

CSR In Islamic Perspective

Devirahtiasari, Restia Fitrahmasari, Isti Fadah

Abstract: The concept of Corporate Social Responsibility (CSR) shows that companies are not only oriented to profit seeking, but also must maintain harmony with stakeholders, environment and society. Islamic banks run their business through Islamic law, their CSR policies and practices must achieve the Qur'an and Sunnah. This research is a theoretical and empirical study of research that aims to determine whether CSR in Islamic banks in Indonesia is in accordance with the sharia perspective or not. Islamic banking business activities and CSR practices in Indonesia must be based on sharia principles that have been terminated by the Act. The results show that Islamic banks in Indonesia have implemented and reported CSR activities on companies in the social, educational and environmental fields in accordance with the concept of Sharia Enterprise Theory. CSR activities do not only affect the surrounding community but have a positive impact on the company's reputation.

Keyword: CSR, Sharia, Islamic Banks

1 INTRODUCTION

Corporate social responsibility (CSR) or commonly referred to as social and environmental responsibility is now a trend for companies in Indonesia. CSR can be said to be savings in the future for a company that would take effect for the organization not only financially but also the trust of the local community and stakeholders based on voluntary principles. CSR has also become the benchmark assessment of the success of an enterprise. Islamic banking is one of the companies engaged in the field of financial institutions. The main factors which accelerate the growth of Sharia banking comes from the need to have a financial system that escape from usury. Islamic banks are responsible to ensure that they operate in accordance with Sharia principles and avoid action that violates Islamic jurisprudence. Because Islamic banking run their business based on Islamic law, then their CSR policies and praktik must based on the Qur'an and sunnah. Farooq (2007) Sharia banking business activities should be based on the fundamental principles of Sharia, democracy and the principle of prudence which has been regulated by the legislation of the Republic of Indonesia Number 21-year 2008. In addition, the Government has made rules about regulation of liability and disclosure practices of Corporate Social Responsibility with the law No. 40 Year 2007 section 66 which States in addition to their financial reports, the need for disclosure activity reports related to environmental and social responsibility in the whole company. The statement above shows that to formulate CSR policies and practices should be based on the principles of Islamic organizations – the principles of Sharia, but in fact the information related to CSR activities and use of funds currently in accordance with the concept of CSR disclosure based on Shariah Enterprise Theory (SET). Puspitasari (2014) analyzes the social responsibility reporting based on the theory of Islamic company in the Islamic Bank Muamalat and Bank BNI Syariah where the result stated that both these banks have reported social accountability in accordance with the existing theory. Research conducted by Roshayani Arshad (2012) showed a significant positive relationship between the level of disclosure and corporate reputation and ICSR disclosure ICSR and company performance.

These results contribute to the company's disclosure literature by giving new evidence that CSR activities and disclosure from the perspective of Islam is a business strategy that is equally important in creating a sustainable superior performance for the organization. Ririn Irmadaryani (2016) shows that CSR Implementation companies not only to do with the purpose of achieving the objectives of the company, but also as a manifestation of concern to stakeholders: those who have supporting their success so far. While the research done by Muhammad Tho'in (2017) shows that the activities performed by the Sharia BRI related Corporate Social Responsibility (CSR) is carried out constantly and continuously with the target guided activities and right on target due to BRI Syariah will understand the importance of CSR's role for the company in the long term. In addition BRI Syariah has a consciousness and a very great concern to the community about BRI Syariah in particular. Some of the results of the above research encourages researchers to analyze the application of CSR in Islamic banking in Indonesia based on the syariah perspective. Whether the application of CSR in syariah bank in Indonesia is in compliance with the principles of Shariah or not.

2. Literatur Review

Disclosure of Islamic Corporate Social Responsibility (ICSR) and the reputation of the company about the role of business in society has led to a great demand for managers to implement CSR. Reputation of the company is increased when the company engaged in CSR activities and express it in their annual reports. Failure to manage CSR wisely will affect the reputation of the company. This indicates that the disclosure of social responsibility is a tool that can influence perceptions of different stakeholders.

