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The construct of corporate societal duty in the West Teachs that companies do non merely responsible to their stockholder through net income devising but besides to the other stakeholders every bit good as society. In some ways, this construct is likely consistent with the construct of tawhid (unity of God) and maqasid Al sharia law (aims of sharia law) in Islam. This paper is intended to discourse the construct of tawhid and maqasid Al sharia law and to research possible execution of those constructs into CSR. It eventually observes that the construct of tawhid provides philosophical and practical foundation of CSR including its definition, its aims every bit good as to whom the duty should be addressed. The construct of maqasid Al sharia law advices the practical operation of CSR including what type of duties should be addressed by companies and how the duties should be carried out. Therefore, both constructs provide moral and practical guideline on what CSR every bit good as why and how CSR should be discharged.

Keywords: Islam, corporate societal duty revelation, sustainable success

Introduction

Islam is non merely a faith. It is a manner of life that has its ain system of moralss, values and rules called shariah Islamiyyah or normally stated in a short signifier as sharia law. It consists of complete guidelines derived from the Quran and Hadits. Shariah does non merely regulate the personal religious facet of life (ibadah) , but besides govern all facets of life including dealing (muamalah) and moral virtuousnesss (akhlak) . To accomplish

mardhotillah (God ' s pleasance) and falah (the wellbeing/success in the universe and in the afterlife) , Muslims have to follow and implement sharia law in every facet of their life.

Following the terminal of the Second World War when most of states with bulk Muslim population became politically independent, Muslim ' s quest for following and implementing sharia law in all facets of life had been increasing. The Islamic revival in the clip drove attending of many Muslim bookmans to cultivate the profusion of Islam in order to ease the desire of Muslims to follow and implement sharia law in their life every bit good as to happen possible solutions for socioeconomic jobs resulted from colonisation epoch. In 1960s, the increasing pursuit for Islamization of cognition and the call for Islamic economic system produced a important development of establishments that were operated based on Islamic economic rules. Those Islamic economic rules are prohibition of riba (involvement) , prohibition of gharar (uncertainness) , prohibition of maisir (chancing) , and prohibition in bring forthing or administering nutrient, drink, or morally harmful points that contradict with Islamic values (Chapra, 2000) .

Although the first phase of Islamic economic sciences establishments development focused more on Islamic fiscal establishments such as Muslim Bankss and Islamic insurance ; the demand for the being of companies other than Islamic fiscal establishments were increasing. Shariah approved companies (SAC afterlife) , which are companies whose operation are conducted in conformity to Islamic economic rules, are needed to ease Muslim investors every bit good as Islamic establishments in puting their fund in any ways that do non belie with sharia law. Most significantly, those <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

companies are needed to play of import function, which is to advance falah (sustainable success in the universe and in the Hereafter) non merely for their stakeholders but besides for the whole of society. In making so, those companies need a tool to assist them in carry throughing those duties.

Sing that Islam has its ain system of moralss, values and rules that must be followed by every Muslim and Islamic establishment, the tool must be developed based on sharia law. This survey, hence, is intended to research the construct of CSR from Islamic position in order to explicate an Islamic CSR and its revelation theoretical account that can be used as a tool to assist companies in carry throughing their duties. It is a conceptual effort to discourse CSR and its revelation from the Islamic position. In researching and explicating the theoretical account, the current survey utilizes two of import paradigms in Islam. The first 1 is tawhid, which is the really basic foundation of Islam ; and the 2nd one in maqasid Al sharia law, which is the of import subject of sharia law and the major rational of why every Moslem has to follow sharia law Islamiyyah. Figure 1 illustrates the analytical model to explicate an Islamic CSR model and its revelation. The figure indicates that this survey is a conceptual effort to discourse CSR and its revelation from the Islamic position. Hence, it is a qualitative in nature. The content analysis method is applied through intense reading of the old texts and literature in relation with the subject. Both deductive and inductive methods every bit good as analytical method are applied to thoroughly examine and analyze the relevant literatures and to develop the relationship between tawhid and maqasid Als shariah with the mainstream model of CSR and its revelation.

The remainders of this survey are organized as follows. First, the construct of tawhid and maqasid Al sharia law is discussed in subdivision 2. Second, the treatment of CSR construct and the execution of tawhid and maqasid al sharia law on CSR are provided in subdivision 3. Third, subdivision 4 discusses a proposed Islamic CSR revelation theoretical account as the chief determination of this paper. And in conclusion, subdivision 5 provides the decision of the paper.

