CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES OF SHARIACONSUMER COOPERATIVES FOR SUSTAINABLE DEVELOPMENT GOALS(SDGS) ETHICAL PERSPECTIVE

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ABSTRACT

Objectives: This study aims to explain (1) Islamic business ethics and corporate responsibility for sustainable development goals, as well as (2) Corporate Social Responsibility (CSR) practices in the BTM Mulia Babat KKS in the context of Islamic business ethics.

Theoretical Framework: Islamic business ethics, which includes the values of honesty, fairness, and belonging, are considered essential to achieving business success. CSR is a corporate social responsibility that aims to increase corporate value and shareholder welfare. With a commitment to sustainable economic development, CSR integrates social responsibility in business operations. The framework of this research relates the implementation of Islamic business ethics to CSR practices, as well as how this impacts the company's value and stakeholder well-being.

Method: This study uses a qualitative approach with a type of field research. Data was collected through observations, interviews, and documentation related to CSR practices at KKS BTM Mulia Babat.

Results and Discussion: The results of the study show that: Islamic business ethics has five basic axioms: unity, balance, free will, virtue, and responsibility. The implementation of CSR at KKS BTM Mulia Babat has been carried out by the principles of Islamic business ethics. This includes responsibility to consumers, employees, investors, and the environment.

Research Implications: The findings of this study indicate that the application of Islamic business ethics in CSR can increase corporate value and shareholder welfare and contribute to sustainable economic development. In addition, it can be a model for other companies to integrate Islamic business ethics into their CSR practices.

Novelty/Originality: The uniqueness of this research lies in the combination of the concept of Islamic business ethics with CSR practices in the context of the BTM Mulia Babat KKS company. This research provides new insights into how Islamic values can be effectively integrated in modern business operations to achieve better social and environmental well-being.

Keywords: Islamic business ethics, corporate social responsibility, consumer, cooperatives, sustainable development goals (SDGs).

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1 INTRODUCTION

Competition in the business world is commonplace, this happens because it is a demand for every entrepreneur for the continuity of his trading business. How can they carry out trading strategies to survive the competition or even be able to be the best. Human beings as economic creatures, treasure to maintain their survival, and as a result, people tend to always try to obtain this wealth. There are many ways to get wealth, one of which is by working through work or business. According to The World Business Council for Sustainable Development, CSR is a business commitment to contribute to sustainable economic development, working with company employees, the employee's family, as well as the local community and society as a whole, to improve the quality of life (Agboklou et al., 2024; Frazen et al., 2024).

The company in its development always maintains its business to increase the value of its company. A high company value can improve the welfare of shareholders and stakeholders. With the agreed guarantee, the shareholders do not hesitate to invest their funds in the company. One of the clues to assess whether a company's value has a good opportunity or not in the future is to review the company's ability to generate profits. Corporate profits are not only an indication of a company fulfilling its obligations to its funders, but also an element in the creation of corporate value (Iqbal et al., 2023).

In its implementation, the government has made regulations regarding CSR as mentioned in the Limited Liability Company Law (UUPT) Number 40 of 2007 chapter V concerning social and environmental responsibility article 74 paragraph 1 that: companies that carry out their business activities in the field and/or related to natural resources are obliged to carry out social and environmental responsibilities. In each corporate body, the implementation of CSR has its differences and characteristics. These differences in characteristics form a company's identity that can affect the commitment of workers in a company. Indirectly, CSR also builds a positive image for the company. This positive image can also affect the formation of a company's image in the eyes of stakeholders so that it can give rise to a strong sense of trust in the company (Rosyadi et al., 2024; Wachidah et al., 2024).
Meanwhile, ethics in Islam is defined as some ethical business behaviors that follow sharia values that prioritize halal and haram. So ethical behavior is behavior that follows the commands of Allah SWT and stays away from his prohibitions. Business actors are expected to act ethically in their various activities. Trust, fairness, and honesty are the essential elements in achieving the success of a business in the future. Islamic ethics provide strong internal sanctions and implementing authorities in implementing ethical standards. The real key to business ethics and morals lies in the perpetrators, that's why the mission sent by the Prophet PBUH to the world is to improve human morals that have been corrupted. A Muslim entrepreneur is obliged to uphold Islamic business ethics and morals which include Husnul Khuluq (Yafi et al., 2024).

