



GOOD GOVERNANCE OF BUSINESS SHARIA (GGBS) INFAK LINKED BUSINESS (ILB) FUNDS PT. RIJAN DINAMIS SELARAS (RDS) RIYADLUL JANNAH BOARDING SCHOOL, PACET, MOJOKERTO

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Article history:	Abstract:
<p>Received: 24th December 2023 Accepted: 20th January 2024 Published: 26th February 2024</p>	<p>Islamic financial institutions were established with the aim of promoting and developing sharia principles. Sharia business in Islam must be run with good governance because it is seen as one of the manifestations of worship or good deeds based on piety, so adherence to spiritual and operational principles is required. This study aims to answer questions regarding the management of Infak Linked Business (ILB) funds and the implementation Good Governance of Sharia Business. This type of qualitative research uses a case study approach by focusing on only one side of the ILB funds GGBS which is then analyzed interactively. The results of the study show that the management of ILB funds that is carried out from upstream to downstream is the sharia supervisory division. The development of infaq funds is carried out in the business and investment sectors. The ILB fund management model is an application of ZISWAF fund management to the real or productive sector as in the 2019-2024 Islamic economic master plan. The implementation of GGBS ILB funds is aligned with a score of 31 out of 36 indicators, because the ILB fund management division is socially oriented while GGBS is an index for sharia business entities.</p>

Keywords: Good Corporate Governance, Good Governance Sharia business, infak and business

INTRODUCTION

The desire to establish an Islamic financial institution is based on an awareness to implement Islam as a whole and totally, where the workers or employees working in the operational system are people who know and understand Islamic sciences or more specifically fiqh muamalah (sharia economic law). Sharia-based business is the implementation of the embodiment of Allah's sharia rules. Actually, the form of sharia-based business is not much different from business in general, namely efforts to produce/produce goods and services to meet consumer needs. However, it is this sharia aspect that distinguishes it from business in general, also carrying out Sharia and Allah's commands in matters of muamalah.

The form of Islamic business seen from the time period of the exchange consists of direct and robust exchanges. The object of exchange consists of financial assets, namely money and securities. Sharia companies can carry out reconstruction by changing the ideology of fulfilling sharia compliance, namely the principle of

compliance with sharia provisions.

Responsibility in sharia business is not only limited to responsibility to humans, but responsibility to God and responsibility to preserve nature. GCG Syariah has three dimensions of the relationship between humans, God and nature. In sharia Enterprise Theory (SET), sharia GCG contains the values of justice, trustworthiness and accountability.¹

Identification of matters related to Good Corporate Governance arose because of the many scandals at PT. Rijan Dinamis Selaras (RDS) is caused by a weak board. The application of GCG is expected to enable the company to manage organizational resources effectively, efficiently, economically and productively.

The lack of socialization of GCG causes ignorance of PT. Rijan Dinamis Selaras (RDS) on the principle of the benefits of GCG, so that the implementation of GCG is still low. This phenomenon illustrates that the public is still indifferent to the benefits of implementation. Many sharia business entities have not optimally implemented Sharia Business Good Governance (GGBS)

¹ Wulandari Anis, "Menggagas Konsep Corporate Governance Dalam Kontruksi Syariah" *Pamator*, Volume 3,

Nomor 1 April 2010.



in their management.

Based on the description above, the problems in this study can be formulated as follows: How is the management of the ILB Fund management and the implementation of GGBS ILB Funds at PT. Rijan Dinamis Harmonious (PT. RDS) Riyadlul Jannah Islamic Boarding School, Pacet, Mojokerto?

The purpose of this research is to describe the management of Infaq Linked Business Fund and to describe the implementation of GGBS ILB of PT. RDS Riyadlul Jannah Islamic Boarding School, Pacet, Mojokerto.