The Concept of Tawhid and Maqasid Al Shariah

The attack to develop the CSR construct and its revelation from Islamic position in this survey is combined from two of import paradigms in Islam, which are tawhidic[1]paradigm and maqasid Al sharia law paradigm. The term of paradigm can be defined as a form of scientific believing about truth through assorted observations and experiment (Choudhury, 1997) . Therefore, in developing the Islamic CSR construct and its revelation, this survey applies the form of scientific believing about truth that had been resulted by old Islamic bookmans and minds particularly the truth about the construct of tawhid and maqasid Al sharia law.

Tawhid and its Execution

Literally, tawhid agencies fusion (doing something one) or asseverating unity (Philips, 2005) . In English term, it is normally translated as unity of God. This construct is the nucleus of Islamic religion that is most exactly expressed by the expression of La ilaaha illa Allah (there is no God but Allah) . It recognises Allah as the exclusive Godhead of all existences and the proprietor of everything. Ismail and Sharif (2011) add that tawhid is an

of import affair in Islamic religion because it relates to the declaration of religion, a statement that requires 1s to tune their thought, apprehension, feeling, action and determination towards it.

Ibnu Taymiyyah[2]as quoted by many bookmans such as Ghazali (1990) and Faruqi (1992) said that the construct of tawhid is built upon on the two basic elements which are tawhid rububiyah (the unity of the Lordship of God) and tawhid uluhiyah (the unity of worship of God) . The construct of tawhid rububiyah and tawhid uluhiyyah has deduction on the functions of human being. It signifies that human being has been created for holding two of import functions, which are as a retainer of God (servanthship/'abd Allah) and as a representative of God in the Earth (vicegerent/khalifah) . Kamali (2010) states that as a God ' s retainer, adult male must be inactive towards God and receiver of the grace that flows from the universe above, whereas as a vicegerent, adult male must be active in the universe to raising and to care for the environment in which he plays the cardinal function. The construct of tawhid besides gives the grade and the quality of actions every bit good as elevates the spirit of relationship between human existences and God, human existences and human existences, and human existences with environment.

The functions of human being as a retainer and as a vicegerent farther connote that human being has two types of relationship in his full life. Those relationships are nonnatural relationship as an deduction of the construct of adult male as a retainer and horizontal relationship as an deduction of the construct of adult male as vicegerent. The former is really the relationship between human being and Allah Swt (hablun minnallah) , and the latter

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consists of the relationship between human being and human existences (*hablumminnaas*) every bit good as human being and environment.

As a retainer of God, human being has to keep his/her relationship with Him. It is strongly built from the spirit of the five pillars of Islam (*Islam*) and the six pillars of religion (*iman*) and must be free from any go-betweens (*Abdalati, 1998*) . This is clearly stated in the Quran Surah 64: 4, “ He knows what is within the celestial spheres and on the Earth and knows what you conceal and what you reveal: Allah knows good the (secret) of (all) Black Marias. ” The deduction of this poetry is that Muslims must aware that God is ever watching them (*ihsan*) , so they have to obey and detect His ordinance and demand in all facet of their life.

As a caliph, human being has a duty to keep good relationship with other fellow human existences every bit good as with the environment. The relationship between human being and other chap of human being is guided by the proper relationship with God. It should be inspired by Islamic virtuousnesss such as truthfulness, righteousness, tolerance, humbleness and other moral virtuousnesss that can be gained from the apprehension of tawhid as explained by Mawdudi (1960) . Adbalati (1998) adds that Muslim has to develop a good sense of societal consciousness and nurture a feeling of human response. The construct of adult male as caliph (*vicegerency*) places upon mankind the duty to safeguard the right of his chaps human (*Kamali, 2010*) . The construct of caliph besides ascertains the importance of brotherhood (*ukhuwwah*) construct in Islam. As stated by Naqvi (1981) , brotherhood in Islam makes Muslims responsible to each other and demands

the Moslem society to take care the basic demand of the orphan and the hapless.

