

IMPLEMENTATION OF SHARIA ACCOUNTABILITY ENTERPRISE THEORY IN CORPORATE SOCIAL RESPONSIBILITY OF BANK NTB SYARIAH AND BANK ISLAM BRUNEI DARUSSALAM

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Abstract

The development of globalization encourages companies, especially Islamic banks, to involve themselves in Corporate Social Responsibility (CSR) based on the principles of Sharia Enterprise Theory (SET). The research focused on Bank NTB Syariah and Bank Islam Brunei Darussalam, analyzing their level of social responsibility disclosure. The descriptive qualitative research method was used by observing the 2022 Annual Reports of both banks. The results of this study, namely Bank NTB Syariah and Bank Islam Brunei Darussalam show commitment to vertical accountability (Allah SWT), internal horizontal (employees, customers), and external horizontal (community, environment). Both implement SET in CSR with policies that comply with sharia principles, investment in education, and involvement in environmental conservation.

Keywords: *Corporate Social Responsibility (CSR), Sharia Enterprise Theory (SET), Bank NTB Syariah, Bank Islam Brunei Darussalam*

1. INTRODUCTION

The development of globalization and increasing demand from stakeholders for companies to carry out their social responsibility and disclosure roles encourage corporate involvement in CSR (Corporate Social Responsibility) practices. CSR (Corporate Social Responsibility) is a general statement that indicates a company's obligation to utilize economic resources in operations to provide and contribute to internal and external stakeholders.

Including banking business activities is inseparable from the concept of Islamic accounting. Sharia accounting is "a concept where the values of the Quran must be used as basic principles in accounting applications" (Muhammad, 2005: 11). One type of bank that plays an important role in the disclosure of social responsibility is Islamic banks (Meutia2011: 3), Islamic banks should have more spiritual dimensions. This spiritual dimension not only requires non-usury business, but is also able to provide welfare for the wider community, especially for economically weak groups.

Yusuf (2010: 99), the position of Islamic banks as financial institutions that already exist at national and international levels must be a pilot financial institution in driving CSR programs. The implementation of Islamic bank CSR programs is not only to fulfill the mandate of the law, but further than that the social responsibility of Islamic banks is built on the basis of strong Islamic philosophy and tasawwur (image) to become one of the financial institutions that can prosper the community.

Meutia (2011: 11) states that the most appropriate theory to express corporate social responsibility, in this case Islamic banks is Sharia Enterprise Theory (SET). This is because in sharia enterprise theory, Allah is the main source of trust. While the resources owned by stakeholders are trusts from Allah in which is attached a responsibility to use in the manner and purpose set by the Supreme Trustee.

Research on CSR has been widely conducted, but discussion about CSR based on the perspective of sharia enterprise theory is still limited. Among them is a study conducted by Mansur (2012) on CSR disclosure in Islamic banking which found that Islamic banks that are the object of research are still very limited, voluntary, and far from conformity with sharia enterprise theory. Research written by Dori Novarela and Indah Mulia Sari (2019) entitled "Sharia Banking Corporate Social Responsibility Reporting in Sharia Enterprise Theory Perspective" shows that SET is considered appropriate to measure the level of CSR implementation in Islamic banking. This research conducted in several Sharia Commercial Banks resulted in that the level of Corporate Social Responsibility (CSR) disclosure based on Sharia Enterprise Theory (SET) on horizontal accountability items in the nature of none of the Sharia Commercial Banks was maximum in its disclosure, all Sharia Commercial Banks received a low score that was not informative. Research written by Budi Gautama Siregar (2016) entitled "Application of Corporate Social Responsibility (CSR) in Islamic View" explains Corporate Social Responsibility (CSR) in Islamic View. The result of his research is Corporate Social Responsibility (CSR) in the Islamic view is an activity carried out with the aim of creating virtue carried out through activities justified by Allah SWT in the form of zakat, infak, shadaqoh and waqf.

In this study, researchers chose Bank NTB Syariah and Bank Islam Brunei Darussalam to be the object of research. Based on financial analysis, there are significant similarities between the two Bank NTB Syariah and Bank Islam Brunei Darussalam. Both financial institutions showed Return on Assets (ROA) rates of 1.93% and 1.7%, reflecting good asset management efficiency. In addition, both have assets of approximately 11,560 billion and 13,000 billion signify similar operational scales, the similarity in the number of assets indicates that both have comparable operational bases. This may reflect the business development strategy and asset allocation in line between the two financial institutions.

