

3rd International Conference on
Islamic Perspective of
Accounting, Finance, Economics
and Management

23 -25 November 2017
Yıldız Technical University, Istanbul



IPAFEM 2017

In Association with:
**Journal of Islamic Accounting and
Business Research**
ISSN: 1759-0817



Table of Contents

Table of Contents	1
Foreword by Conference Chair	2
Conference Schedule	4
Parallel sessions	6
Abstracts	15
Scientific Committee	48
Organizing Committee	48
Authors, Presenters and Participants	49
Editorial Team, <i>Journal of Islamic Accounting & Business Research</i>	53

Foreword



Conference Chair
Dr. Mohammad Hudaib

It gives me great pleasure and honour to chair the third Islamic Perspective of Accounting, Finance, Economics and Management Conference in Istanbul. It is with the help and blessings of Allah Subhanahu Wa Ta'ala that enables us to continue to hold this conference in seeking ways to apply Shari'ah Islami'iah in the fields of Accounting, Finance, Economics and Management and other related disciplines in social science. We chose the theme for IPAFEM 2017 to be "Navigating in Uncertain Times for Socio-economic Justice: The Role of Islamic Business Ethics", because we believe shariah offers an alternative stabilising paradigm in overcoming injustice we see in our daily life resulting from lack of morality in business conducts. Shari'ah emphasises on responsibility and accountability of individuals and the leaderships in the conduct of economic and political affairs. The consequences of an over emphasis on profit maximisation, manipulations of prices, excessive remunerations and bonuses, giving and receiving kickbacks, fraudulent practices, excessive consumption of resources without caring the balance in the eco-system, and above all the riba based economy, have caused

the collapse of nations and continued grievances in societies.
In the Quran, Allah states:

يَتَائِبُهَا الَّذِينَ ءَامَنُوا كُونُوا قَوَّامِينَ لِلّٰهِ شُهَدَاءَ بِالْقِسْطِ وَلَا يَجْرِمَنَّكُمْ
شَتَانُ قَوْمٍ عَلَىٰ ءَلَّا تَعْدِلُوا ؕ اَعْدِلُوا هُوَ اَقْرَبُ لِلتَّقْوَىٰ وَاتَّقُوا اللّٰهَ اِنَّ اللّٰهَ
خَبِيرٌۢ بِمَا تَعْمَلُونَ ﴿٨﴾

Surah Al-Maidah (5), ayat.8: O you who have believed, be persistently standing firm for Allah, witnesses in justice, and do not let the hatred of a people prevent you from being just. Be just; that is nearer to righteousness. And fear Allah; indeed, Allah is Acquainted with what you do.

Hence, let us share and disseminate our knowledge and engage with business leaders and practitioners through conferences and writing in journals. Let us work hand in hand in finding solutions to an alternative economic system that will help build just and healthy societies and nations. Finally, this conference would not have been possible without the support and contribution of you all, as keynote speakers, presenters, reviewers and advisors, and we thanked you from the bottom of our hearts. I would also like to extend my thanks to Professor Tamer YILMAZ who supported us in holding this conference. Last but not least, to the organising committee members who have devoted their time and efforts in making this intellectual event a reality. May Allah reward you all for your deeds and Jaza-kumu Allah khair to all of you.

Mohammad Hudaib

Conference Schedule

3rd International Conference on Islamic Perspective of Accounting, Finance, Economics and Management

“Navigating in Uncertain Times for Socio-economic Justice: The Role of Islamic Business Ethics”

November 23rd-25th, 2017
Yıldız Technical University, Istanbul, Turkiye

Day, date	Time	Program
Thursday Nov 23, 2017	09:00 -10:30	Registration & Coffee Venue: Auditorium A
	10:30 - 11:30	Welcoming speech <ul style="list-style-type: none"> • Conference Chair • Guest of Honour
	11:30 - 12:30	Panel Session Venue: Auditorium A “Contemporary issues on shariah audit practices” Chair: Prof. Ros Haniffa <ol style="list-style-type: none"> 1. Associate Professor Dr. Zulkifli Hassan Shariah Committee, Affin Islamic Bank Berhad 2. Mohd Faiz Rahim Head, Shariah Supervisory Department, Affin Islamic Bank Berhad 3. Mohd Shukor Abdullah Head, Shariah Review, Affin Islamic Bank Berhad
	12.30-13.30	Lunch break and Dhuhr Prayer Venue: Yildiz Uni Restaurant and Prayer Room
	13.30-15.00	Parallel session 1 Venue: Auditorium A & B
	15.00-15.30	Coffee break and Ashr Prayer Venue: Auditorium A and Prayer Room
	15.30-17.00	Parallel session 2 Venue: Auditorium A & B
	17.00-18.30	Editor talk: A Guide to Getting Published in JIABR Prof. Roszaini Haniffa

Day, date	Time	Program
	18.30	Transport to Gala Dinner Gathering in front of Auditorium A
	19.00-22.00	Gala dinner at Hisare Dinner Speech and Best Paper Announcement
Friday Nov 24, 2017	08.30-09.00	Coffee
	09.00-11.00	Parallel session 3
	11.00-13.30	Lunch break and Jumu'ah Prayer Venue: Yildiz Uni Restaurant and Masjid
	13.30-15.00	Parallel session 4
	15.00-15.30	Coffee break and Ashr prayer
	15.30-16.30	Open Forum and networking
Saturday Nov 25, 2017	08:00 - 08.15	Sightseeing Preparation Gathering in front of Auditorium
	08:15 -13:00	Bosporus Sightseeing


Parallel Session 1 (Thursday, 23 November 2017, 13:30 – 15:00)
1A – Islamic Business Ethics
Auditorium A

Chair: Prof. Ros Haniffa

1. Cognitive Moral Development, Organizational Situation, and Ethical Decision Making in Business and Accounting

Abdul Hamid Habbe, Hasanuddin University
--

Andi Kusumawati, Hasanuddin University
--

Alimuddin Alimuddin, Hasanuddin University
--

Yohanis Rura, Hasanuddin University

2. Islamic Corpora as a foundation for Business Ethics Decision Support Systems: A conceptual framework

Salam Abdallah, Abu Dhabi University

3. The Implications and Practical Manifestations of ‘Adālah (Justice) in Relation to Islamic Financial Institutions

Muhammad Adli Musa, International Islamic University Malaysia

4. Exploring Problems and Strategies to Improve Halal Tourism in Lombok, Nusa Tenggara Barat

Aryl Dwi F, Tazkia University College of Islamic Economics
--

Nashr Akbar, Tazkia University College of Islamic Economics

1B – Growth and Profitability**Auditorium B**

Chair: Prof. Abdul Hamid Habbe

1. Governance of Profit and Loss Sharing Financing in Achieving Socio-economic Justice

Rizal Yaya, Universitas Muhammadiyah Yogyakarta

Ilham Maulana Saud, Universitas Muhammadiyah Yogyakarta

2. Islamic Banking and Economic Growth

Abdelaziz Chazi, American University of Sarjah

Ali Mirzaei, American University of Sarjah

Zaher Zantout, American University of Sarjah

3. Capital Structure Puzzle: Does Shariah Compliance Status Matter?

Asyraf Abdul Halim, International Centre for Education in Islamic Finance (INCEIF)

Mohd Edil Abd Sukor, Faculty of Business and Accountancy, University of Malaya

Obiyathulla Ismath Bacha, International Centre for Education in Islamic Finance (INCEIF)

4. Outline of Islamic Economic Order

Mohammad Farooq Rather, Jammu & Kashmir Bank

Parallel Session 2 (Thursday, 23 November 2017, 15:30 – 17:00)
2A – Accounting Information
Auditorium A

Chair: Dr. Murniati Mukhlisin

1. Users of corporate reporting of information: An Islamic perspective

Ousama Anam, Qatar University

2. Accounting Problematic in Ibn Khaldun's Muqaddimah

Hilmi Erdoğan Yayla, Hasan Kalyoncu University
--

Nuri Baltacı, Gümüşhane University

Ahmet Keser, Hasan Kalyoncu University
--

3. The Influence of Organisation Culture toward Financial Reporting Quality and Its Impact on Good Governance (the study of Badan Amil Zakat in Jakarta and West Java Provinces)