Turning to the relationship between human being and the environment, the word environment here has a wide significance mentioning all creatures other than human being such as land, workss, animate beings, H2O, air, and any other dwellers. Harmonizing to Islam, human existences have the right to use all natural resources provided in the environment that has been granted by God in order to accomplish falah (well-being) . However, this use must be socially responsible. The use of environment to carry through the biological and ecological demand of world should non in the disbursal of the demands of other life animals. Human being as caliph bears the duty to protect and continue environment including its natural resources. Kamali (2010) adds that the construct of vicegerency (caliph) awards on human existences, separately and jointly, the mission and duty to construct the Earth and tackle its resources with moderateness and attention for its ecological balance. From Kamali ' s survey that was summarized from the Qur'an and Sunnah, it could be concluded that human being has four duties towards the environment: First, duty to construct the Earth (i'mar al Ard) ; Second duty to maintain the balance of the Earth ; Third, duty to keep the beauty and the cleanliness of the Earth ; and in conclusion, duty to avoid any misdemeanor and maltreatment of the Earth. The Earth maltreatment and misdemeanor that must be avoided by world include mischievousness devising and corruptness (fasad fil ' ard) , being extravagancy (israf) and waste (tabdhir) every bit good as imposition of injury. Kamali (2010)

further explain that the construct of vigerency is guided in bend by the rules of trust territory (amanah) , moderateness (i'tidal) and justness (' adl) .

Maqasid Al Shariah and its Execution

Maqasid Al sharia law comes from the Arabic words of maqasid and sharia law. The term of maqasid has similar significance of aims or ends in English term, whereas the term of sharia law has wide definition. Sardar (2003) explains that sharia law is a system of moralss and values that do non merely cover the personal religious facet but besides govern all facet of life such as economic sciences, political, societal and rational. In sharia law, the moralss and values refering to the basicss of Islam including aqeedah (credo) , ibadah (worship) and akhlak (moral virtuousnesss, morality and moralss) remain unchanged but its manifestation in secondary countries such as economic, politic and other secular activities could be adjusted to alter harmonizing clip and infinite (Kamali, 1989) . Dusuki and Abdullah (2009) add that sharia law reflects a holistic position of Islam covering a complete and incorporate codification of life embracing all facet of life, as single or societal, both in this universe and the Hereafter. It reveals what is good and bad, what is good or utile and what is deleterious or harmful. As a complete guideline for Islamic manner of life, sharia law has two chief beginnings. Zuhaili (2002) summarizes that the two chief beginnings are primary beginnings, which are Qur'an and Hadith (workss, expressions or tacits blessing of Prophet Muhammad SAW) , and secondary beginnings, which are ijma ' (concensus sentiment by the bulk of Muslim Jurist) and qiyas (analogy concluding deducted from the other three beginnings

particularly in relation to the modern-day issues that are non mention straight in them) .

Turning to the definition of maqasid Al sharia law, Ibn ‘ ‘ Ashur[3]as cited by Jalil (2006) defines that maqasid Al sharia law is “ the ascertained significances and wisdoms in every sharia law opinions or most of them, whereby their observation prove that they are non specific to a type of shariah opinions. ” Kamali (2008) added that maqasid Al sharia law or the ends or the aims of sharia law is an of import subject of sharia law. He farther explains that the texts in the Holy Qur’an are characteristically end oriented both in its Torahs of civil minutess (muamalah) every bit good as devotional affairs (ibadah) . The Qur’an expresses the principles, intents and benefits of Islamic Torahs in legion topographic points and a assortment context. There are ever principles, ends every bit good as benefits for every value, philosophy or activity in Islam. Many bookmans agree that most of the injunction of sharia law were revealed with certain aims and grounds (Jalil, 2006) .

In general, there are some sentiments from Islamic legal experts on what aims of sharia law (maqasid al sharia law) are. The two most celebrated sentiments are the sentiments of Imam Al Ghazali and Imam Al Shatibi (Kamali, 2009 ; Jalil, 2006) . Harmonizing to Imam Al Ghazali, the primary aim of sharia law is to advance the well-being/sustainable success (falah) of world or societal public assistance or public involvement (maslahah) by safeguarding faith (blare) , life (nasf) , intellect (aql) , offspring (nasl) , and wealth (maal) . Those five things are considered as five basic human foundations. As quoted by Ghazali (1998) , Imam Al Ghazali farther wrote <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

that “ everything that leads to the saving of these five foundations is considered maslahah, and everything that leads to the break of these foundations is mafsadah, and its remotion is maslahah ”[4]. Those five basic foundations must be protected as a affair of absolute precedence ; nevertheless, Jalil (2006) province that they are non equal in importance[5]. Some are more of import than the others, but each of them is indispensable. For that ground, sharia law were given to supply guideline on how to protect them.

