qur'an 2:275). The prophet Muhammad SAW said nine parts out of ten of wealth comes/lies in trade and commerce. The Prophet himself was directly involved in the business before being anointed for messenger ship, as it is viewed as an approach that is able to influence and develop a nation. Since the age of 12 years it is recorded in history that he often followed the entourage of his uncle Abu Talib out of business in Sham (Nizho&Mohd,2008). He became one of the traders who market goods owned by Khadijah binti Khuwailid (R.A) to the countries such as Syria and Yemen, and Khadijah (RA) was impressed by his business ethics that she proposed to marry him. In the early days of Islam, it is reported that many of the companions of the Prophet had ventured into the field of business, among them Sayyidina Uthman bin Affan (RA) and Hadrat 'Abd al - Rahman bin 'Auf (RA) both were successful businessmen and gain much (Muhammad, 2005). Among the main factors causing them to gain a lot of success and profit in business is because they do business according to business ethics in Islam.

Business ethics is a body of principles or standards of human conduct that govern the behavior of individuals and groups. It deals with the ability to distinguish good from evil. It consists of some clear rules on rights and wrongs, general guidelines that help Muslims to decide what is right and wrong by them, and motivation and inspiration of Muslims toward moral living in their businesses based on spiritual experience.

Abdurrahim(2013) argues that “The most critical challenges facing Muslims today is the lack of spiritual dimensions of life. And one of the powerful means to overcome these problems is the adherence to the codes of ethics”. In an Islamic system, ethics and business are not only compatible but also they are inseparable.

Allah (SWT) in the Qur'an in different verses enjoins traders to strictly adhere to business ethics, He also emphasized on their benefits and the bounties traders acquired when they are duly observed, and He shows the tragedy to be encountered when it is not observed. Some of the verses are;

“And those who keep their trusts and promises” [23:8] as part of attributes of believers. “Give full measure and do not be of those who cause loss [to others]. And weigh with an even [honest] balance” [26:181-182].

“And give full measure when you measure, and weigh with an even [honest] balance. That is good and the better at the end” [17:35]

“Woe to those who give less [than due]. Who, when they take a measure from people [as buyers], they take in full. But if they give by measure or by weight [as sellers], they cause loss [to others by giving less than due]. Do they not think that they will be resurrected for a momentous day [the Day of Judgment]. The Day when mankind will stand before the Lord of the worlds” [83: 1-6]

The Qur'an also warns those who violate this injunction: "O you who believe! Do not betray (trust) in Allah and His Messenger, and (do) not betray your trusts while you know (them)" (8: 27). O you who believe, do not eat each property among yourselves in vanity, except there be trading that occurs between your consensus and acceptance"(4: 29).

The Prophet also cautioned extensively about the benefits of adhering to business ethics and the calamity of unethical behaviors in many *Ahadith*. Among them are; “Anyone who cheats is not of us” “The honest merchant will be rewarded on the day of judgment

with companionship of prophets, pious people and martyrs (Tirmidhi 1130) Honesty in business does not mean that the seller always swear by the name of Allah for his transaction if he does so he is doing wrong (Ahmad 14982)

As a result of the above injunction by Allah (SWT) and His messenger, then there must be someone to clearly guide business individuals on business ethics as people need order in their lives and consequently, they are in need of some authority to ensure that order. Because of that there must be someone to remind the people of this order and to keep eyes on how well they are adhering to it. This is why enjoining good and forbidding evils is so instrumental in Islam (Saleh, 2009).

Human nature being what it is there is always the possibility of dishonesty and fraud in doing business. In the past, Muslims were successful in applying their ethical system through effective mechanisms. For example, markets were regulated through the institution of Hisbah that functioned as a trading standards authority (Wilson, 2006). Thus, it is mandatory for the state to ensure that Muslim business persons conduct their business transactions in a proper, fair and ethical manner. This is what necessitates the coming up of Hisbah to be responsible for controlling all behaviors of people in the market, in their businesses, the nature and kinds of goods they are trading and other fields of human endeavor. Because developing ethical business organization is the demand of time at this crucial business arena, developing a meaningful and effective ethics policy and their successful implementation will support high standards of business behavior and aid ethical decisionmaking that will ultimately help in achieving the target of ethical business development

Therefore, Hisbah is an institution constituted and saddled with the responsibilities of *Amr bilma'aruf wannahyianil munkar* (Enjoining good deeds and forbidding bad deeds) as stated in the Qur'an (3:104). Economic matters also fall on their responsibilities such as

supervising the Market place, to ensure ethical business practices in line with the teachings of Shari'ah (Dogarawa, 2011). Hisbah institution could help promote fair play, credible financial and commercial conduct in today's business world as it was known to do in the past. The Hisbah carries out these responsibilities in conjunction with the appropriate government agencies and other relevant establishments.

The Prophet (S.A.W) was the first Muhtasib (Hisbah member), he started during the early days of Islam by going to market to monitor and inspect weights and measures, quality of food products, manipulation of prices, supplies and production, monopolistic collisions, cheating and fraud among the business people. Various Muslim governments regulate the market place with a view to preventing exploitation of the consumers from fraudulent activities of dishonest merchants and businesses (Murtuza, 2000). The Prophet (p.b.u.h) later appointed Sa'eed ibn Al'as to serve as Muhtasib in Makkah and Umar ibn Alkhattab in Madinah. This continues even after the life time of the prophet, during and after the four rightly guided caliphs (Alqarni, 1994).

In 2000 and 2001 some states in Nigeria re-introduced sharia (Islamic law) in their domain, Kano state is one of them. It established Hisbah Board in 2001 to ensure that people adhere and comply with the rules and regulations laid down by Islam and ensure good behavior and conduct by the people in the society in all their dealings including their businesses.

Despite the fact that we have full institutionalized Hisbah board that its mandate includes market supervision, but unethical business still is going on in Kano Markets. This research is therefore aimed at analyzing the role of Kano Hisbah Board in ensuring ethical business practices in the state.

1.2: Statement of the Problem

There are numerous complaint attributed to the unethical business dealing that comprises a lot of lies, fraud and cheating, hoarding, organized monopoly, jerking up of price and many other unethical behaviors committed by the traders, that many are attributing the recent 2016 fire outbreak in some of the markets in Kano state as punishment by Allah (SWT) as a result of their unethical business behaviors. And also the recent increases of prices of essential commodities are attributed to some of our business peoples, despite the fact that we have full institutionalized Hisbah board that should control their activities. And if ethical issues are left uncontrolled, they can lead to the collapse of many businesses.

In contemporary times, it appears businessmen or traders tend to concentrate on just increasing wealth and influence through fraud, cheating and deceit at the expense of facilitating cooperation and mutual understanding among people, satisfying the needs of people, increasing wealth and influence and spurning the growth of cities. (Abd al-Rahman, 1989)

Ancient people of prophet Shuayb (A.S) were famous for unethical dealings and wrong measuring and weighing of goods. They were considering adulteration, feigning and dishonesty in business transaction as ways to triumph as stated in the Qur'an (12:84). Moreover the dominant western capitalist systems has to great extent effaced our core Islamic values, beliefs and ideas regarding business and trade (Hashim, 2012), which in turn caused a lot of calamities to befall upon our businesses. Now, the Muslim nations whose societies are built on the basis of these secular thoughts and views, must suffer this predicament. They adopted the utilitarian values for their business and trade (at the expense of Islamic business ethics), for their economy and society which Islam has prohibited, for example, they will not discriminate between legitimate and unlawful sources on acquiring wealth, there by inducing people towards interest, making unfair earning, bribery, hoarding and fraud, less inclination to alms, free use of wine, alcohol, intoxicant, gambling, flesh of swine, dead animal, etc.

The western people just make rules, plans for business ethics and they implement them without questioning them (Mawdudi, 1959)

Moreover people have little knowledge about the existence of full Islamic guides on all business dealings. They only appreciated the existence of consumer protection council (CPC), NAFDAC, standard organization etc. Moreover, many people are ignorant about the role Hisbah board can play in the market with regard to the economic condition of the inhabitant, nature and the types of goods to be traded, supplied and produced, halal and haram goods, halal and haram business dealings, price controls, managed equilibrium, credit structure, ownership rights, property rights, control and income, market incentives and market plan (Dogarawa, 2011).

Considering the fact that 99% of the people in Kano state are Muslims (2006 census) and Kano state is termed as the most religious state in Nigeria (Frishman, 1986.), business ethics ought to be adhered to in Kano metropolis but complaints still exist, and in an era where there is reintroduction of sharia and establishment of Hisbah board and its functions of teaching and inculcating business ethics to our business individuals. The highly pertinent question being raised is can the role of Kano state Hisbah board on ensuring ethical business practices and their interventions help produce more ethical business individuals devoid of cheating and fraud ?

Previous studies have shown a lot of impact of Hisbah board in ensuring ethical business practices (Dogarawa 2011; Amalina, 2010; Saleh, 2009). These studies discussed about role of Hisbah in economic activities in other places not in Kano state.

It is in line with the above issues that this research intends to assess the role of Hisbah board in ensuring ethical business practices in Kano metropolis.

1.3. Research Questions

This study attempt to provide answers to the following questions;

- I. To what extent does Hisbah board control weight and measures in Kano markets?
- II. To what extent does Hisbah board ensure quality of products in Kano markets?
- III. To what extent do staff of Hisbah board controls hoarding/monopoly amongst the business people?
- IV. To what extent does Hisbah board controls cheating and fraud in business transactions in Kano markets?

1.4. Objectives of the Study.

The main objective of the study is to assess the role of Hisbah board in ensuring ethical business practices in Kano Metropolis. The following are the specific objectives; to,

- (I) Assess the role of Hisbah board in controlling weight and measures in Kano markets.
- (II) Appraise the extent Hisbah board ensure quality of product in Kano markets.
- (III) Evaluate the role of Hisbah board in controlling monopoly/hoarding amongst the business peoples.
- (IV) Examine the role of Hisbah board in controlling cheating and fraud in business activities.

1.5. Hypotheses of the Study

The following null hypotheses had been formulated for the purpose of the study;

- I. Hisbah Board plays a significant role in controlling weight and measures in Kano markets.
- II. Hisbah Board had significantly ensured quality of product in Kano markets.
- III. Hisbah Board plays a significant role in controlling monopolistic collusions in Kano markets.
- IV. Hisbah Board had significantly controlled cheating and fraud in Kano markets.

1.6. Significance of the Study

The study attempt to create awareness to the teaming populace on the role of Hisbah in ensuring a good business practice, by show casing the business ethics a trader supposed to adhere to in order to earn more profit and be blessed by Allah (SWT).

Also, it would be of paramount importance as there are scanty researches with regard to ethical business practices in our business vis-à-vis the role Hisbah played in this regard.