Empirically, this research is useful for business practitioners (managers) at Islamic Boarding Schools in managing ILB funds and the Implementation of GGBS so that the Islamic Boarding School's economy will be able to develop significantly. Sociologically, this research is useful for strengthening Islamic boarding schools as economic institutions for the people who can become business institutions that are reckoned with both nationally and internationally.

This study on GGBS was researched by Syafei, who involved 30 companies whose operations complied with sharia principles. This research is a descriptive and *causa comparativa* research. In this study, the researcher analyzed the influence of the implementation GGBS on the achievement of the financial performance of companies listed on the Jakarta Islamic Index (JII 2011). The instrument used in this study is an GGBS implementation score index, with 36 indicators based on the GGBS indicators issued by the KNKG in 2011.

The results of the study show that the implementation of GGBS and profit-making achievements by issuers listed on the Jakarta Islamic Index (JII 2011) vary from one to another. Qualitatively, this study also shows that the implementation of GGBS has no effect on the achievement of profits generated by issuers registered with JII.

Then the application of GGBS and Valuntry Disclosure (Study on Islamic Banking Companies in Indonesia period 2010-2014). The research results show that the application of GGBS shows a positive relationship to the voluntary disclosure of Islamic banks. This means that every time there is an increase in the application of GGBS, it will be followed by an increase in the voluntary disclosure of Islamic banks.

Implementation of GGBS and Its Implications for Sharia Conformity and Profitability Financial

Performance in Sharia Commercial Banks in Indonesia” by Nindi Apriani, Kusnendi, and Firmansyah. The results of the study show that the level of implementation of GGBS is quite good and tends to increase. The level of suitability and profitability of sharia for Islamic commercial banks in Indonesia has a high level of performance, which means that the average performance is above average.

The implementation of GGBS has a positive effect on sharia conformity but has a negative effect on profitability. The results have important implications for Islamic Commercial Banks and regulators regarding Sharia Business Good Governance that must be modified because it is in line with sharia conformity but has no impact on profitability.

THEORETICAL STUDIES

The concept of Good Corporate Governance (GCG)

Good Corporate Governance (GCG) is a system that regulates the relationship between the company and shareholders, as well as regulates the relationship and responsibility or accountability of the company to all non-shareholder stakeholders.²

Corporate governance is a system used by the 'board' to direct and control and supervise the management of organizational resources in an efficient, effective, economical and productive manner.³ Akhmad Syakhroza also explained that Corporate Governance consists of 6 elements, including the following.

- a. Focus on the board
- b. Laws and regulations as tools to direct and control
- c. Management of organizational resources efficiently, effectively, economically and productively (E3P)
- d. Transparency, accountable, responsible, independent, and fairness-tariff.
- e. Organization goals
- f. Control strategy

It can be concluded that GCG is a matter of conceptually managing the company, which includes the application of the principles of transparency, accountability, fairness and responsibility.

The concept Good Governance Business of Sharia (GGBS)

GGBS is an important factor for maintaining business growth and sustainability, by implementing GGBS in accordance with sharia provisions it will foster a healthy work culture in all fields so as to make investors satisfied with the performance and value of

dalam Kontek Lokal Perbankan Indonesia”, Usahawan No. 06 Th. XXXII Juni 2003

² Muhammad Shidqon Prabowo, *Dasar-Dasar Corporate Governance* (Yogyakarta: UII Press, 2018), 4

³ Akhmad Syakhroza “ *Best Practice Corporate Governance*



the company.⁴

Management Concept

Management is the process of coordinating activities so that work is done efficiently and properly with and through other people.⁵ Management is a process or framework, which involves guiding or directing a group of people towards organizational goals or real purposes and being able to maintain a balance between conflicting goals and being able to achieve those goals.

The management function is a basic element that is always there and inherent in the management process which will be a reference for managers in carrying out activities to achieve goals. The management function was first introduced by Henry Fayol, an institutionalist from France in the 20th century. At that time, he called the five management functions, namely planning, organizing, commanding, coordinating and controlling. However, currently the five management function are condensed into four function: planning organizing, directing, evaluating, budgeting, controlling.