Islamic business ethics is a business that advances the values contained in the Quran. Islamic business ethics has several core values, including Unity (monotheism/oneness), equilibrium, freedom (free will), responsibility (responsibility), and truth (ihsan/kindness). Islam itself is a complete and comprehensive religion. It is called complete because all factors about daily life are regulated in Islam and are referred to as a comprehensive religion because its validity in Islam is not limited by space and time (Fabian et al., 2024).

Most of us in business have a mission related to plans. We direct our energy and resources toward the goal of the success of our mission that we develop throughout the covenants. Employers depend on employees, customers depend on distributors, banks depend on borrowers, and every actor or party now depends on previous parties and this will continue. Business actors are required to have awareness of ethics and morals because both are necessary needs that must be had. Business actors or companies that are careless and do not maintain ethics, will not do business properly so that they can threaten social relations and harm consumers, even themselves. Allah SWT said in surah al-Araf which means "And do not cause damage to the earth, after Allah has repaired it and pray to Allah with fear (it will not be accepted) and hope will be granted. Indeed, the mercy of Allah is very close to those who do good" (Amini, et al., 2024).

Along with the times, a company's level of awareness of the environment
is one of the company's benchmarks to be able to increase customer loyalty and goodwill. Current world trends imply that Corporate Social Responsibility (CSR) strategies are no longer considered as a cost for the company, but are considered as a long-term investment. The concept of triple bottom line or 3P (profit, people, planet) proposed by John Elkington is a breakthrough in the world of CSR. In this concept, if a company wants to be sustainable, then the company needs to pay attention to the 3Ps, which are not only profits that are the main goal but also must make a positive contribution to society (people) and actively participate in preserving the environment (planet) (Rowi et al., 2024).

This research has an originality that focuses on CSR and KKS BTM Mulia Babat. Several previous studies examine similar things, namely research conducted by Irsadunas entitled Review of Islamic Business Ethics in the Management of Corporate Social Responsibility. The results of his research stated that from the perspective of Islamic business ethics, the five axioms that include unity (tauhid), equilibrium ('adl), free will (ikhtiyar), benevolence (al-ihsan), and responsibility (al-mas'uliyyah), but there is one axiom that is not depicted in the CSR program of PT. Gersindo Minang Plantation is responsibility (al-mas'uliyyah) (Musa et al., 2016).

The objectives of this research are 1) to explain Islamic business ethics and Corporate Social Responsibility (CSR), and 2) to the management of the CSR of the BTM Mulia Babat KKS reviewed from Islamic business ethics.

2 LITERATURE REVIEW

In the Islamic view, especially in Islamic economics, business, and ethics do not have to be seen as two contradictory things. Business is a symbol of worldly affairs but is also considered an integral part of several things that are investments in the hereafter. Therefore, if the business orientation and investment efforts in the hereafter (intended as worship and is the totality of obedience to God), then the business itself must be in line with moral principles based on faith in the hereafter. Even in Islam, the meaning of business itself is not limited to worldly affairs but also includes all our activities in the world.
that are "business" (intended as worship) to achieve profits or rewards in the hereafter (Anwar et al., 2024).

It can be described that Islamic business ethics is an ethical norm based on the Quran and Hadith that must be used as a guideline by anyone in business activities. So, ethics is the principle of behavior that governs individuals or groups, while business is regular activities that serve a general need while earning income and profits or those that do not pursue income. Therefore, it can be concluded that the definition of Islamic business ethics is all the principles of individual behavior in carrying out all business activities that aim to achieve maslahah guided by the Qur'an and Hadith taught by the Prophet Muhammad SAW (Wiranto, et al., 2024).