The study would also go further to show the government the importance of using Hisbah in tackling, controlling and solving economic problems. It would be of immense benefit to the Hisbah Board by showing their potentiality and reminding them of their role in the market/businesses.

The study would also add value to the existing knowledge by filling a knowledge gap through analyzing the role of Hisbah in ensuring ethical business practices in Kano state. It would also be of importance to the academicians for further research and reference materials on the same topic.

1.7. Scope and Limitations of the Study.

The study only covers traders in Kano metropolis, where by some of the major markets (Dawanau, Kwari, Sabongari and Yankaba) are selected. These are big market places where most of the business activities/individuals are largely represented

Also the difficulty in getting information as most of the business people cannot read and write. Also the research only covers markets in Kano metropolis. Financial challenges and limited period of the study are among the major issues in the research. The study was conducted from January to December, 2016.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter contains the review of the related literatures in the field of the study. The chapter discusses the meaning of the Hisbah, its historical development, its functions, its role in ethical business practices, concept of ethics and ethical business practices, theoretical framework and review of related empirical studies.

2.2: Conceptual Review

Here the subject matter would be defined and discussed conceptually. The essence is to create and provide detailed explanation of the basic concept related to the study. Some of the key issues with regard to Hisbah and ethical business practices are hereby discussed.

2.2.1: An Overview of Hisbah

Hisbah is derived from the word *Hisab* literally means accountability” or “reward or to anticipate God’s reward, to denounce other personal wrongful behavior. Technically Hisbah means an act of enjoining good and forbidding evil as well as making improvement to the living standard of the public. Al-Mawardi describes Hisbah as enjoining what is right when it is found to be neglected and forbidding what is wrong when it is found to be practiced (Ibrahim, 2015). Al Ghazali describes Hisbah as a “comprehensive expression” for the duty of enjoining the good and forbidding evil (Fuad, 2014).

Hisbah is based on the Quranic Injunction which states "Let there arise from you a group calling to all that is good, enjoining what is right and forbidding what is wrong. It is those who are successful."(Q.3:104).

The prophet (pbuh) said: "Whosoever among you sees an act of wrong should change it with his hands. If he is not able to do so, then he should change it with his tongue. If he is not able to do so, then with his heart and this is the weakest of faith(Bukhari and Muslim).

Therefore, in essence Hisbah is an institution which safeguards the members of the society from deviance, protect their faith and ensure the welfare of the people in both religious and worldly matters according to the law of God. The domain of Hisbah, therefore, essentially deals with safeguarding the limits of Allah against violation, protecting the honor of the people, and ensuring public safety. In addition, it also includes monitoring marketplaces, craftsmanship and manufacturing to make sure that the laws of Islam are upheld. In other words, the Hisbah is actually a control mechanism established by Islam to maintain the order of social life, so that everyone will enjoy security and the fulfillment of his or her basic needs (Amalina, 2010).

2.2.2: Historical Development of Hisbah

The institution of Hisbah has its root in the early days of Islam. It was reported that the first to hold the position of Hisbah with respect to its economic role in the Muslim society was the Messenger of Allah (peace and blessing of Allah be upon him) (Kahf, 2000). The prophet himself used to undertake inspections of markets so as to see that traders did not engage in improper behavior and whenever he found someone involved in an unethical practice, he would ask the person to abstain from such behavior. Muslim, Abu Daawud, Tirmidhi and Ibn Maajah reported from Abu Hurayrah (may Allah be pleased with him) that the Messenger of Allah (peace and blessing of Allah be upon him) passed by a pile of food and then put his

hand in it until his fingers wetted, he said: “What is this, owner of the food?” He said: “It was wetted by rain, O Messenger of Allah.” He said: “Wouldn't you put it on top of the food so that people can see it. The one who cheats is not from us.” Afterward, when his personal engagements increased to the extent that he cannot discharge the market supervision (Hisbah responsibility), he appointed others to perform the role. Ibn Abdil-Barr documented in *Al-Istee'aab* and Ibn Hajar in *Al-Isaabah* that the Prophet (peace and blessing of Allah be upon him) later appointed Said ibn Al-as (May Allah be pleased with him) to oversee a market in Makkah and Umar (may Allah be pleased with him) in Madina (Zaheer, 1997).

Not only men, even women participated in the role of market supervision as ombudsman in the early days of Islam. During the time of the Prophet (peace and blessing of Allah be upon him), Samra' bint Nuhaik al-Asadiyyah (may Allah be pleased with her) used to tour the market to enjoin the good and forbid the evil, hitting the people with her whip (whenever necessary); a position she retained until her death during the reign of Umar ibn al-Khattab (may Allah be pleased with him). To encourage her more, Caliph Umar (may Allah be pleased with him) used to come to her workplace whenever he entered the market (Elsergany, 2010). Ibn Saeed in his *Tabaqaat* narrated that Umar used to prevent fraud and warn against it, and go round the market carrying a stick to warn those who cheat and/or engage in unethical business practices (Zaheer, 1997).

Hisbah continued throughout the period of the four rightly guided caliph up to the time of Abbasid rulers when they constituted it to become a full institutionalized arm of government controlling market/business activities and day to day activities of the people, to provide services and settle disputes (Leicester, 1981). Throughout history this institution has existed in one form or the other until colonial governments handed over the functions performed by the Hisbah to various secular ministries (Khan 1999). Therefore, the institution of Hisbah suffered

some setback as a result of colonialism and its functions were relegated to mere inspection of weights and measures devoid of any religious dimension and its status as secular.

This continues until recently when some countries like Saudi Arabia, Pakistan, and Malaysia etc attempted to re-create the institution. They decided to recognize its importance and Hisbah has jurisdiction over the administrative excesses of their federal government, departments and agencies. Hisbah started to be recognized in Nigeria when in 2000 Zamfara state constituted a fully functioned Hisbah institution and later Kano state government started it in 2001.

2.2.3: Functions of Hisbah

The institution of Hisbah performs many functions apart from its overall objectives of enjoining goods and forbidding bad. Among the Functions are the ones cited by Amalina(2010) as; Hisbah must always be out on the ground conducting field inspections to guarantee observance of the Shariah. A good part of Hisbah day is usually spent in the marketplace, where most disputes and acts of injustices may take place. Hisbah has also to inspect the weights and measures to prevent cheating. Hisbah has the right to check the people who write down the contracts on behalf of the contracting parties, and the deeds of sale. Hisbah listens to the complaints of the public and attends to them on the spot, paying special attention to children and women. It inspects the schools, the law courts, and all places where people congregate to enforce observance of Islamic law and ethics. It also has to examine the goods and services of the whole village or town in order to prevent cheating in their quality or measurement, keeping the standard units of measurement in its office.

Accordingly, as noted by Saleh, (2009) Hisbah has the authority to regulate production and supply of goods and services in some ways, such as:

To see that resources did not flow to the category of haramor forbidden, keep a strict watch on the supply position of essential articles especially foodstuff, all trade should be done in an open market, the traders should not collude to jerk up prices artificially, the traders should not form groups to push newcomers out of the market, the urban traders are not allowed to meet the rural suppliers on their way and to buy their products at cheaper rates, keeping them in darkness about the market conditions, the middlemen who did not add any utility to the products but only reaped margins from buyers and sellers are disbanded, the interest of merchants as a class is also protected against dumping in the market by a minority of merchants, the traders and the craftsmen are not allowed to hide the defects of a product, also, with regard to price control, better known as *taa'sir*, which is basically unacceptable in Islam, some jurists suggest that it would be allowed when there happen market rigidities. In such a situation, the price level is sometimes manipulated by the economically powerful class to their benefit. Thus, the Hisbahis authorized to apply corrective measures. In reality, it is possible that powerful groups in the market may manipulate prices by withholding supplies, slackening production, dumping output, or by mere collusion. In similar cases, the prices may be fixed by the Hisbahat a reasonable level which may rehabilitate the natural trends. Hisbah would approve the prices periodically and give wide publicity. Delinquent traders are also to be punished.

In the present day context, Hisbah would have to keep itself informed of the overall economic conditions and cost structures in the economy. Elsergany (2010) observed that the institution of Hisbah did not only contribute to moral development of the society but also perform a number of economic roles with a view to improving the economic wellbeing of the society. It started first as market inspection, but later metamorphoses into a moral censor as well as responsible for policing the markets. It plays the role of preventing fraud in industry and

transactions through supervision of weights and measures to ensure their standards and calibers, as well as checking the quality of products and orderliness of the marketplace.

Hisbah also is integral to the Islamic socioeconomic scheme. Its functions consist of maintaining public law and order and in supervising the behavior of the buyers and sellers in the market, with a view to ensuring right behaviors and protecting people from dishonesty and malpractices. The purpose was to regulate public life in such a way that a high degree of public morality is attained and that the society is protected from bad workmanship, fraud, extortion, exploitation and charlatanism (Ahmad, 1983).

2.2.4: Hisbah and Ethical Business Practices

Business ethics was commanded by Allah (SWT) in different verses of the Qur'an (7:85, 11:84, 11:85, 17:35, 22:30, 26:161, 26:182, 26:183, 55:9, 55:18, 88:2, and 88:3). And He even sent Prophet Shuayb to ensure ethicality of business practice within his people. And Allah provides strong punishment for those that violated. Prophet Muhammad (SAW) as earlier mentioned outline many different business ethics and started the functions of Hisbah to ensure ethical business practices and later appointed someone to do it because of its important.

Hisbah when effectively managed and its function redefined will go a long way to manage and ensure good and prosperous business activities even in the modern economy of globalization of business/market activities. Shari'ah implementing states in Nigeria need not to create new department or ministry to make the mechanism of Hisbah function in the context of modern economy. Instead, Hisbah principles may be implemented through the existing structure. One could see the institution of Hisbah complementing the roles of important agencies and commissions such as the National Agency for Food and Drug Administration and Control (NAFDAC), Consumer Protection Council (CPC), and Standard Organization of Nigeria (SON) at the federal level that seek to prevent fraud, monopolies, and ensure

compliance with various forms of regulations, which are intended to serve the public good in Nigeria. Hisbah could also serve other related functions once it existed and is managed properly, by exploring and analyzing how it functioned and then adapting what may be considered relevant and reasonable, and as oversight complimentary function.

Hisbah may, at State and Local Government levels help in the inspection of weights and measures, prevention of Monopoly, commanding good and forbidding evil, supervision of market cleanliness, managing parking lots at the market place, maintaining orderliness and cordiality among traders, mediating between aggrieved parties, testing and selecting the people of professions and trades to determine their proficiency and professionalism in their crafts, so as not to exploit others.

