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### Building Concept of Corporate Social Responsibility Reporting through Islamic Perspective on Sharia Bank

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**Abstract:** As a form of accountability for its economic activities, every company in the world must perform CSR activities, including companies in Indonesia. Unfortunately, the values contained in current CSR reporting contain only secular activities, while Indonesia is a country with 200 million Muslims who are entitled to use Islamic religious values in their lives that are included in economic activities, including CSR. This study aims to find the appropriate Islamic values and can be applied in CSR activities. This study finds value in Islam that can be a reference company, in terms of this research is a sharia bank, for CSR activities, namely the values of Itqan and Jaudatul 'Ada.

**Keyword:** CSR, Islamic, economic, Itqan, Jaudatul 'Ada

#### INTRODUCTION

Corporate social responsibility or corporate social responsibility (hereinafter referred to as CSR or CSR) arises because of the awareness of the company to realize the ideals of "living together in a harmony" by way of companies paying attention to the preservation of nature and social environment of society. The company is deemed not only to have economic and legal responsibilities to shareholders, but also to social responsibility to other stakeholders (Raditya, 2012).

Borrowing the term from biology, corporations and society should have a symbiotic relationship of mutualism, as society and enterprise are mutually beneficial, but in practice that has not happened yet. As revealed by Anggraeni (2015) that disclosure of CSR information in the annual report or Sustainability Report is one way companies to build, maintain and legitimize the contribution of companies from the economic and political side.

Currently the majority of companies in the world use the Global Reporting Initiative (GRI) as a guide in the preparation of its CSR pioneering (Khoirudin, 2013, KPMG, 2011). GRI is an international non-profit organization that proposes the use of sustainability reports as one way companies can be more sustainable and contribute to sustainable development. The GRI uses the baseline of the Triple Bottom Line concept which refers to three main aspects of Profit, People, and Planet (GRI, 2013). However, Triyuwono (2015) has a different idea from the understanding that the concept and application of the Triple Bottom Line theory that reduces accountability to Allah, which makes Triyuwono complete the Triple Bottom Line by adding two responsibilities to the Prophet and Allah SWT (Allah) so as to create Pentuple Bottom Line (five aspects: Profit, People, Planet, Prophet, Allah). The pentuple bottom line is considered more appropriate and suitable if used by companies that embrace the principles of sharia in the operational examples of sharia banking, because incorporating the existing teachings in the Qur'an (Allah) and Sunnah (Prophet), as a basis of sharia law so that more comprehensive and not There is a dichotomy between material (the world) and the spiritual (hereafter).

The researcher argue, currently the social responsibility undertaken by the existing companies for the most part is not in accordance with Islamic values, only limited to meet the needs of the regulations such as Law No. 25 of 2007 on Capital Investment and Law No. 40 of 2007 on Limited Liability Company. In other words, the social responsibility activities may have been carried out and reported, but these activities have not touched on the substance of the real responsibility. Referring to the theory of legitimacy, the reporting only served as a tool to gain legitimacy from the local community where the institution is located, so the institution's economic activities are still supported and can continue. In line with the theory of legitimacy, when viewed through the eyes of stakeholder theory, the application of social responsibility is only a means of meeting the needs of certain stakeholders who have direct relationship to the institution, such as investors, the community as potential investors and the government as regulator.

The economic and sharia banking conditions in Indonesia do not currently use the principles of sharia as a whole. Though Indonesia is home to more than 200 million Muslims who should do his actions according to sharia, as part of his duty as worshippers to Allah. The researcher is concerned that if the bank with value as big as Bank Syariah Mandiri (BSM) reports that the CSR is not in accordance with sharia principles by containing the value of monotheism, justice and prosperity and still using the secular-minded GRI, this activities will also be followed by other sharia banks. Of course this is concerning, considering that a Shari'ah entity must apply the appropriate Islamic guidelines in every business process.

All this is caused by two main theories commonly used in explaining the practice of social responsibility disclosure namely the theory of legitimacy and the theory of stakeholders. In a company that is imbued with capitalist values, using both theories is not a problem. But for an institution founded on behalf of sharia, this clearly raises the question. Islamic finance institutions are founded with a philosophy and purpose that is clearly different from conventional companies. Therefore, using theories that are full of capitalist value must not be allowed to happen any longer in Islamic financial institutions.

On the basis of that thought, the researcher proposed a research with the theme "How Implementation Of Value "Itqan and Jaudatul 'Ada" For Development Concept Reporting Corporate Social Responsibility at Bank Syariah?". This study aims to develop a concept of Corporate Social Responsibility (CSR) reporting that can demonstrate human accountability to Allah, accountability toward other human beings (humans

and nature), maintaining transparency by seeking meaning for the elements of the faith, as well as assessment indicators CSR reporting.

### **HOMO ECONOMICUS VS. HOMO ISLAMICUS**

Why should there be CSR / CSR compatible with Islamic principles? The answer to that question involves worldview, paradigm or *tashawwur*. Worldview, for Wall (2001: 532), is an integrated system of basic beliefs about the nature of yourself, reality, and the meaning of existence. Acikgence (1996: 1-2) defines worldview as the basis for every human behavior, including scientific and technological activities. While Smart (Fahmy, 2005) gives the worldview a sense of “trust, feeling, and what is in the mind of the person who serves as a motor for sustainability and social and moral change.”

From the above understanding, the worldview is the motor for social change, the principle for understanding reality, and the principle for scientific activity. In fact, says Fahmy (2005: 3), worldview involves human epistemological activity, because it becomes an important factor for human reasoning activities.

When capitalism views man as a *homo economicus*, which places man as an individual with his self-interest, he has a certain answer to the question above. The answer is certainly different from Islam which views human as *homo islamicus*, which puts human beings as social creatures, who have self-interest but varying degrees.

*Homo economicus* represents a human being who is rationally formalized in a particular social science model, especially in economics, acting in the interest to achieve in a goal-oriented way. *Homo economicus* is always interested in materialistic things and is obsessed with his ability to collect something that can be counted. They did not hesitate to count and show it. Today, modern economic frameworks and structures are built on the principle of *homo economicus*, whose behavior is assumed to be in the social science tradition.

In *Homo Islamicus* circles, they used the opposite. The most important difference between *Homo Islamicus* and *Homo economicus* is the understanding of equal love between the individual, the *rahman* and the *raheem*. Contrary to egocentricity, Islam teaches that the welfare of society can be achieved when every individual behaves justly, *ihsan*, and in accordance with Islamic rules, including with property and its utilization. This teaching can be found in the letter of Al-maun (Surah 107 verses 1-7). Allah SWT insinuate even admonish the people who perform the prayer but neglect their social life, even ignore the poor people.

Ownership of property is evenly distributed with a very tight regulatory system. Such a system violates the nature of human life in which there are those who earnestly strive so that their livelihood increases, while others are still lacking due to the weak work ethic. *Homo Islamicus* offers something that can be the antitrust of such coercion, the Islamic economic system with the principle of justice in business cooperation, economic equalization through the empowerment of *amil* agencies, the protection of social value of property from non-halal resources, and the form of net acquisition of *riba*. Through the Islamic economic system, *Homo Islamicus* considers that the glory can be achieved if people can worship Allah SWT without any doubt and loss, able to economically empower, empower other people, and not commit cruelty to other creatures.

Citing the *fiqh* rules, an imperfect obligation (the execution) except with a means, the means of acquiring the property becomes its legal obligation. Thus, if the necessity of possessing wealth in the capitalist perspective is motivated by the paradigm of ‘capital, for capital, for capital’, for Islamic ownership of property departs from the theological (business), namely “from Allah, for Allah, to Allah” (Djakfar, 2012: 2-8). “From Allah”, it means the motivation of a Muslim in performing economic activity, consumption, production, donation, exchange, is in order to fulfill his command, as a source of *taklif* (command-prohibition). Furthermore, “because of Allah”, meant in conducting economic activities not because of the economy alone, but because of Allah, thereby obeying the divine rule of law in its economic activity. Whereas meant “for Allah” is because the end goal of all such activities is not limited to do eating, clothing, and housing. However, as a means to serve Allah. As Ibn Taimiyah (1413/1993: 47) says that Allah created the slave to worship the treasure.