Peny Azwari, Universitas Islam Negeri (UIN) Raden Fatah Palembang

Nazaina Nazaina, Universitas Malikussaleh Aceh
--

4. Establishing Maslahah (Islamic) Based Performance Model for Forestry Investment

Kholifah Khusaeri, Tazkia University College of Islamic Economics

Achmad Firdaus, Tazkia University College of Islamic Economics
--

2B – Finance Practices

Auditorium B

Chair: Dr Mohd Edil Abd Sukor

1. Survey on Shariah Non-Compliant Events in Islamic Banks in the Practice of Tawarruq Financing in Malaysia

Mohammad Mahbubi Ali, International Institute of Advanced Islamic Studies (IAIS)
--

Rusni Hassan, International Islamic University Malaysia (IIUM)
--

2. A Comparison of Job Satisfaction Between Conventional and Participation Bank Employees Based on Herzber's Two-factor Theory

Emel Yıldız, Gümüşhane University

Salih Yıldız, Gümüşhane University

3. Development of Sustainable and Responsible Investment (SRI) Sukuk Framework: Evidence from Malaysia

Md Mahfuzur Rahman, University of Malaya
--

Che Ruhana Isa, University of Malaya

Ginanjar Dewandaru, International Centre for Education In Islamic Finance (INCEIF)
--

Mohamed Hisham, University of Malaya

Nazreen Tabassum Chowdhury, University of Malaya
--

4. Towards Value-Oriented Islamic Finance Practices: A Case Study of Affin Islamic Bank Berhad

Zulkifli Hasan, Universiti Sains Islam Malaysia

Mohd Faiz Rahim, Affin Islamic Bank Berhad
--

Parallel Session 3 (Friday, 24 November 2017, 9.00 – 11:00)
3A – Islamic Banking Compliance
Auditorium A

Chair: Prof. Zulkifli Hasan

1. Does Dual Banking System in Indonesia Differentiate Investment Account Requirement?

Yaser Syamlan, Tazkia University College of Islamic Economics

2. Equities - interest rates analysis: Islamic vs Conventional Indices

Yasmin Abd Rahim, University of Malaya

Izlin Ismail, University of Malaya

Aidil Rizal Shahrin, University of Malaya

Mohamed Eskandar Shah Mohd. Rased, International Centre For Education In Islamic Finance (INCEIF)

3. The Role of Innovation in Service Business: A Research on Participation Banking

Salih Yıldız, Gümüşhane University

4. To Expand Business or To Refinance Current Debt: Evidence From Malaysian Firm's Sukuk and Bond Issuance

Mohamed Hisham Hanifa, University of Malaya

Mansur Masih, International Centre for Education In Islamic Finance (INCEIF)

International Centre For Education In Islamic Finance (INCEIF)

5. Non-Interest Financing Model: Comparing Financial Profitability of Islamic Financial Institution and Private Sharia Based Business Entity

Damanhur Abbas, Universitas Malikussaleh

Falahuddin Hasballah, Universitas Malikussaleh

Muammar Khaddafi, Universitas Malikussaleh

Wahyuddin Albra, Universitas Malikussaleh

3B – Accounting Standards and Education**Auditorium B**

Chair: Dr. Hilmi Erdoğan Yayla

1. The Limitations of Information Content of Sharia Performance in Islamic Bank Reports: Critical Review of Islamic Accounting Standards in Indonesia

Ahim Abdurahim, Muhammadiyah University of Yogyakarta

2. Value relevance of accounting information produced under IFRS versus AAOIFI: Empirical evidence from Takaful industry

Mariem Mejri, LIGUE- ISCAE, Université de Manouba, Tunisia

Hakim Ben Othman, College of Business, University of Jeddah

Hussein A. Abdou, All Saints Campus, UK & Faculty of Commerce, University of Mansoura

3. Islamic Accounting Education in Indonesia and Malaysia: A Comparative Study

Rini Rini, State Islamic University Syarif Hidayatullah Jakarta

Maliah Sulaiman, International Islamic University Malaysia

4. Awareness and Information Levels of University Students on Islamic Banking

Mazlum Çelik, Hasan Kalyoncu University

Ahmet Keser, Hasan Kalyoncu University

5. A Dynamic Approach of Islamic Banking Progression in Turkey: An Overview

AHM Ershad Uddin, Faculty of Theology, Marmara University, Istanbul, Turkey

Parallel Session 4 (Friday, 24 November 2017, 13:30 – 15:00)
4A – Waqf and Islamic Micro Finance
Auditorium A

Chair: Prof. Ros Haniffa

1. Survey on Waqf Literacy of Bogor Citizens

Nashr Akbar, Tazkia University College of Islamic Economics

2. Do Income and Profit Sharing Affect Mudaraba Deposit at BMT Al Azhar Maros Indonesia?

Firman Menne, Bosowa University

Akbar Akbar, Bosowa University

3. Do Islamic Microfinance Practice Decrease the Level of Three Aspects of Poverty?

Husna Dzakiroh, Tazkia University College of Islamic Economics

Ries Wulandari, Tazkia University College of Islamic Economics

4B – Halal Industry and Social Responsibility
Auditorium B

Chair: Dr. Murniati Mukhlisin

1. Halal Purchase Intention on Processed Food

Saniatun Nur Hasanah, Tazkia University College of Islamic Economics

Happy Febrina Hariyani, Tazkia University College of Islamic Economics

2. Improving Employees' Performance through Islamic Spirituality and Islamic Social Responsibility

Omar Khalid Bhatti, Antalya Bilim University

Ibrahim Guran YUMUSAK, Sabahattin Zaim Univeristy

3. CSR: Another Form of Invisible Hand from Indonesian Local Wisdom Perspectives.

Median Wilestari, University of Indonesia

**Thank you for participating in IPAFEM 2017 and we hope
to see you again in IPAFEM 2018.**



Abstracts

Cognitive Moral Development, Organizational Situation, and Ethical Decision Making in Business and Accounting

Abdul Hamid Habbe, Hasanuddin University
Andi Kusumawati, Hasanuddin University
Alimuddin Alimuddin, Hasanuddin University
Yohanis Rura, Hasanuddin University

Abstract

This study examines the effect of the interaction between cognitive moral development (pragmatic, accommodating, and autonomous) and an organizational situation (agency and stewardship) in business ethical decision making (earnings management and expropriation). This research employed a laboratory experiment design of full factorial factor 3x2 between-within subjects. There were 97 postgraduate students of Hasanuddin University that acted as participants. Data were analyzed by ANOVA and t test. The results showed that the level of cognitive moral development is positively related to the degree of ethical decisions in accounting and expropriation. The higher the level of cognitive moral development, the more managers act ethically in decisions relating to accounting and expropriation. Meanwhile, the agency and stewardship situation have no effect on the differences in ethical decision making both in accounting and expropriation. Similarly, the exposure to an organizational situation has no impact on the relationship between levels of cognitive moral development and ethical decision making. The assumption stating that cognitive moral development of each participant has been an anchor and not easily changed to the different or the opposite situations is empirically proven.

Keywords: Cognitive moral development, agency situation, stewardship situation, ethical decision, anchor

Islamic Corpora as a foundation for Business Ethics Decision Support Systems: A conceptual framework

Salam Abdallah, Abu Dhabi University

Abstract

This paper argues for the need to identify authentic sources to derive Islamic business ethics principles and theories in order to build an important body of knowledge. However, a mechanism is required to store this rich body of knowledge and to facilitate its dissemination and integration into organizations in a form of a decision support system, which can be used to deal with business dilemmas. This is now very much possible due to the advancement of machine learning tools and the availability of big data on Islamic ethics relevant to the business community. This paper puts forward a proposed framework to design an Islamic Business Ethics Decisions Support System to meet the stated objectives and to meet the challenges faced with current theories dealing with business ethics.

Keywords: Islamic Ethics, Business Ethics, Decision Support Systems.

