

IHSAN REFLECTION MODEL (IRM): A HOLISTIC FRAMEWORK FOR ETHICAL INSIGHT IN ISLAMIC ACCOUNTING AND FINANCE

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ABSTRACT

Ethics has great significance in education that serves as the cornerstone of Islamic society, ensuring a comprehensive framework for teaching in its effort to humanise education. As new technological changes and developments occur, many challenges also grow globally. The entire world is becoming mechanical and commercial with the expectation of honesty and commitment being more of a dream now. Due to this, a great demand for ethics to inculcate and develop morality and values among youths has increased in education. Ihsan Reflection Model (IRM), based on Gibbs' Reflective Cycle (1988), is a structured framework consisting of six stages that guide individuals through reflection, learning, and ethical development in Islamic financial decision-making. This model aims to cultivate well-rounded individuals with strong faith, knowledge, and noble character so that eventually, they will have a solid ethical foundation rooted in Islamic moral values. Integrating Islamic ethical principles with reflective writing in education, personal and professional life, can significantly enhance moral resilience, accountability, and ethical leadership. This integration ensures long-term integrity and success. As a result, this approach stimulates students' interest and encourages structured self-reflection, lifelong learning, critical thinking, and continuous development.

KEYWORDS: *Ethics, Self-Reflection, Ihsan, Lifelong Learning, Comprehensive Excellence*

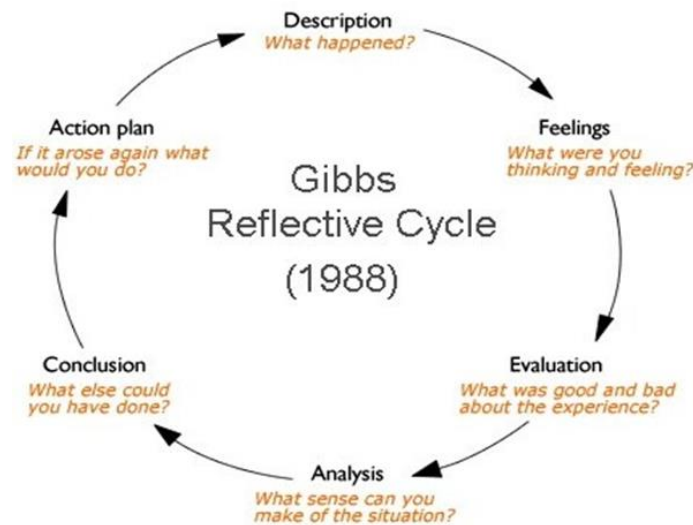
PROBLEM AND OBJECTIVE

The deterioration of ethical values among the younger generation in Malaysia has become a significant concern in recent years (Wan Ismail et al., 2022; Rezaly et al., 2021). Despite the vast amount of knowledge available to educate mankind, ethical problems are often highlighted, whether at home, learning institutions or the workplace. It is crucial for a nation to ensure that the community emulates good ethical values while economic progress is promoted for general well-being. One solution available is the Ihsan Reflection Model (IRM) as a holistic framework for ethical insight in Islamic Accounting and Finance at UMK to enhance the education system's development. Being adaptable and universal, this model has provided an indication on the impact of ethics related subjects in shaping the moral values of students at this higher learning institution.

DESIGN DESCRIPTION

The Ihsan Reflection Model (IRM), based on Gibbs' Reflective Cycle (1988), serves as a framework for ethical insight in Islamic finance and accounting by integrating Islamic values with reflective practice. The Ihsan Reflection Model (IRM) is designed to encourage ethical self-reflection among professionals and students, ensuring that their decisions align with Islamic moral values. By integrating Islamic ethical principles such as Ihsan (excellence), Taqwa (God-consciousness), and Adl (justice) into financial decision-making, the model promotes a value-driven approach in the field of Islamic finance and accounting. Additionally, IRM enhances

accountability by fostering continuous ethical improvement, enabling students to regularly assess and refine their moral conduct. It also serves as a bridge between theory and practice, ensuring that Islamic accounting finance students not only understand ethical standards but also apply them effectively in real-world scenarios. Furthermore, IRM helps prevent unethical financial practices such as fraud, deception, and interest-based transactions by encouraging self-regulation and moral mindfulness. Ultimately, the model cultivates a financial ecosystem rooted in integrity, trust, and social responsibility.



Gibbs' Reflective Cycle (1988)

1) Description (What Happened?)

- Identifying an ethical situation or dilemma in Islamic finance.
- Example: A financial professional encounters a conflict between Shariah compliance and profit-driven decisions.

2) Feelings (What Were You Thinking & Feeling?)

- Encourages reflection on personal emotions and ethical concerns related to the decision.
- Example: The professional might feel pressured to prioritize profits but experiences moral hesitation.

3) Evaluation (What Was Good & Bad?)

- Examining the ethical and unethical aspects of the decision.
- Example: Choosing profit might benefit stakeholders but compromise Islamic ethical values.

4) Analysis (What Sense Can You Make of the Situation?)

- Applying Islamic principles (Ihsan, Taqwa, Adl) to understand the moral implications.
- Example: Evaluating whether the decision aligns with justice (Adl) and trust (Amanah).

5) Conclusion (What Else Could You Have Done?)

- Reflecting on alternative ethical actions.
- Example: Choosing a Shariah-compliant financial model instead of a profit-only approach.