Method

This research uses the exploratory type, which is research that aims to test a theory in order to strengthen or even reject the existing research results. Exploratory research is fundamental in order to obtain information, information, data regarding matters that researchers do not yet know about the management of Infaq Linked Business (ILB) funds and the implementation of GGBS Infaq Linked Business (ILB) funds. This research uses a case study approach, namely to develop in-depth knowledge about ILB fund management and the implementation of ILB fund GGBS.⁵

The informants in this research are selected research subjects including knowledge of what aspects, from what events, and who is the focus at a particular moment and situation, because this is done continuously throughout the research. So in this study the sampling technique used was purposive sampling as a sampling technique for data sources with certain considerations.⁶

Researchers in conducting research assisted by the secretary of PT. RDS and has access to dig up information and data from the president commissioner, board of directors, finance division and sharia supervisory division, company secretary at PT RDS as

well as the boarding school business people themselves, the person in charge of the business or the head of the responsible division in the boarding school business under the auspices of PT. RDS. Researcher can access information and data easily and validly.

The flow of thought of researchers in this study, not only conducting research with the provision of curiosity and then going into the field to collect data, but this research emerged from problem identification and continued to the next stages. Researchers carry out a scientific research process by fulfilling the first steps, among others, research problems/questions. Second, theoretical analysis. Third, analysis of facts, and fourth is conclusion. These stages are followed by the researcher in carrying out a qualitative research process that is circular and emergent (develops during the research).

The type of data in this study is the type of primary data. Primary data is data obtained from the first source either from individuals or individuals in the form of interviews, observations, and documents related to the research theme. The data collection technique is a systematic and standardized procedure for obtaining the necessary data. Direct observation is a technique for collecting data with direct eyes without using tools. The interview method was carried out in order to obtain a deeper picture of the management of Infaq Linked Business (ILB) funds and the implementation of Good Governance Business Sharia for Infaq Linked Business (ILB) funds.

The documentation method is a way of collecting data that is carried out by researchers with urgent records and is closely related to research. The purpose of this method is to know valid data and information about the management of Infaq Linked Business (ILB) funds and the Implementation of GGBS in ILB funds Checking the quality of the research design is carried out before the start of the observation, until the data has been generated, data validation is carried out so that it is even stronger. Yin further needs to be tested for trustworthiness, credibility, confirmability and data dependability.

The credibility of the research data is focused on the data that has been obtained, whether the data has been obtained after reviewing the valid location or not, changed or not, if after checking it returns to the field, if the data obtained is correct it means that the data is credibility then observations during the research

⁴ Fredy Dwi Herlyanto, "Analisis Penerapan *Good Governance* Bisnis Syariah Dalam Mencapai Maqashid Syariah Pada Bank Umum Syariah Di Indonesia," *El Muhasaba Jurnal Akuntansi* 11, no. 1 (2020): 36,

<https://doi.org/10.18860/em.v11i1.7324>

⁵ *Ibid*, 19

⁶ Sugiyono, *Metode Penelitian Kuantitatif Kualitatif dan R&D* (Bandung: Alfabeta, 2008), 301.



process can be ended which is then concluded.

Then performed data analysis intended as a process of arranging data sequences, organizing them into a pattern, category and basic descriptive unit. Then the relevance of the interactive data analysis of the Miles and Huberman model can be seen from the findings regarding the management of Infaq Linked Business (ILB) funds and the implementation of GGBS Infaq Linked Business (ILB) funds at PT. RDS Riyadlul Jannah Islamic Boarding School, Pacet, Mojokerto.

RESULTS

Infaq Linked Business (ILB) Fund Management

PT Rijan Dinamis Selaras (PT. RDS) in developing its business invites the community around the Islamic Boarding School to invest in business units of PT. RDS. The concept of a business model for raising funds from a large number of people to provide capital for a project or business that has been run by PT. RDS, in order to establish cooperation with people who want to start a business.