The Implications and Practical Manifestations of 'Adālah (Justice) in Relation to Islamic Financial Institutions

Muhammad Adli Musa, International Islamic University Malaysia

Abstract

The emphasis on truthfulness, transparency, integrity and the reason behind the *ḥarī'ah* prohibitions in relation to Islamic finance are to ensure justice and fairness in financial transactions. In this paper I will demonstrate that it is possible to derive propositions and subsequent expectations from 'adālah in relation to Islamic finance, although this concept could be considered as quite abstract. This will provide Islamic financial institutions (IFIs) with practical applications and allow an assessment of the extent to which their practices are consistent with 'adālah. I begin with evidence from the primary source of the *ḥarī'ah*, namely the Qur'ān and Prophetic tradition underlying 'adālah and subsequent propositions and expectations derived from it. I also strengthen my arguments by considering classical Islamic juristic texts, contemporary literature on Islamic finance, and relevant legislation, guideline and standard for the Islamic finance industry. I argue that 'adālah is served by being truthful and transparent, having integrity and appreciating the reason behind *ḥarī'ah* prohibitions. IFIs are thus expected to practice full disclosure of material information and avoid marketing strategies that might deceive customers, fulfil their contractual obligations with all their stakeholders diligently, and avoid any form of exploitation that would jeopardise justice.

Keywords: Justice, Ethics, Islamic Finance

Exploring Problems and Strategies to Improve Halal Tourism in Lombok, Nusa Tenggara Barat

Aryl Dwi F, Tazkia University College of Islamic Economics
--

Nashr Akbar, Tazkia University College of Islamic Economics

Abstract

Background – Recently, Lombok Island-Indonesia had been awarded as the World's Best Halal Honeymoon Destination & World Best Halal Tourism Destination. As a result of this award, the number of international tourists visiting Lombok, especially Muslim travellers, increased significantly. However, Lombok still has to improve and develop its halal tourism sector to grab a larger market share.

Purpose - This research aims to explore the priority factors that hinder the optimisation of halal tourism in Lombok and identify priority policy strategies to solve the problems.

Method - This research employs Analytic Network Process (ANP).

Results - The result shows that the main internal problems are; 1) the difficulty in accessing the tourism site, 2) lack of supporting infrastructures, 3) lack of capable human resources, 4) lack of promotion. Meanwhile, the main external problems are; 1) lack of foreign muslim tourists visit, 2) lack of understanding about the practice of halal tourism, 3) no direct flight, 4) Consumers' demand for more services.

Conclusions - In order to solve those challenges, several strategies have been identified, namely 1) Enhancing the products and services, 2) Promoting halal tourism more intensively, 3) Establishing supportive government policies.

Keywords: Halal Toursim, Lombok, ANP

Governance of Profit and Loss Sharing Financing in Achieving Socio-economic Justice

Rizal Yaya, Universitas Muhammadiyah Yogyakarta

Ilham Maulana Saud, Universitas Muhammadiyah Yogyakarta

Abstract

Purpose – This study elaborates governance practices of Profit and Loss Sharing (PLS) financing in achieving socio-economic justice.

Design/methodology/approach – Five Islamic Financial Institutions (IFIs) in Yogyakarta, Indonesia, were investigated through a series of interviews with their Directors and Managers from June to July 2016.

Findings – Some governance practices of PLS financing were found supportive for socioeconomic justice. These are providing alternative in sharing basis either based on revenue or profit; flexibility in timing of instalment payment based on the nature of business cycle; no penalty of payment delay; and putting more efforts to assist customers in their business. Meanwhile, some non-supportive governance practices are short duration of financing and unwillingness to finance new business. It was found that PLS scheme is not the first choice to use, and IFIs with younger age tend to have less PLS financing than the older ones. Besides being worry with the higher risk of return, IFIs considered Government regulation on PLS is tighter in terms of provision and rescheduling treatment. However, the regulation has worked well to prevent IFIs to use sales and purchase contract when it actually only suits with PLS financing.

Research limitations/implications – This study is limited to investigating five IFIs in Yogyakarta, Indonesia. Furthermore, there is a need to consider using questionnaire survey to all IFIs; interviewing regulators and customers as source of information; and extending the study at national level.

Originality/value – In-depth interview and analysis of governance practice of PLS is the original contribution of this study which gives theoretical foundation on the role of PLS in achieving socio-economic justice.

Keywords - Islamic Financial Institutions, Profit and Loss Sharing Financing, Socio-economic Justice, Governance

Islamic Banking and Economic Growth

Abdelaziz Chazi, American University of Sarjah
--

Ali Mirzaei, American University of Sarjah
--

Zaher Zantout, American University of Sarjah
--

Abstract

No abstract is available for this article

Capital Structure Puzzle: Does Shariah Compliance Status Matter?

Asyraf Abdul Halim, International Centre for Education in Islamic Finance (INCEIF)
--

Mohd Edil Abd Sukor, Faculty of Business and Accountancy, University of Malaya
--

Obiyathulla Ismath Bacha, International Centre for Education in Islamic Finance (INCEIF)
--

Abstract

The capital structure puzzle remains largely unanswered. Although some light have been shed on the dynamic forces that shapes the typical firm's debt-to-equity mix, the case of the Shariah-compliant firm's capital structure behaviour remains even more of a mystery. This paper attempts to investigate the capital structure behaviour of Shariah compliant firms of various levels as well those firms who are consistently Shariah noncompliant in Malaysia. The paper utilises a unique dataset of firms of heterogeneous level of Shariah-compliance status over a 20-year period from the year 1997 to 2016. The paper focuses on the effects of dynamic forces behind capital structure variation such as the optimal capital structure behaviour based on the trade-off, pecking order, market timing and firm fixed effect models of capital structure. This study documents significant evidences in support of the trade-off theory with a high speed of adjustment (SOA) as well as for the time invariant firm fixed effects across all Shariah compliancy group. Nevertheless, this study's findings show that there are evidences to suggest a moderate trend whereby as the Shariah compliancy group descend, stronger and stronger evidences of market timing behaviour appear amongst other things. This study suggests that segregating firms into different Shariah compliancy groups reveals a rich and diverse area of study which has never been delved in.

Keywords: capital structure, market timing, trade-off theory, equity risk premium, Shariah-compliant firms

Outline of Islamic Economic Order

Mohammad Farooq Rather, Jammu & Kashmir Bank

Abstract

PURPOSE. This Paper is a modest attempt to present Islamic Economic Order as alternative to the present Western system that has been flaying us through persistent inflation, periodic recessions and ever increasing public debts. It projects the subjective idea of the three fundamentals of this Order, namely, Earning *sans riba* (usury), Spending/ Investment, and Taxation.

METHODOLOGY/ APPROACH. The Paper re-examines and re-construes the Islamic commandments/ injunctions as contained in its basic legal sources of the Quran (Allah's word) and the *Sunnah* (the Prophet's words/ actions). Without using any empirical data or products the Paper has however used a piece of historical evidence from the ancient Muslim Egypt.

RESEARCH LIMITATIONS. The Paper discusses the 'outline' of Islamic Economic Order without operational details which are beyond its scope. Likewise, it has not discussed too much of the literature because of the latter's obsession with the idea of spirituality. Nonetheless, the Paper can be supplemented by research on the issues like the form and extent of government control, if any at all, on banking.

PRACTICAL IMPLICATIONS. The Paper strongly advocates change of the modern messy systems, followed by the Muslims and the Non-Muslims alike. Economics is all about economizing.

ORIGINALITY VALUE. The ideas expressed in this Paper are original as these are different from those conventionally and contemporarily expressed on the subject. Yet these same ideas are not original in the sense that these are informative (not formulative) in nature. The comparison with the modern tax regime is based on the author's experience; but the construction put on the Quranic verses and the *Hadith* is artlessly simple and straight.

KEY WORDS. *Riba*, Interest, Investment, Peaceful co-existence, Islamic Taxes, *zakah*, *ushur*, *jizyah*, Excise and Customs, Inflation, Economic Order.

Users of corporate reporting of information: An Islamic perspective

Ousama Anam, Qatar University

Abstract

Purpose – The paper identifies the users of corporate report (that includes accounting, non-accounting, financial and non-financial information) and ascertains their need for such information from an Islamic perspective.

Design/methodology/approach – The paper employed a conceptual framework of the Islamic corporate reporting based on the objectives of Islamic accounting as developed from Islamic law.

Findings – The paper identified ten main user groups of accounting information. The paper found that some users of conventional accounting continue to be among the users in the Islamic accounting. The user groups of the Islamic corporate reports are: owners and shareholders, investors (individual and institutional), *zakat* payers, *zakat* beneficiaries, creditors, customers, managers, employees, government authorities and agencies and the *ummah* (i.e. community or general public).

Originality/value – The paper is considered the first academic attempt to identify the users of Islamic accounting information (i.e. Islamic corporate reports) and elaborate on their need for such information. Identifying the primary users of accounting information helps in the development of accounting objectives. Among the central objectives of Islamic accounting is to provide useful and relevant information to its users to assist in making informed religious and economic decisions.