Islamic business ethics have been taught by the Prophet PBUH when he was running a trade. The characteristics of the Prophet PBUH as a merchant are, in addition to his dedication and tenacity, he also has the characteristics of shidiq, fathanah, Amanah, and tabligh, these characteristics are still added to the nature of Istiqamah. Shidiq means honest, having honesty, and always based on words, beliefs, and deeds based on the values taught by Islam. Istiqamah or being consistent in faith and good values, even in the face of temptations and challenges. Istiqamah in goodness is displayed in steadfastness, patience, and tenacity to produce something optimal. Fathanah means intelligent, so it can be interpreted in this context as understanding, understanding, and deeply appreciating everything that is her duty and obligation. This trait will give rise to creativity and the ability to carry out various kinds of useful innovations. Amanah means trustworthy, so the company must have a nature of responsibility in carrying out every task and obligation. Amanah is displayed in openness, honesty, optimal service, and Ihsan (virtue) in all things. Tabligh invites and provides an example to other parties to implement the provisions of Islamic teachings in daily life (Hakiman et al., 2021).

2.1 THE BASIC AXIOM OF ISLAMIC BUSINESS ETHICS

Several basic axioms about things that have become common and clear
to be true are formulated and developed by scientists. These axioms are derivatives of the results of contemporary translations of the fundamental concepts of Islamic moral values. The axioms are as follows:

1. Unity: the concept of monotheism, sociological aspects of political economy and nature, everything belongs to Allah SWT vertical dimension avoid discrimination in all aspects, avoid unethical activities;
2. Equilibrium: the concept of fairness, horizontal dimensions, honesty in transactions, no harm and no harm;
3. Free Will: the freedom to make a contract but reject the invisible hand, because the lust of anger tends to encourage the violation of the responsibility system, humans must be responsible for their actions. If other people do unethical things, it means that they can follow along;
4. Benevolence: courtesy or deeds that must be beneficial;
5. Responsibility: all actions done by each individual will be accounted for before Allah SWT. Humans as caliphs manage existing resources to get benefits and be accounted for in the future (Arifin et al., 2003).

2.2 CORPORATE SOCIAL RESPONSIBILITY (CSR)

According to The World Business Council for Sustainable Development, CSR is a business commitment to contribute to sustainable economic development, working with company employees, the employee's family, as well as the local community and society as a whole, to improve the quality of life. Corporate Social Responsibility (CSR) is a company's commitment to improve the welfare of the community through the freedom to carry out business practices and obtain company resources.

Business in Islam has a very noble and strategic position because it is not only allowed in Islam, but is actually commanded by Allah in the Qur’an Surah Al-Jumu’ah Verse 148: When the prayer has been performed, then scatter you on the earth; seek the bounty of Allah and remember Allah abundantly so that you may be lucky. (Q.S. Al Jumuah (62) verse 10).

Corporate social responsibility is the company's commitment to contribute to sustainable economic development by paying attention to
Corporate social responsibility and emphasizing the balance between concern for economic, social, and environmental aspects. Nuryana stated that CSR is an approach where companies integrate social care in business operations and interaction with stakeholders based on the principles of voluntariness and partnership (Lutfiah, 2024; Rahmat, 2024).

CSR is a business commitment that plays a role in economic development, supports cooperation between employees and leaders, and creates social communication to improve the quality of life of the surrounding community, in ways that are good for the company's activities and development. In its implementation, CSR is highly dependent on the ethical values possessed by the company's management as a strategic decision-maker.