More than a century after Imam Al Ghazali authorship, Imam Al Shatibi developed and refined the construct of maqasid Al sharia law in his best known book entitled Al-Muwafaqaat fi Usool al-Sharia (Jalil, 2006 ; Shibbir, 2000) . Jalil (2006) states that Al Shatibi was considered as the first legal expert who wrote the construct as a new independent theory. Basically, Imam Al Shatibi agreed with the construct of maqasid Al sharia law formulated by Imam Al Ghazali. He affirmed that the primary aim of sharia law is to advance the wellbeing or the benefit of all world (maslahah) in relation to their personal businesss in the universe and the afterlife. Sustainable successes in the universe and in the afterlife (falah) become an of import aim of sharia law.

Al Shatibi developed the construct of maqasid Al sharia law by sorting the human being demands to back up the maslahah into three different classs which are daruriyyat (indispensable) , hajiyyat (complimentary) and tahsiniyyat (embroidery) . He besides reinforced the importance of five basic foundations of human life that had been proposed by Imam Al Ghazali by seting those foundations into his daruriyyat class. Based on the <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

sentiments of Imam Al Ghazali and Imam Al Shatibi, the term of maqasid has another name that is masalih (plural signifier of maslahah means public involvement or societal public assistance or the good being of community) . Kamali (2008) said that these two footings are frequently used interchangeably in the literature.

Therefore, while the primary aim of sharia law is to advance falah, maqasid Al sharia law could besides be farther divided into three different classs in a descending order of importance, get downing with maqasid daruriyat (indispensable ends) , followed by maqasid hajiyyat (complimentary ends) and maqasid tahsiniyat (embellishment ends) (Jalil, 2006 ; Dusuki & A ; Abdullah, 2006 ; Fir, 2008 ; Kamali, 2009) .

Maqasid daruriyat or the indispensable ends of sharia law are defined as the most of import ends that must be placed in the first precedence in order to accomplish the maslahah every bit good as falah. The failure in accomplishing these ends may take to the break of life normal order or break of human being in populating with safety and self-respect. The five basic foundations that had been proposed by Imam Al Ghazali and farther developed by Imam Al Shatibi autumn under this class. As antecedently stated, those five basic foundations include faith, life, mind, offspring and in conclusion wealth. The maqasid daruriyyat includes the protection of those five basic human foundations.

Maqasid hajiyyat or the complementary ends are ends whose achievement would supplement the accomplishment of the indispensable ends and whose carelessness would take to hardship that do non present a menace to the

well being of world. In other word, the achievements of maqasid hajiyyat are needed to relieve adversity so that life might be free from emphasis and quandary. They are needed for the protection, constitution and executing of the daruriyyaat.

Maqasid tahsiniyyat or the embellishment ends are the ends whose achievement would take to refinement and flawlessness in life and whose carelessness might non disrupt the well being of world but it might take to the deficiency of comfort in life. The attainments of these ends are desirable. The illustrations Islamic opinions under this class are the encouragement of Islam on keeping cleanliness, encouragement to heighten moral virtuousnesss, and besides deterring extravagancy.

Corporate Social Responsibility, Tawhid and Maqasid al Shariah

The argument on the importance of CSR started in the twelvemonth 1920s noted by the increasing attending of bookmans in questing the duty of companies toward society and environment, whereas the widespread society ask for the business communities to be more ethic, crystalline and humanist began in 1960s (Mohammad, 2007) . The mainstream accounting failure in guaranting the stableness of environment and society was deemed as a cause of environment debasement. Though, there were struggle in the early argument among the business communities as their worldview were based on the Western worldview, which are more on individuality, philistinism, and hedonism (Al Attas, 1991 ; Haneef, 1997 ; and Sardar, 2003) . Then, after originating of much environment debasement such as pollution, gender and faith favoritism every bit good as poorness and unemployment, CSR has

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been going a public issue. Harmonizing to Muhammad (2007) , there are four force thrusts of the quest for CSR in the West, which are: 1) force per unit area of market from client, employee every bit good as capital market its ego ; 2) authorities ordinance on the revelation of CSR activities ; 3) rapid changing of information and communicating engineerings that allows the public/society to supervise a company, 4) companies consciousness of the competitory advantages of CSR for company its ego.