Keywords Islam, Users, Accounting information, Islamic accounting, Islamic corporate reporting.

Accounting Problematic in Ibn Khaldun's Muqaddimah

Hilmi Erdođan Yayla, Hasan Kalyoncu University
Nuri Baltacı, Gümüřhane University
Ahmet Keser, Hasan Kalyoncu University

Abstract

No abstract is available for this article

The Influence of Organisation Culture toward Financial Reporting Quality and Its Impact on Good Governance (the study of Badan Amil Zakat in Jakarta and West Java Provinces)

Peny Azwari, Universitas Islam Negeri (UIN) Raden Fatah Palembang

Nazaina Nazaina, Universitas Malikussaleh Aceh

Abstract

Zakah is an alternative policy to anti poverty and gap. The collecting gap between zakah potential and its realization occurs because of some factors including ungrowing muslim conciouseness about importantly and usefulness of zakah, and because muslim society have less trust to zakah formal institution, so they prefer more to distribute zakah to mustahiq dicrectly by themselves. This research shall verify the influence of organisation culture toward financial reporting quality and its impact to good governance in Badan Amil Zakah and Lembaga Amil Zakah in Indonesia. Using regression analyses with unit analysis of Badan Amil Zakah and Lembaga Amil Zakah in Indonesia, this research is conducted. The results show that organisation culture significantly influences financial reporting quality The level of influence is moderate. Organisation culture significantly influences good governance. The level of influence is low. Financial reporting quality significantly influences good governance. The level of influence is low. Organization culture has indirect significant influence toward good governance through financial reporting quality with the level of low.

Keywords: Zakah, organization culture, financial reporting, good governance, and badan amil zakah.

Establishing Maslahah (Islamic) Based Performance Model for Forestry Investment

Kholifah Khusaeri, Tazkia University College of Islamic Economics

Achmad Firdaus, Tazkia University College of Islamic Economics

Abstract

Background –The amount of research on the benefit performance of forestry sector investment, especially in afforestation is very limited. Therefore, the benefit performance of forestry sector investment cannot be measured accurately. Indicators of investment performance is only profit (financial perspective). The forestry investment performance should have characteristics: the sustainability of benefit and the balanced of benefit.

Purpose –This paper aims to develop masalah based performance of afforestation investment model. afforestation investment benefits can be perceived by stakeholders and environment sustainably.

Design/methodology/ approach – The study presents a critical review of the development of masalah based performance measurement, with a special focus on the forestry sector. Case study has been implemented in Harfam Makmur Jaya, Bondowoso Indonesia.

Findings –The research findings showed that performance measurement studies in forestry has six measures: worship orientation, internal process orientation, talent orientation, learning orientation, customer orientation and wealth orientation. Contract between investment operator and investor is based on mudharabah contract.

Practical implications – The study is grounded in the practical development of Islamic investment especially in afforestation investment and provides lessons for real sector investment.

Originality/value–No other study has examined afforestation investment model and so the paper provides a key reference for future work .

Keywords – Performance Measurement, Islamic Economic, Forestry Investment Model, Masalah performa.

Survey on Shariah Non-Compliant Events in Islamic Banks in the Practice of Tawarruq Financing in Malaysia

Mohammad Mahbubi Ali, International Institute of Advanced Islamic Studies (IAIS)
--

Rusni Hassan, International Islamic University Malaysia (IIUM)
--

Abstract

Shari'ah is the backbone of Islamic banks (IBs). Failure to observe shari'ah compliance triggers negative repercussions for IBs. However, ensuring Shari'ah compliance is not a simple and straightforward matter. As IBs continue to witness a remarkable growth and product complexity, shari'ah non-compliance incidents and disputes are likely to emerge. The present study surveys the shari'ah non-compliant (SNC) events in IBs in the practice of tawarruq financing in Malaysia. A self-administered questionnaire was distributed to 16 Malaysian Islamic commercial banks to investigate the shari'ah non-compliance aspects in the practice of tawarruq in IBs in Malaysia. The study found that some practices of tawarruq in Malaysia did not comply with the Shari'ah, mainly due to improper sequencing of contracts and absence of underlying commodity. The study also discovered that IBs adopt different approaches in dealing with SNC events and the income derived therefrom. Finally, the study noted the influence of board of director/management on certain shari'ah decisions particularly in relation to the treatment of non-halal income. The findings of the study are expected to serve as a reference source to industry players and regulators in formulating an appropriate policy and framework to enhance Shari'ah governance and compliance practices in IBs in Malaysia.

Keywords: tawarruq, Islamic banks, SNC events, Malaysia

A Comparison of Job Satisfaction Between Conventional and Participation Bank Employees Based on Herzber's Two-factor Theory

Emel Yıldız, Gümüşhane University
Salih Yıldız, Gümüşhane University

Abstract

No abstract is available for this article

Development of Sustainable and Responsible Investment (SRI) Sukuk Framework: Evidence from Malaysia

Md Mahfuzur Rahman, University of Malaya
Che Ruhana Isa, University of Malaya
Ginanjar Dewandaru, International Centre for Education In Islamic Finance (INCEIF)
Mohamed Hisham, University of Malaya
Nazreen Tabassum Chowdhury, University of Malaya

Abstract

Purpose - The purpose of this paper is to describe the similarity of two innovative financial tools which are Socially or Sustainable and Responsible Investment (SRI) and sukuk with the principles of Islamic Finance, and to explore the growth of SRI sukuk.

Design Methodology Approach - This study adopts a qualitative approach because in-depth information is required to know the factors that motivate issuers, arrangers and investors to be involved with SRI sukuk. It briefly reviews the literatures and discusses the difference of SRI sukuk from their conventional counterparts and presents the future research directions.

Findings- The main findings SRI sukuk has high prospects compare to conventional counterparts. Despite lot of challenges and risk, SRI sukuk investors can be benefited without forgoing the return. The performance of SRI sukuk and conventional index are not significantly differ from each other.

Research limitations – This study does not focus on empirical analysis, this means there is still room for further research to cover board markets of SRI sukuk.

Practical implications – The results may contribute to enrich the SRI sukuk development.

Originality/value – Even though many studies have been conducted on Sukuk, very few studies focused on SRI sukuk in Malaysia. This is probably the first known effort in Malaysia to explore the influencing factors of SRI sukuk issuers, arrangers and investors. Hence, this paper could be valuable for investors to reveal the challenges and benefits of SRI sukuk as the best investment instrument for now and in the future.

Keywords-SRI (Socially / Sustainable and responsible investments), Sukuk, Islamic finance,

Towards Value-Oriented Islamic Finance Practices: A Case Study of Affin Islamic Bank Berhad

Zulkifli Hasan, Universiti Sains Islam Malaysia
Mohd Faiz Rahim, Affin Islamic Bank Berhad

Abstract

This paper is a continuation of the discourse in the article published in *Humanomics*, volume 32, No 4, 2016 entitled *From Legalism Towards Value-Oriented Islamic Finance Practices*. This paper further argues that while significant concerns have been invoked on the material aspects of Islamic finance such as financial growth and products sophistication, it is nevertheless observed that equal emphasizes have not been given on social objectives of Islamic Financial Institutions (IFIs) as part of its value-oriented frameworks. Even if there is social responsibility initiative, the study finds that the level of disclosure is still at the very minimal level. In view of scarcity literature on the subject and the essence of social justice in Islamic finance, this paper aims at expanding the normative objective function of IFIs by advocating corporate social responsibility (CSR) via strengthening the corporate governance framework. Unlike the western concept of corporate governance, which is based on the western business morality that derived from “secular humanist”, this paper suggests that corporate governance in IFIs is founded on the epistemological aspect of Tawhid, Shari’ah and ethics. In the absence of extensive discourse on corporate governance and its roles on CSR, this paper attempts to highlight the importance of corporate governance in stimulating the social function of IFIs within the Islamic ethical dimension paradigm. This paper supports its arguments by highlighting efforts by AIBB Berhad towards promoting and inculcating value-oriented Islamic finance practices.

Keywords: Value-oriented, Islamic finance, CSR and Shari’ah.

Does Dual Banking System in Indonesia Differentiate Investment Account Requirement?