It is important to note that these similarities are not only limited to the financial dimension, but also involve demographic characteristics. Both banks have a majority Muslim population, which reinforces the dimension of Shariah compliance in their operations and financial services. This study aims to measure the level of disclosure of Islamic banking social responsibility based on Sharia Enterprise Theory by trying to answer the question of how the level of disclosure of Islamic banking social responsibility based on the perspective of sharia enterprise theory.

2. METHODOLOGY

The research method used in this study is descriptive qualitative. Researchers collected data using documentation methods in the form of Annual Reports at Bank NTB Syariah and Bank Islam Brunei Darussalam in 2022. Then the researcher revealed the data obtained in the form of a descriptive narrative. This study uses the Miles & Huberman data analysis approach, namely data analysis consists of three series of activities that occur simultaneously, namely data reduction (data reduction), data presentation (data display) and drawing conclusion or verification (Miles, 2014).

3. RESULT AND DISCUSSION

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is an action or concept carried out by companies as a form of their responsibility to the social or social environment in which the company is located or to behave ethically and contribute positively to its employees, the community and the surrounding environment and the wider community (Siregar, 2016).

In general, CSR can also be interpreted in a way how companies achieve a balance between economic, environmental, and social goals of the community, while still responding to the expectations of shareholders and stakeholders (Ningsih, 2012).

Corporate Social Responsibility (CSR) in Islamic Religious Perspective

Corporate Social Responsibility in an Islamic perspective is a consequence of the teachings themselves. The purpose of Islamic sharia (Maqashid al Sharia) is to create mashlahah not just the pursuit of profit. Obligations in the implementation of Corporate Social Responsibility are not only about fulfilling obligations legally and morally, but also so that the company and society can survive in the long run. Running a business in Islam has a very noble position and is not only allowed, but also commanded by Allah SWT in the Quran (Shukron, 2015).

Accountability

According to Triuwono (2010), accountability is a form of accountability for one's obligations and the obligation to give a calculation of something to someone, the responsibility to provide formal reports on finances. Accountability in Islamic accounting includes accountability to Allah, accountability to humans and accountability to nature. Accountability to Allah SWT is carried out by applying Islamic Sharia in maintaining and maintaining the mandate given by Allah SWT. Accountability to humans by providing reports, information and needs from those who are dedicated to the business. While accountability to nature by not doing damage, exploitation and pollution of the environment (Permatasari &; Uswati Dewi, 2011).

In the concept of accountability in Islam states that humans as trustees, but not as holders of full power over the world. The holder of this trustee or as this caliph is mentioned in Surah Al-Baqarah verse 30, which means:

"Remember when your Lord said to all the angels, 'Behold, I will make a caliph on earth.' They said, 'Why do you want to make the caliph on earth one who will make mischief to him and shed blood, when we are always praying by praising you and purifying you?' The Lord said, 'Verily I know what ye know not.'

Sharia Enterprise Theory (SET)

Sharia Enterprise Theory (SET) is a theory that is a completion of the theory that underlies the previous enterprise theory. The most important thing in sharia enterprise theory is Allah Almighty as the main source of trust. These resources are related to accountability for the use, means, purposes set by Allah SWT as the owner of the world and all of it. Sharia Enterprise Theory (SET) explains that the ultimate property is in Allah Almighty, while humans are only given things to manage (khalifah fil ardhi). According to Al Ghazali, these principles actually have a strong relationship with the objectives of the Islamic economy that prioritizes the interests of many people (Chapra, 2007: 6). According to Triuwono (2007) said Sharia Enterprise Theory (SET) is not only a precursor to individual interests, but also other parties. Therefore, Sharia Enterprise Theory (SET) has great concern for a wide range of stakeholders. Sharia Enterprise Theory (SET) includes Allah Almighty, humans, and lamas. God is the highest party and the only purpose of human life. In the disclosure of Corporate Social Responsibility (CSR) in Sharia Enterprise Theory (SET) in Sharia Banking, according to Meutia (2010) there is Vertical Accountability, namely Allah SWT and Horizontal Accountability, namely employees, customers, society / community, and also nature / environment. The concept of Sharia Enterprise Theory (SET) is operationalized in the form of sharia added value in sharia accounting which is prescribed with halal, toyyib, and usury-free. The implementation that can be done is an activity that is usury-free in all its forms and implications by optimizing the good of others and equally. Laying down the principles of justice and balance based on divine morals (Kalbarini, 2018).