As Fahmy (2010) observed, in today's world, the institution of Hisbah could be used to execute any rules and regulations or enforcement in the financial industry. Hisbah could help the financial industry from prohibited activities like carrying out Illegal economic transactions, monitor fraud, bribery, money laundering, insider trading, usury, gambling and so forth (AlKashif, 2009), and help societies achieve Islamic economic goals that include protection of wealth.

In Nigeria therefore, Hisbah at both State and Local Government could be very useful in ensuring ethical business and financial practices. It could work hand in hand with ministries, agencies and commissions to improve the economic welfare of the people. This is not a matter of theory. Lagos, the second most populous States with the most cosmopolitan setup in Nigeria has succeeded in harmoniously fusing its State Hisbah-like agency with not only its existing ministries and commissions but also federal government agencies such as the Police Force. The effort has since been yielding desired result (Dogarawa, 2011).

Looking at our modern economy nowadays, business and marketing activities are not necessarily done in the market as it was obtained during and after the time of the prophet

before the industrial revolution. Most of the business activities are performed in individual companies, banks, government agencies, schools etc, and they are done through internet, phones and other electronic gadgets. Therefore, Hisbah can intervene and perform its function of ensuring ethical business practice. This can be done through enlighten and training the workers in different organizations. Amalina (2010) observed that in the business context, normally accountants, auditors, audit committees, and whistleblowers are those people entrusted to play the role as *muhtasib* in their organizations. Business owners need to ensure that these *muhtasib* (in substance, if not in name) are responsible to create a more ethically-oriented organization and subsequently, minimize the potentiality of fraud.

2.3. Concept of Ethical Business Practices

Here vital issues related to ethics are discussed below:

2.3.1: Meaning of Ethics

The word ethic is derived from the Greek word “ethos” means custom and usage. The term Ethics can be defined as the activity of applying moral precept to concrete problems (Wines, 1992). Johnson, (1984) defines ethics as —the science of conduct. Ethics are set of moral principles which enable a person to distinguish between things which one is good and which one is bad. The term ethics is often use as morality, morality in actions is very important constituent; no behavior can be positive without good and resonance base of ethics. Ethics also sustain behavior and it leads good attitude. It is a normative science of the conduct of human being living in societies- a science which judges his conduct to be right or wrong, to be good or bad (Lillie, 1971).

The concept of ethics does not have a single definition but has been generally accepted that it relates to an individual’s conscience by which one is directed to reach fair decision on the basis of organizational values. It is a body of principles or standards of human conduct that govern the behavior of individuals and groups. Put differently, ethics is about standards of

behavior that tell us how human beings ought to act in the many situations in which they find themselves as: friends; Parents; Children; Citizens; Business people; Teachers; Professionals; Politicians; traders and so on.

According to Josephson (1989), ethics refers to “system or code of conduct based on universal moral duties and obligations which indicate how one should behave; it deals with the ability to distinguish good from evil, right from wrong and propriety from impropriety”. It is a body of principles or standards of human conduct that govern the behavior of individuals and groups. Religion and religious practices or values of individuals to a greater extent have influence on their ethical standards. Each religion has its codes and teachings which serve as points of reflection or mental frame that directs the ethical conduct or how people even carry out their trading activities.

Basically the word ethics if we see it in Islamic perspective means to see what is good and bad socially as well as morally (*akhlaq*) because ethics is something which plays important role for making and developing a sound and pious society.(Mawdudi, 1959). From the Islamic context, the dimensions of ethics are numerous, far-reaching and comprehensive. Ethical system in Islam is derived from the teachings of the Quran and from the Sunnah (i.e, recorded saying and behavior of Prophet Muhammad, peace be upon him). Islamic ethics deals with all aspects of human life. It deals with relationships between man and Allah, man and his fellowmen man and other elements and creatures of the universe, and man and his innermost self(Hanafi&Sallam, 1997; Supriyatna, 2012).

Furthermore, the goals of Islam itself are not primarily materialistic. They are based on Islamic concepts of human well-being and good life that emphasize brotherhood and socioeconomic justice and require a balanced satisfaction of both material and spiritual needs of all humans. Furthermore, Islam considers ethics as an offshoot of *Iman* (a Muslim belief

system), and it emerges from the Islamic worldview of human life. Ethics also is known as *akhlak*. *Akhlak* is a set of Islamic moral values which have been prescribed fundamentally in the Quran and implemented by Prophet Muhammad (p.b.u.h) during his life (Wan Hamat, 2013).

To be ethical it is required to have clear good judgment and responsibilities. To solve difficult situation and face different problem requires ethical understanding, a good human interaction needs a good and sound base of ethics, if a business want to be called an ethical accepted business, it requires to take such action which are ethically accepted. Most people think that business has nothing to do with ethics but if business ignored the ethical standard will lose its image and not be able to survive (Tufail, 2009)

2.3.2. Business Ethics in Islam

Business ethics sometimes referred to the moral principles and standards that guide behavior in the world of business. From all the philosophical ideas behind ethics, it is clear that we cannot divorce ethics in our economic activities since issues of profit motive mostly drive businesses to indulge in certain misconducts such as trading substandard products, abnormal profiteering, and falsification of financial performances among others which are regarded as unethical. So long as these states of affairs continue to exist, ethics comes into play. Ethics is even more important in the sense that the market is made up of individuals with different moral and ethical backgrounds and values which sometimes conflict with issues on the business. Adam Smith, in the *Wealth of the Nations* (1776), indicated that businessmen are “an order of men, whose interest is never the same with that of the public, who have generally an interest to deceive and even to oppress the public and who accordingly have, upon many occasions, both deceived and oppressed it” (Koontz, 1980).

The most emphasis which is given in Islam on the ethical character of someone, if we study the holy Quran and *Ahadith*, we shall find a different verses and the saying of the holy

prophet Muhammad (p.b.u.h) on ethical norms and moral codes. Islam emphasized to follow these ethical norms not only in personal and family life but also to follow in business dealings and transactions. Islam is a complete way of life. It provides guidance for all activities either these are individual, social, material and moral, legal and cultural, economic and political and national or international. Islam invites the man to enter the fold of Islam without any vacillation and to follow Allah guidance in all fields of life (Ahmad, 1999)

Quranic verses and teaching of prophet tell us about the wide range of ethical norms to be followed i.e. in our social contract, in business transactions (Mawdudi, 1959). In one hadith in which prophet Muhammad(SAW) says “I have been sent for the purpose of good morals” In the noble Quran Allah says “ye have indeed in the messenger of Allah an excellent exemplar” (33:21).The holy prophet said “the best among you is one whose character is best” He said“Aperson devoid of kindness is devoid of any good” (Muslim). Holy Prophet said, A time will come upon people when they will not differentiate what they earned is legitimate or unlawful” (Bukhari). In another place Prophet (P.B.U.H) states, “Every good deed is charity” (Bukhari).He also said “he who deceives us is not of us”. In other place the prophet said “the honest merchant will be rewarded on the day of judgment with prophets, pious people and martyrs” (Tirmidhi, 1130)

In short Islam has given too much importance on morality and ethics. It emphasized that the conduct of trade should not cause harmful to the parties to trade such as fraud and other behavior, trade should involve lawful and good product and services that remove any form of uncertain contractual condition that could lead to dispute, trade should be done through to promote mutual consent and mutual good will. The traders must engage in lawful businesses, refrained from hiding any known defect in an item offered for sale, honest in all dealings, avoid unfair monopoly/hoarding and charging excessive price. In essence it ensures that all business activities are ethically done.

2.4: Review of Empirical Works

Studies have been conducted on the role of Hisbah generally in the market, ethical business practices and economic activities since from the early scholars such as; Imam Alghazali, Ibn Khaldun, Ibn Taymiyyah etc up to the scholars of this generation. Though there are scanty literatures here in Nigeria. It has started in Nigeria less than two decades ago when the implementation of shari'ah was reintroduced.

Azrin (2009) evaluated the institution of Hisbah its role in business management. With the use of exploratory research design, using secondary data which was analyzed using content analysis method reveal that the institution was able to ensure a fair dealings in the market and business activities by ensuring that the resources did not flow from prohibited sources, and price, business, measures are maintain properly.

Ibrahim (2015) from his study obtained through the library study approach, which was then analyzed using the content analysis method, posits that Hisbah is an institution that came into existence due to the Islamic management paradigm. Its role is to be a monitoring body aimed at achieving the objectives of *al-amr bi al-ma'ruf wa al-nahy 'an al-munkar*. Therefore, the ethics involved with Hisbah begins with internal monitoring or also known as *muhasabah al-nafs*. This is basic monitoring intended to ensure that ethically market practices run smoothly when Hisbah ensure that business stakeholders intends good business in their mind and know that the truth and the untruth do not mix when implementing the task and responsibilities in businesses, and when success is needed. Hisbah is the most appropriate indicator that could be assimilated in business activities in order to obtain the desired consequences and simultaneously allow the implementer to receive the blessings of Allah (SWT).

He stress that Hisbah is a monitoring body formed by the government to monitor the activities of individuals related to morality, religion and economy (the general social life and

business) with the intention to maintain justice and honor as mentioned by the Islamic shariah and in accordance with the current situation and time. He concluded that the philosophy and ethics related to Hisbah should be understood and implemented in a holistic manner so that the actual aim of ethical business practice is achieved.

The study of Hisbah, however, is pioneered by Hamid, (2000). He attempted to investigate the factors or determinants of Hisbah influence for adherence to ethical business practice in Bangladesh. He has measured explanatory variables which are: price, quality, weight and measures in determining their observance in market and their imposing by Hisbah in Bangladesh. His findings have shown that all the explanatory variables have important role for determining the present of Hisbah and their action in Bangladesh which shows fair control by Hisbah (Board of Market Supervision).In the same vein, another study was conducted by Azmi (2002) who have employed the same explanatory variables similar to Hamid (2000) study. But, he investigated the determinants of activities of Hisbah in controlling business. Their findings confirmed the outcome of the early study conducted by Hamid, (2002).

In another study, The role of Hisbah(ombudsman ship) institution in ensuring ethicalbusiness practices a reflection for Shari'ahimplementing statesin Nigeria Dogarawa (2013) using literature survey, stresses that the institution of Hisbahbefore and now played a prominent role in law enforcement; commanding good and preventing bad, as well as supervising market activities. He observed that even though full-pledged ministries are formed for the purpose of economic and fiscal planning to enhance trade and commerce, and other matters of public interest that were hitherto in the jurisdiction of the Hisbahinstitution, in the modern economy, implementation of Hisbahprinciples, will no doubt lead to good governance in government as well as business organizations, thereby promoting integrity and enhancing efficiency and effectiveness in both the public and private sectors. Hisbahwill play

complimentary role to ministries and agencies of the government. Hisbah corps members may contribute in seeing that resources did not flow to the category of prohibited activities; keeping a strict watch on the supply of essential articles, particularly foodstuff; preventing traders from colluding to artificially bid up prices or forming blocs to push newcomers out the market; disbanding middlemen who only make money from buyers and seller without adding any value to the products; and disallowing traders and craftsmen to hide the defects of a product. He concludes that the task ahead of the Shari'ah implementing States is to maximally exploit the economic role of the Hisbahin view of its relevance in the modern economy, make it functional not redundant so the impact of the institution could be felt at the local level. Hisbah officers should be seen to have a significant to play in creating a more ethically-oriented market environment and subsequently minimizing fraud potentials.