2.1 Corporate Sosial Responsibility

CSR is an action that is formed to expand the network exceeds the economic interests of a company. The company carry out its social responsibility based on the company's managed funds. CSR activities are reported for various reasons. The reason this is later explained by the theory of stakeholder and the theory of legitimacy (Sembiring, 2003:2)

1. Stakeholder Theory

Disclosure of corporate CSR is a communication tool for stakeholders. The implementation of CSR is part of the company's role to stakeholders so as a result the company will conduct a CSR on a voluntary basis. If the theory is applied, then the company is compelled to implement CSR reporting.

- *Devirahtiasari, Restia Fitrahmasari, Isti Fadah*
- *123 University of Jember*
- devirpratiwi@gmail.com, restiafitrahmasari@gmail.com, istifadah1966@gmail.com

With hope, interwoven between stakeholders with the company will run well.

2. Legitimisasi Theory

Legitimacy is the top destination parallels actions taken a company that complies with the norm, meaning that developed with social values and beliefs. Corporate social responsibility is seen from the policy approval has been made by the company with the community. Thus, social responsibility should correspond to the norms and rules that exist in the community. Carrol provide CSR based on the paradigm theory four tiers into a single entity which can not be separated from each other.

1. be profitable is the most basic level of every company is in the form of profit in order to sustain the viability of the company.
2. obey the law is the legal action or does not violate the law in its operational.
3. be ethical is ethical action to do the company by doing the right thing and good compliance with ethical values that exist in the community.
4. be a good corporate citizen, that the company eventually should be able to contribute to the improvement of the quality of life in society (Carrol, 1991:504).

From the understanding of CSR definitions above shows that the company is oriented to the search in addition to profitably, companies are also obliged to maintain harmony with stakeholders as well as the environment, especially the corporate environment in order to improve the standard of living and give benefits to the general public. However, the conventional theories of CSR does not provide guidance for the practice of CSR from the perspective of Shariah to formulate policies in accordance with the law and the principles of Islam. The fundamental problem of insufficiency CSR theories to support CSR practices in the Islamic organization was due to lack of focus on the priority objective of social organization based on the Islamic Sharia. Islamic organizations are expected to conduct CSR policies and practices based on the principles of Shariah. The doctrine of Maqasid (objectives) of the Sharia and the concept of Maslahah (goodness people) as put forth by Al-Ghazali and Al-Shatibi was an invaluable reference that aims to develop options and preferences from an Islamic perspective. Both of these concepts were adopted into conventional CSR's idea to become an integral part of CSR based on the perspective of Islam and later run by the company's business based on Shariah principles.

2.2 Islamic elements of CSR

Djakfar (2007) says that, in the implementation of Corporate Social Responsibility (CSR) in Islam in detail must meet several CSR can differentiate elements in an Islamic perspective with universally CSR are:

Al-Adl

Islam banned any business relationships contains terrors and oblige satisfy justice. The nature of the balance or fairness in business is when the company was able to put everything in place. In the business world, Islam requires that do justice which is directed towards the rights of others, the right of the social environment, the right of the universe. So, the balance

of nature and social balance must be maintained in conjunction with operational business venture.

Al-Ihsan

Ihsan refers to do good or to do as much as possible is a good thing. The concept of ihsan refers to two things. First, ihsan is worship offered to Allah in earnest, unpretentious (tawadhu), and sincerely as if we feel that we are connected directly with Allah. Second, ihsan in muamalah means give abundant blessings and prosperity to everyone else in the family environment, in an environment of communities, and in improving the quality of the work. As stated in the commandment of Allah in the Quran: "... do good (to other people) because Allah has been kind to you, and do not do a falsehood on the surface (the surface of) Earth. Allah does not love those who do falsehood "(QS. Al-Qashash: 77)

Maqasid

The concept of ihsan has in the above described should meet the elements of wellbeing benefits to society (internal and external company). Basically, banking has provided benefits related operations are engaged in services, namely the services of storage, and financing. The concept of benefit in Corporate Social Responsibility (CSR), more of the economic activities, such as related in various social aspects such as education, health, empowerment of the House of marginal, preservation of the environment.

