

ABSTRACT

This study aims to determine the role of Islamic business ethics on the business performance of Food MSME's through the balanced scorecard as a measurement indicator. This research was conducted on food MSME business actors scattered in the city of Semarang. In this study using various data sources in the form of primary data and secondary data.

This study uses a census technique with samples selected by purposive sampling, namely the technique of determining samples with certain considerations to become respondents. Research questionnaires were distributed to 98 Food MSME business in the city of Semarang. The data analysis technique in this study, the researchers used descriptive analysis methods to analyze the perceptions of business people towards Islamic business ethics, while to analyze the role of Islamic business ethics on the performance of MSME's using the Partial Least Square-Structural Equation Modeling (PLS-SEM) method with the SmartPLS 3.2.8 application. to determine the path coefficient and the direct or indirect effect between variables.

The results of this study indicate that Islamic business ethics has a positive and significant effect on the performance of financial perspectives, internal business, and growth and learning. Islamic business ethics does not directly affect the customer's perspective. However, Islamic business ethics can affect the formation of the other three performances that will affect customer performance.

Keywords: business ethics, performance, balanced scorecard, PLS-SEM, MSME