In relation to the definition of CSR, the impression of corporate societal duty (CSR) has a widespread definition. Harmonizing to Beekun (1997) , CSR refers to the duties that an organisation has to protect and lend to the society in which it functions. In add-on, Dusuki & A ; Abdullah (2007) defines CSR as denoting corporate activities beyond doing net incomes, such as protecting the environment, caring for employees, being ethical in trading, and acquiring involved in the local community. Meanwhile, Hossain & A ; Siwar (2009) describe CSR as an organisations committedness to carry on its concern in an economically, socially and environmentally sustainable mode whilst equilibrating the involvements of a diverse scope of stakeholders. Dusuki & A ; Humayon (2005) further explains that CSR could be divided into four major dimension which are environment dimension, human resource dimension, human right dimension and philanthropic dimension. So, by mentioning to those surveies we can state that CSR refers to a series of activities, policies or mechanisms through which a company responsible for its activities non merely to its stockholders but besides to the other stakeholders, community and environment.

The following treatment is about the execution of tawhid and maqasid al sharia law on CSR. Beforehand, it is of import to discourse the construct of company in Islam in order to extinguish the confusion about the execution of tawhid and maqasid Al sharia law by company. Although the constructs of tawhid and maqasid Al sharia law seem to be directed to mankind ; nevertheless, companies in Islam or normally known as sharia law approved companies (SAC) [6] besides oblige to implement these two constructs into their operation. Antonio (2003) and Sanusi (2009) province that, from the position of Islamic Torahs, SAC is classified as juridical personality (syakhsyah hukumiyah) . It has of import functions for both economic and societal life (Abeng, 1997) . Muwazir & A ; Muhammad (2006) further explain that a SAC is non merely intended to fulfill material aim but it is besides intended to accomplish other non-material aims such as to procure societal demands. More significantly, Shaibani (1997) adds that a SAC should be undertaken to carry through spiritual duty. To accomplish those aims and to play those functions, it has duty to implement the construct of tawhid and maqasid Al sharia law in its day-to-day activities. In term of CSR, the construct of tawhid provides philosophical and practical foundation of CSR including its aims, its definition every bit good as to whom the duty should be addressed, whereas the construct of maqasid Al sharia law advices the practical operation of CSR including what type of duties should be addressed by SAC and how the duties should be carried out.

3. 1 The Deduction of Tawhid on CSR

Unlike in the mainstream theory of CSR, the demand for CSR in Islam is non simply driven by the secular demand. Based on the construct of tawhid, it is <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

besides driven by the demand for carry throughing the answerability both nonnatural answerability, which is answerability to God, and horizontal answerability, which is answerability to the community and the environment. The aim of CSR in Islam, hence, is non merely for showing answerability to stakeholder and society, but most significantly for showing answerability to God.

The credence of unity of God requires that every activity undertaken by SAC must be in line with shariah islamiyah in order to keep the company ' s relationship with The Creator (God) . Seeking net income, every bit considered as worldly objective of company, is encouraged by Islam ; nevertheless it should be done in conformity with sharia law. Even further, the construct of tawhid, particularly in relation to the construct of attainment degree of its apprehension, implies that it is non plenty for being a sharia law approved company without believing that there is God as the ultimate proprietor of everything and without being cognizant that God is ever watching every activity within company. Therefore, the construct of tawhid gives moral guideline on company in its operations.

The construct of tawhid besides signifies the function of SAC as caliph (vicegerent) . In add-on to Antonio (2003) and Sanusi (2009) that province SAC as a juridical personality so it besides has duty to implement to concept of tawhid, Hashim (1998) province that SAC is considered as a portion of Islamic society (ummah) . This has deduction on SAC ' s function and duty in advancing societal duty (Muwazir & A ; Muhammad,) By mentioning to Kamali (2008) , which states that the construct of caliph topographic points upon mankind the duty to safeguard the right of his <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

fellow human being, SAC have duty to safeguard the right of their stakeholders and community. As a portion of caliph on Earth, it has to take portion in keeping the harmoniousness and the peace in the community and in protecting the environment.