Amanah

In a business venture, the concept of the mandate was the intention and make a note of the related management of resources (natural and human) for macros, as well as in driving a company. The Bank is implementing Corporate Social Responsibility (CSR), Amanah in banking can be done in an honest and transparent reporting to who has the right, as well as mandate in tax payments, the payment of employees, etc. The mandate in the macro scale can be realized by implementing improvements to the social and environmental balance. In an Islamic perspective, company policy in social responsibility (CSR) there are three dominant forms of implementation are:

1. Social Responsibility (CSR) against the perpetrators in the company and its stakeholders.
2. Corporate social responsibility (CSR) towards the natural environment
3. Corporate social responsibility (CSR) of social welfare in General.

2.3 Syariah Enterprise Theory (SET)

Triyuwono (2007:4), the Enterprise Theory is a theory that recognizes the existence of accountability not only to the owner of the company but also to a broader group of stakeholders. This is because the concept of enterprise theory suggests that economic power is no longer in one hand but are on a lot of hands, i.e. stakeholders. Shariah Enterprise Theory not only cares for the interests of the individual (in this case the shareholders), but also other parties. According to Triyuwono (2007:4-5) in Shariah Enterprise Theory, stakeholders include Allah, man, and nature. The first stakeholders namely Allah. Allah is most high party and the only purpose of life for human beings. Then the second stakeholder is a man, which can be divided into two groups, the direct-indirect-stakeholders and stakeholders. Direct-

stakeholders are parties that directly contribute to the company, whether in the form of financial contributions or non-financial as for indirect-stakeholders are parties which in no way contributes to the company (whether financial or non-financial), but in their Shari'ah is the party that has the right to obtain the well being of the company. Final stakeholder is nature. Nature is the party that contributed to for the life is dead company as party of Allah and man

3. RESEARCH METHODS

This research more to literature review using the empirical and theoretical studies of previous good research that is synthesis as well as comparisons to know the development of CSR-related research.

4. DISCUSSION

Based on empirical evidence from several journals using qualitative method shows that Islamic banking is already applying its business in accordance with the Islamic Sharia. Research Arshad (2012) showed a significant positive relationship between the level of disclosure and corporate reputation and ICSR disclosure ICSR and company performance. In addition, management proactively implement and reveal the ICSR activities meet the needs of different stakeholders. The findings in this study indicate that the ICSR is an important business strategy that may encourage the behavior associated with the performance of the Organization in creating a sustainable superior performance. These findings have practical implications for the Organization in developing and integrating the activities of ICSR them into business strategy and as a tool to improve the performance of the company. Tho'in (2017) shows that the activities performed by the Sharia BRI related Corporate Social Responsibility (CSR) is carried out constantly and continuously with the target directional and right on target. These activities are directed to disseminate positive values and benefits possible. CSR activities conducted this Sharia applied to BRI several fields of which education assistance, health assistance and help the economic empowerment of the community. Based on the annual report of BRI Syariah, this is done because the BRI Syariah will understand the importance of CSR's role for the company in the long term. In addition BRI Syariah has a consciousness and a very great concern to the community. BRI Syariah also realize the importance of a good relationship needs to be built along a continuous community since it is a deciding factor in the achievement of the efforts of BRI Syariah.. Therefore, CSR policy orientation BRI Syariah aims at the reconstruction and development of the general public.

1. Implementation of CSR BRI Syariah Year 2014 have been implemented with the realization of the Fund amounted to Rp. 2.714.278.584 to some program activities.
2. Implementation of CSR BRI Syariah Year 2015 has been implemented with the realization of the Fund amounted to Rp. 1,374,468,181 to some program activities.

From the above data, shows that over the last two years, namely the year 2014 and in 2015 the CSR programs BRI Syariah has been running in accordance with the plan added. It's just that from these data demonstrate CSR programs that do decline in the amount of the budget is allocated. It is because CSR programs undertaken BRI Syariah in accordance with the situation and conditions in the field, though previously been mapped. Research Irmadariyani