For more details, the paradigm comparison of homo economicus and homo islamicus can be seen in the following figure:

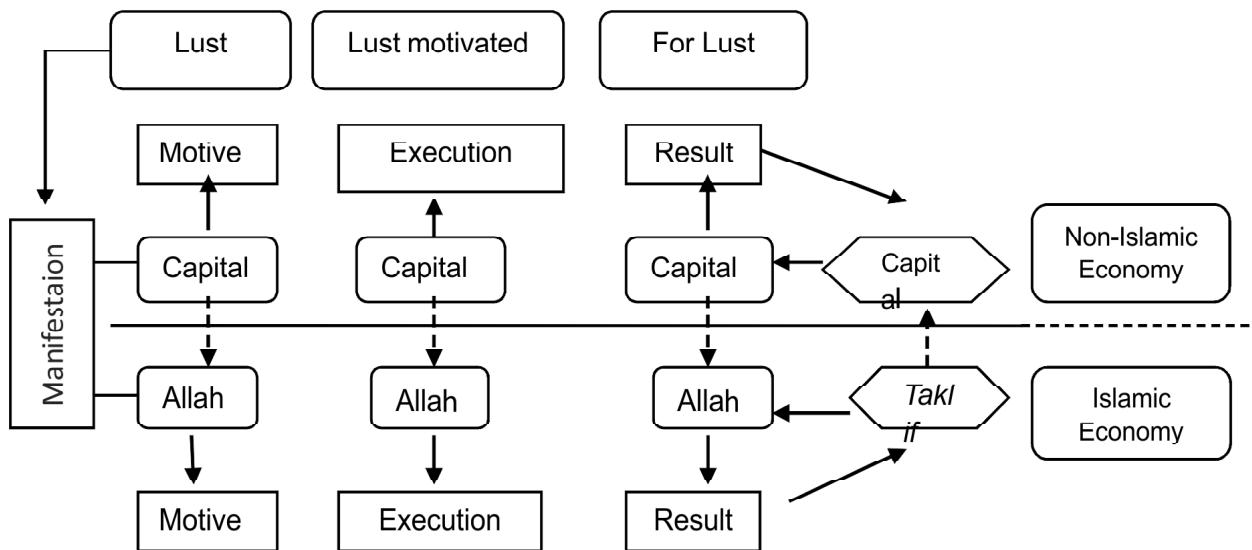


Figure 1: Comparison between homo economicus and homo islamicus

This ‘taklif’ paradigm will eventually give rise to the characteristics of homo islamicus, which are as follows:

First, taklif (burden, task) worship becomes the main driver of individual action. All activities are ritual or material, framed by taklif conception. So that all his actions in the capacity run the divine obligations (for Allah) and for the betterment and goodness (Surat al-Hud (11): 88). No doubt that homo Islamicus also has self-interest, it’s just that the meaning of self-interest in Islamic economics departs from the assumption of human altruistic nature. Warde in Hoetoro (2007: 236) for example, holds that Islam is concerned with the welfare of individuals and communities while asserting the necessity for every individual to behave altruistically and to make religious norms the basis of all his economic actions. Thus, Islamic economic theory refers to this doctrine and assumes human dignity is essential so that self interest in the homosexual economic motives of Islamicus is very unique.

Second, consideration of self-interest, social and devotion to Allah. This consideration is different from homo economicus which self cetredness. In Islam, man is an individual entity that has obligations and responsibilities. In the context of ownership, it is burdened by economic obligations, such as work being the door of ownership. Then at the stage of utilization of property rights there are social limits that must be obeyed. As said by Ukasyah (1406/1906: 72) that there is a social function in private ownership. In contrast to liberalism which assumes the absence of a social whole that transcends the life of an individual, and no legitimacy of any kind sacrifices the interests of the individual for social purposes (Nozick 1974: 33-34).

The form of consideration of devotion to Allah in possession, as Said bin Musayyib says that the function of ownership is to worship his Lord, fulfill his (social) responsibilities, maintain his honor, and be self-sufficient in fulfilling his personal needs (Ibn Taimiyah 1426/2005: 29/280). Based on obligations to self, to society and to Allah SWT, ownership in Islamic perspective has material (economic) function, social function, and ritual-spiritual function.

Third, the concept of rationality in Islamic economics has a broader dimension, not only based on the use value or other material measures (Hoetoro, 2007: 241).

Fourth, the concept of utility does not merely achieve material gain. Economic theory describes utility as an effort to master / have goods and services to satisfy human desire. Satisfaction or satisfaction can only be determined subjectively, so that each person can determine his level of satisfaction, depending on the criteria he sets himself. All economic activities, both production and consumption processes, are based on the spirit of utility. But in Islamic Economics only goods / services that can develop and sustain *maslahat* only that can be categorized as goods / services that contain *maslahat*. Therefore, from a religious point of view, a Muslim individual is encouraged to obtain or produce goods / services that contain the benefit.

### **ITQAN: THE VALUE OF ISLAM AS A MASLAHAT GIVER**

Itqan is an activity and work, in the form of skills that are owned by people in the form of hard work and smart work. Ihsan (the kindness) requires *itqanu al'amal* (itqan in practice). There is a close connection between ihsan and itqan. It is a hidden potential in itself, linked to the spiritual that is translated in the form of real charities in the form of skills and expertise. The Prophet attributed itqan with this ihsan in the hadith, "Allah obliged to be kind to all things. When you slaughter animals, then slaughter it with ihsan (kindness)". The word ihsan here is synonymous with the words itqan. The Prophet tried to instill a sense of compassion in the hearts of Muslims in order to transform it to charity, although not all charity and work had no social impact, such as slaughtering animals.

Itqan is a hard work and smart work that results as a manifestation of charitable acts of believers. In the work, the believers strive to worship and obey Allah as the owners of their bodies and their spirits. There is nothing to be asked in the hard work except the pleasure of Allah in the form of the result that they can use to continue to worship Him. If they get wealth in form of food, they use the food as a source of energy to work in the intentions of worship. If it gets in the form of health it is used to continue to work and worship as a form of gratitude.

In the context of studying, doing Itqan are the characteristic of the good human. They not only doing everything in good term, but they also have an awareness of their purpose of doing so. The character of

the one who made Itqan written by Allah in QS Al-Baqarah 195. Allah says "... and spend (in your wealth) in the cause of Allah, and do not drop your souls to destruction, and do good, for Allah loveth those who do good". Allah connects the sentence to spend your property, do not sin, and do good because Allah loves those who do good (*itqannul practice*).

### ITQAN AS AN IDEAL CSR'S REFLECTION FACILITY

There are three reasons why CSR and the need for companies and SMEs are implemented. First, companies / SMEs are part of the community and therefore it is reasonable that the companies / SMEs also pay attention to the interests of the community. With the implementation of CSR, the company indirectly has a good relationship and emotional attachment to shareholders and stakeholders.

Second, businesspeople and societies have a mutualism symbiosis. For companies, to get community support, at least a license to operate, is a must for the company if it is required to make a positive contribution to society, thereby enhancing the image and performance of the company or SME itself.

Third, CSR activities are one of the ways to eliminate potential mass mobilization (population) to do things that are not as exclusive access and monopoly of natural resources exploited by the company without putting forward the expansion of opportunities for the welfare and development of human resources Which are located in the vicinity of mining areas in particular and in the general public of Indonesia.

In essence, banking has provided operational-related benefits in the field of services such as storage services, financing and other products or facilities that are highly needed by the community. The concept of benefits in Corporate Social Responsibility (CSR), more than economic activity. Sharia banks should provide wider and non-statutory benefits.

In BSM, the concept of CSR is among others by providing benefits to the surrounding people in the form of worship sites such as mosque and renovation of the mosque which is not feasible. Some information from sources that interviewers interviewed about BSM CSR in the form of building and renovation of mushola among them were submitted by Mr Nardi, he said that BSM has built a mosque in Bromo for a fee of around Rp. 1 Billion. Where the funds used are derived from social funds other than that, the poor empowerment program that is there by using zakat funds is allowed by DPS. BSM also constructed eight public rest rooms and rest area (gazebo). The facilities built by the BSM are not only used by Muslims but also the non-Muslims.