In keeping the harmoniousness and the peace in the community, SAC have to keep good relationship with all of their stakeholders and community with truthfulness, righteous, tolerance, humbleness and other moral virtuousness as explained by Mawdudi (1960) . Mentioning to Qur'an Surah Al Baqarah poetry 177, in keeping good relationship with other fellow human being, world should give precedence from the closest party in an order of precedence as follow: the relations, the orphan, the needy, the traveler and everyone who is in demand. In the context of concern, stakeholders could be considered as SAC ' s relations ; hence, they should be given the first precedence in safeguarding their rights, get downing from employee as the closest party, stockholders, clients, and suppliers/debtors. Islam provides guideline on how to cover with each of those parties in the Qur'an and Hadith. In term of community, SAC has to acquire involved in the local community by giving first precedence to the orphan followed by the poor/ the needy, the traveler such as pupils[7]and everyone who is in demand. SAC as a portion of Moslem society has the duty to acquire affect in caring the basic demands of the orphan and the hapless as implied by the construct of brotherhood in Islam.

Turning to the function of SAC in protecting the environment, Islam has briefly guideline on how Moslem society including SAC should act toward the environment. Similar to human being, SAC has the right to use the <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

environment and any sort of resources in it in the manner that is socially responsible. By mentioning to Kamali ' s survey on the relationship between human being and environment in the old treatment, SAC has four duties in relation to the environment including constructing the environment, maintaining the balance of the environment, maintaining the beauty and the cleanliness of the environment and avoiding any misdemeanor every bit good as maltreatment of the environment. SAC has to avoid mischievousness devising and corruptness, extravagancy and waste every bit good as imposition of injury. In protecting the environment, SAC has to aware the rules of trust territory (amanah) , moderateness (i'tidal) and justness (' adl) .

3. 2 The Deduction of Maqasid Al Shariah on CSR

As it is stated in the treatment of maqasid Al sharia law construct, the ultimate aim of sharia law is to advance the well being or the sustainable success in this universe and in the Hereafter by protecting five homo ' s basic foundations every bit considered as indispensable demands, protecting the complimentary demands every bit good as protecting the embroidery needs. This can be done through detecting any activities or keeping any values that can protect or continue those three types of human demands as promoted and encouraged by Islam. The avoiding of any activities or values that threaten the attainment of the maqasid Al sharia law is besides considered as a manner to accomplish the sharia law aims. In short, the treatment of maqasid Al sharia law signifies that human being has to set about any activities to accomplish the maslahah and to avoid the mafsadah as guided by shariah Islamiyyah.

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In the visible radiation of the above treatment on maqasid Al sharia law, the construct provides guideline for SAC on what types of duty should be addressed by SAC and how those should be addressed. In term of the type of duty should be addressed, the chief duty of SAC is to advance the well being of their stakeholders and the community in the universe and the Hereafter. The construct could farther find the order of precedences in Islamic CSR and entail ranking of duties into three different degrees, which are indispensable duty, complimentary duty and embellishment duty.

In the first degree of CSR, SAC have indispensable duties toward its stakeholders and the community to protect and to carry through their five basic human foundations or demands, including their faith, their life, their mind, their progeny and their wealth. Among the CSR related activities or policies that could be taken by SAC in order to carry through its indispensable duty in the visible radiation of maqasid Al shariah treatment are summarized in Table 1.

Traveling to the 2nd degree of company duty to the stakeholders and community, after the fulfillment of the indispensable duty, SAC have the duty to carry through the 2nd degree of CSR, which is complementary duty.

Although the carelessness of this duty would non present a menace to the well being of stakeholders and community, but the fulfillment of this duty is needed to relieve adversity so that life might be free from emphasis and quandary and to back up the fulfillment of the indispensable duties. The

illustrations of activities or policies related to this 2nd degree of CSR are set abouting spiritual recitation to back up the protection of faith, supplying

preparation to heighten accomplishment and cognition of employee in order
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to back up the duty to protect mind, carrying sport twenty-four hours or supplying exercising means to beef up the employee ' s wellness in order to back up the protection of life, supplying household allowance or supplying inducements for marital ceremonial to promote employee to acquire married in order to back up the protection of offspring.