6) Action Plan (If It Happened Again, What Would You Do?)

- Creating a strategy for future ethical decision-making.
- Example: Consulting Islamic scholars or Shariah advisors before making financial decisions.

NOVELTY AND UNIQUENESS

The Ihsan Reflection Model (IRM), inspired by Gibbs' Reflective Cycle, presents a novel and unique approach to ethical decision-making in Islamic finance and accounting. Unlike conventional models that focus solely on compliance, IRM integrates Islamic ethical values such as Ihsan (excellence), Taqwa (God-consciousness), and Adl (justice) into a structured self-reflective process. Its uniqueness lies in its holistic and dynamic nature, which encourages students to internalize ethical principles rather than merely follow regulations.

IRM also enhances it with Islamic moral principles, making it culturally and religiously relevant to Islamic finance. By incorporating spiritual self-assessment, IRM encourages students to analyze their ethical choices, evaluate alternatives, and commit to ethical excellence. This approach not only ensures compliance with Shariah law but also fosters a deep-rooted ethical consciousness that influences long-term behavior.

Furthermore, IRM is unique in its proactive rather than reactive approach to ethical issues. Instead of addressing ethical dilemmas after violations occur, it promotes continuous ethical reflection to prevent misconduct before it happens. This makes it particularly valuable in Islamic financial institutions, where trust, transparency, and fairness are paramount. By integrating self-regulation, moral mindfulness, and ethical foresight, IRM offers a distinctive and transformative model that goes beyond traditional compliance frameworks, fostering a culture of integrity and accountability in Islamic finance.

BENEFITS TO MANKIND

The IRM offers profound benefits to mankind by promoting ethical awareness, integrity, and accountability in decision-making, particularly in Islamic finance and accounting. One of the key advantages of IRM is its ability to instill moral consciousness by encouraging individuals to reflect on their actions, emotions, and ethical responsibilities. This structured approach to self-reflection helps students make ethically sound decisions, fostering a society built on trust, fairness, and justice.

Furthermore, IRM contributes to economic sustainability by preventing unethical financial practices such as fraud, corruption, and exploitation. By integrating Islamic values such as Ihsan (excellence), Taqwa (God-consciousness), and Adl (justice) into financial systems, the model helps create a just and equitable economy, ensuring that businesses and financial institutions operate with social responsibility and moral integrity. This, in turn, leads to greater public confidence in financial institutions, promoting long-term economic stability and prosperity.

Beyond finance, the IRM's holistic and reflective approach benefits mankind by fostering personal growth, ethical leadership, and community well-being. It encourages individuals to engage in continuous self-improvement, leading to stronger moral character and responsible decision-making in all aspects of life. Additionally, by promoting compassion, fairness, and ethical mindfulness, IRM contributes to the development of harmonious societies where individuals uphold justice and integrity in both their personal and professional lives. Ultimately, the model serves as a guiding framework for ethical excellence, ensuring that mankind thrives in an environment of honesty, accountability, and righteousness.

COMMERCIAL POTENTIAL

The Ihsan Reflection Model (IRM) has significant commercial potential across various industries, particularly in Islamic accounting and finance, corporate governance, ethical training, and leadership development. Its structured approach to ethical self-reflection makes it a valuable tool for businesses, financial institutions, and educational organizations looking to enhance integrity, compliance, and responsible decision-making.

One of the key commercial applications of IRM is in the Islamic finance sector, where it can be integrated into Shariah compliance frameworks, corporate governance policies, and ethical auditing. Financial institutions can adopt IRM as a self-regulatory mechanism to promote transparency, ethical leadership, and risk management, ultimately strengthening stakeholder trust. Additionally, it can be used as a certification or training module for professionals and students in Islamic banking and finance, offering a competitive advantage for institutions that prioritize ethics and accountability.

Beyond finance, IRM holds commercial value in leadership and corporate ethics training. Organizations can implement it as part of their corporate social responsibility (CSR) programs, ensuring that employees engage in ethical reflection and responsible business practices. It can also be developed into interactive workshops, online courses, or consultancy services, catering to businesses seeking to embed ethical culture within their operations. Moreover, IRM has potential in education and academic research, where universities and training centers can incorporate it into curricula on ethics, governance, and leadership. The model can also be marketed as a professional development tool for individuals seeking to enhance their moral reasoning, critical thinking, and ethical decision-making skills. By offering a structured, values-driven approach to ethical reflection, IRM has the potential to become a marketable and scalable framework that benefits organizations, professionals, and society at large. Its adaptability across industries, along with its emphasis on ethical excellence and sustainability, makes it an innovative and commercially viable model in today's increasingly ethics-conscious business environment.

CONCLUSION

The IRM is a holistic ethical framework designed to guide ethical decision-making in Islamic accounting and finance. It emphasizes reflective ethics through intention (niyyah) and self-accountability (muhasabah), ensures Shariah compliance aligned with the higher objectives of Islamic law (maqasid al-shariah), and promotes student-centered engagement for social justice and trust. The model supports practical implementation through ethical tools, training, and decision-support mechanisms. Future directions include digital integration of IRM in financial systems, empirical validation through case studies, standardization in collaboration with regulatory bodies, inclusion in education and training programs, and its expansion into other ethical domains like healthcare and governance.

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