"What has been going on nowadays in terms of itqan may be like in the construction of Bromo musholla. There is an element of hard work and smart work, as the mosque is built in the cultural land of Hindu and the majority of the people there are non-Muslims (Tengger tribe) so it takes an intense approach with local officials and customary chiefs to know approaching they can receive, to gain legitimacy and good reception, because there is the area of Bromo Tengger Semeru National Park (TNBTS) protected and preserved by the plants and nature there. It is feared if any development can damage the authenticity and beauty as a tourist park. And because this development is in the tourist attractions such as parking. There is also activities there like the cutting of sacrificial animals (*qurban*). But for the da'wah itself we have not implemented due to tolerance and need a further approach, because in this mushola Bromo is not only Muslims but also non-Muslims who also enjoy the facilities. "

Based on the statement made by the Mrs. Noli, we can know that in the implementation of CSR of BSM contains itqan value in which BSM has been trying to do CSR with both professional and by providing facilities that benefit both domestic and foreign tourists, muslims and non-muslims. There is a genuine effort to build a place of worship and a place of rest that is representative in public places (places of tourism), so that smart work and hard work that is itqan values have been trying fulfilled.

### **ITQAN VALUE IN CSR IMPLEMENTATION AT BSM**

From the published BSM CSR report, we can see the reality of the BSM CSR from several aspects. Most notably, BSM has a high commitment to the implementation of CSR related to the environment, even though its core business is engaged in banking that has no direct impact on environmental sustainability. These commitments are set forth in:

1. SE No. 8/001 / PEM dated January 2, 2006 regarding Revision of Financing Guidelines
2. Financing Policy Book dated April 2, 2007, contains among others: Provisions on environmental management obligations for financing customers are set forth in:
  - a) Chapter II article 210 item E Financing Policy, “Banks should avoid financing for businesses that are not / have not met the environmental / AMDAL requirements so as to endanger the environment”
  - b) Chapter VI point A on Earning Assets Quality. Assessment of the quality of financing assets for pillars of customer financing business prospects is related to customer’s efforts in environmental stewardship.
  - c) Chapter XI item D Process of Granting Financing sub chapter of Productive Financing Analysis. In assessing the technical / production aspects of the Bank is required to undertake an environmental impact assessment, including:
    - The level of pollution in the production process
    - Means to avoid pollution / sewage treatment have been in accordance with the provisions or not.
    - Complaints from residents in the business premises / factories.
    - Must pay attention to applicable government regulations / regulations, ie whether the applicant / client has an AMDAL license from the authorized institution; and
3. Circular Letter (*Surat Edaran/SE*) no. 9/029-PEM dated July 26, 2007 entitled Revision Policy Guidelines Chapter VI. About Earning Assets Quality. Sub Chapter A.3.b.3). Evaluation of business prospects of financing customers especially for components related to customer’s efforts in environmental stewardship.

Interestingly, based on information provided by the resource persons, BSM does not yet have a long-term blueprint / roadmap of CSR. In an interview with the researcher, Mr. Nardi (Head of BSM CSR Department) gave the following statement:

*“This is also the name of the blue print of Bank Syariah that we are processing, not yet well formal, not yet exist because of limited time and personnel so far only based on SE directors.... Well if we measure the rules we use it we*

*must involve fatwas, shariah opinion, so even the rules SP or SPO (Standard Operation) BSM, it also basing to what is permissible by the fatwa or opinion of our DPS .. . “*

So far, the implementation of CSR in BSM based on existing demand in the field. In this regard, BSM's CSR division responds to requests and recommendations for the implementation of CSR from the heads of BSM branches throughout Indonesia. When this request reaches the CSR Division, they perform the analysis and publish the requisition of funds required for the CSR program in the area. Then the analysis and the request for the fund is made a money transfer note from account in BSM to fund channeling account in this case is LAZNAS BSM.

According to the researchers, this needs to be updated / improved to improve the quality of CSR management in BSM. Ideally, BSM has a medium-term / long-term policy on the CSR to determine the policy direction and how the expected conditions of the CSR division will be in the future. The policy can be a roadmap / blueprint that clearly shows the goals and milestones of the BSM CSR Division.

This roadmap / blueprint can contain policies, program plans, contingency plans, risk management, and adaptation plans for the core of CSR that is sustainability is maintained. Roadmap / blueprint can be derived again in the form of annual work plan (*Rencana Kerja Tahunan / RKT*) that describes the achievement targets in the related year (y) by considering the achievement in the previous year (y-1). This RKT can be broken down in detail by a challenging and realistic monthly, quarterly, and semester target.

In addition to roadmap / blueprint, ideally there are Standard Operating Procedures (SOPs) and technical guidelines for task implementation in the CSR Division as a clear regulation and to ensure the quality of implementing CSR is at a certain level. This is in accordance with the principles of transparency and accountability that are part of Good Corporate Governance.

The funds used to perform CSR in a company should be reserved from the profit or profit of the company as described in Law No. 40 of 2007 and Act No. 25 of 2007 but on BSM CSR funds are taken from social funds obtained from zakat, non-halal income and fine. It is also realized by Mr. Rudi as the director of LAZNAS, he said:

*“... So it's just a question is whether if BSM already give zakat korporatonya and submitted to LAZNAS into CSR funds and social funds continue to finish if related to his CSR funds? Well different, right? It should be BSM CSR funds from the gross profit after deducting the expenditures like the cost of blab blab all it can be net profit. Hopefully that is then set aside CSR, it should be like that ideally nah BSM has not been like that.”*

According to Mr. Rudi, even though BSM has issued zakat, BSM should still reserve funds from revenue less expense so that the profit comes from the profit is set aside a few percent for CSR activities, because the dimension of CSR can be used for internal and eksternal. Meanwhile, if the CSR BSM is sourced only from two funds ie zakat funds and social funds then both sources can not be used for internal (bank interests, eg marketing, branding, employee welfare, employee health etc.) and must be managed for external banks only.

If it is used internally then it becomes non-halal fund (which is not lawful for the bank), because the structure of the virtue fund includes fines (late payment of mortgage financing), non-halal income (demand deposit from conventional bank) and other social funds. In distribution, it should also differentiate the distribution of which activities are financed from the fines, which are from non-halal income, and which



are funded from other social funds because if not categorized and sorted out as it is feared not itqan because the distribution based on the source of acquisition to meet the rules Goodness and clear source. It can easily be described as follows: to finance the construction of musholla, the provision of scholarships and skills training should not be financed from non-halal and fines.

Researchers are interested to discuss further with some of the informants both from CSR funds manager Mr. Nardi and his team, also asked his accounting department with Mr. Suhendar as chairman and Mr. Chairuddin and Mr. Asrul as head of department. The researcher is interested because the figures presented in the report of the fund sources of virtues are listed as such that there is a very significant increase of over 100% from the previous year:

**Table 1**  
**Source of Social Fund (in Million Rupiahs) Annual Report 2015**

<i>Source of Social Funds</i>	<i>2014</i>	<i>2015</i>
Fine	30.289,56	73.106,99
Non-halal receipts (interest on current accounts)	441,57	427,35
Other social funds	4.624,15	203,81
Total social funding	35.355,27	73.738,14

In a conventional bank, all penalties imposed on a customer are recognized as income. The fine rate is usually the percentage of the installment value paid by the number of days of delay. The longer the delay in installment payments, the higher the penalty will be. While accelerated repayment pensions are usually a percentage of the outstanding outstanding principal. In conventional bank bookkeeping fines income is usually recorded in other postal group operating income so that automatically if more and more customers are late paying installment, or do repayment accelerated it will affect earnings of Conventional Bank.

What about sharia bank? Based on the fatwa of the National Sharia Council no. 17 / DSN-MUI / IX / 2000 concerning Sanctions on able customers who delay payment, there are several points which become the reference of imposition of fine to customers of Bank Syariah, that are:

1. Clients who are able to pay the installment but delay payment and / or do not have the will and good faith to pay the debts may be subject to sanctions (fines / ta'zir). Customers who are not / have not been able to pay due to force majeure shall not be subject to sanctions
2. Sanctions are based on the principle of ta'zir, which aims to make customers more disciplined in carrying out their obligations
3. Sanctions may be fines of a sum of money of which the amount is determined on the basis of the agreement and made when the contract is signed
4. Funds originating from fines are designated as social funds

From the above points, it is clear that the sharia bank can also impose fines on customers who are late in paying the installment or "undisciplined" for accelerated repayment. But it should be underlined that is to the capable customer who deliberately delay the payment of the installment not to all customers. The fines aims to be more disciplined customers to carry out their obligations. The amount of the fine must be

agreed from the beginning, in the form of percentage of the installment value depending on the length of the day of late.