The 3rd degree of CSR is the fulfillment of embellishment duty. SAC has the duty to dispatch the 3rd degree of shariah aim as it would take to refinement and flawlessness in life. Although the carelessness of it might non disrupt the well being of the stakeholders and community but it might take to the deficiency of comfort in their life. Dusuki and Abdullah (2006) province that giving charity or donating in the community, supplying clear information or advertizement in relation with all merchandises are among the illustration of activities to dispatch this duty. The other activities could be avoiding extravagancy on the operation of the company, keeping cleanliness in the workplace, every bit good as promoting heightening moral virtuousness. This is in line with the Islamic legal axioms of saddu dzara'i (injury is repelled every bit far as possible) , which states that any possible injury to society has to be prevented every bit far as possible (Sujaudin, 2008 ; Kamali, 2010) . Dusuki and Abdullah (2008) add that it is easier to forestall something instead than handling it after it has already happened.

With respect to the 2nd deduction of maqasid Al sharia law construct on CSR, which is to supply guideline on how the above duties should be addressed, Dusuki & A ; Abdullah (2009) explicate a model on how SAC should see the construct on maqasid Al sharia law in work outing struggle that might originate when prosecuting CSR. In doing determination in relation with CSR <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

enterprises or activities, SAC has to give the first precedence in turn to the first degree of duty, which is indispensable duty. Once the indispensable duties have been fulfilled, the SAC can get down to turn to the complimentary duty in the 2nd degree. And in conclusion, the embroidery duty would be desired to be fulfilled when SAC has already maintained the fulfillment of the indispensable and complimentary duties. Dusuki and Abdullah (2009) add that the three degrees of duties are non reciprocally sole ; instead, all are inter-related and reciprocally dependent.

Muslim Corporate Social Responsibility Disclosure

CSR in Islam could be defined as the duty of Islamic concern organisation (SAC) to carry through and to protect the indispensable demands, complimentary demands and embroidery demands of its stakeholders and community through carry throughing the basic demands of the employee, advancing harmoniousness and peace in the society and maintaining the balance of the environment in order to accomplish the well being of stakeholders and community. In carry throughing those duties, SAC have to follow the order precedence as implied by the construct of maqasid Al sharia law. The indispensable duty must be prioritized at foremost. This duty is compulsory to be fulfilled. The 2nd precedence is the compliment duty, which is strongly encouraged to be fulfilled. And the last 1 is the embellishment duty that is desired to be fulfilled in order to be a to the full socially responsible company.

In relation to the ethical criterion underlying CSR in Islam, the rules of God consciousness, brotherhood, justness and truthfulness could be considered as the chief moral values or ethical criterion of CSR. As God is ever watching <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

every activity undertaken by SAC, there is no topographic point to conceal of non being socially responsible. In add-on to that, the construct of brotherhood in Islam topographic points stakeholders and community as the member of the large household of Moslem society in which SAC is besides belong to. This societal binding, hence, requires SAC to move responsibly toward stakeholders and community as it is besides required to stakeholders and community to move in the same manner toward SAC. The construct of justness, required SAC to move responsibly toward the environment, as it is created by God to be shared together among the animals throughout the full life clip, for all world and other animals, every bit good as from coevals to coevals. SAC could non use the environment in the disbursal of the community and the other animals every bit good as the following coevals. SAC are besides required to being truthfull which avoids any activities to supply false information or to conceal any information.

With respect to the aims of CSR, the aims of CSR in Islam would be to dispatch the answerability of SAC to God, as The Creator and The Owner of everything, every bit good as to dispatch the answerability of SAC to the stakeholders, society and environment. As a group of individual, SAC is bound by the sharia law Islamiyyah in its operation. For SAC, being socially responsible is neither because of the force per unit area of the stakeholder and community nor because of the purpose to heighten its trade name repute, but it is because, as a retainer of God and as a caliph of the Earth, SAC has the duty to make so.