Islahi (2006) in his work on market supervision and shari'ah governance, found that role of Hisbah proved to be a rich activities for ensuring socio-economic control, moral and market supervision, prevention of monopolies, check on cheating and fraud and other corruption practices, standardization of products, facilitation of the supply of necessities etc.

Kahf (2007) in his study revealed that Al Hisbah(ombudsman ship) is a function of supervising the activities and transactions that take place in the market from three angles. One, that all activities and transactions are undertaken within the boundaries of the rules of Shari'ah; two, that all activities and transactions are done with observation of the moral values and ethical principles of Islam as a religion; and three, the ombudsman (Muhtasib) is also charged with the function of “ordaining what is known as good and forbidding what is known as wrong” in the market.

It reveals that the idea of the Muhtasib tells that one of the major objectives of market regulations is to promote a two-tier filtration of economic activities and transactions. That is,

the filtration at the level of the consciousness of the economic actor and within his/her heart and the filtration at the level of monitoring the observance of legal and moral values and rules in market relationships by a special semi-governmental agency. This second filtration comes from the presence of the Muhtasib in the market and her/his authority in ordaining what is good and preventing what is wrong. It should be noted that the authority of al Muhtasib lies somewhere between personal moral advices and supervision on the one hand and a legally binding action of a judiciary system on the other hand. In other words, the Muhtasib's authority is a little below a judge who gives final dictates on the compliance of transactions and economic relationships with the rules of Shari'ah. Thus, while the Muhtasib must protect economic freedom of individual actors she/he must also see to it that no actor abuses this freedom and transgress on other's ability to practice their respective freedom. He also argued that the market experience throughout the Islamic history has produced very rich heritage in institutionalizing market regulation through Hisbah agency as well as in the promotion of the philanthropic sector and its activities that replace the government in providing several goods and services including health, education, and several public utilities all over the Muslim world.

2.5. Empirical Review of Business Ethics

Studies have been conducted on both conventional and Islamic ethics. Among the researches related to this are;

A study conducted by Assiamah (2014) aimed at assessing how Muslim women traders understand Islamic business ethics and its influence in their trading activities as a case study design research within the qualitative research paradigm. Purposive and simple random sampling was adopted to select 208 respondents for the study. The main instrument of data collection was through the use of in-depth interviews subjected to a thorough content analysis. The study revealed that traders have fair understanding of Islamic ideals and trade principles

(business ethics) which negatively affect the growth of their profit and business in general. The study concluded that the Islamic ethical teaching does not reflect the practices of muslims women traders in Kumasi central market despite that majority are muslims but they have little knowledge of ethics and non enforcement by the authority which brings some sort of abnormalities in their businesses.

Another study by Ganiev (2012) assessing the practices of business ethics among muslim entrepreneurs through the use of qualitative research design and case study approach. His analyses revealed that implementing Islamic ethical business practice in their business make them different from other muslim entrepreneurs. The findings also shows that adherence to Islamic ethical standard will reduce the risk in commercial relations and create favorable conditions for the development of effective and sustainable business, especially when economic crimes and dishonest behavior of business people have become a frequent occurrence in business.

Beekun and Badawi (2005) examined Islamic business ethics from a normative perspective. The finding claimed that business ethics cannot be separated from ethics in the other aspects of a Muslim's daily life. The Islamic ethical system is balanced, fair, just and benevolent, and seeks to respect the rights of both primary and derivative stakeholders without allowing for exploitation, nepotism and other human ills. The study also claimed that mankind must not forget his/her role as God's steward or vicegerent on earth, for Muslims that understand and practice this ethical system, it is also contains its own enforcement. Not to mention, this study has looked at the balancing ethical responsibility from the Islamic viewpoint. It is argued here, that most of the traders do not conform to business ethics. Islam and business relate to each other.

Hashim (2012) examined the extent of the western dominance on our systems with great extent effaced our core Islamic values, beliefs and idea regarding business and trade. The

study concluded that the dominancy of their organism has occupied a vital rule in all the major activities in our system and we and the authorities are constrained to follow. Especially Muslims are striving for much profit and they are ignoring the ethical standard of the business, what Islam prohibits and what permits they don't care, which as a result affected our business negatively. The research recommended that being Muslims we have to follow the rules and regulation for business dealings stated by Islamic jurisprudence, the business will sustain its image and will be able to survive.

According to a study reported by Abeng (1997), using qualitative approach to analyzing the components that lead to a successful business and development, found out that all business practices involve explicit or implicit harm and injustice to the contracting parties or to the public at large are disapproved by Islam. The findings have shown that components needed to be understood by Muslim business leaders among others, are fulfilled of promises, exactness in weights and measures, truthfulness, efficiency, selection of merit and investigation and verification. By incorporating these components, all business practices will be treated as permissible as required by Shariah Islamiyyah. The study, indeed, provides breach of some general guidelines for activities and measures that better reflect our markets.

These researches, as critically examined, are generally conducted in an area different from the area of this study and their institution of Hisbah exist over many years compared with the Nigerian experience and Kano state in particular that is few years back.

Therefore, this research has adopted the use of certain ethical practices selected to analyze the role Hisbah played in ensuring them. This will go with the same level of embryonic nature of Hisbah activities in business environment. The study assesses the role Hisbah played in ensuring weight and measures, quality of product, monopoly and hoarding, and fraud and cheating in Kano metropolis market. Therefore, these factors are going to be measured in determining the role Hisbah played in their adherence ethically.

2.6. Theoretical Framework

Theories are embodiments of knowledge that seek to offer explanation and understanding of a phenomenon or an observation. By implication, a theoretical framework refers to the theory or theories that serve(s) as the foundation for an empirical study. With the collapse of many businesses and companies, recent research has been increasingly devoted to investigating ethical issues. This circumstance goes with the fact that the existing ethical issues are not always clear and understandable. To identify whether a behavior or decision is ethically performed, there are several ethical theories to explain what is right and what is wrong. These include relativism theory, utilitarianism theory, egoism/consequential theory, deontology theory, the divine command theory, and the virtue ethics theory. These theories are the current theoretical framework that is applied by recent research to explain an ethical phenomenon.

2.6.1. Relativism Theory

Relativism theory proposes that ethical values are relative to a particular environment or location. It discusses that moral values can be different from one culture to another, from one time to another (Sturgeon 2009). According to this theory, there are no moral principles that are completely right, relevant and applicable to companies and people of all countries (Velasquez 2006). This implies that: (a) different countries and societies may have different ethical codes; (b) there is no standard or principle that can be used to evaluate one societal code better than the other; (c) the ethical code of specific society has no special rank, which means it is simply one among many; (d) there is no universal truth in moral/ethical principles that can be held for all peoples at all times; and (e) the moral code of a specific country or society identifies what is right within that society; if the moral code of that country or society says that a certain action is right, then that action is right at least within that society (Rachels&Rachels 1993).

Critics of relativism theory have argued that there are several ethical principles and values that members of any society or culture must accept if that society is to stay alive and if its members are to act together with each other efficiently. For example, all societies and cultures have norms against killing other members of the society, norms against stealing the personal goods of other members of one's society, and norms against taking bribe or involving in corruption (Velasquez 2006). Relativism theory has been criticized on this basis; because different people have different ethical viewpoints concerning some issues, it does not follow reasonably that there is no objective truth about that issue or that all viewpoints about that issue are equally acceptable (Velasquez, 2006). When two people or two groups have different viewpoints, theorists as well as researchers are fond of pointing out that at least one of them is wrong (Rachels&Rachels 1993). Also, this theory would make little sense to disapprove the practices of other societies as long as their practices conform to their own principles and values. For example, practically this means that multinational companies should not be judged to act in a rightful or wrongful manner since they do so according to different prescribed cultures (Rachels&Rachels 1993; Velasquez 2006). From the Islamic point of view, relativism theory is also problematic. According to Islam, what is right and what is wrong cannot be left to a particular society because human beings have inherent weaknesses in that they will tend to behave in a manner that they see is convenient, regardless of whether such action is right or wrong. This is why Muslims have to base their actions on the words of Allah (the Quran) and the Sunnah of the Prophet (Al-Qaradawi 1985; Mohammed 2005). For this reason, Islam rejects relativism theory. However, Islam also respects the culture of any society as long as it is not against what is Islamically prescribed (*Al-Quran* 7:199).

For example, the Prophet Muhammad recognizes acts such as telling the truth (*Al-Quran* 9:119) as morally right and rejects other acts such as killing a newborn girl as being morally wrong (*Al-Quran* 81:8/9).

2.6.2. The Divine Command Theory

Divine command theory argues that the nature of right and wrong is based on religious beliefs, which in this context refers to Jewish and Christian religions that are claimed to be divine. According to this theory, both Jewish and Christian religions define “ethically right” as being something “commanded by God”, and “ethically wrong” means something “forbidden by God”. In other words, ethics and religion always go together (Rachels&Rachels 1993). Religious people commonly believe that ethics can be understood only in the context of religion. According to Rachels&Rachels (1993), God is presented as a lawgiver who has created us, and the world we live in, for a specific purpose. However, that purpose is not absolutely understood. This theory has created some serious problems for believers and non-believers alike. Non-believers, such as atheists, reject totally the theory because they believe that God does not exist. When God does not exist, it does not make sense that ethics should be based on God’s command. On the other hand, believers have problems with this theory because of etiological reasons. It is not clear, as Socrates suggested, whether a conduct is right because God commands it, or God commands a conduct because it is right. Because it is not clear in the first place why a conduct is commanded and why humankind exists in this world, the theory is rejected.

In contrast to Jewish and Christian religions, Islam makes the purpose of existence of humankind in this world defined (Mohammed 2005). Human beings are created for the sole purpose of worshipping the One God through the engagement of good things and avoidance from engaging in wrong things (*Al-Quran* 51:56). Hence, for Muslims, what is right and

wrong is clearly espoused through the word of Allah (*Al-Quran* 16: 89) and the Sunnah of the Prophet Muhammad. Based on these two important foundations, Muslims believe that a conduct is right because Allah (SWT) or His Prophet Muhammad has commanded it. Muslims believe and accept Allah's commandment of what is right and wrong because Allah (SWT) knows everything, including what is the best for the people (*Al-Quran* 58:7; Al-Qardawi 1985; Mohammed 2005).