As explained by Mr. Asrul, Head of Accounting Department as follows:

*“If in the system he is automatic, if there is a obligation that matures already through a day directly calculate 0.069% x principal and delayed margin per day, the system is generic automatic computerize apply in all branches about 600 branches. All will be calculated on a system basis every time the arrears arise, only when there are clients who filed an objection may submit to the head of the branch and the head of the branch will apply to the head office. Well just the company policy exists, for the suspension - suspension of it in the system can be refreshed can be in the wave so, it policy business unit anyway, what name does not rigid like that, depending on bank management but the system runs daily.”*

From the explanation of Mr. Asrul we get the idea that sharia banks impose the exact same fine with conventional banks both of the amount (0,069%) and the time is every day of delay that will accumulate until the new paid system will stop counting the fine. One thing that is the main differentiator between the Sharia Bank and the conventional Bank is the penalty paid by the customer not recorded in the income post, but in other bookkeeping outside the balance sheet and profit and loss of the Sharia Bank. The Sharia Bank does not derive any economic benefit from penalties because funds originating from fines are designated as social funds in which the use of such social funds shall also be reported in the published financial statements of Sharia Bank every quarter.

So, in addition to the different treatment of conventional banks and sharia banks against what fine red threads can be withdrawn, especially by customers? Essentially, every transaction with the bank in this case related to credit, the customer must read carefully the credit agreement to be signed. In the agreement complete contains the rights and obligations of both parties, including articles on fines. As explained Mr. Chairuddin:

*“The source of virtue funds currently used by Mr. Nardi and his CSG friends are three: fines, non-balal receipts, and other social funds. Well, this fine is related for example if the customer is late to pay. Only indeed, the fine can not be recorded as income. Termed as a non-balal income account for BSM, meaning that we can not consume in our income statement. Funds that we apply to public facilities, well like CSR’s funds. Well, that’s one source of the fine, the customers who are late to pay. Suppose one customer’s pay limit is 25<sup>th</sup> day each month, until the 25<sup>th</sup> he has no funds or has some funds to be paid, meaning some of the funds come in reducing the installment of principal and margin. The unpaid was fined. Well, we cash the fine, about 0.069% “*

When asked further about the mechanism of fines, the explanation was given again by Mr. Chairuddin how technical the imposition of the fine was,

*“The loan is accrued first. So the system will accrual with the balance. Later when the customer pays, there is a portion. For example, the principal installment first, it was his position eg januari that has not paid, the principal installment januari cut. If there is still margin remaining in January, accrual first. Later when in February to be paid off again. Well that portion first, penalties first, fine, first later on to the point, to the margin. Calculated first by accrual even though cashnya not exist, money in account there is not yet, but system already have priority.*

*Priority is the main installment first, then the new margin of fine, then penalty. If the principal for example was for the principal position in January already paid directly, in February there is a fund. Then, the principal installment already in February on the 1st, it turns out the customer deposits money into account amounting to the principal plus margin.*

*Next, the January principal installment is instantly debited by the system, straight into the January margin of the same system. The funding has run out again but the accrual of fine or penalty is not, well it will be a top priority, he goes up, just down later in February in the February margin. Later, when the customer pays more money in the account, for example on 28, 27, February 26, that system will prioritize the accrual priority, penalty or fine. Then, if there's more money going into the principal, go to the margin. "*

When researcher questioned whether there is a distinction between a capable customers who deliberately procrastinates with a customer who cannot afford to pay but has a fine as well, further explanation of Mr. Asrul is as follows,

*"If based on the system, the process is automatic. If there is a liability that has matured over the course of a day, the system directly calculates 0.069% x principal and delayed margin. The system works generically, automatic computerize. All will be calculated on a system basis every arrears. Only when a customer complains, they may apply to the head of branch and the head of branch will apply to the head office. Well, there is a company policy, for the suspension, the system can be refreshed, it's a business unit policy anyway, depending on bank management but still based on the running system. Until the customer pays, the formula just stops. The task of this system calculates funds and penalties, customers are charged or not, depending on each branch. Business units sometimes have certain considerations of customer penalties removed, so not be imposed on them. "*

When asked by the formula of imposition of a fine and whether DPS know it, Mr. Asrul and Mr. Chairuddin gave an explanation,

*"We do not know whether DPS knows it or not. But the formula of imposition of fines that we equate with the imposition in a conventional bank. The formula applies to the imposition of a fine. From where is the 0.069% formula? This applies generally, because our spirit is indeed a fine it is haram, non halal. But this is to give customers a deterrent if delaying repayments.*

*If for example we are lighter than the conventional banks of the substance is not there that we gave a deterrent was not so hit. All the customers to the sharia bank will apply the same. Because the spirit was because the fatwa is allowed in order to provide a deterrent effect to the naughty customers, so for the amount we follow the conventional bank. Must be equated, precisely, so it will have the same deterrent effect, conventional banks or sharia banks are equally subject to fines. The difference is, in conventional banks it is recognized as income, for us it becomes a social fund, just so "*

We can know that the imposition of fines has not been done by itqan and ihsan because like burdensome customers who really because of the inability to pay the installment but be fined, but we know the majority

**Table 2**  
**Use of social funds (in Million Rupiah), source: Annual Report 2015**

<i>Usage of social funds</i>	<i>2014</i>	<i>2015</i>
Beginning balance of social fund	31.009,35	64.112,88
Fund from BSM	35.355,27	73.738,14
Gain on foreign exchange	8,42	175,05
Total social fund	66.373,04	138.026,07
Use of social fund	2.260,16	5.540,16
Ending balance of social fund	64.112,88	132.485,91

of BSM customers are lower middle customers who move in real sector. This is an input to sharia bank leaders and CSR fund managers to consider that CSR funds should not expect large fines as a source of funds.

One thing that re-attracted researcher's attention is the distribution of social funds is still very small / a bit that is not equitably compared with the acquisition, by can be seen in the following table:

We can see that large funds have not been allocated well and have a very large balance, so hard work and smart work that is the value of Itqan not yet realized. When asked why the funds are still very much, the explanation is this:

*Well, related to the request for the disbursement of social funds, we also call it a fund of virtue or program funds, later in the accounting operation that will disburse funds or transfer to the account Laznas BSM Umat on recommendation and approval from CSG / Mr. Nardi. For example there is improvements mushola, road improvements, or renovation improvements like that will be directly coordinated with friends in CSG. Usually CSR sections cannot be separated from LAZ for the disbursement of social funds, they work together between agencies channeling CSR funds. Indeed not necessarily funds each month collected how then we directly channeled to LAZ, because we pay attention to performance LAZ, do not let them excess funds but do not know where to go. That means they do not have a good program and planned. Unless, if there is already a program from management such as the construction of musholla, then the funds will be handed over to LAZ from accounting operation. For that zakat we drop monthly funds from customers and from employees, automatically from their salary. For corporate zakat funds every year after the ratification of the GMS, but for social funds we can not give to LAZ because of its limitations in LAZ. Other reason is due to limited LAZ personnel.*

*"We pay attention to the performance of LAZ as well because it is too risky too if dropping all funds to LAZ. Financial institutions in channeling the funds that many we also see first, the distribution already exists yet? If we refer the Ministry of Religious Affairs about the haj funds that want to be stored in Islamic banks, in fact many Islamic banks refuse, why? Because of the huge funds if all we receive and but we do not have a program or channel it to develop quite risky.*

*Same, LAZ too. A lot of social funds we want to give, but LAZNAS BSM has not got a program to distribute as much as given, so the funding is idle in LAZ. That's what we do not want. Better idle at us than in LAZ. Better they have a program, ask us, we give the funds. Or if we have program initiatives, we give to accommodate initiatives from management, for example. Because we see the performance of them (LAZNAS BSM) from year to year they have how many programs to be able to channel to the people who are entitled, we have a history. Well, that fund is what we approve first.*

From here, the management of funds has not seen itqan and ihsan. There is no program that is capable and sustain because it is only limited to BSM which makes the program and LAZNAS execute it (a kind of paymaster). There is no confidence or trust to be able to manage the large social funds. According to the researcher, if BSM wants to fulfill itqan and ihsan, it is better that BSM and LAZNAS should coordinate to create concepts and programs that have long term impact, sustain, and wider maslahat.