Yaser Syamlan, Tazkia University College of Islamic Economics

Abstract

Purpose: This paper aims to propose a model of investment account based on Islamic Financial Services Board guiding principles. The research figures out some factors affect the process of deploying investment account, the proposed model, cost - benefit analysis as well as the steps to be taken by Islamic banking stakeholders to install the model in the future.

Methodology: Literature review

Originality: This paper applies IFSB guidelines for Indonesia Islamic Banking

Findings: The adoption of investment account heavily relies on the political factor applied by Bank Indonesia. Law No. 21 Year 2008 that regulates Indonesian Islamic Banking clause 35 stated that Bank Indonesia has coercive power to drive the accounting and governance standard for the Indonesian Islamic banking. Other actors such as Financial Services Authority, National Council of Ulama, Indonesia Deposit Insurance Corporation do affect the regulation on Investment Reserve Requirement.

Practical implication: This paper informs the policy makers to set different regulation on investment account within the practice of dual banking system.

Keywords: Islamic Banking, Investment Account, Irregular Deposit, Indonesian Islamic Bank

Equities - interest rates analysis: Islamic vs Conventional Indices

Yasmin Abd Rahim, University of Malaya
Izlin Ismail, University of Malaya
Aidil Rizal Shahrin, University of Malaya
Mohamed Eskandar Shah Mohd. Rasid, INCEIF

Abstract

Purpose: The *Shariah* screening process is carried out to convince Muslims to invest with limited risk as the investment is filtered by financial (or leverage) and liquidity ratios after eliminating forbidden businesses. Whereby, interest rate is an important macroeconomic variable to measure risk in financial transaction, hence, being the indicator for the cost of borrowing. This research is an attempt to examine the nexus between the performance of Islamic and conventional equity against both short-term and long-term interest rates. Will Islamic equity react in a similar manner to conventional equity against variations in interest rates as the former has 'passed' the *Shariah* screening?

Methodology: The research employs daily data of both Islamic and conventional MSCI equity indices for eight developed countries from 1st June 2007 to 27th February 2017 using Wavelet analysis.

Findings and Implications: The result shows that there are differences in the co-movement between the variation in interest rate and the return on equity for both Islamic and conventional equities across different investment horizons. However, interest rate - return on equity relationship was not significantly different between Islamic and conventional equities, thus, putting into question the effect of the *Shariah* screening methodology on Islamic equity.

Originality: Different investor will have different investment objective, thus, the risk exposed to their investment portfolio. This paper incorporates the issue of investment horizon via adopting wavelet analysis.

Key words: Islamic equities; Interest rate; Investment horizons; Wavelet; *Shariah* screening

**The Role of Innovation in Service Business: A Research on
Participation Banking**

Salih Yıldız, Gümüşhane University

Abstract

No abstract is available for this article

To Expand Business or To Refinance Current Debt: Evidence From Malaysian Firm's Sukuk and Bond Issuance

Mohamed Hisham Hanifa, University of Malaya
Mansur Masih, International Centre for Education In Islamic Finance (INCEIF)
International Centre For Education In Islamic Finance (INCEIF)

Abstract

Sukuk has today become most popular Islamic financial instrument for raising fund locally and at the international market. However, the drive for firms to issue Sukuk weather exclusively meant to fund their business expansion needs or merely to refinance their existing debt remained unexplored. Using the partial adjustment model, this study attempts to answer two specific questions, first; does the firm issue Sukuk and conventional bond interchangeably for the purpose of refinancing existing debts or to full-fill new needs for firm's business expansion? And secondly, does the structure of Sukuk matters in this regards? The study will exclude the governments and financial firms as it's known that most of these institutions issue Sukuk for refinancing purpose. The sample consist of 250 Malaysian issuers firms from 2001 to 2014. Using partial adjustment model, we found, firstly, firms issue different structure for both, i.e. conventional bond and Sukuk are meant for different financing needs. Secondly, we found evidence indicating specific issuance structures, i.e. convertible bond and Sukuk based on profit-sharing are issued solely for the purpose of expanding the business. We conclude that, issuer choice for Sukuk structured based on partnership-based contracts delivers its core characteristic of risk sharing (the essence of Islamic Finance), may well be a viable as new alternative to Sukuk structured akin to present interest-based debt financing regime.

Keyword: sukuk, conventional bonds, trade-off theory, pecking order theory

Non-Interest Financing Model: Comparing Financial Profitability of Islamic Financial Institution and Private Sharia Based Business Entity

Damanhur Abbas, Universitas Malikussaleh
Falahuddin Hasballah, Universitas Malikussaleh
Muammar Khaddafi, Universitas Malikussaleh
Wahyuddin Albra, Universitas Malikussaleh

Abstract

Aceh is one of the provinces in Indonesia that has applied conventional regional banking conversion to sharia banking, this research tries to give new color for sharia banking product especially in Aceh, this financing model is inspired by young people who have business in the service want to escape from *riba* financing, a model used through several processes, such as identification of candidate sahibulmal, knowledge of profit, business motivation. The data used are annual reports from non-institutional, sharia banking for 2014-2015. Research method by using ROA and ROE analysis and see operating profit according to financing scheme, by comparing them. The result of the research shows that investment with syirkah contract is much bigger ROA and ROE that is equal to 1,91%, where all Islamic banking institution listed in Indonesia Stock exchange reach 1,42% as highest that gained by BNI syariah in 2015. In the other hand, investing in a company that apply shirkah investment model is more profitable that other banking product. The shirkah product consisted of three scheme of financing and each scheme obtained scheme syirkah 1 equal to 5.84%, syirkah scheme 2 of 9.34%, syirkah 3 scheme of 11.68%. This indicates that shirkah investment model might be consider as legal Islamic Banking product which rarely offered recently.

Keywords: Shirkah, ROA, ROE, Interest free model,

The Limitations of Information Content of Sharia Performance in Islamic Bank Reports: Critical Review of Islamic Accounting Standards in Indonesia

Ahim Abdurahim, Muhammadiyah University of Yogyakarta

Abstract

Purpose- The objective of the research is giving suggestion to the Institute of Indonesia Chartered Accountants in order to improve Islamic accounting standards. It aims to provide Islamic institution reports contain sharia performance.

Design/Methodology/Approach- The research approach used is "Aminullah" i.e. qualitative approach with the Islamic perspective. Furthermore, Aminullah perspective is a holistic view on Islamic teaching. Aminullah perspective includes Islamic teaching (Akedah, sharia, morals), material and spiritual elements and coherence between qauliyah and kauniyah verse. The data were analyzed through transcendental dialectics method by finding the harmony between qauliyah with kauniyah verse, which may lead to a deeper faith.

Finding- The result of the research shows that, firstly, Islamic accounting standards required to identify whether the transaction is in line with the sharia principle. Secondly, the financial statements of Islamic entities have to provide and disclose the frequency and material of illegal transaction against sharia principle.

Practical implication- When sharia performance disclosed in the financial statements then, stakeholders will assess the sharia performance objectively. Also, it may motivate the leaders of Islamic entities to improve the sharia motivation and performance.

Originality/value- Using Aminullah perspective (holistic), this research encourages IAI (Institute of Indonesia Chartered Accountants) to extend the scope of adherence to principles on sharia financial institutions, not merely limited to the contract used, but also to include the adherence of entire operational to sharia principles.

Keywords: accounting standard, Aminullah perspective, transcendental dialectics method, sharia performance

Value relevance of accounting information produced under IFRS versus AAOIFI: Empirical evidence from Takaful industry

Mariem Mejri, LIGUE- ISCAE, Université de Manouba, Tunisia
--

Hakim Ben Othman, College of Business, University of Jeddah

Hussein A.Abdou, All Saints Campus, UK & Faculty of Commerce, University of Mansoura
--

Abstract

We compare the value relevance of accounting information produced under International Financial Reporting Standards (IFRS) with those produced under standards issued by Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI) for Takaful Insurance companies (hereafter, TIC). First, based on basic models developed by Easton and Harris (1991) and Ohlson (1995) and using data from 2006 to 2015, we investigate the value relevance of IFRS versus AAOIFI standards for TIC in ten developing countries in Asia and the Middle East. We use quantile regression (hereafter, QR) developed by Koenker and Basset (1978) and panel data approaches. Results indicate that book value is significantly associated with stock price for both TIC adopting AAOIFI standards and adopting IFRS with a higher explanatory power of TIC adopting AAOIFI standards regression models. Second, we compare value relevance of IFRS for TIC and Conventional Insurance Companies (hereafter, CIC). Our results suggest that, AAOIFI accounting standards are more value relevant than IFRS for Takaful companies. Additional analysis showed that IFRS are more value relevant when adopted by CIC than when adopted by TIC. These findings are confirmed when using stock price only. Besides, we found that company size has a positive effect on the value relevance of accounting figures produced under IFRS and AAOIFI standards for both TIC and CIC. Strength of investor protection and Strength of auditing and reporting standards have a positive effect on value relevance of TIC adopting IFRS and AAOIFI standards while market capitalization has a positive effect on value relevance of CIC adopting IFRS. Our findings are relevant to Takaful companies and its stakeholders because it helps to choose the set of accounting standards producing the most useful accounting information to its users.