2.6.3. Consequences Theories

Consequence theories, utilitarian theory and egoism theory, look at the consequences of any action to determine whether an act is right or wrong. In utilitarian theory, an act is considered to be morally right if it brings the greatest good for the greatest number. An action must do the most good and does the least harm (Lavan& Martin 2008). In contrast, egoism theory is concerned about the consequences of the greatest good for the person only without considering the consequences on others.

This theory is not suitable in Islam because each individual trader seeking to achieve their self-interest may defy the Islamic teachings. When individuals are unduly motivated by the pursuit of self-interest, they tend to ignore the welfare of the social good or what happens to others. Individual traders, would therefore, sell at exorbitant prices, engage in hoarding, sell fake products if it will enhance their profit margins. Though the theory of egoism is not to be on the offensive, individuals tend to misapply it, unscrupulous love for the self at the detriment of one's neighbor and the general good ushers us into a regime of each one pursuing selfish agenda without recourse to ethical teachings and standards.

2.6.4. Egoism Theory

The general idea of egoism theory is that one must always perform in his/her own interest (Ho, 2007). An action is considered to be morally right when it promotes a person's self-interests more than the interests of others. In other words, egoism theory assumes that each

person ought to follow his/her own self-interest exclusively. This means that a person does not have an ethical duty except to do what is best for him/her (Rachel & Rachel 1993). So, the only ultimate standard of conduct is the standard of self-interest, and this standard involves a person's natural duties and obligations.

Egoism theory is not acceptable in Islam because it is essentially against the Islamic principles of justice, helping others, and altruism. According to Prophet Muhammad (SAW), a Muslim has no *Iman*(faith) until he loves for his brother what he loves for himself (Al-Qaradawi 1985). Muslims are strongly encouraged to be considerate and help others without looking for material rewards from the society. Doing so, they will receive rewards in the Hereafter as Allah promised and mentioned in several places in the Quran (5:54; 48:29; 59:9; 107:3).

2.6.5. Utilitarian Theory

Utilitarianism is a common term for any view that holds that procedures and actions should be evaluated on the basis of the benefits and costs they impose on society. Utilitarian theory argues that a behavior is considered morally right when it results in a greater number of utilities than it could be achieved by any other action (Sturgeon, 2009). Utilitarian theory and egoism theory both consider the consequences of an action with different approaches of evaluating an ethical conduct. Egoism theory focuses on the consequences for the self, whereas utilitarian theory focuses not only for the self but also for as many as possible. Besides, utilitarian theory uses cost-benefit analyses to judge a morally acceptable behavior and states that people should act to create the greatest good for the greatest number of people (Ho 2007; Rachels & Rachel 1993; Velasquez 2006).

Utilitarian theory has been criticized because it is difficult to prove what counts as value or good. One's good may be another's bad and vice versa (Koehn 2005). Moreover, professionals such as accountants and managers may find it difficult to define the best for all

stakeholders (Ho 2007). As a result, it will be a challenge for professionals to determine what is best because the future is constantly changing. Also, critics argue that utilitarian theory fails to preserve the human rights and justice. This is because this theory focuses only on the consequences. For example, if a person robs a bank to help poor people, such action is considered ethical from the utilitarian perspective (Velasquez, 2006).

Generally speaking, Islam does not accept any wrong doing, for example, stealing or cheating, regardless of whether it brings greater good for the society or not. In view of that, Islam does not accept utilitarian theory as a sufficient theory because this theory considers ethics as having the greatest consequences for the greatest number, when some actions may be inherently wrong. From the Islamic perspective, Muslims must follow the right ethics in accordance to Islamic principles (*Al-Quran* 59:7). The Islamic system takes care of the interests of everyone in the society because of the universal ethical values and principles imposed by the religion (Al-Qardawi 1985; Mohammed 2005).

2.6.6. Deontology Theory

Deontology theory underlines duty as a basic moral category. This theory also focuses on universal statements of right and wrong. However, unlike utilitarian theory, this theory is not concerned with the consequences of the action, which means that the action is independent in itself (Ho 2007). In other words, the theory argues that a person has a duty to do what is right without having to consider the consequences of his/her action (Ho 2007). The most representative supporter of deontology theory is Immanuel Kant, a German philosopher in the 18th century. Kant believed that there are universal ethics that everyone must accept, for example, “never does something unless you are willing to have everyone done it” (Velasquez 2006). Another example of Kant’s universal ethics is “Never use people merely as means, but always respect and develop their ability to choose for themselves”.

Critics such as Velasquez (2006) argue that deontology theory's categorical imperatives are unclear because the theory only considers the duty or the action independently without looking at the consequences. It can be in conflict with the normative understanding of people and sometimes it implies some mistaken ethical conclusions (Velasquez 2006). In applying deontology theory to accounting practices, professional accountants may find it difficult to deal with the conflict of duties for different stakeholders (Armstrong 1993). Thus, they may assess the consequences and perform the one which has the least harm or the greatest benefit to his or her self-interests. When this happens, the action of professional accountants can be evaluated against egoism theory or utilitarian theory to solve the conflict eventually (Armstrong 1993). In addition, deontology theory might have difficulty explaining the reasons for undertaking an action if that action will not result in good consequences.

Deontology theory is also not acceptable in an Islamic context because the only lawgiver for the overall system, including the ethical system, is Allah (SWT) (*Al-Quran* 16:86). The Prophet Muhammad (peace and prayers be upon him) advised his followers (or *sahabah*) to treat others as how they like others to treat them (Mohammed, 2005). Furthermore, Islam encourages Muslims not only to treat people with justice but to treat others better than how they treat them. Allah (SWT) says in the Quran (41:34): "Nor can goodness and evil be equal. Repel (evil) with what is better"

2.6.7. Virtue Ethics Theory

Virtue ethics theory defines what is right and wrong based on specific traits and values every person must follow. According to this theory, the purpose of an ethical life is to develop general characters called ethical virtues, and to apply and exhibit them in reality (Velasquez 2006). Unlike previous theories such as consequences theories and deontology theory that are concerned about an individual's action, virtue ethics theory focuses on the self (Ho 2007). Virtue ethics theory concentrates on the question of what people should be rather than of

what they should do. In other words, this theory focuses on what makes a good individual or person rather than what makes a good action (Lavan et al. 2008). The most representative supporter of virtue ethics theory is Aristotle. Aristotle proposed several virtue traits that every person must have. They are civility, cooperativeness, courage, fairness, friendliness, generosity, honesty, justice, loyalty, self-confidence, self-control, modesty, fairness, and tolerance (Rachelsetal. 1993). Virtue ethics theory has limitations to answer question like what are the sources of these ethics (Velasquez, 2006). In addition, loyalty ethic, as a product of this theory, may guide to conflict with the requirements of the accounting profession for being independent (Koehn 2005).

Furthermore, as different stakeholders may have different opinions regarding accounting practices, there may be conflicting virtues traits that accountants should consider, and it is difficult for professional accountants to resolve these conflicts (Duska, 2003). Even though there are some criticisms in the application of virtue ethics theory, it still plays a significant role in accounting practices. Based on the idea of virtue ethics theory, the American Institute of Certified Public Accountants (AICPA), as well as other accounting organizations around the world, established an ethical code of conduct which constitutes the expected virtue ethics for professional accountants. These virtue ethics are translated in to the principles and rules of accountants' ethical code of conduct (Ho 2007; Velasquez 2006).

In contrast, Islam considers both ethical actions and virtue ethics, not just only one criterion as contended by virtue ethics theory that is based on the character (Mohammed 2005). In Islam every person must behave according to specific ethical characteristics, but the sources of these characteristics are Quran and Sunnah (Prophet Muhammad's saying, practice and approvals) (*Al-Quran* 31:77; Mohammed 2005). Besides, in Islam, individuals have a very clear picture about what is right and wrong as enshrined in the Quran and Sunnah (Al-Qardawi 1985; *Al-Quran* 58:7).

As a summary, to determine whether an action or decision is ethically carried out, ethical theories, developed mainly by Western scholars, are the current theoretical framework organizations have at their disposal. Theories such as relativism, utilitarianism, egoism, deontology, and the virtue ethics, are all products of Western understanding of what ethics are and how they are applicable to help one's decision-making process. Every theory has a single viewpoint with regard to ethical issues.

However, despite their utility, this study argues that the Western concepts and understanding of ethics are limited and incomprehensive in explaining what is right and what is wrong. Indeed, Velasquez (2006) concludes that there is no absolute ethical theory that is able to provide sufficient explanation about what ethics is. In addition, no ethical philosophers is able to provide a universal rule or standard that could explain when considerations of justice, for example, become important enough to outweigh infringements on conflicting right or consequences of action. In other words, ethical theorists have been unable to agree on any comprehensive system for making such moral judgments.

In contrast, Islam has a comprehensive perspective regarding the ethical issues because the lawgiver for all systems, including the ethical system, is Allah (s.w.t), who knows everything and what is best for all human beings. Ethics in Islam are defined as the good principles and values based on the Islamic sources.

Therefore for the purpose of this research the divine command theory based on Islamic principles is the underpinning theory guiding the study. Because the Islamic sources are the only standards for identifying what is right and what is wrong. Ethics in Islam are consistent with the ability of human beings and they cover all aspects of life (including business). Islam goes even further than these theories by maintaining that all systems, including the ethical system, are in the hands of Allah (SWT) While Islam agrees with divine command theory, which was rejected in the Western ethical literature, it has its different considerations as

mentioned earlier. The main idea of the Islamic ethical theory is that the Islamic sources are the only standard for identifying what is right and what is wrong.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1: Introduction

The aim of this chapter is to discuss the methodological issues relating to this research. The chapter discusses the research design, population of the study, sample size and sampling techniques, sources and method of data collection, as well as data analysis.

3.2: Research Design

This research employs descriptive survey research design to answer the research questions and ascertain the veracity of the hypotheses. This method is considered appropriate as the study is aimed at analyzing the role of Hisbah Board in ensuring ethical business practices in Kano metropolis. The research is cross-sectional in nature as questionnaires were administered at once to the target sample. The data is generated from the two independent samples of the study which are the members of business community and the staff of Hisbah Board.

3.3: Population of the Study

The population size of this study is the total number of all traders in various markets in Kano metropolis. This is due to the concentration of major business activities and major markets in the area. According to Kano State Chamber of Commerce; there are an estimated number of more than one million (1,000,000) traders in our major markets in Kano metropolis.

3.4: Sampling Technique and Sample Size

The sample size of the study is drawn using a table developed by Krecie and Morgan table re-evaluated and affirmed by advisors (2006) for determining adequate sample size from a given population. The table stated that for a population of more than one million (1,000,000) a sample size of three hundreds and eighty four (384) at a level of significance of 95%, and at a margin of error of 5% is appropriate. Therefore this study will adopt a total number of 384 traders in markets to be the sample size of the study.