Based on the research interview with one of the speakers from LAZNAS, Mr. Rizki as the director of LAZNAS, he said that in the future LAZNAS will submit a proposal for BSM activities as LAZNAS is now only a cashier or channel of funds from BSM to the people. The statement of Mr. Rizki is as follows:

*“.. at this time we are still a kind of paymaster only, like cashier who live pay and execute programs that have been arranged and approved by BSM CSR section. We do not yet have the authority and get the social funds for us that set. The only zakat funds that we receive regularly every month from 2 sources of zakat customers and zakat employees that we directly distributed to 8 asnaf according to the allocation, but for social funds, we do not have the authority. Perhaps because zakat funds alone are so great that the current social funds policy comes from the central BSM. But in the future we want to make what programs will we present to BSM. In the future it is planned to present the proposed program from LAZNAS to CSR section (which is like “BSM program give blessing to society”), we will create a musholla program in Tuk Tuk Samosir, North Sumatera following the success of the mosque in Bromo. At there (Tuk-Tuk Samosir) the program has started its initiation already from us (LAZNAS) and BSM so the social funds can be allocated well.”*

Due to the current proposal for CSR activities only the BSM making, where the central BSM received proposals from its branches throughout Indonesia more than 60 branches. It is also said by Mr. Rizki the director of LAZNAS, while he said

*“So the mechanism in us today is still a lot of distribution through the branch of BSM. So we work with branches, for example in areas where they are needed, they ask for social funds to BSM headquarters. Later distribution will be done by us (LAZNAS) who executes its social funds disbursement program”*

The statement is in line with Mr. Asrul's statement, as follows

*“It should be so. All the programs should be from LAZNAS, who have a program. So that later BSM only channeled to LAZNAS his social funds. But as far as I know the programs LAZNAS it was not comparable with the amount of available funds in the bank. The amount of these funds if we compared with the program we prepared is still inadequate. So, we will be pleased if they (LAZNAS) make the program, submit to us, we will provide as long as it is not opposed to management, it must be like that. It's just that they LAZNAS not have a planned and structured program. They may legally apply for a program to channel social funds. That's exactly what I think the management needs. The funds will be made for any program, who the target, management objectives must be supported. That initiative we have not yet supported. “*

From the above explanation illustrated that the programs and activities of social funds distribution has not been handled with a good itqan by BSM and LAZNAS. The lack of creativity and diversity of programs is still the biggest obstacle in the distribution. This means that the large funds that BSM get from penalty of delay in installment which is automatic computerized by system so that the significant increase from year to year is not matched by the diversification of program that is structured and structured in a portfolio of programs. Ideally, LAZNAS makes a CSR program and submitted to CSG-CSR to get approval for the disbursement of funds. However, due to the limitations of managers in LAZNAS CSG-CSR took over by receiving CSR program from all branches amounting to about 600's by way of proposal selection. If each branch from all regions submits a proposal then the proposal is accommodated for re-sorting and the process of selecting the proposals to be approve, then the process through a fairly long stage. It is this that causes CSR funds in the BSM report looks very little for what has been distributed compared to the available CSR funds, only 5 billion rupiah that has been used compared with the availability of funds reaching 138 billion rupiah. In addition BSM head office also will only provide CSR funds for the environment around the branch of BSM that has a high profit (Contribution Margin).

It is not in accordance with the objectives of Islamic banks that is for the welfare and the benefit of the ummat. So it is felt that the channeling of social funds for sustainability businesss and business impact is greater than social impact as in this explanation,

*“It should be in theory like that. There should be a differentiator if the social funds are indeed for the ummat and, yes, we have no right. Then CSR, yes, that’s our contribution to society. Only when done to the field is rather difficult to apply that theory. These examples for the development of empowerment of SMEs such as social funds; difficult to separate with business affairs. We modeled the SMEs that we give social funds, indeed, the goal for the future he could be our micro customers. “*

*“... it’s a fatwa already exists that the bank may impose penalties on customers, but should not be recognized as income. So it is in order to provide a deterrent effect. His words I forgot, but essentially, the substance of it. Then the distribution is for the physical not for consumption. Infrastructure development of all sorts is only a form of distribution. Well, the practice in the field is actually like that there is a division. For example, there is a program to go home together, to pay the bus we use social funds but for consumption during the trip we use the budget from Corporate Secretary Group or Human Capital. In that case there is actually a separation for the program and for consumption (eating). It’s just that, then I’m a bit confused as well, because yesterday for the iftar together in the mosque Bromo it using social funds as well. I doubt whether the social funds can be used for consumption such as to break the fast with orphans, whether it is against the fatwa. But the corporate secretary said that social funds to break the fast together for consumption (eat) it has obtained fatwa from DPS. They say like that, they say so. Oh, yes I’ll just go along. It’s just; indeed, currently in BSM all the conditions still associate social funds with business interests. Although social, there really is a veiled promotion there are still strings attached. As before, MSMEs then become our micro customers. Then, now we have the program “BSM flowing blessing”. Well, the branches that have a good performance given the social funds of millions of dollars, they are given a mandate to provide social funds around the branch. Well, it is social, but I cannot distinguish between social funds and CSR, anyway. “*

*“... But for social funds, nothing governs social funds at all, only regulated sources, channeling is only allowed for infrastructure, should not be recognized as income, that’s it. There is still free space for this social fund how we will make it. There is no clear rule, as standard as zakat, so the perception is different in the field. DPS has different perceptions, but I see depending on who delivered. The same thing, when delivered by different people, when captured by DPS can be different, because the way of conveying one with another is different. So that it can change, from halal to haram, haram to halal. “*

Therefore, according to the researchers, the authorities in BSM should have awareness to all those who manage the social funds to think about the allocation as it is and possible as possible. Mr. Rizki, the managing director of LAZNAS, also argues that such large funds are unfortunate if they are not immediately disbursed. As for his statement is as follows:

*“So we’ll make 10 programs, the programs that we will offer to BSM because the funds are many. It is unfortunate that make so-so programs and so-so activities like that. We will make continuous programs between activities continue to also have business impact, social impact, and image impact. We have prepared in the structure of the organization. “*

This statement implies that there is still much potential that BSM management can develop related to CSR, its use of funds, and its utilization to society in general and Muslims in particular by sticking to Islamic values, especially in this regard, Itqan. It is still necessary to create a program such as road map and blue print in order to maintain continuity of CSR program in BSM and LAZNAS as a mirror of hard work and smart work according to Itqan value.

## **JAUDATUL 'ADA VALUE AS PART OF ISLAMIC VALUES**

Ihsan (goodness) is a good and quality act as a protector for one's Islamic building. If somebody doing ihsan things, then the best Islamic charities in the form of the pillars of faith and the pillars of Islam or those outside of both will be preserved and durable according to its function as the roof of the Islamic building.

In a Muslim's everyday life, in terms of his quality and charity, he is divided into two daily charities and *ihsan* charity. Daily charity is a good act of compulsion or sunnah which is understood only the things that must be done. Understanding does not persist in how the order can be done with special qualities. While *ihsan* charity is charity based on the understanding of the word of the Prophet SAW:

*"You worship Allah as if you saw Him, but if you do not see it, surely He will surely see you ..."* (Narrated by Muslim)

By remembering Allah then we have to do the Ihsanun Niyah (good intention). Because good intentions will direct us to: Ikhlasun Niyat (sincere intention), Itqonul'Amal (Amal neat), and Jaudatul Adaa '(Good solution). If one practices and fulfills the above criteria, then he has the Ihsanul 'Amal (Good Charity). A Muslim is called to be good at practicing if he is able to start a job well, run it professionally and end it well (jaudatul 'ada).

## **VALUE OF JAUDATUL 'ADA AS A FORM OF IMPLEMENTATION OF GOOD CORPORATE**

In the process of implementation of CSR at Bank Syariah Mandiri has fulfilled all aspects of the rules determined by the procedures permitted by the fatwa or opinion of DPS and assume that the implementation of CSR is one aspect that is for the commonality of the ummah. As stated by Mr. Nardi on his statement:

*"... So we do not contradict whether it wants to use western, western methodology, be caught with western eyeglasses or pure spiritual glasses, that's fine. But the principle is that what we have done must have its roots in the guiding principles that have been given by our DPS ..."*

But there is a very unfortunate thing in terminating this CSR implementation process. For the writer, downstream of this CSR implementation has not ended Jaudatul 'ada. The value of jaudatul 'ada has not been implemented in the implementation of CSR at BSM, it can be seen from the interview with the speakers namely Mr. Rizki from LAZNAS who gave the following statement:

*"... So maybe the friends in his team Mr Nardi think it should not be immediately distributed or made the program ... but it turns out based on the audit recommendation he said to be (distributed) ..."*

A good thing should not be done immediately, because Allah does not like the people who procrastinate the work. In BSM's virtues report can be seen that there is a fund of Rp. 138 billion that should be immediately channeled for the benefit of the ummah. However, in reality the newly disbursed fund is Rp. 5 Billion. According to Mr. Nardi it is due to lack of human resources in LAZNAS so the money of Rp. 133 Billion is detained in advance by BSM, instead of the money accumulated in LAZNAS, while both BSM and LAZNAS have no more programs that can support the running of CSR.