Turning to the construct of revelation in Islam, Baydoun and Willet (2000) states that the Western theoretical account of revelation does non to the full <https://assignbuster.com/responsibility-disclosure-an-islamic-approach-theology-religion/>

satisfy Moslem users for determination devising that is in line with shariah Islamiyyah. Haniffa (2002) besides states that the theoretical account might non allow to portray SAC ' s activities right as it does non acknowledge the duty of SAC to God. In fact, answerability seems to be the most of import impression of every treatment in relation with the construct of revelation in Islam. Furthermore, answerability in Islam is interpreted as being, foremost and first, answerability to God through doing information freely available (Lewis, 2006) . Therefore, full revelation would be considered as the rule of revelation in Islam because it would be possible for carry throughing the right of stakeholders and community to cognize how SAC act in carry throughing its duty to God. Beside using the rule of full revelation, the construct of revelation in Islam should besides see the rule of truthfulness and relevance (Lewis, 2006) . Since revelation of information is considered as sacred responsibility or holiness contract (Ichsan & A ; Khalil, 2007 ; Reli, 2009) , SAC is spiritually enforced to implement those three rules.

CSR revelation in Islam is considered as a mean to pass on CSR information to the users of information both internal and external for determination devising. However, in line with the sentiment of Baydoun & A ; Willet (1994) and Haniffa (2003) , the construct of CSR revelation in Islam should include a different set of demand from the mainstream format (Harahap, 2003) . CSR revelation in Islam should supply information to demo SAC ' s conformity with shariah Islamiyyah (Harahap, 2003 ; Muwazir & A ; Muhammad, 2006) and, most significantly, it should supply information to show the answerability of SAC to God (Haniffa, 2002) . As a consequence, the aim of CSR revelation in Islam is to show the answerability of SAC to God and to

demo the conformity of SAC with shariah Islamiyyah. Although helping determination shapers in doing economic determinations as in the mainstream CSR revelation theoretical account is besides considered as the aim of Islamic CSR revelation, but it is non the primary aim (Maali et al, 2006) . For the rules used in unwrapping CSR information in Islam, Islamic CSR revelation theoretical account should besides encompass the rules of full revelation, truthfulness and relevance as it is required in Islamic revelation theoretical account in general.

Mentioning to the construct of tawhid and maqasid Al sharia law, SAC have duty to unwrap any information related to its relationship with God, stakeholders and community every bit good as environment. As such, it is expected that SAC would supply revelation of the followers:

4. 1 Disclosure of information related to its relationship with God

It is compulsory for SAC to unwrap all information related to their relationships with God. The revelation is needed to measure SAC ' s sharia law conformity degree. Information related to this revelation could be revelation of corporate mission, revelation of top direction every bit good as revelation of Shariah Supervisory Board.

4. 2 Disclosure of information related to its relationship with stakeholders and community

The revelation of information related to their relationship with stakeholders and community depends on the type of duty. It is besides compulsory to unwrap information related to SAC ' s indispensable duties. The revelation of

information related to SAC ' s complementary duty is strongly encouraged, whereas the revelation of information related to SAC ' s embellishment duty is desired. The revelations that should be made under this portion are revelation of employee related information, revelation of product/service related information, revelation of insolvent client, revelation on community engagement.

4. 3 Disclosure of information related to its relationship with environment

Similar to the revelation of information related to SAC ' s relationship with stakeholders and community, revelation under this type of relationship besides falls into three different demands, which are compulsory, strongly encouraged and desired. The revelation of information in this portion should pass on information of how company fulfil its duties on constructing the environment, maintaining the balance of the environment, maintaining the beauty and the cleanliness of the environment every bit good as information on how SAC avoids any misdemeanor or maltreatment of the environment.

Decision

The construct of CSR and its revelation is non something new in Islam. It is an unconditioned characteristics of Islam and is embedded with the construct of tawhid, the really basic foundation of Islam and the construct of maqasid Al sharia law, the of import subject of sharia law and the major rational of why every Moslem has to follow sharia law Islamiyyah. Both constructs provide moral and practical guideline on what CSR every bit good as why and how CSR should be discharged and disclosed by SAC. Tawhid and maqasid Al sharia law signifies that companies in Islam have the duty to

keep the harmoniousness and peace in the society every bit good as the balance in the environment. This is intended to advance the well being or sustainable success (falah) of world both in the universe and in the afterlife. The revelation of CSR becomes a mean to pass on companies ' answerability to their stakeholders and society. It could besides be used as a tool to measure company ' s sharia law conformity every bit good as to assist a company to be a good company. Hence, to stay as shariah sanctioned companies, companies in Islam should hold CSR constituents and implement those constituents in their day-to-day activities. This besides applies to any other companies, irrespective cultural background differences, because they are portion of society and portion the environment with the other members of society.