(2016) shows the implementation of CSR company not only has to be done to achieve the objectives of the company but as a manifestation of concern to stakeholders. The theory of Islamic companies put Allah as the Central stakeholders. Thus, in undertaking CSR activities corporate intention is always based on and motivated by his faith, not only to create social welfare but also as a form of responsibility to Allah. Therefore, any company who carry out CSR activities should be held accountable first to Allah in order to get his blessings. If companies carry out CSR for the purpose of providing social welfare to the Regent of his interests with the intention to serve Allah to get his blessing, then it is the implementation of CSR is based on the concept of Ihsan. Implement the CSR with the concept of ihsan is beneficial for all because all processes are based on good intentions to do something good and will eventually give the company added value consists of Shariah economic, mental, and spiritual. The concept of ihsan is expected to push for a better implementation of CSR in the company. Therefore, the concept of ihsan in the CSR is not only to enhance the company's reputation but also as worship to Allah. Puspitasari (2014) conducts research on Bank Muamalat about reporting CSR activities where the implementation of corporate social responsibility at Bank Muamalat emphasized at 4 activity i.e. social development of society, the environment, Employment, health and safety. The source of the funds obtained from the Bank Muamalat to support Program activities of Corporate Social Responsibility (CSR) is derived from several sources, such as the Zakat Zakat Company BMI, BMI Employees, Conventional Bank interest and fines collected from banks Muamalat. Total acceptance of the Results by the year 2014 of \$22,503,600,681 while the use of which has been realized during the year 2014 i.e. Rp 13,311,417,978 so that there is a remaining balance for the year 2014 is Rp 9,192,182,703. Form of social responsibility of Bank Muamalat in the form of the construction of a water tower, a Water Well that is the construction of a public bathroom facilities and Public drinking water Hydrant program (HUAM). In terms of social development, community activities are divided into three areas, namely economic, health and education. In economics, Bank Muamalat to form Community-based Microenterprise Muamalat Mosque (KUM3) development activities Fund religious obligatory, Infaq, Alms in the form of the granting of business capital, micro insurance products recovery partners and SMEs. Puspitasari (2014) is also doing research on Bank BNI Syariah where CSR at BNI Syariah leads to the spread of benefits especially for communities in need. The year 2014, BNI Syariah build related cooperation activities with the Foundation company Hasanah point. There are 4 pillars which became a foundation in drawing up social responsibility programs Foundation Hasanah point. The four pillars namely education, economics, health and environment as well as Social Areas and Dawah. Other CSR programs such as the responsibility of product as well as employment, BNI Syariah occupational health and safety (K3). The budget of Rp 8.130.429.400 has provided BNI syariah Foundation with Hasanah point in social responsibility activities organized in the year 2014. For the total costs for realized activities have social responsibility throughout the year 2014 of 93% of the budget or reached Rp 7.610.468.951 which has been disbursed. The source of the funds collected by the bank BNI Sharia comes from the rest of the funds are zakat fund and the enterprise of the year 2012 Year 2013 corporate charity.

Comparison of social responsibility Bank Muamalat and Bank BNI Syariah

Diference	Muamalat Bank	BNI Syariah Bank
Source of funds	Corporate zakat, employee zakat, bank interest and fines	The remaining zakat funds in 2012 and zakat in 2013
CSR Program	Living environment	Education
	Social and community development the field of: 1. Education 2. Economics 3. Humanity	economics
	Employment, health and work safety	Helth and environment
		Employment, health and work safety

Source: Puspitasari (2014)

In the table above to see that there is a difference between CSR in Bank Muamalat and CSR in Bank BNI Syariah. The source of funds in Bank Muamalat obtained from zakat, company employees, bank interest and fines. While the source of the funds obtained by Bank BNI Sharia comes from the rest of the 2012 and 2013 zakat funds. CSR programs at Bank Muamalat is divided in three categories, namely the environment, social and community development, as well as employment. Whereas CSR programs at Bank BNI Syariah are divided into four categories, namely education, health, economic and environmental as well as employment.

4. CONCLUSION

The concept of Corporate Social Responsibility indicates that in addition to a search-oriented advantages, companies are also obliged to maintain harmony with stakeholders. The purpose of the maqasid al-Shariah is maslahah so business is an attempt to create the maslahah, not just profit. CSR activities it ultimately can improve the standard of living as well as the benefit to the company itself, the surrounding communities, as well as the general public. Various CSR consists of economic responsibility, legal responsibility, ethical responsibility, and the responsibility of the charity.

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