This is very contrary to the value of jaudatul 'ada, other than because the fund is not a bank income but funds obtained from customers due to delay paying the debt so that the customer is liable to fine, then

the fine is included in the funds of virtue. In addition, the funds of virtue are also obtained from non-halal income and other social funds. BSM should be able to reserve a percentage of the funds from the total profit owned by BSM in addition to the funds obtained from the customer's virtue.

Following up for the virtuous funds held by BSM, if the funds are not immediately distributed for the benefit of the people, it is feared that the funds are used for the benefit of certain groups who are not entitled to these funds. So the main purpose of Islamic banks is for the welfare and the benefit of the ummah will not be achieved. As we know that corruption can happen anywhere and done by anyone for an unbeliever if there is a chance.

Mudlofir (2013) in Inayah (2015: 3) says that the lack of responsibility and attitude of trust, is displayed visibly in public. How many public officials are being dragged to the green table for swallowing the people's money. In March 2010, the Hong Kong-based survey agency Political and Economic Risk Concentracy (PERC) still placed Indonesia as the most corrupt country in Asia Pacific ahead of Cambodia, Vietnam and the Philippines.

### **JAUDATUL 'ADA VALUE AS A TOOL MAINTAINS QUALITY PERFORMANCE OF CSR IMPLEMENTATION**

The existence of CSR can be said company's ability to adapt to its environment. Communities and stakeholders associated with it, whether local, national, or global. Therefore, future CSR development should refer to the concept of sustainable development.

The other benefits that can be achieved through CSR, among others, can reduce costs, reduce risk, establish a reputation, build social capital, and improve market access more widely. In addition, CSR is the recommended management concept in Islam, as in Quranic verse QS Ali Imran: 104:

*"And let there be among you a people who call upon virtue, whole to the ma'aruf and prevent the evil one: they are the lucky ones."*

In addition, human beings are basically responsible for Allah in carrying out his activities and all activities carried out to achieve his pleasure so that human relationships and responsibilities with Allah will give birth to a stronger religious contract and not merely a social contract.

Thus, it is clear that Islam basically supports or even encourages each individual and group (organization / company) to become a lucky person. Namely those who do good and prevent the occurrence of evils, which in this line with the purpose of implementing CSR. As for its implementation, the company must be able to choose CSR approach in accordance with the vision and mission of the company and Islamic values which then manifested in the form of program focus as a vehicle to achieve primacy in the future.

Therefore, BSM as the carrier of the mandate of CSR from the customer must maintain the quality of its performance in accordance with the syariah base. In maintaining the quality of its performance, of course there are some things that should be done that is in accordance with jaudatul 'ada is working based on knowledge that will give birth to a smart work and a thorough job. In the implementation of intelligent work, of course we must first master and understand the rules and procedures that have been established. LAZNAS BSM said,



*“Therefore as a measure according to sharia. Because honestly the fatwa as an opinion that needs to be followed. We are like the fiqh that allows and who does not. Sometimes we have to lie for the good of the people, sometimes we have to be firm even though it is bitter. So I say a lie for the benefit of the Ummah and an example when Rasullah SAW when there are people who are looking for someone to kill the Messenger lie to protect that person and that can be said right ... because what? When it’s urgent, for example, for a natural disaster, if we follow the bureaucracy, it will be complicated. While many need to be handled and there are policies that must be accelerated and it must have instructions from the central leadership. Nah, those policies per fatwa. But before acting there must be a fatwa first ... indeed blame the procedure but talking the importance of the people is important right? So it says it is permissible “.*

Mrs. Noli added,

*“So it was when the condition was very urgent and it was something to be done right then and there. Command may be based on the field if for the above may not know must declare A, but the implementation of B field, maybe in terms of the reason we have violated the procedure, violate his command. Well for us in the field must decide to do, whether to violate orders, but should not get out of the DPS procedure earlier “.*

### **THE VALUE OF JAUDATUL ‘ADA AS COMPLIANCE OVER THE RULES OF MUAMALAH**

Muamalah is part of Islamic law relating to rights and property arising from transactions between a person with another person, or between a person with legal entity or between one legal entity with another legal entity. Economic transactions are agreements or contracts in the economic field. In every transaction there are some basic principles (principles) applied syara ‘, namely:

1. Each transaction is basically binding on the person (party) who performs the transaction, unless the transaction is deviated from sharia law. The parties to the transaction must fulfill the agreed obligations and should not betray each other. This is confirmed by Allah;

*It means: “O ye who believe, fulfill the contracts. It is lawful for you livestock, except what will be read to you. (That way) by not permitting hunting while you are on pilgrimage. Verily, Allâh has set the laws according to His will. “*

2. The terms of the transaction are designed and carried out freely but responsibly, do not deviate from the Sharia and civilized manners.
3. Every transaction is voluntary, without any compulsion from any party. This is affirmed by Allah in Surah An-Nisa, (4:29)

It means: “O ye who believe! Let not one another eat your neighbor’s treasures, except by way of a business that applies equally to you. And kill not yourselves. Allah is Most Merciful to you. “

Islam requires that every transaction, based on good intentions and sincerity for Allah SWT, is thus avoided from all forms of fraud, dishonesty, and malpractice. Hadith of the Prophet SAW mentions: *“Prophet Muhammad prohibits the buying and selling of elements of fraud.” (H.R. Muslim)*

Based on the above description it can be concluded that in doing business you have to be based on responsibility and not deviate from sharia law and muamalah must be done until finished from contract to payment process, where it is in line with principle of jaudatul ‘ada, that every job that we do should be done thoroughly and not halfway.

## THE VALUE OF JAUDATUL ‘ADA AS A RESPONSIBILITY TO THE BEINGS

As jaudatul ‘ada understanding that is a good settlement or carry out the job to complete. Jaudatul ‘ada as a responsible form to fellow beings can be seen in everyday cases, such as an employee’s liability to his boss, where the employee has the responsibility and obligation to carry out all his supervisory orders related to his work. Like making a report, the report should be made as good as possible until it is done as instructed by its supervisor. And a supervisor also has a responsibility to the employee, where the boss must pay wages for the work that his employees have done with appropriate wages and timely payment. Then also the responsibility between the seller and the buyer. Where the seller must provide the goods desired by the buyer, and the buyer must pay for the goods he has bought.

In addition to the above example, jaudatul ‘ada as accountability to fellow beings can be seen also in a family. Where a father has a responsibility to his family members, a mother / wife is responsible for taking care of her husband, her child and her home and a child has the responsibility of giving the best achievement in her education.

Bank Syariah Mandiri as one of the collectors of social funds also has a social responsibility to be able to distribute the funds already obtained. As presented by Mr. Rudi as LAZNAS BSM:

*“Well, BSM already has LAZNAS, so this LAZNAS is made by BSM as professional as possible so he becomes a partner of CSR and social fund partners who then make something that is more systematic”.*

With the existence of LAZNAS as an institution formed by BSM for the distribution of funds, of course he must have a program that can distribute CSR funds that have been obtained. This is because the funds obtained are not the result of bank income, but is a depositary fund which must then be channeled as the wishes of the person who has entrusted it.

Mr Rudi added

*“Because it is not a bank income, but if it’s a bank income that is considered CSR, it’s their money. Why he did not make the CSR system make schools, make hospitals, he made what fits in line with the core business as a sharia banking. I think so. “*

As an accountability to fellow beings, BSM must deliver all CSR funds earned in accordance with legislation and professional requirements. In addition to creating a program there must be an evaluation of each program that has been done. Is it well done or there is still an unrealized program? And how the constraints occur in the field. Of course, it is very important that entrusted funds can be managed with trust and professional in accordance with sharia.