In Indonesia, CSR is intensively campaigned by Indonesia Business Link (IBL). Here there are five pillars of CSR activities, namely:

2.2.1 Building Human Capital

Regarding the company's internal affairs to create reliable human resources, on the other hand, the company is also required to empower the Community;

2.2.2 Strengthening economies

Companies must empower the economy of the surrounding community so that there is an equitable distribution of welfare;

2.2.3 Assessing social cohesion

Efforts to maintain harmony with the surrounding community so that conflicts do not arise;

2.2.4 Encouraging good governance

The company in maintaining its business refers to Good Corporate

...
Governance (GCG);

2.2.5 Protecting the environment

Requires his company to take care of the surrounding environment.

2.3 PRINSIP CORPORATE SOCIAL RESPONSIBILITY

2.3.1 Fairness

This principle is realized, among others, by making company regulations that protect the interests of minority shareholders, as well as stakeholders. All of this is outlined in the form of corporate conduct and/or policies that protect the company against insider misconduct; self-dealing and conflicts of interest; determine the roles and responsibilities of commissioners, directors, and committees, including the remuneration system; reasonably present the information or disclose it in full material of any kind; prioritizing equal job opportunities (Macsudov et al., 2024).

2.3.2 Transparency

Transparency here is more about the rights of shareholders, especially related to providing correct and timely information about the company, participating in decision-making regarding fundamental changes to the company, and also obtaining a share of the company's profits.

2.3.3 Accountability

This principle is based on the balance of power between managers, shareholders, the board of commissioners, and auditors. This is a management responsibility to the shareholders. By preparing financial reports on time, developing an audit and risk committee to support the supervisory function of the board of commissioners, and developing and reformulating the role and
function of internal audit as a strategic business partner based on best practices.

2.3.4 Responsibility

This principle is based on the awareness that every authority possessed has consequences for responsibility, both in the form of social responsibility, avoiding abuse of power, creating professionalism, and upholding ethics as well as maintaining a healthy business environment.

3 METHODOLOGY

This research includes qualitative research. This type of research is Field Research. This research produces descriptive data in the form of written or spoken words from people and behaviors that can be observed. Primary data was obtained from the results of interviews and documentation of the BTM Mulia Babat KKS. Secondary data is data obtained from books and internet sites that contain about the economy, Islamic business ethics, Corporate Social Responsibility (CSR), companies, about the environment. The research location is located on Jl. Pramuka, Babat Village No.200, Rejo Tanggul, Babat, Babat District, Lamongan Regency, East Java 62271 (Hakim et al., 2014).

4 RESULTS AND DISCUSSIONS

Islamic business ethics is a business that advances the values contained in the Quran. Islamic business ethics has several core values, including Unity (monotheism/oneness), equilibrium, freedom (free will), responsibility (responsibility), and truth (ihsan/kindness). Islam itself is a complete and comprehensive religion. It is called complete because all factors about daily life are regulated in Islam and are referred to as a comprehensive religion because its validity in Islam is not limited by space and time (Dhaifullah & Shohiha, 2023).
4.1 THE BASIC AXIOM OF ISLAMIC BUSINESS ETHICS IN THE PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) IN THE SHARIA CONSUMER COOPERATIVE

Several basic axioms about things that have become common and clear to be true are formulated and developed by scientists. These axioms are derivatives of contemporary translations of fundamental concepts of Islamic moral values. CSR in the review of Islamic business ethics includes five basics, the axioms are as follows:

4.1.1 Unity

The concept of monotheism, combines all aspects of life, both economic, social, and political, into a cohesive, consistent, and orderly whole.

This is in line with the implementation of CSR at KKS BTM Mulia Babat, where there are facilities for worship. In addition, improving the quality and as a charity in the economic and financial sectors as a means source of sustenance for the community, also has an impact on improving the quality of life of the community and its members.