A non-probability of judgmental sampling technique is used in this study to draw the sample of 384 traders in our markets. The researcher used purposive sampling to select the major four (4) markets in Kano metropolis namely; Kantin-kwari, Sabongari, Yankaba and Dawanau market. This will enable the researcher to identify 384 traders with the relevant information and to seek the cooperation of such people for generating data.

3.5: Sources and Method of Data Collection

The study uses primary sources of data. The main instrument that is used for collection of data is through a structured questionnaire. This provides the fresh raw-facts that are used to answer the research questions and test the hypotheses. The questionnaires were self-administered and can be filled by the respondents with the help of some research assistants.

The traders were administered with questionnaires to get information. A 5 points likert summated scale is employed in scaling the mode of questions administered to the traders in the markets selected. The questionnaire has four sections; Section one contains four questions aimed at answering objective one and also to test H_{O1} ; Section 2,3 and 4 have 3 questions each which are meant to answer objective 2,3 and 4 and H_{O2} , H_{O3} and H_{O4} respectively. The samples of the questionnaire are there in appendix A.

3.6: Reliability Analysis

Data collected are tested using the cronbach's alpha reliability analysis to measure the reliability and consistency of the research data obtained using questionnaires. In this analysis,

a Cronbach's alpha value less than 0.6 shows that the reliability and consistency of the data is poor, while a cronbach's alpha value greater than or equal to 0.6 is said to be an acceptable reliability. The test was carried out to the individual Hypotheses using SPSS version 22. The result of the 4 cases returns with the alpha value of 0.94, 0.95, 0.88, 0.89, for the Hypothesis 1, 2, 3 and 4 respectively. See appendix C.

3.7: Method of Data Analysis

This part deals with the statistical tools used by the researcher for data presentation and analysis. Data obtained from the respondents are managed and processed using the statistical package for the social science (SPSS 22). Cronbach's Alpha test was used to check the internal consistency and reliability of the response. Thus Chi-square test and descriptive statistics was used to analyze the response. The research used descriptive statistics to determine the frequencies in tabular form and to measure the central tendencies. Chi-square is used to provide non-parametric test on all the hypotheses of the study using SPSS version 22.

The Decision Rule:

1. Reject H_0 at 95% level of confidence (alpha- 0.05) if the computed significant value is less than the critical value.
2. Accept H_0 at 95% level of confidence if the computed significant value is greater than the critical Value (alpha- 0.05).

CHAPTER FOUR

DATA ANALYSIS

4.1. Introduction

This chapter deals with the presentation and analysis of the data obtained from the study using a structured questionnaire. The statistical tools used in this research include the descriptive and chi-square test. The chi-square test is used to test the hypotheses of the study.

4.2. Response Rate

The data collected for this study was collected through a self-administered questionnaire to the members of business community.

4.2.1: Business individuals' Questionnaire

There were 384 copies of the questionnaires distributed to the traders, out of which 379 were filled and returned back to the researcher. Out of these copies of the questionnaire only 371 were found to be properly filled, while 8 were discarded as they are not properly filled. See table 4.1

Table 4.1; Traders Questionnaire Response

Response Rate	Frequency/Rate
No. of distributed questionnaire	384
Returned questionnaire	379
Unusable returned questionnaire	8
Usable returned questionnaire	371
Not returned questionnaire	5

Response rate (in %)	98
Valid response rate (in %)	96

Source: Survey Data,2016

4.2.2: Characteristic of the Respondents

The study's sample size is Three Hundred and Eighty Four (384), which are the members of business communities in the markets selected in Kano metropolis. The personal information of the respondents is presented by using statistical tools which are employed purposely to enable the researcher to show the exact nature and characteristics of respondents.

The questionnaire for the actual and potential Takaful customers had six (5) personal information of the respondent that includes: gender, age, marital status, educational qualification, and Market. Out of the three hundred and eighty four (384) copies of the questionnaire administered to the respondents, only Three hundreds and Seventy one (371) are retrieved representing 98%. Gender is categorical data which among the respondents, 53 of them (14.3%) are female and the remaining 318 (85.7%) are male indicating that males are more. The age distributions of the respondents indicate that 79 of the respondents (21.3%) are between 18-25 years, 113 respondents (30.5%) are 26-35 years, 88 of the respondents are 36-45 years representing 23.7%, 63 of the respondents (17%) are aged between 46 years to 55 years and finally only 7.5% (28) of the respondents are having ages ranged from 55 years and above. This shows that the respondents in between 26 years of age to 36 years are over represented.

Furthermore, the marital status of the respondents portrays that there are 62 single (16.7%), 292 (78.7%) married and 17 widows and divorcee representing 4.6% respectively. In addition, the academic qualifications of the respondents are presented as there are 102 (27.5%) with no western education. 141 (38%) with primary certificate. 97 (25.4%) with

West African Examinations certificate and equivalent representing (25.4%), 17 (4.6%) respondents have had Ordinary National Diploma and equivalent, the holders of Bachelor's Degree and equivalent are 11 representing 2.9%, 3 of the respondents possess masters and equivalent (0.8%).

4.3. Analysis of the questionnaire Response and Test of Hypotheses

Data collected are analyzed for the purpose of testing the hypotheses of the study. Chi-square analysis was employed to assess the actual effect of the role of Hisbah vis-a-vis ethical business practices. The Hypotheses are tested by comparing the calculated values of chi-square (χ^2) with the critical value/tabulated value and it is agreed that if the calculated value is greater than the tabulated, the Null Hypothesis is rejected otherwise the Alternate Hypothesis is accepted and also if the calculated p-value is less than or equal to the tabulated p-value=0.005, the Hypothesis is rejected in the four (4) different Hypotheses of the study.

4.3.1: H₀₁: Hisbah Board Plays a Significant Role in Controlling Weight and Measures in Kano Markets.

This subsection presents and discusses the result of the responses from the items of the pieces of the questionnaire administered to the members of business communities in the four selected market in Kano metropolis. The result was used to test the extent Hisbah Board plays role in controlling weight and measures in Kano markets. The summary of the responses are presented below;

Table 4.2: Summary of Response on the Role of Hisbah Board in Controlling Weight and Measures in Kano Metropolis.

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25 th	50 th (Median)	75 th
The present of Hisbah in Kano market will improves the standard of weight and measures	371	3.90	1.105	1	5	4.00	4.00	5.00
Hisbah has put in place alaid down rules controlling weight and measuresinthe market	371	2.18	1.042	1	5	1.00	2.00	2.00
Business individuals felt the impact of Hisbah in controlling weight and measures	371	2.79	1.253	1	5	2.00	2.00	4.00
There is provision of standard unit of measurement by Hisbah to marketers	371	3.05	1.207	1	5	2.00	3.00	4.00

Source; Survey Data, 2016.

Table 4.2 shows the members of business communities' response with regard to the role of Hisbah Board in ensuring weight and measures. The total number of the respondents that have returned the pieces of the questionnaire are three hundreds and seventy one (371). The maximum (5= strongly agreed) and minimum (1= strongly disagree) indicate the 5 points likert scale ranges of options that are given to the respondents to answer the questions in the questionnaire. The table shows that they agreed that the present of Hisbah looking at their mandate will improves the standard of weight and measures in the market as the percentage indicates a strong agreement (50% and 75%= 4 & 5 respectively) with mean of 3.90 and standard deviation of 1.105. The response also indicated their disagreement on the laid down rules impose by Hisbah to control weight and measures and whether they felt the impact of Hisbah in controlling weight and measures, (Mean 2.18 & Sd=1.042) and (M=2.79 & Sd=1.253) respectively. Also the respondents are neutral on the provision of standard unit of measurement by Hisbah (M=3.05 & Sd=1.207). Therefore the overall result of the descriptive statistics shows that Hisbah Board has not been adequately able to control weight and measures in Kano metropolis.

Table 4.3:Chi-Square Result on the Role of Hisbah Board in Controlling Weight and Measures in Kano Metropolis.

Test Statistics

	The present of Hisbah in Kano market improves the standard of weight and measures	Hisbah has put in place alaid down rules controlling weight and measuresinthe market	Business individuals felt the impact of Hisbah in controlling weight and measures	There is provision of standard unit of measurement by Hisbah to marketers
Chi-Square	348.286 ^a	271.412 ^a	172.167 ^a	181.871 ^a
Df	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000

Source; Survey Data 2016.

Table 4.3 represent the result of the chi-square determining if Hisbah is playing significant role in controlling weight and measures in Kano markets. The Hypotheses is accepted if the calculated significant value is greater than the 0.005.While it is rejected if the significant value is less than or equal to the significant value. Therefore, the above table satisfied the condition that in all the four (4) cases the value (0.000) is less than the tabulated value of 0.05, which resulted the rejection of the hypothesis, indicating that Hisbah Board have not been able to adequately control weight and measures in Kano markets.

4.3.2: HO₂.Hisbah Board Significantly ensures Quality of Products in Kano Market

This subsection presents and discusses the result of the responses from the items of the pieces of the questionnaire administered to the members of business communities in the four selected market in Kano metropolis. The result was used to test the extent Hisbah Board significantly plays a in ensuring quality of products in Kano markets. The summary of the responses are presented below;

Table 4.4: Summary of Response on the Effect of Hisbah in Ensuring Quality of Product in Kano markets.

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25th	50th (Median)	75 th
Hisbah provides rules governing the quality of products traded in the market	371	2.18	1.042	1	5	2.00	2.00	2.00
The rules of Hisbah Board are enough to ensure quality of product traded in the market	371	3.80	1.100	1	5	1.00	4.00	4.00
The awareness campaign and presence of Hisbah improves the quality of product in kano metropolis	371	3.05	1.204	1	5	3.00	3.00	2.00

Source; Survey Data 2016.

Table 4.4 shows the members of business communities' response with regard to the extent Hisbah Board Ensure Quality of Product in Kano markets. The total number of the

respondents that have returned the pieces of the questionnaire are three hundreds and seventy one (371). The maximum (5= strongly agreed) and minimum (1= strongly disagree) indicate the 5 points likert scale ranges of options that are given to the respondents to answer the questions in the questionnaire. The table shows that they disagreed that Hisbah provides rules governing the quality of products traded in the market as the percentage indicates disagreement (50% and 75%= 2 & 2 respectively) with mean of 2.18 and standard deviation of 1.042. The response also indicated their agreement on whether the rules of Hisbah Board are enough to ensure quality of product traded in the market (Mean= 3.80 & Sd=1.101) and (M=2.79 & Sd=1.253). Also the respondents are neutral on whether the awareness campaign and presence of Hisbah improves the quality of product in Kano metropolis (M=3.05 & Sd=1.204). Therefore, the overall result of the descriptive statistics shows that Hisbah Board has not been adequately able to ensure quality of product.