However, attention is given to how BSM reports the activities of the CSR fund that has been accumulated. As an institution that assembles and distributes, it must necessarily have a report that will support its leadership in management. Based on the results of the interview we find the weakness of the report in 2015. Mr. Rudi said,

*“to be honest.. Because of this, by the end of 2015 we have internal audits and we have been audited. Just imagine, the funds from LAZNAS start until 2015, never audited. Well, that’s all. That is, the SOP is stored in the closet. Many findings. Usually one can be seen. The findings are some that are still debatable because of the subjective, because many of our seniors here are resigning, almost half of them. So these remaining people are the third generation, actually the*

*young ones. Actually there are older ones as well. In fact it resigned almost half of it. So I and Rizki inherited the human resources with the program. Well, we just walk there first, while we are patchy here and there. So our focus in 2016 is: first, take care of SOP. We were dismantled. We are partnered to IMZ (Zakat Management Institute) DD. We are partners IMZ. Insha Allah, in October this can be completed “.*

Given the weaknesses of this reporting, it may be possible to make misappropriation of funds or the occurrence of CSR funds that are not immediately disbursed on target. This certainly can not be said professionally, because the level of reporting on performance still needs to be improved.

### **VALUE OF JAUDATUL ‘ADA IN IMPLEMENTATION OF BSM CSR**

CSR is now a part of a requirement in a company, especially a legal entity limited liability company. Below is the explanation of law no. 40 of 2007 on the social and environmental responsibility of a limited liability company.

In this law, the social and environmental responsibilities are aimed at realizing sustainable economic development to improve the quality of life and the environment that is beneficial to the company itself, the local community, and the general public. This provision is intended to support the existence of a harmonious, balanced, and appropriate corporate relationship with the environment, values, norms and culture of the local community. Therefore, it is determined that a company whose business activities in the field and / or related to natural resources must carry out social and environmental responsibilities. To carry out these social and environmental responsibilities, social and environmental responsibility activities should be budgeted and calculated as the cost of the company carried out with due regard to decency and fairness. These are included in the company’s annual report. In the event that the company does not carry out social and environmental responsibility, the company concerned shall be subject to sanctions in accordance with the provisions of legislation. In Chapter V Article 74 paragraphs 1-4 is explained about the definition and sanctions if not carrying out these social and environmental responsibilities but this is not enough because it is still general and has not been explained the procedure of its implementation. According to Mrs. Noli as CSR at LAZNAS BSM in the interview we conducted with him, stated that,

*“We do expect reciprocity, but reciprocity is not to us, but to the community itself in the form of social development, community development. Because they have to be sustained right. In the community it should be sustained, so expect a mutual reciprocity for themselves “.*

This can be interpreted that the activities and programs designed by the division of CSR Bank Syariah Mandiri have the purpose for the development of social development and community development that can provide prosperity for the community and the environment. In addition, another impact to be achieved is the existence of a hidden socio-business that can be felt by the existence of CSR funds distribution activities.

This social and environmental responsibility is not a new thing for the company because it has been implemented long ago without having to be forced by law. Philip Kotler in his book Corporate Social Responsibility defines this CSR as follows, “Corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contribution of corporate resources”

In addition to the above definition of the World Business Council for sustainable economic development describes CSR as follows, “business commitment to contribute to sustainable economic development,

working with employee, their families, the local community, and society at large to improve their quality of life”

From this definition, it can be seen that CSR is an obligation and corporate responsibility to society and its environment to improve quality of life of society and environment. In its development CSR is no longer an obligation for the company but has turned into a new strategy that can be used also for the benefit of the company. If connected with Law no. 40 year 2007, things become a good news for the company because CSR becomes a profitable obligation. Article 74 paragraph 2 is said to be the Social and Environmental Responsibility as referred to in paragraph (1) shall be the obligation of the Company which is budgeted and calculated as the Company’s expense which its implementation is conducted with due attention to the properness and reasonableness. This means that all expenditures for the CSR program can be budgeted and become the official cost of the company.

In the past, there may have been a debate about whether CSR programs should be financed, now that this law is allowed to become a cost. Although it has been described so, there is still a need for government regulation explaining this so that there is no difference in interpretation. Vice Chairman of the Commission VIII DPR Abdul Malik Haramain said, from the proposed entry, the amount of CSR funds should be given the company should reach 2 percent, 2.5 percent, or 3 percent of the profits.

And here is the exposure of Mrs. Noli as CSR Division of Bank Syariah Mandiri regarding CSR budgeting which will be channeled by society as a form of commitment to give prosperity for society and social environment. She said that,

*“BSM’s CSR funding is indeed the way it was (Law No 40 of 2007, Law No. 25 of 2007) it is budgeting from the halal funds. Yes, it has been budgeted from halal fund revenues, not as a cost. If for example the cost means before the income is listed. If this is indeed budgeted from his income “.*

Besides Mr. Asrul also stated about the source of CSR funds, he said that,

*“The fines are wrong if for example there is a customer late payment, there will be a penalty for the delay, charged to the customer but by the bank is recognized as income into the social funds”.*

Then according to Mr. Rizki Okto as President Director of LAZNAS stated that social funds come from:

*“When we talk CSR which is in the rules of the law or what well means he is a fund that is prepared ... On balance sheet ... Well, so is not it. But if we see the funds are off balance sheet. This is social funds is actually off balance sheet, continued zakat fund was also not that whether it entered into CSR. I do not think so, too. A duty that is already set but if indeed we still still in one of them, it is as if his portion is CSR BSM CSR BSM because it distributes zakat 2.5% of profit to LAZNAS then BSM there also. The funds are off balance sheet. Well, it has been merged into CSR”.*

So with the funds that have been budgeted above, in order to be channeled on target and can be sustainable as with the meaning of Jaudatul ‘ada. That the CSR process does not stop from the funds that have been collected, then distributed and then there is no sustainability, but should also have maintenance of funds that have been distributed, how kemanfaatannya will also continue to be felt on an ongoing basis.

With the funds that have been collected from various sources, Bank Syariah Mandiri has a social obligation to channel the parties - entitled to get it in the implementation of the distribution of funds, of

course each company will have their own program. Bank Syariah Mandiri also has a program that wants to be developed to be able to channel CSR funds that have been collected. The results of our interview with Mrs. Noli as CSR at LAZNAS stated:

*“Spirituality in work is grown in the benefits, so independence is not just an economic aspect but in terms of spirituality. When it is willing to make a benefit, so the benefits are not only the funds, but we also have studies for them, given the experience of honesty, discipline of development that juaga, from the stage of awareness it from the stage through earlier to improve their certainty. That is one of them, needed in a community. We make the program first of all they are, there are programs, there are people, and there are companions who can accompany us in providing benefits in the area or in the village “.*

In the implementation of CSR funds distribution should be programmed systematically. Because with the creation of work programs of CSR implementation, it will be easy to evaluate and maintain the sustainability of programs that have been implemented. However, there are programs in BSM CSR that are implemented outside of the programs that have been made. One of them is the procurement of sandal bags for Hajj pilgrims. And here Mr. Rudi said:

*“Until that time I was handing out bags to Makassar, so there are people BSM ask for someone LAZNAS come to makassar. I went there as soon as the show finished, and there were people who were walking the street. BSM’s green color, photographed, kept viral, and that was one example that CSR funds or social funds were mostly used impromptu, not programmed, like that. “*

The CSR program has been implemented and until now still continue to be maintained by BSM one of which is the construction of the Mosque of Bromo. This is because the experience of BSM own directors who visit there but did not find a decent mosque to perform the prayer. This is where BSM plays a role in providing benefits to the ummah through CSR funds that are collected to establish a mosque. Pak Rudi explained,

*“Actually there are 3 stages in the construction of the mosque because there can not be a mosque, because the hindu area, right? If it’s a musholla, it can, although the term is the same, right? So initially, it’s just a musholla building. The edges are still grass reeds, no rest area. That’s the first. Mr. Yuswan went there and asked, ‘How is this? This will be attended by bank directors, change everything ‘, said Mr. Yuswan. Use carport, there is this, there it that, well, be the 2nd stage”.*

The second stage is the establishment of rest area, clean, and comfortable bathroom.

Based on the above description, it can be concluded that the implementation of CSR in a company must be done fully or completely where the company must reserve CSR funds from profitnya so that the welfare of society and the environment can be achieved.

## **CONCLUSION AND CLOSING**

Islam based on al-Qur’an and al-Hadith as guidance and handle for the Muslims, has a function not only regulate in terms of worship but also regulate the people in giving demands in the problems related to work.