4.1.2 Equilibrium

The concept of fairness, horizontal dimensions, honesty in transactions, no harm and no harm. Balance or justice in Islam describes a horizontal dimension that has a relationship with all the harmony in the universe. The principle that is firmly held by the BTM Mulia Babat KKS is the principle of integration, which means the existence of Islamic spiritual and moral values in driving and directing business ethics that are dynamic, proactive, progressive, fair, and noble. In its CSR program, it is said to be fair in its implementation and strives not to be selfish but also to care for others. In this case, the company not only carries out CSR for personal benefit but must ensure that the CSR program is following the beneficiary.
4.1.3 Free will

In Islam, free will has its place, because the potential for freedom of every human being has existed since they were born in the world. However, human freedom is limited, because only Allah SWT has unlimited freedom. Therefore, every Muslim must realize that in any situation, they have followed a procedure or rule that is already based on the provisions of Allah SWT. Freedom to make a contract but reject laicizes fire (invisible hand), because anger tends to encourage violations of the responsibility system, human beings must be responsible for their actions.

Benevolence

Ihsan or deeds that must be useful. The truth here also covers virtue and honesty. The meaning of truth in the context of business is the right intention, attitude, and behavior including the transaction process, the process of finding a commodity, the development process, and the process of trying to achieve profit and loss margins. Truth includes virtue and honesty. The meaning of truth is the same perception as al-Ihsan, namely the right intention, attitude, and behavior in carrying out various processes, be it the transaction process, the process of obtaining commodities, the process of product development, or the process of obtaining profits.

4.1.4 Responsibility

All actions done by each individual will be accounted for before Allah SWT. Humans as caliphs manage existing resources to obtain benefits and be accounted for in the hereafter (F. & et al., 2007). In the business world this is also very true because after doing all business activities with various forms of freedom, it does not mean that everything is finished when the goals we want are achieved. All of this needs to have responsibility for what has been done by businessmen, both accountability when making transactions, producing goods, selling goods buying and selling, and making agreements. Likewise, BTM Mulia Babat as a professional Islamic financial institution, BTM Mulia has many tasks that must be carried out ranging from fundraising to redistributing funds to the
community in need, to mobilizing financial institutions that are responsible both to the Muhammadiyah organization and to the community.

4.2 CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES IN THE SHARIA CONSUMER COOPERATIVE BAITUL TAMWIL MUHAMMADIYAH

Islamic business ethics is very influential on the business pattern that is run because business ethics is a rule or value system, namely about good, bad, right, and wrong in the business world which is based on moral principles. In other words, it can be interpreted as a rule used by business people where they must have a commitment in each transaction or behave in question so that the business continues to grow and there are no obstacles following the expected goals.

The key to ethics and morals in business lies in the perpetrators because the mission sent by the Prophet PBUH to the world is to improve human morals that have been damaged. A Muslim entrepreneur is obliged to uphold Islamic business ethics and morals which include Husnul Khuluq. At this level Allah SWT will open his heart and will open the door of sustenance, where the door of sustenance will open with these noble morals, good morals are the basic capital that will give birth to ethical and moral business practices.

There are many ways to get wealth, one of which is by working through work or business. Meanwhile, one form of work that is widely done by people is trading or business. That way we as Muslims should know that all matters related to muamalah have been regulated in Islamic business ethics, where every action taken must be following the basis of Islamic religious teachings.

CSR is a business commitment that plays a role in economic development, supports cooperation between employees and leaders, and creates social communication to improve the quality of life of the surrounding community, in ways that are good for the company's activities and development. In its implementation, CSR is highly dependent on the ethical values possessed by the company's management as a strategic decision-maker.

Islamic business ethics, that running a business does not harm other people, society, and the environment. So with the implementation of social
responsibility following Islamic business ethics, the community will benefit from the establishment of KKS BTM Mulia Babat as a Muhammadiyah Business Charity by the Muhammadiyah Babat Branch Executive, for example, one of them is the recruitment of employees, often holding social events that are carried out as a form of responsibility, and the company will not have problems with the surrounding community. Likewise, what has been done by KKS BTM Mulia Babat can be explained by the researcher as follows:

4.2.1 Forms of business responsibility to consumers

Furthermore, the form of social responsibility to consumers by KKS BTM Mulia Babat is to provide various service products that can help community problems in the field of financing, both from business capital, savings, and collecting community funds in infaq, sadaqah, zakat which will later be managed into productive funds. What is the icon of KKS BTM Mulia Babat in its responsibility to consumers is the "Pick Up the Ball" strategy where employees go to the field to 1) Attract savings to customers outside the Leksono market. 2) Serving prospective new members who will make financing. 3) Collect financing by visiting members directly. With this, it can make it easier for consumers without having to come to the BTM Mulia Babat KKS office, as well as in Islamic business ethics this is the fulfillment of consumer rights.