Keywords: IFRS; AAOIFI; Takaful; Conventional insurance; Value relevance; Quantile regression.

Islamic Accounting Education in Indonesia and Malaysia: A Comparative Study

Rini Rini, State Islamic University Syarif Hidayatullah Jakarta

Maliah Sulaiman, International Islamic University Malaysia
--

Abstract

This is a comparative study examining Islamic accounting education in Indonesia and Malaysia. Specifically, the research attempts to identify universities that are offering Islamic accounting, investigates the model adopted by each university in its approach to develop the curriculum, examines the topics that are taught in the discipline as well as related/supporting subjects, determine the needs of the industry as regards Islamic accounting, identifying the challenges faced by each university in introducing Islamic accounting education and finally, to provide solutions to address such challenges. Data will be collected using both the quantitative and qualitative approaches. A questionnaire survey as well as interviews will be used. The target respondents are the heads of the Department of Accounting in universities, practitioners as well as council members of accounting professional bodies in Indonesia and Malaysia. It is hoped that the results of the study will enable an enhanced Islamic accounting curriculum to be developed that would be more relevant for both countries as well as globally. In addition, the results will help clarify what constitutes Islamic accounting and to subsequently steer research in this important area. Understanding the challenges faced by universities that are currently offering this subjects will help other universities thinking of introducing Islamic accounting in their program avoid the various pitfalls encountered by their predecessors.

Keywords: Islamic accounting education, opportunities, challenges.

**Awareness and Information Levels of University Students on
Islamic Banking**

Mazlum Çelik, Hasan Kalyoncu University

Ahmet Keser, Hasan Kalyoncu University
--

Abstract

No abstract is available for this article

A Dynamic Approach of Islamic Banking Progression in Turkey: An Overview

AHM Ershad Uddin, Faculty of Theology, Marmara University,
Istanbul, Turkey

Abstract

Despite the fact that Islamic finance market is not at its full maturity globally but after world economic crisis it turned to be among the economic hub to a certain percentage. However, this is the most discussed topic in the financial zone which resulted in the Europe-America to look into this market as a sustainable economic process and a way to overcome the financial instability, hence, they open up an Islamic a banking window in one of the Islamic banks or any conventional banks. Since turkey stands as a bridge between Asia-Europe geographically, in 1985 not for religious reasons but based on political strategies it initiated the Islamic banking journey which was known as participation banking. Currently, turkey owns 5% of the global Islamic financial asset.

This research mainly highlights the opportunities and challenges of Turkish Islamic banking growth along with conventional banks also, a visual perspective of what sort of future Turkish Islamic banking stands at.

Keywords: Islamic Banking, Turkey, Finance, Interest-free, Participation.

Survey on Waqf Literacy of Bogor Citizens

Nashr Akbar, Tazkia University College of Islamic Economics

Abstract

Several studies argued that the lack of waqf collection is due to the weak literacy of some Muslims. However, those papers have not presented the valid data of the exact number of existing student. Therefore, this paper is going to get the more precise data. Waqf literacy in this study consists of three elements namely understanding, willingness and performance. The result of survey on the Bogor Citizens show that 66% of them do understand waqf (very well: 2%, well: 31%, sufficient: 33%), while others have either less understanding (26%) or no understanding (8%). In regard to willingness to perform waqf, 45% of respondents argued that they have a strong motivation to perform waqf and another 37% who have stronger motivation. However, it is only 47% of them who admit that they ever perform waqf. Moreover, only few of them (11%) who donate waqf regularly. Most of respondents donated waqf in the form of money and they prefer to trust their waqf to the mosque. There are only 6% of respondents who donate waqf to the social institutions such as Tabung Wakaf Indonesia. Interestingly, none of them who put their waqf to the Islamic financial institution. Some of them trust their waqf to the public figure. The strongest motivation of people to donate waqf is to get the reward from Allah SWT. On the other hand, the strongest cause why people are not performing waqf is the lack of wealth. Having tested the association between waqf literacy and the profile of respondents. It is found that gender and age have no correlation with the level of waqf literacy. Meanwhile, education and income have an association to the waqf performance.

Keywords: waqf, literacy

Do Income and Profit Sharing Affect Mudaraba Deposit at BMT Al Azhar Maros Indonesia?

Firman Menne, Bosowa University
Akbar Akbar, Bosowa University

Abstract

Purpose - The purpose of this study is to examine the influence income and profit sharing on mudaraba deposit in BMT Al Azhar Maros Indonesia. Also this study aims to improve the role of welfare in conducting transactions in Islamic financial institutions

Design/methodology/approach- The data for this study is obtained from the annual reports of the BMT in Maros, Indonesia for the period 2011 to 2015. The data analysis used quantitative descriptive, correlation analysis and regression analysis.

Findings—The findings of this study is the absence of influence between income and profit sharing on mudaraba deposit in BMT Al Azhar Indonesia. The results of this study also found that affect mudaraba deposit factors such as avoidance of usury in conventional institution.

Originality / value- This study will also contribute to the literature, especially for Islamic Financial Institutions and to make strong for Islamic Accounting and Finance.

Keywords - income, profit sharing, mudaraba deposit, Islamic financial institution.

Do Islamic Microfinance Practice Decrease the Level of Three Aspects of Poverty?

Husna Dzakiroh, Tazkia University College of Islamic Economics

Ries Wulandari, Tazkia University College of Islamic Economics

Abstract

Islamic microfinance institutions such as Baitu Tamkin is one of Koperasi Syariah at Lombok Timur practising islamic value. In practising islamic value, Baitu Tamkin insert this value in line with three aspect including commercial finance, social aspect, and spiritual awareness. But the evaluation of this islamic microfinance practise has not been conducted yet. Therefor we conducted a research to evaluate the curent impact of this program wheter there was improvement and how the conditions of poverty in the member self before and after taking part in empowerment programs on Baitut Tamkin. Poverty condition that we observed not only financial aspect but also social and spiritual aspect. This research used parametric including Multiple Linear regression, a simple Linear Regression, t-test and non parametric test using Wilcoxon test. We conclude that the level of poverty at local region decreased at three aspects but with various condition. First, the islamic commercial financing significantly increasing their member's montly liquidity but do not significantly increase their member's housing condition. Second, the social condition of member showed that after being a member they create more friendly environment and helping each other. But there is no impact at "become islamic role model' or and uswah al-hasanah. Third, spiritual awareness of member increased after they could practising some muamalah based on verses and hadith at muamalah. Number of member that moving from poor condition to empowered condition showed positive trend.

Keywords : Islamic Microfinance Institution, empowerment, financial aspect, social aspect, spiritual aspect, poverty.

Halal Purchase Intention on Processed Food

Saniatun Nur Hasanah, Tazkia University College of Islamic Economics
--

Happy Febrina Hariyani, Tazkia University College of Islamic Economics
--

Abstract

Indonesia is one of the largest Moslem population countries in the world. It leads to the increasing of halal product demand in Indonesia. The awareness to consume halal product becomes a large market potential for producers to produce their halal products. Nowadays, halal is not only purely about religion matter, but also about business and trade. The objective of this study is to investigate the factors affecting customers on purchasing halal purchase intention on processed food. We use a purposive sampling method with 109 respondents who are customers of the supermarkets and minimarkets in 5 big cities in West Java (Jakarta, Bogor, Depok, Tangerang, and Bekasi), Indonesia. While the data analysis is done by SEM-PLS method. This study uses brand image, perceived quality, perceived value, halal certification, health reason, halal awareness, and halal marketing as the factors which are affecting the halal purchase intention of the customers.