Table 4.5: Chi-Square Result on the extent Hisbah Ensure Quality of Product in Kano markets.

Test Statistics

	Hisbah provides rules governing the quality of products traded in the market	The rules of Hisbah Board are enough to ensure quality of product traded in the market	The awareness campaign and presence of Hisbah improves the quality of product in Kano metropolis
Chi-Square	204.296 ^a	378.690 ^a	241.008 ^a
Df	4	4	4
Asymp. Sig.	.000	.000	.000

Source; Survey Data 2016.

Table 4.5 represent the result of the chi-square determining if Hisbah is significantly ensures the quality of product in Kano markets. The Hypotheses is accepted if the calculated significant value is greater than the 0.005. While it is rejected if the significant value is less than or equal to the significant value. Therefore the above table satisfied the condition that in all the four (4) cases the value (0.000) is less than the tabulated value of 0.005, which resulted

the rejection of the hypothesis, indicating that Hisbah Board have not been able to significantly ensure quality of product.

4.3.3: HO₃. Hisbah Board Plays Significant Role in Controlling Monopoly/Hoarding.

This subsection presents and discusses the result of the responses from the items of the pieces of the questionnaire administered to the members of business communities in the four selected market in Kano metropolis. The result was used to test the extent Hisbah Board plays role in controlling monopoly/hoarding in Kano markets. The summary of the responses are presented below;

Table 4.6 below has shown the members of business communities' response with regard to the extent Hisbah Board significantly plays role in controlling monopoly/hoarding in Kano markets. The total number of the respondents that have returned the pieces of the questionnaire are three hundreds and seventy one (371). The maximum (5= strongly agreed) and minimum (1= strongly disagree) indicate the 5 points likert scale ranges of options that are given to the respondents to answer the questions in the questionnaire. The table shows that they agreed that the activities of Hisbah in Kano market can serve as better measures in curbing the problem of Hoarding than any other agencies as the percentage indicates agreement (50% and 75%= 4 & 4 respectively) with mean of 3.68 and standard deviation of 0.978. The response also indicated their disagreement on whether the awareness campaign of Hisbah Board against hoarding is highly accepted by business individuals (Mean= 2.52 & Sd=1.006). Also the respondents disagree on whether Hisbah Board punish those that are caught hoarding (M=2.65 & Sd=1.19). Therefore the overall result of the descriptive statistics shows that Hisbah Board has not been adequately able to significantly control monopoly/hoarding.

Table 4.6: Summary of Response on the Role of Hisbah in Controlling Monopoly/Hoarding

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25th	50th (Median)	75th
The activities of Hisbah in Kano market can serve as better measures in curbing the problem of Hoarding than any other agencies	371	3.68	.978	1	5	4.00	4.00	4.00
The awareness campaign of Hisbah Board against hoarding is highly accepted by business individuals	371	2.52	1.006	1	5	2.00	2.00	2.00
Hisbah Board punish those that are caught hoarding	371	2.65	1.19	1	5	4.00	2.00	2.00

Source; Survey Data 2016.

Table 4.7 also below displays the result of the chi-square determining if Hisbah has significantly control monopoly/hoarding in Kano markets. The Hypotheses is accepted if the calculated significant value is greater than the 0.05. While it is rejected if the significant value is less than or equal to the significant value. Therefore the above table satisfied the condition that in all the four (4) cases the value (0.000) is less than the tabulated value of 0.05, which resulted the rejection of the hypothesis, indicating that Hisbah Board have not been able to significantly control monopoly/hoarding.

Table 4.7: Chi-Square Result on the Role of Hisbah in Controlling Monopoly/Hoarding

Test Statistics

	The activities of Hisbah in Kano market can serve as better measures in curving the problem of Hoarding than any other agencies	The awareness campaign of Hisbah Board against hoarding is highly accepted by business individuals	Hisbah Board punish those that are caught hoarding
Chi-Square	690.846 ^a	378.043 ^a	335.456 ^a
Df	4	4	4
Asymp. Sig.	.000	.000	.000

Source; Survey Data 2016.

4.3.4: HO4. Hisbah Board Significantly Plays Role in Controlling Cheating and Fraud in Business Activities.

This subsection presents and discusses the result of the responses from the items of the pieces of the questionnaire administered to the members of business communities in the four selected market in Kano metropolis. The result was used to test the extent Hisbah Board significantly plays role in controlling cheating and fraud in Kano markets. The summary of the responses are presented below;

Table 4.8: Summary of Response on the Role of Hisbah Board in Controlling Cheating and Fraud in Business Activities.

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25th	50th (Median)	75th
Hisbah supervised the behavior of sellers in the market with a view to ensuring right behaviors and preventing fraud and cheating	371	2.17	1.169	1	5	3.00	2.00	2.00
Hisbah Board enlighten the people against hiding the defect of a product	371	3.83	.822	1	5	4.00	4.00	4.00

Hisbah has created more ethically oriented business individuals that minimized the potentiality of fraud and cheating	371	2.29	1.173	1	5	2.00	3.00	2.00
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Source; Survey Data 2016.

Table 4.8 has shown the members of business communities' response with regard to the extent Hisbah Board significantly plays role in controlling cheating and fraud in Kano markets. The total number of the respondents that have returned the pieces of the questionnaire are three hundreds and seventy one (371). The maximum (5= strongly agreed) and minimum (1= strongly disagree) indicate the 5 points likert scale ranges of options that are given to the respondents to answer the questions in the questionnaire. The table shows that they disagree that Hisbah supervised the behavior of sellers in the market with a view to ensuring right behaviors and preventing fraud and cheating as the percentage indicates disagreement (50% and 75%= 2&2 respectively) with mean of 2.17 and standard deviation of 1.169. The response also indicated their agreement on whether Hisbah Board enlighten the people against hiding the defect of a product (Mean= 3.83&Sd=0.822). Also the respondents disagree that Hisbah has created more ethically oriented business individuals that minimized the potentiality of fraud and cheating (M=2.29&Sd=1.173). Therefore, the overall result of the descriptive statistics shows that Hisbah Board has not been adequately able to significantly control cheating and fraud.

Table 4.9: Chi-Square Result on the Role of Hisbah Board in Controlling Cheating and Fraud in Business Activities.

Test Statistics

	Hisbah supervised the behavior of sellers in the market with a view to ensuring right behaviors and preventing fraud and cheating	Hisbah Board enlighten the people against hiding the defect of a product	Hisbah has created more ethically oriented business individuals that minimized the potentiality of fraud and cheating
Chi-Square	124.135 ^a	805.563 ^a	331.709 ^a
Df	4	4	4
Asymp. Sig.	.000	.000	.000

Source; Survey Data 2016.

Table 4.7 also above displays the result of the chi-square determining if Hisbah has significantly control cheating and fraud in Kano markets. Therefore the above table satisfied the condition that in all the four (4) cases the value (0.000) is less than the tabulated value of

0.05, which resulted the rejection of the hypothesis and accepting the alternate hypothesis, indicating that Hisbah Board have not been able to significantly control cheating and fraud.

4.4: Qualitative Responses from the Traders

The researcher has included in the questionnaire two items of questions (14 & 15) that are aimed at giving respondents opportunities to express themselves on what they sees as problems and suggestion toward improvement of ethical business practice in businesses.

They have mentioned various problems militating against successful adherence to ethical business practice. The respondent observed that Ignorance of ethical business practice in Islam by the traders is one of the major problems as most of the business individuals just venture in to the business without the pre-knowledge of business injunctions, because there is Lack of public awareness and enlighten of the ethical business practice that every business individual should follow (not from Hisbah).

Similarly, the respondents argued that Lack of continuous present of Hisbah staffs for continuous monitoring in the markets made it possible for the business individuals not to adhere to the ethics of business religiously, because of their ignorance or carelessness of Islamic injunctions guiding business transactions.

Also the respondents observed that the indiscrimination of punishment and non-inspecting of big traders by the Hisbah Board in various markets made only the small marketers that adhere to ethics while the big traders not.

Another strong problem militating against an effective adherence to business ethics by the business individuals is the non-provision of Standard unit of measurement by the Hisbah board, the only measurement that exist is the one (measure called nabogaji in Hausa

language) used by grains traders and it is not used widely as a unit of measurement not to about other unit of measurement applicable to other essential commodities.

Also they opined that there is lack of standard rules governing the quality of products traded in the markets by the Hisbah Board and full government support to Hisbah.

In Conclusion therefore the respondents have the feelings that the Hisbah staffs in Kano are not enough to persuade and enlighten the people on the need for adherence to ethical business practices in their businesses.

Furthermore the respondents have presents various suggestions towards ensuring the ethics of business among the business individuals. Among the suggestions are the needs for mass awareness campaign using the various means of communications such as radios, Television, newspapers and bulletin, workshops and seminars etc. It is equally observed that the success of the campaign would be much more accepted if Islamic scholars are co-opted to support the campaign.

They also suggested that the traders should be made to understand the concept and benefit of adhering to ethical business practice, the increase in both profit and reward that would be gain when they adhere to it.

It is also suggested that Hisbah Corps should be stationed in each market permanently and mobile court for punishment of defaulters on the spot should also be provided and the punishment should be on anybody that violate the ethics of doing business. Finally they suggested the needs for credible and competent Hisbah Staffs on market supervision and government support.

4.5: Result of the Researcher's Unstructured Observation

This tool of data collection is employed to enable the researcher to capture and report the eye witness evidence and facts qualitatively to establish and back up the authenticity or otherwise of quantitative data retrieve through other means. The researcher comes across the following facts:(a) It is observed that Hisbah Board have all the mechanism needed to ensure the adherence of the members of business communities to proper weight and measures, buying and selling of qualitative and non-adulterated product, eradicating hoarding and monopolistic collision and ensure the eradication of fraud and cheating in Kano markets. But the main problem is that Hisbah have no enough staff that could ensure all this, even if they have some of them are on casual basis,they are facing is over burdening or too much work on Hisbah staff apart from market inspection. They engage on marriage reconciliation and other matters related to disputes between individuals. Therefore, they are not able to station their staff permanently in the market. Some of the staff met in one of the market, confirmed that they are only there to monitor selling of hard drugs. (b) Hisbah Board has not been able to frequently advertise its activities. Throughout the period of this research no bill board spotted in Kano metropolis depicting its activities or anything regarding business ethics. And they rarely advertised their activities in commercial radio station, television or newspaper, they only have a monthly magazine which is not patronize by many.(c) Also only one market was found to have the permanent office of Hisbah Board provided by the market association. (d) They also go to the market frequently on schedule to enlighten the members of business communities on ethical business practice but they rarely impose them to adhere to it.