A. Implementation of Sharia Accountability Enterprise Theory (SET) on Corporate Social Responsibility (CSR) at Bank NTB Syariah

Meutia (2010: 243) said there are several dimensions offered by sharia enterprise theory in the implementation of corporate social responsibility, especially in Islamic banking. These dimensions are logical accountability and horizontal accountability.

Vertical Accountability: Allah Almighty

Based on the results of supervision, the Sharia Supervisory Board said that in general Bank NTB Syariah's operational activities were in accordance with Sharia Principles, DSN-MUI Fatwas, and DPS Opinions. In the implementation of business activities, both in the form of financing and social funds, Bank NTB Syariah has a Sharia Supervisory Board. The Sharia Supervisory Board always provides advice and advice to the Board of Directors related to sharia.

The Sharia Supervisory Board of Bank NTB Syariah has passed the competency test and has obtained approval from the National Sharia Board of the Indonesian Ulema Council (DS-MUI). All processes in the Bank's product development have received opinions from the Sharia Supervisory Board. From the description above, it can be concluded that NTB Syariah has fulfilled vertical accountability to Allah SWT.

Horizontal Accountability: Employees

Bank NTB Syariah is fully aware that Human Resources is one of the important capitals in supporting the improvement of the quality of company performance. Therefore, Bank NTB Syariah continues to strive to manage SDI management properly and always pay attention to the welfare of all employees in order to synergize with each other in order to create optimal work productivity. Programs carried out by Bank NTB Syariah in internal horizontal accountability to employees, such as: employee welfare, employee education and training, gender equality and work safety, employee remuneration, health and work safety.

In this case, it can be seen that Bank NTB Syariah has provided the best service for its employees. Bank NTB Syariah has proven the application of Sharia Enterprise Theory (SET) in the implementation of Corporate Social Responsibility on internal accountability, namely employees have been done well.

Internal Horizontal Accountability: Customer

In implementing customer accountability, Bank NTB Syariah has carried out corporate responsibilities to customers by providing products and information offered in a complete and comprehensive manner. Quality service is key in maintaining customer loyalty and also the sustainability of Bank NTB Syariah. Bank NTB Syariah also provides various services to customers, such as: customer complaint services both oral and written complaints and also provides complete information about products, and services through print and electronic media. Information related to bank products and services can be asked directly at each Bank NTB Syariah Branch Office to get detailed information directly or through the Call Center 1500667. In addition, information can also be accessed through the Bank NTB Syariah website, namely www.bankntbsyariah.co.id and other official social media.

From the description above, it can be seen that Bank NTB Syariah makes customers as the main destination. This shows that NTB Syariah has applied Sharia Enterprise Theory in the implementation of Corporate Social Responsibility, internal horizontal accountability, namely to customers.

External Horizontal Accountability: Community

Bank NTB Syariah always harmonizes its presence and business activities in the community, therefore Bank NTB Syariah is committed to continuing to carry out community development and empowerment programs in order to achieve an independent and prosperous society. In addition, as a form of corporate responsibility to the community, Bank NTB Syariah also

continues to increase support for the development program of the NTB Provincial Government related to people's economic empowerment.

- a) Social assistance programs such as natural disaster management through the provision of basic food items for affected communities, construction of worship facilities, environmental conservation, economic empowerment and community social activities;
- b) Education assistance programs such as tuition assistance, school construction, school facilities and infrastructure, arts and cultural sports activities;
- c) Health assistance programs such as medical assistance and the provision of health infrastructure.

From the report above, the implementation of the Corporate Social Responsibility program, Bank NTB Syariah carries out the Corporate Social Responsibility program in various aspects. This aspect includes providing natural disaster relief, improving the quality of education, religion, improving health and society, art and culture. Bank NTB Syariah has applied Sharia Enterprise Theory in the implementation of Corporate Social Responsibility, external horizontal accountability, namely the community well.