The result showed that halal awareness, health reason, and perceived value have a significant and positive direct effect on purchasing intention. Halal marketing also shows a significant and positive effect on purchasing intention. While halal marketing shows a negative and significant effect on purchasing intention. The food safety, halal certification, brand image, and perceived quality show the same effect which has no direct effect on purchasing intention. Furthermore, Food safety has an indirect effect on purchasing intention through health reason. Halal certification has an indirect effect on purchase intention through brand image variable. Meanwhile, brand image and perceived quality have an indirect effect through perceived value variable on purchasing intention.

Keywords: halal food, purchase intention, SEM

**Improving Employees' Performance through Islamic Spirituality
and Islamic Social Responsibility**

Omar Khalid Bhatti, Antalya Bilim University
Ibrahim Guran YUMUSAK, Sabahattin Zaim Univeristy

Abstract

No abstract is available for this article

CSR: Another Form of Invisible Hand from Indonesian Local Wisdom Perspectives.

Median Wilestari, University of Indonesia

Abstract

Purpose – This paper seek to explore the motivation of management to conduct the corporate social responsibility (CSR) activities and disclose it in financial reports from their understanding of local wisdom, using Indonesian's companies as case study.

Design/methodology/approach - This paper was carried out through several steps: 1) survey method by sending questionnaires to selected companies, 2) content analysis method to determining the scores of CSR disclosures based on the required disclosure standards, and 3) analyzing the results of the company's financial performance to its CSR activities.

Finding – The paper provides empirical evidence that CSR is the transformation of local wisdom into actions and strategies of the company even has not fully become the company's core program.

Research limitation – The main limitations of this study are subjectivity of respondent's views concerning the cost of CSR. It need to be further clarified because interviews (qualitative) data are still very limited.

Originality/value – The paper enhances the altruism attitude shown by company's management about CSR implementation from their understanding of the local wisdom. It can be recommended to be a national CSR movement in term of sustainable development in Indonesia

Keywords Corporate social responsibility, local wisdom, altruism, invisible hand

Scientific Committee and Organizing Committee

Scientific Committee:

Dr. Mohammad Hudaib, University of Glasgow
Prof. Ros Haniffa, Heriot-Watt University
Professor Mehmet Asutay, Durham University, UK
Professor Habib Ahmed, Durham University, UK
Professor Hakim Ben Othman, College of Business, University of Jeddah, SA
Prof. Dr. Cemal İbiş, Marmara University, TR
Prof. Dr. Ganite Kurt, Gazi University, TR
Assoc. Prof. Dr. Hilmi Erdoğan Yayla, Hasan Kalyoncu University, TR
Prof. Dr. Başaran Öztürk, Ömer Halisdemir University, TR
Prof. Dr. Ahmet Vecdi Can, Sakarya University, TR
Prof. Dr. Engin Dinç, Karadeniz Technical University, TR
Dr. Mohamed Sherif, Heriot-Watt University
Assoc. Prof. Dr. M. Ishaq Bhatti, La Trobe University
Professor Mahfud Sholihin, Universitas Gadjah Mada, Indonesia
Assoc. Prof. Dr. Akhyar Adnan, Universitas Muhammadiyah Yogyakarta, Indonesia
Dr. Murniati Mukhlisin, Tazkia University College of Islamic Economics, Indonesia
Dr. Rizal Yaya, Universitas Muhammadiyah Yogyakarta, Indonesia
Dr. Mohd Hairul Azrin Hj Besar, Universiti Brunei Darussalam, Brunei Darussalam

Organizing Committee:

Dr. Mohammad Hudaib
Prof. Ros Haniffa
Dr. Murniati Mukhlisin
Rijadh Djatu Winardi

Authors, Presenters and Participants

No	Author(s)	Organisation	Email
1	Ousama Anam	Qatar University	osamaanam@gmail.com
2	Salam Abdallah	Abu Dhabi University	salam.abdallah@adu.ac.ae
3	Peny Azwari	Universitas Islam Negeri (UIN) Raden Fatah Palembang	rastra_2005@yahoo.com
4	Nazaina Nazaina	Universitas Malikussaleh Aceh	nazaina14@gmail.com
5	Abdelaziz Chazi	American University of Sharjah	
6	Ali Mirzaei	American University of Sharjah	amirzaei@aus.edu
7	Zaher Zantout	American University of Sharjah	
8	Rizal Yaya	Universitas Muhammadiyah Yogyakarta	r.yaya@umy.ac.id
9	Ilham Maulana Saud	Universitas Muhammadiyah Yogyakarta	ilhamsaud@umy.ac.id
10	Asyraf Abdul Halim	INCEIF	asyrafhalim93@yahoo.com
11	Mohd Edil Abd Sukor	University of Malaya	mohdedil@um.edu.my
12	Obiyathulla Ismath Bacha	INCEIF	obiya@inceif.org
13	Mohammad Mahbubi Ali	International Institute of Advanced Islamic Studies (IAIS)	mahbubi@iais.org.my
14	Rusni Hassan	International Islamic University Malaysia (IIUM)	
15	Md Mahfuzur Rahman	University of Malaya	mahfuzur@um.edu.my
16	Che Ruhana Isa	University of Malaya	cruhana@um.edu.my
17	Ginanmar Dewandaru	INCEIF	ginanmar@inceif.org
18	Mohamed Hisham	University of Malaya	mhisham@um.edu.my

No	Author(s)	Organisation	Email
19	Nazreen Tabassum Chowdhury	University of Malaya	nchowdhury@siswa.um.edu.my
20	Ahim Abdurahim	Muhammadiyah University of Yogyakarta	ahim@umy.ac.id
21	Muhammad Adli Musa	International Islamic University Malaysia	adlimusa@iium.edu.my
22	Abdul Hamid Habbe	Hasanuddin University	hamidhabbe@gmail.com
23	Andi Kusumawati	Hasanuddin University	andiuma88@gmail.com
24	Alimuddin Alimuddin	Hasanuddin University	aan_alimuddin@yahoo.com
25	Yohanis Rura	Hasanuddin University	rura_yohanis@yahoo.co.id
26	Zulkifli Hasan	Universiti Sains Islam Malaysia	zulkiflih@usim.edu.my
27	Mohd Faiz Rahim	Affin Islamic Bank Berhad	mohdfaiz@affinbank.com.my
28	Firman Menne	Bosowa University	firman@universitasbosowa.ac.id
29	Akbar Akbar	Bosowa University	akbarunibos95@gmail.com
30	Median Wilestari	University of Indonesia	medianardian@gmail.com
31	Damanhur Abbas	Universitas Malikussaleh	Hurbenabbas@gmail.com
32	Falahuddin Hasballah	Universitas Malikussaleh	Falahuddin.hasb@gmail.com
33	Muammar Khaddafi	Universitas Malikussaleh	Khaddafi@unimal.ac.id
34	Wahyuddin Albra	Universitas Malikussaleh	Wahyuddin@unimal.ac.id
35	Mansur Masih	INCEIF	mansurmasih@gmail.com
36	Aryl Dwi F	Tazkia University College of Islamic Economics	
37	Nashr Akbar	Tazkia University College of Islamic Economics	n.akbar@tazkia.ac.id
38	Yasmin Abd Rahim	University of Malaya	yasmin.rahim@siswa.um.edu.my
39	Izlin Ismail	University of Malaya	izlin@um.edu.my
40	Aidil Rizal Shahrin	University of Malaya	aidil_rizal@um.edu.my
41	Mohamed Eskandar Shah Mohd. Rasid	INCEIF	eskandar@inceif.org