In the current situation of globalization, we are required to demonstrate a work ethic that is not only diligent, persistent, loyal, but always balances with Islamic values which certainly cannot go beyond the

rails that have been established by the Qur'an and as-Sunnah. Islam also encourages its people to work diligently and professionally (Itqan).

Itqan or work earnestly describes the perfection of faith and taqwa, sincerity of heart, nobility of mind, and glory of morals. All these qualities will be counted by Allah in determining the charity of his servants accepted or otherwise.

Based on the researcher's explanation above, the researcher wishes to emphasize that the meaning of itqan which underlies the performance evaluation of sharia bank is the good deed of sharia bank by giving service in accordance with Islamic norms, applying CSR, and implementing the principles of transparency, accountability, responsibility, professional, and fair. In this case, Islamic banks are categorized as good performers if able to realize service excellent, social awareness, and consistently apply GCG sharia.

One other value, jaudatul 'ada is a job done professionally and done well. It has been explained that Islam encourages its people to work, live in glory and not be the burden of others. Islam also gives freedom in choosing the work that suits everyone's trends and abilities. However, Islam regulates boundaries, lays down the principles and sets the values that a Muslim must guard, so that his work activities are truly seen by Allah as a worship activity that benefits multiple in the world and in the hereafter. The following are the limits:

Firstly, the work that has to be done should be halal and good. Allah said,

*"O ye who believe! Eat of the good things which We have bestowed upon you, and be grateful to Allah, if it is true to Him you worship."* (Surah Al Baqarah [2]: 172)

Every Muslim is commanded to eat only halal and give only from its halal business, so that the work will bring benefits and not cause damage.

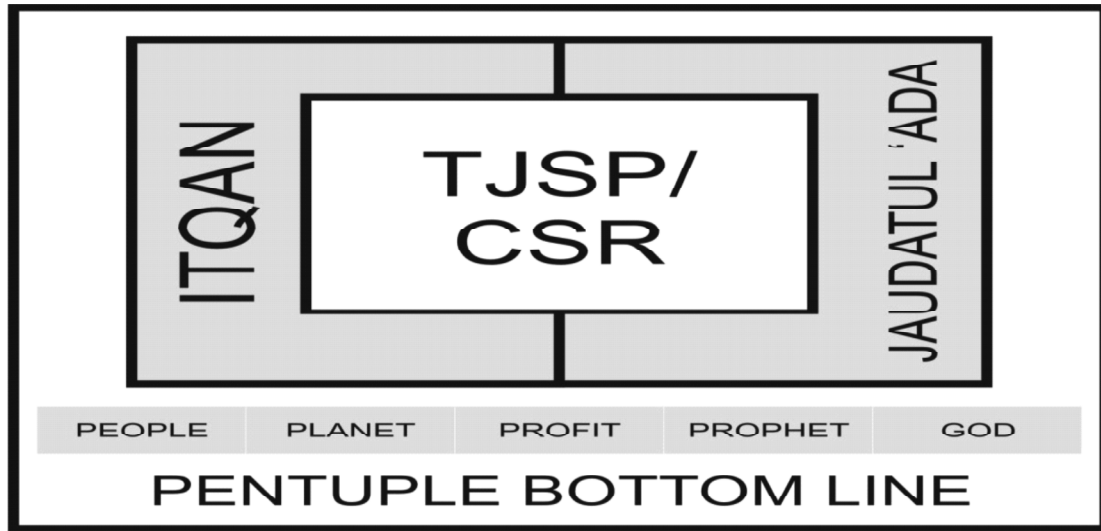
Second, work with professional and responsible. Islam does not command its people to just work, but encourages its people to always work well and be responsible. The Prophet sallallaahu 'alaihi wa sallam said *"Surely Allah loves one of you who works, so it works well."* (HR Baihaqi), and also *"Verily, Allah requires the act of mercy on all things."* (HR Muslim).

What is meant by a professional in work is, to feel responsible for the job, to take good care of his business and to be careful not to make mistakes.

Thirdly, sincerely in the work, that is to put an end to the activities of the work to seek Allah's blessings and to worship Him. The Prophet sallallaahu 'alaihi wa sallam said, *"Indeed the deeds of the act depend on the intention. And everyone will get a reply according to what he intended."* (HR Bukhari Muslim)

Intention is very important in working. If we want our work to be judged, then the intention of worship is to be present in our heart. Everything is tired and every sweat droplets of work will be seen by Allah as submission and charity because of intentions. For that, do not let us forget that intention as we work, so we lose the immense reward of worship from the work we are doing.

When depicted in a chart, the itqan, jaudatul 'ada, CSR, and Pentuple Bottom Line values are approximately as follows:



**Figure 2: Itqan and jaudatul 'ada chart in relation to CSR and Pentuple Bottom Line**

The Pentuple Bottom Line is the basis of the CSR concept in general. Then from the Pentuple Bottom Line, embodied in an Islamic value of Itqan (hard work and smart work) and Jaudatul 'Ada to wrap the concept of CSR / CSR in order to sasuai with Islamic values. To apply it in a corporate environment, it takes several steps that are integrated and continuously done by the company on the personal, corporate, planet (environment), and government aspects. Here are some simple implementation components that can be done by related aspects.

<i>Aspect / Component</i>	<i>Application Itqan Value</i>	<i>Application Jaudatul 'ada</i>
Personal	<p>Companies should encourage individual workers in their company to:</p> <ul style="list-style-type: none"> <li>• Performs his duties as a worshiper of Allah in this world well and regularly because worship is the main task in this world</li> <li>• Working according to SOP (working according to what is recorded and keeping track of what is done).</li> <li>• Doing work by trace; meaning from start to finish (hard work)</li> <li>• Working without errors (smart work). If any errors are given compensation in accordance with commitments; Repaired and made learning materials</li> <li>• Obey all rules for individuals</li> </ul>	<p>Companies should encourage individual workers in their company to:</p> <ul style="list-style-type: none"> <li>• Refine all the work.</li> <li>• Every job is done well and ensures that no work is hanging. This means that if there is a job set in the time period then he worked then in must finish it well so well that the job is not a burden for others and not a burden for the company</li> </ul>
Company	<p>Company must optimize the PO7AC in management; as follows:</p> <ul style="list-style-type: none"> <li>• Planning: the income plan from the chest penalty should be screened only for the capable customer who delayed the payment; According to the guidance of the prophet.</li> </ul>	<ul style="list-style-type: none"> <li>• Fulfillment of reporting and documentation rules to meet accountability and transparency</li> <li>• The loading of reporting information for activities with funds from non-halal sources, then the allocation and</li> </ul>

	<ul style="list-style-type: none"> <li>· Organizing: establishing criteria for the disbursement of zakat and social funds, mapping appropriate parties / zakat funds and social funds, making priority scale of fund disbursement.</li> <li>· Actuating; In accordance with established guidelines and procedures (SOPs and technical guidelines)</li> <li>· Controlling; Involving Allah in the process, cultivating an understanding to the task-takers that there is a Allah who is watching.</li> </ul>	reporting shall be for the appropriate activities
Planet	<ul style="list-style-type: none"> <li>· Companies should always keep CSR work continuity / sustainability and take place from year to year and when one program finishes must be compiled with another program because CSR is a continuous program.</li> <li>· Companies should monitor and develop activities that have been running periodically to be able to know their success from time to time.</li> </ul>	<ul style="list-style-type: none"> <li>· Conduct an internal audit of the CSR process that has been done to determine the process of control and supervision is going well to ensure the perfection of a good process.</li> <li>· Participation and encourage other institutions to move together in the implementation of CSR in order to obtain more optimal results....</li> </ul>
Government	Companies must be proactive in proposing policy updates related to CSR to adjust rules to current conditions.	Together the government established an external regulatory body CSR activities that currently do not exist. If formed, become a partner of the institution in perfecting the implementation of CSR that fullfill Islamic value.

What has been done by BSM in CSR activities is something that should be appreciated and gained attention. Nevertheless, it is necessary to increase the benefits so that programs created by the CSR division and channeled LAZNAS by using the CSR funds can be immediately channeled properly. Although the programs created may expect the business impact of each activity, but should the implementation of CSR can lead to equality of welfare and the commonality of the ummah. In other words, both BSM and LAZNAS should make a proposal of activity by referring places that are needed by the ummah, for example, such as mushola making. Mushola to be built should not only in the branches of BSM that get high profit, but in every area even in that area there is no branch of BSM. Thus will many people who feel the benefits of Islamic banks.

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