External Horizontal Accountability: Environment

Environmental damage is one of the current global problems, including in Indonesia. Preserving the environment should be a concern for all parties because environmental damage will have a negative impact on humans. The occurrence of natural disasters, climate change, the emergence of various diseases that interfere with human health, will indirectly affect the Bank's business activities and sustainability. Realizing this, Bank NTB Syariah plays an active role in various environmental conservation efforts. Bank NTB Syariah is committed to implementing sustainable finance principles that integrate Environmental, Social and Governance (ESG) risks in managing financial products and services. This has been implemented by Bank NTB Syariah, among others:

1. In Bank NTB Syariah's financing requirements, it is required to have Environmental Management Efforts (UKL / UPL) documents and / or Environmental Impact Analysis (AMDAL);
2. Bank NTB Syariah has a policy to prohibit the provision of financing that damages the environment;
3. Bank NTB Syariah implements Anti-Money Laundering and Prevention of Terrorist Financing (AML-CFT) policy, one of whose obligations is to report illegal transactions including business transactions related to illegal logging and environmental pollution;
4. Bank NTB Syariah's efforts in minimizing the impact of plastic on the environment by using tumblers as drinking water containers instead of plastic bottles or cups.

In maintaining the environment, Bank NTB Syariah preserves the environment starting from the internal environment of the Office to the external environment of the Office. This is done as evidence of the Bank's responsibility to the Universe which has allowed humans to carry out activities on this earth. This program is also a gratitude to Allah SWT who has bestowed blessings in the world that we must take care of.

Bank NTB Syariah has applied Sharia Enterprise Theory (SET) in the implementation of Corporate Social Responsibility (CSR), external horizontal accountability, namely the environment well. Bank NTB Syariah does small things whose benefits can be felt for a long time and can be felt not only by the Bank, but all existing communities.

B. Implementation of Sharia Accountability Enterprise Theory (SET) on Corporate Social Responsibility (CSR) at Bank Islam Brunei Darussalam

Vertical Accountability: Allah Almighty

In Vertical Accountability, Bank Islam Brunei Darussalam in the implementation of its activities has The Shariah Advisory Body or Sharia Advisory Body. The duties and responsibilities of the

Sharia Advisory Board of Bank Islam Brunei Darussalam, namely: Advising the Board and management on matters related to sharia so that the bank remains compliant with sharia principles, approving policies and guidelines related to sharia policies, advising parties, related parties such as customers. Legal advisors, auditors, consultants. Approve the methodology of calculating zakat and disbursing bank zakat, and approve policies and guidelines related to sharia.

From the description above, it can be concluded that Bank Islam Brunei Darussalam has fulfilled vertical accountability to Allah SWT. Bank Islam Brunei Darussalam through The Shariah Advisory Body or Sharia Advisory Board maintains the continuity of operational activities so as not to go outside the boundaries of sharia. So that it can strengthen the application of Sharia Enterprise Theory (SET) in vertical accountability, namely activities that have the highest purpose, namely Allah SWT.

Horizontal Accountability: Employees

Bank Islam Brunei Darussalam realizes that in success as a bank there are employees who are highly dedicated and work hard. In this regard, Bank Islam Brunei Darussalam is committed to providing an environment where employees feel supported and valued. Bank Islam Brunei Darussalam is committed to equipping employees with international standard certificates, expertise and skills required to serve.

In this regard, it can be seen that Bank Islam Brunei Darussalam has provided the best service for its employees. Bank Islam Brunei Darussalam has proven the application of Sharia Enterprise Theory (SET) in the implementation of Corporate Social Responsibility on internal accountability, namely employees have been done well.

Internal Horizontal Accountability: Customer

In implementing customer accountability, Bank Islam Brunei Darussalam offers safe, practical and smart services to its customers. Like Go Digital services, in an effort to encourage digitalization and sustainability, Go Digital comes with the aim of strengthening the advantages of digital banking in terms of increasing the accessibility of banking services, increasing transaction security and increasing convenience for customers. In addition, promoting financial literacy to customers where Bank Islam Brunei Darussalam realizes the importance of raising awareness about better financial literacy as early as possible and rewarding customers for their loyalty and support to Bank Islam Brunei Darussalam.

From the description above, it shows that Bank Islam Brunei Darussalam has applied Sharia Enterprise Theory in the implementation of Corporate Social Responsibility, internal horizontal accountability, namely to customers.