No	Author(s)	Organisation	Email
42	Rini Rini	State Islamic University Syarif Hidayatullah Jakarta	rini@uinjkt.ac.id
43	Maliah Sulaiman	International Islamic University Malaysia	maliah@iium.edu.my
44	Yaser Syamlan	Tazkia University College of Islamic Economics	yasersyamlan@tazkia.ac.id
45	Saniatun Nur Hasanah	Tazkia University College of Islamic Economics	
46	Happy Febrina Hariyani	Tazkia University College of Islamic Economics	happyfebrina@tazkia.ac.id
47	Mariem Mejri	LIGUE- ISCAE, Université de Manouba, Tunisia	mimimejriiii@gmail.com
48	Hakim Ben Othman	College of Business, University of Jeddah	habenothman@uj.edu.sa
49	Hussein A.Abdou	All Saints Campus, UK & University of Mansoura	hussein75hr@yahoo.com
50	Husna Dzakiroh	Tazkia University College of Islamic Economics	
51	Ries Wulandari	Tazkia University College of Islamic Economics	riestazkia@yahoo.com
52	Hilmi Erdoğan Yayla	Hasan Kalyoncu University	hilmi.yayla@hku.edu.tr
53	Nuri Baltacı	Gümüşhane University	
54	Ahmet Keser	Hasan Kalyoncu University	
55	Omar Khalid Bhatti	Antalya Bilim University	
56	Ibrahim Guran YUMUSAK	Sabahattin Zaim Univeristy	
57	Emel Yıldız	Gümüşhane University	
58	Salih Yıldız	Gümüşhane University	
59	Mazlum Çelik	Hasan Kalyoncu University	
60	Ahmet Keser	Hasan Kalyoncu University	
61	Mohammad Farooq Rather	Jammu & Kashmir Bank	mfarooqrather@gmail.com
62	Kholifah Khusaeri	Tazkia University College of Islamic Economics	kholifah88@gmail.com kholifah88@gmail.com kholifah88@gmail.com
63	Achmad Firdaus	Tazkia University College of Islamic Economics	achmad50661@gmail.com

No	Author(s)	Organisation	Email
64	AHM Ershad UDDIN	Marmara University, Istanbul, Turkey	ahmershad86@gmail.com



Editorial team

Editors

Professor Roszaini Haniffa

Heriot Watt University, UK, r.haniffa@hw.ac.uk

Dr Mohammad Hudaib, Mohammad.Hudaib@glasgow.ac.uk

The Business School, University of Glasgow, Main Building, Glasgow, G12 8QQ, UK

Publisher

Laura Bradford Bradford@emeraldinsight.com

Content Editor Chris Brennan cbrennan@emeraldinsight.com

Editorial Advisory Board

Associate Professor Muhammad Akhyar Adnan, *Universitas Muhammadiyah Yogyakarta (UMY), Indonesia*

Dr Abu Umar Faruq Ahmad, *Universiti Brunei Darussalam, Negara, Brunei Darussalam*

Professor Datuk Rifaat Ahmed Abdel Karim, *International Islamic Liquidity Management Corporation (IILM), Malaysia*

Professor Habib Ahmed, *Durham University, UK*

Professor Simon Archer, *Visiting Professor, University of Reading, UK*

Dr Mehmet Asutay, *Durham University, UK*

Mr Mohd Hairul Azrin Hj Besar, *Universiti Brunei Darussalam, Brunei Darussalam*

Associate Professor Ishaq Bhatti, *La Trobe University, Australia*

Professor Taufiq Choudhry, *Southampton University, UK*

Professor Masudul Alam Choudhury, *Faculty of Economics, Trisakti University, Indonesia*

Dr Sayd Farook, *Thomson Reuters, Bahrain*

Professor Michael Gaffikin, *The University of Wollongong, Australia*

Professor M. Kabir Hassan, *University of New Orleans, USA*

Mr. Andrew Hawkins, *PriceWaterhouseCoopers, UK*

Professor Mervyn Lewis, *University of South Australia, Australia*

Professor Bill Maurer, *University of California, Irvine, USA*

Professor Federica Miglietta, *University of Bari Aldo Moro, Italy*

Dr Murniatu Mukhlisin, *Tazkia University College of Islamic Economics, Indonesia*

Professor Christopher Napier, *Royal Holloway, University of London, UK*

Dr. Mohammad Nurunnabi, *University of East London, UK*

Professor Hakim Ben Othman, *Tunis Business School, Université de Tunis, Tunisia*

Dr Mohamed Sherif, *Heriot-Watt University, UK*

Dr Mahfud Sholihin, *Universitas Gadjah Mada, Indonesia*

Professor Maliah Sulaiman, *International Islamic University Malaysia, Malaysia*

Dr. Neila Boulila Taktak, *Higher School of Economic and Commercial Sciences of Tunis (ESSEC Tunis), Tunisia*

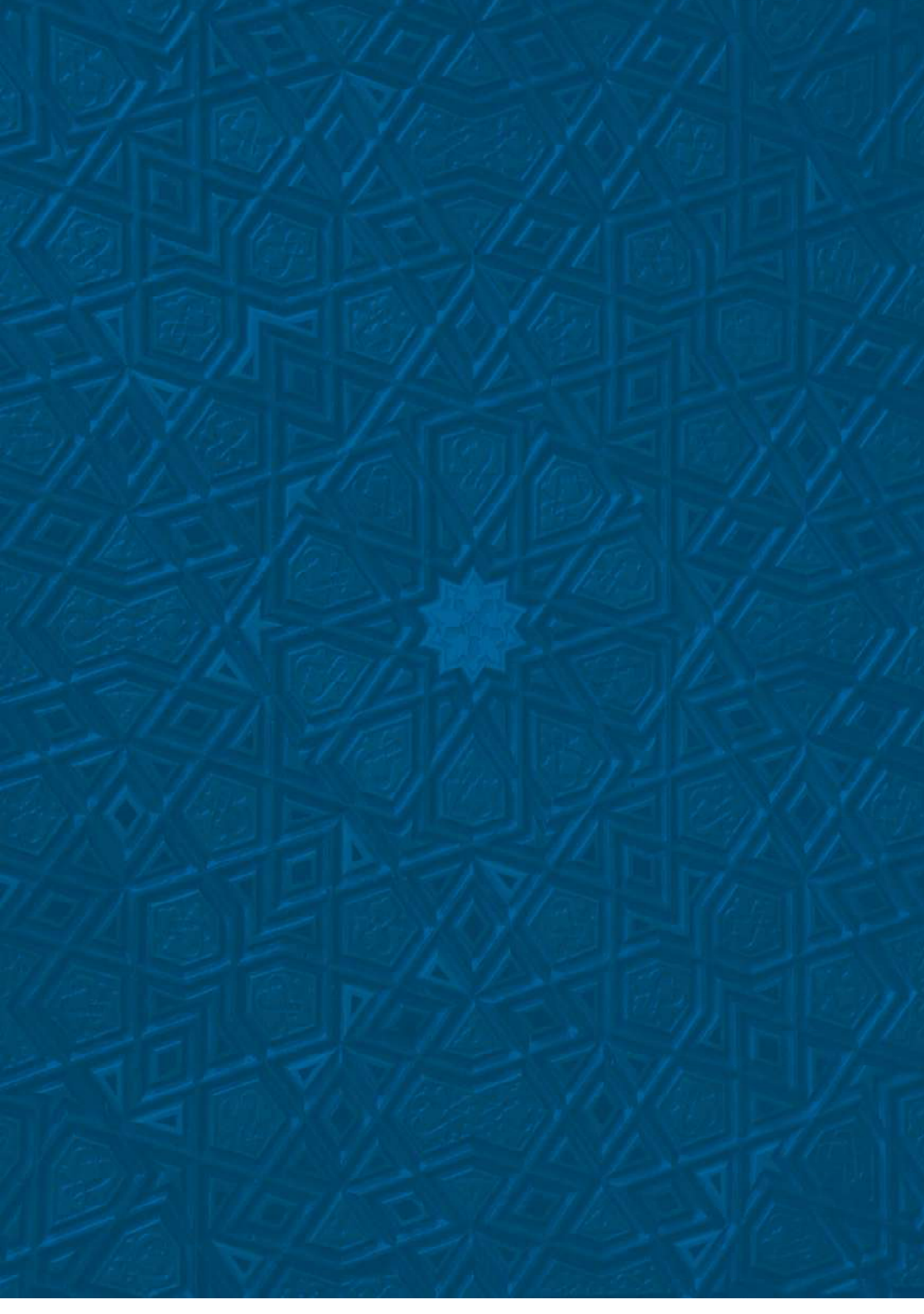
Professor Jonathan A.J. Wilson PhD, *Richmond American University London, UK*

Professor Rodney Wilson, *University of Durham, UK*

Dr Rizal Yaya, *Universitas Muhammadiyah Yogyakarta, Indonesia*

Professor Rosylin Mohd Yusof, *University Utara Malaysia, Malaysia*

Professor Mahbub Zaman, *Queensland University of Technology, Australia*





IPAFEM 23-25 November 2017

www.ipafem.org