Another abnormality observed is that some of the business individuals are not registered with the market union, they just did their business without membership, this was observed in almost all the market, therefore not able to be controlled and impose with business ethics imposed by the Hisbah Board.

In conclusion moreover, HisbahBoard staff has been overburden more with different activities such as marriage reconciliation, resolving of disputes, fighting prostitution & alcohol, and many more activities that hindered them from execution of their mandate in ensuring ethical business practices in the market.

4.6. Discussion of Major Findings of the Study

The researchers' data analysis has revealed that all the four hypotheses formulated in the study have been rejected.

The role of Hisbah in controlling weight and measures in Kano metropolis is enormous and significant in ensuring ethical business practices not only in Kano metropolis but Nigeria in general. But due to some circumstances Hisbah has not been adequately able to control it. This finding is in accordance with the assertion made by Dogarawa (2011); and Musah (2014).

Ensuring quality of product by Hisbah Board is essential, which prevent traders from adulteration of products and adhering to business ethics. It is discovered that some traders have poor attitude toward ensuring quality of their products and Hisbah also have not been able to fully ensure the standard quality of the product. This is in line with findings of Saleh (2009) and Fuad (2014).

Controlling Monopoly/Hoarding represent an essential element of business ethics as it ensures the availability and fair prices of products. Rejection of HO₃ indicates that some of the traders have not been able to abstain from hoarding, as the incessant increase in price were put against traders for their hoarding and monopolistic tendencies. Also Hisbah Board has not been able to adequately control it. This is in tangent with Dogarawa (2011) and Islahi (2006).

Furthermore, it is found out that HO₄ indicating that some of the business peoples are not adhering to the ethics of ensuring they distance themselves from cheating and fraud in their daily businesses. A lot of lies and struggle from the side of some traders to maximize profit without consideration on whether it is in line with ethics of doing business. This implies that Hisbah Board has to do more to ensure cheating and fraudulent act in Kano markets are reduce to the minimal level. This is in line with the assertion made by Musah (2014); Hashim (2012) and Fahmy (2010).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary

This Study attempts to assess the role of Hisbah board in ensuring the adherence of ethical business practices by the business individuals in Kano. It is aimed to assess the role of Hisbah board in controlling weight and measures in Kano metropolis markets; to appraise the extent to which Hisbah board ensure quality of product in Kano markets; to evaluate the role of Hisbah board in controlling monopoly/hoarding; to examine the role of Hisbah board in controlling cheating and fraud in business activities and to assess the capacity and competency of Hisbah staffs in ensuring ethical business practices. The study only covers traders in Kano metropolis. Where by some of the major markets were selected. These are big market places where most of the business activities/individuals are largely represented. However the study has included the staff of Kano state Hisbah Board to be among the population of the study.

Therefore the data analysis revealed the following findings;

The hypotheses formulated in the study have been rejected indicating that Hisbah Board have not been able to adequately play a role in controlling weight and measures in Kano markets, ensures quality of product in Kano markets, plays role in controlling monopolistic collusions in Kano markets, controls cheating and fraud in Kano markets.

Building awareness of business ethics of course is very significant which was found to be rare, it is a determining factor that enables the business individual to know what they are going in to, how they should do it and what they will benefit or lose when they did it right or wrongly. It is obvious that business individuals cannot adhere to what they don't know.

Indiscriminate punishment from the part of Hisbah whereby only small traders are punish while the big ones are left. And also lack of inspection of big traders.

There are non-implementations of meaningful and effective ethical policies, standard measurement, quality control that will support high standards of business behavior and ultimately help in achieving the target of ethical business development.

The Hisbah Board is under staff and has a lot of casual workers which hindered its functioning and necessitate them to not permanently station their staff in every market so that the philosophy and ethics related to business should be understood and adhered.

Inability to check unethical practices that appear injurious to society and individuals, for instance, concealing information on expired products, hoarding, and adulteration among others (as it is doing for hard drugs dealers by stationing its staff just for the purpose).

The Hisbah Command is becoming jack of all trades, overburdened with multiple duties that hindered them to handle the work of market supervision well

5.2 Conclusions

This study in line with the findings the researcher arrived at the following conclusions:

Controlling weight and measures in Kano markets by ensuring its standardization and adherence by the business persons is a factor that ensures the ethical business practices in Kano State. But it is noted that the Hisbah board have not done very well in controlling weight and measures in Kano markets.

Hisbah board has not been able to ensure the much needed quality of products in Kano markets as they lack the yardstick, standard quality assessment and inadequacy of its staff station in various markets to ensure that adulterated products are wiped away.

Controlling monopoly/hoarding is an important measure that can relieve a lot of people from difficulty and ensure availability of a product which in turn can lower its prices of the affected products. Hisbah has been successful in enlighten people in this regard, but has not been able to punish the big business tycoons who are the mastermind of business hoarding

and monopoly, but still much has to be done and enforcement has to be applied from the part of Hisbah.

The sensitizations of Hisbah board also to some extent has been able to reduce cheating and fraud in business activities. But still a lot has to be done in controlling cheating and fraud in business activities.

Also Hisbah staff have been able to possess the required competences to take charge of the responsibilities with regard to ensuring ethical business practices in Kano market but have not been able to effectively carried the task due to some certain challenges which includes the non-permanency of their appointment, work overburden, shortages of working materials, mobility etc.

In view of the above, the role of Hisbah Board in ensuring ethical business practices has not been successful due to some weaknesses from their part and majority of the business people.

5.3. Recommendations

Based on the aforementioned findings and subsequent conclusions reached, the following recommendations had been proposed by the researcher:

- I. Hisbah Board must ensure that the traders through their various unions have knowledge of the regulations and business ethics of Islam. It is important that they read and understand the things that are outlined in the Qur'an and Sunnah. An adherence to Islamic ethical standards will reduce the risk in commercial transactions and create favorable conditions for the development of effective and sustainable business.
- II. Hisbah must ensure equal treatment to all traders whether big/powerful or small. They should monitor the implementation of the guidelines fairly and impartially without favoritism and provide space for people to express their grievances and provide complaints if there are any irregularities.

- III. Developing a meaningful and effective ethics policy, standard measurement, quality control and their successful implementation. This will support high standards of business behavior and aid ethical decision making that will ultimately help in achieving the target of ethical business development.
- IV. Hisbah should recruits more permanent staffs, and permanently station some of their staff in every market so that the philosophy and ethics related to Islamic business ethics are understood and implemented in a holistic manner.
- V. Hisbah must ensure that unethical practices that appear injurious to society and individuals are checked. For instance, concealing information on expired products, hoarding among others, should be monitored and corrected by bringing perpetrators to book to deter other individuals.
- VI. They outlined and design their activities in such a way that they would not be overburdened with too much work which will prevent them from doing many things well.

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APPENDIX A
QUESTIONNAIRE
INTERNATIONAL INSTITUTE OF ISLAMIC BANKING AND FINANCE
BAYERO UNIVERSIT, KANO.
QUESTIONNAIRE FOR BUSINESS PEOPLES IN MARKETS

Dear Sir/Madam.

I am a postgraduate student pursuing my masters of Science degree in Islamic Banking and Finance. I am currently writing my thesis on the topic “The Role of Hisbah board in ensuring Ethical business practices In Kano Metropolis”.

I wish to solicit for your cooperation to kindly answer this questionnaire. All responses given will be treated with confidentiality and will be used strictly for academic purposes.

Yours faithfully.

YahyaSulaimanBaguda

(SPS/13/MIF/00007)

08062663129.

APPENDIX B

QUESTIONNAIRE FOR BUSINESS PEOPLE IN KANO MARKETS

PERSONAL DATA

Please tick (✓) where appropriately in the boxes below and fill in the spaces where applicable.

1. Sex: a. Male b. Female
2. Kindly do indicate the age group.
 - a. 18 – 25Years b. 26 – 35Yearsc. 36 – 45Yearsd. 46 – 55Yearse. 55Years and above.
3. Marital status: a. Single b. Married c. Separate d. Widowed e. Divorced
4. Qualification of the Respondents: a. WAEC/Equivalent b. OND/NCE/Equivalent c. HND/B.Sc/B.A/B.Edd. MBA/MBF/ACA or Equivalent
e. M.Sc. /Ph.D.
f. Others (Please Specify).....
5. Market:

Instructions: Below are statements that describe how you see the role of Hisbah Board with regard to ensuring an ethical and clean business practices in Kano markets. Please answer the questions by using scales rank from 1 to 5 to indicate your level of agreement or disagreement with each statement as presented below;

- | | |
|---------------------------|------------------------|
| 1= Strongly Disagree (SD) | 4= Agree (A) |
| 2= Disagree (DA) | 5= Strongly Agree (SA) |
| 3= Undecided (UD) | |

SECTION ONE (for weight and measures):

S/N	QUESTIONS	RANK (1 - 5)
1.	The present of Hisbah in Kano markets improves the standards of Weight and measures.	
2.	Hisbah has put in place a laid down rules controlling weights and measures in the market.	
3.	Business individuals felt the impact of Hisbah in controlling weights and measures.	
4.	There is provision of standard unit of measurement by Hisbah to marketers.	

SECTION TWO (for ensuring the quality of product):

S/N	QUESTIONS	RANK (1 - 5)
5.	There exist rules governing the quality of products traded in the markets by the Hisbah.	
6.	The rules of Hisbah are enough to ensure quality of product traded in the market.	
7.	The awareness campaign and present of Hisbah improve the quality of our products in Kano markets	

SECTION THREE (For controlling Hoarding/Monopoly):

S/N	QUESTIONS	RANK (1 - 5)
8.	The activities of Hisbah in the market can serve as better measures in curving the problem of hoarding than any other agencies.	
9.	The measures and awareness campaign of Hisbah board against hoarding is highly accepted by business peoples.	
10.	Hisbah board punished those that are caught hoarding.	

SECTION FOUR (For controlling cheating and fraud):

S/N	QUESTIONS	RANK (1 - 5)
11.	Hisbah supervised the behavior of sellers in the market with a view to ensuring right behaviors and preventing fraud and cheating.	
12.	Hisbah Board enlightens the people against hiding the defect of a product.	
13.	Hisbah has created more ethically oriented marketers, which minimized the potentiality of fraud and cheating.	

14.State some problems associated with Hisbah activities in the market.

Kindly suggest the way forward to enable effective services of Hisbah personnel in ensuring ethical business practices.

Thanks for your concern.(08062663129)

APPENDIX C

CRONBACH ALPHA RELIABILITY ANALYSIS

Latent Variable	Number of Questions	Cronbach Alpha Value
HO₁	4	0.94
HO₂	3	0.95
HO₃	3	0.88
HO₄	3	0.89

Source: Survey Data, 2016.

APPENDIX D

Required Sample Size[†]

Population Size	Confidence = 95%				Confidence = 99%			
	Margin of Error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

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