External Horizontal Accountability: Community

Bank Islam Brunei Darussalam is ready to serve the nation in various aspects in order to maintain public health and welfare, in line with the basic values of Bank Islam Brunei Darussalam which are rooted in Sharia Maqasid. Bank Islam Brunei Darussalam has several programs such as:

- 1) Investing in education known as BIBD ALAF (Bank Islam Brunei Darussalam Advocating Life-Long Learning for Aspiring Future) is necessary to realize His Highness' vision 2035 to transform Brunei Darussalam into a country widely recognized for the quality of life of its people and the achievements of its educated citizens.
- 2) Fostering Entrepreneurship, a Special Entrepreneurship Empowerment and Development Program aimed at facilitating the development of competitive, resilient, and successful communities in local and international markets. Working closely with the Ministry of Religious Affairs and the Ministry of Culture, Youth and Sports to create more opportunities

- in Brunei Darussalam, especially for underprivileged communities, and towards high-skilled individuals.
- 3) Promoting a sustainable future through a circular economy, sustainable development goals include climate crisis, plastic pollution, and fast fashion.
 - 4) Promoting Health and Well-being, Bank Islam Brunei Darussalam has a group called Brunei Darussalam Red Crescent Society (BRC) and is involved in offering humanitarian assistance and volunteer activities to the country. BRC also actively strives to instill a culture of safety among the community by training more P3Ks and to achieve their goal of having P3Ks in every household.
 - 5) Empowering Our Young Generation, as a partner of the nation's progress Bank Islam Brunei Darussalam believes there is no greater investment in our future than to focus on how we can empower, support and encourage our youth.

Bank Islam Brunei Darussalam has applied Sharia Enterprise Theory in the implementation of Corporate Social Responsibility, external horizontal accountability, namely the community well.

External Horizontal Accountability: Environment

In environmental issues, Bank Islam Brunei Darussalam signed a Memorandum of Understanding (MoU) with Brunei Darussalam National Council on Climate Change (BNCC) or can be called Brunei Darussalam National Council on Climate Change to work together in solutions to climate problems, tree planting. Bank Islam Brunei Darussalam has applied Sharia Enterprise Theory (SET) in the implementation of Corporate Social Responsibility (CSR), external horizontal accountability, namely the environment well.

4. CONCLUSION

From the research that has been conducted, it can be concluded that Bank NTB Syariah and Bank Islam Brunei Darussalam have carried out Corporate Social Responsibility by applying Sharia Enterprise Theory in several fields.

- a. Vertical Accountability which is the main objective of this theoretical concept, namely Allah SWT, Bank NTB Syariah and Bank Islam Brunei Darussalam have done the concept of Sharia Enterprise Theory well. The implementation of banking activities at Bank NTB Syariah is supervised by the Sharia Supervisory Board. Meanwhile, Bank Islam Brunei Darussalam is supervised by The Shariah Advisory Body .
- b. On internal horizontal accountability of employees, Bank NTB Syariah and Bank Islam Brunei Darussalam have performed their responsibilities as companies well. NTB Syariah employees are provided with facilities equally without gender differences. Similarly, Bank Islam Brunei Darussalam is committed to providing an environment where employees feel supported and valued.
- c. On internal horizontal accountability of customers, Bank NTB Syariah and Bank Islam Brunei Darussalam carry out their responsibilities as service providers by providing products and information offered completely and comprehensively to customers.
- d. In horizontal accountability of the community, Bank NTB Syariah has carried out various forms of corporate responsibility to the community, Bank NTB Syariah also continues to increase support for the development program of the NTB Provincial Government related to people's economic empowerment. Similarly, Bank Islam Brunei Darussalam serves the nation in various aspects in order to maintain public health and welfare, in line with the basic values of Bank Islam Brunei Darussalam which are rooted in Sharia Maqasid.
- e. On external horizontal environmental accountability, Bank NTB Syariah and Bank Islam Brunei Darussalam have carried out the #savetheworld movement which shows concern for the environment. Where this is useful for life in the future.
- f. Overall, Bank NTB Syariah and Bank Islam Brunei Darussalam have applied Sharia Enterprise Theory (SET) to the implementation of Corporate Social Responsibility (CSR).

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