4.2.2 Responsibility to employees

The form of social responsibility (CSR) for employees is based on human resource management activities in launching business functions such as recruitment, acceptance, training, promotion, and compensation processes. Social responsibility behavior towards employees has a legal and social component. Such as what has been implemented by the concept of KKS BTM Mulia Babat employee recruitment, training of new employees and interns, frequent holding of social events, providing funds for activities that apply for assistance funds to KKS BTM Mulia Babat, and every employee can get health facilities such as BPJS. All employees are given equal opportunities regardless
of ethnicity, gender, gender, or other factors that are irrelevant to the business. Provide adequate facilities for smooth work and can improve employee performance (Rasidin et al., 2022).

4.2.3 Responsibility to Investors

The Company acts responsibly towards investors by managing investor resources and honestly showing the financial status of investors. Investor responsibility is the responsibility of the company to maintain the continuity of the company's financial resources, namely by avoiding several things, including financial management, which is inappropriate, blank checks, insider trading, storage of financial statements, and so on. The form of responsibility of the BTM Mulia Babat KKS to investors is by holding an accountability report for the management and supervisors every year, this is included in Islamic business ethics, namely fairness, transparency, accountability, and responsibility to shareholders or members and consumers of the BTM Mulia Babat KKS.

4.2.4 Environmental responsibility

Social responsibility (CSR) for the environment is a concern for the company in controlling its operations so as not to harm the community and the surrounding environment but should be able to provide benefits to the surrounding community. Forms of social responsibility for the environment that must be considered are a concern for air, water, soil pollution, toxic waste disposal, recycling, and so on. In this responsibility for the environment, the BTM Mulia Babat KKS has not carried out activities related to the environment. Because the BTM Mulia Babat KKS will still be focused on the social sector, both for consumers, employees, and investors (Armita et al., 2024).

5 CONCLUSION

The explanation of Islamic business ethics is everything that is firmly held by individual behavior in carrying out all business activities/businesses that aim

The basic axioms in Islamic business ethics are unity, equilibrium, free will, benevolence (benefit/kindness), responsibility (responsibility), Siddiq, istiqamah, fathanah, Amanah, and tablig. CSR (Corporate social responsibility) is the company's commitment to contribute to sustainable economic development by paying attention to corporate social responsibility and emphasizing the balance between concern for economic, social, and environmental aspects. The principles of CSR are fairness, transparency, accountability, and responsibility. The determination of the existence of a form of Corporate Social Responsibility (CSR) is based on the sense of responsibility of the BTM Mulia Babat KKS to the surrounding community. KKS BTM Mulia Babat has carried out forms of Corporate Social Responsibility (CSR), namely Corporate Social Responsibility (CSR) in the social and economic sectors, but in the environment, there is still a lack of appropriate forms of CSR. We as writers hope that this writing will later be a reference for the BTM Mulia Babat KKS to further implement CSR perfectly. To be evenly distributed in all fields, both in the social, economic, and environmental (nature) fields. The application in the form of social responsibility following Islamic business ethics, the community benefits from the establishment of the BTM Mulia Babat KKS, which is a form of accountability in its implementation, namely both from social responsibility to the consumer, social responsibility to employees, social responsibility to investors and responsibility to the environment. As an example of employee recruitment and frequent social events, the provision of funds for room activities that apply for assistance funds to the BTM Mulia Babat KKS.

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