Infaq linked business in PT RDS, is considered to be something that is seen as potential by company management, especially when viewed from the large turnover that is owned in the Islamic boarding school business unit. In the management of PT. RDS applies an ILB concept taken from each boarding school business unit. However, these funds are not then used consumptively but the use of infaq funds is carried out in a productive way through a profitable business sector so that infaq funds will develop.

PT RDS In carrying out the company's planning function, especially regarding the management of ILB funds, PT RDS ensures that the management of ILB funds is carried out with various approaches and in-depth considerations, so that the investment steps to be taken are effective and efficient as well as productive.

In the effort to manage ILB funds, the collection plan is carried out with two sectors, namely the fixed source of ILB funds sector and the productive sector. The productive sector is the placement of business segments from the proceeds of ILB funds in productive sectors. This form of business is intended so that business units built from infaq funds can develop optimally, and become the next source of funds. This source of fixed funds is a permanent source of infaq fund collection, this fund is generated from the percentage of profit sharing carried out by the company with partners/investors. This second funding model is the main source of ILB funds at PT RDS.

Next is the strategic plan in managing ILB PT RDS funds. Management is carried out based on the productive model of the infaq fund itself, so that

the policy holders, in this case the management, are able to see a great opportunity to develop the company's ILB funds through the development of Islamic boarding schools' business fields. There are two strategies carried out by management in developing ILB funds, namely investment and business unit capital.

One of the keys to the ILB fund management system is the organization of PT. RDS itself, the organizing function itself is defined as directing the management of all resources for a good result. Human resources and natural resources must work in balance for the sustainability of the company.

PT RDS regulates the organizational system and has had an ILB fund management system from the start, so there is no specific management allocation determined by the company. The managers appointed by the company are the finance division, business division and sharia supervisory division.

The finance division is the division that has responsibility for managing ILB funds with its main task being to record the financial flows of ILB funds which include incoming and outgoing cash flows, so that management activities will be properly recorded. The key to success in managing ILB funds is the sharia supervisory division, because that is its main task, in addition to the business division and finance division. Meanwhile, in managing ILB funds PT. RDS categorizes the division of labor into 4 sections: ILB Fund Finance, ILB Fund Collection, ILB Fund Management and ILB Fund Distribution.

Management of ILB fund management at PT. RDS task grouping activities are carried out by forming subdivisions into two company divisions. The division is part of the financial division and part of the sharia supervisor, in operation both are led by one director. Broadly speaking, the main task of the finance division is to record all transactions which include the management and distribution processes in the management of infaq, but the finance division is not directly involved in the management of infaq funds.

In addition to the financial division involved in managing the sharia supervisory division, it has a major role, from managing, collecting and even distributing, from managing the company's ILB funds. From this it can be concluded that there are two divisions that have an important role in managing ILB funds, namely the finance division and the sharia supervisory division. So far there are still many divisions involved in managing ILB funds from the business division, finance division and Sharia supervisory division, of course fund management ILB will be maximized when it is managed by a special



agency that manages infaq.

The flow of the ILB fund management system is as follows: the first ILB funds are in the finance division then given to the business division and finally the ILB funds are received by the sharia supervisory division to be managed and developed. As for the management of ILB funds management from each managing division, in addition to the SOP there is also there is a bisyarah (salary/wages) which is determined as a reward for performance in addition to creating a comfortable work environment for work.

In addition to having SOPs in managing ILB funds, a comfortable environment for managers and standard salaries are needed, coordination lines are also needed to achieve maximum results, and management does not overlap, coordination lines are vertical, horizontal. This coordination will be brought to a large meeting involving all levels of ILB fund managers.

PT RDS in managing ILB funds is doing good organization, where all of these systems are expected to be in accordance with a good organizational system, where management resources and managed resources are appropriate, so that resources will be optimally managed. The key to the success of a company is good governance, while organizing itself is a determining factor in the resources and activities needed as in the preparation of an organization, authority, work groups.

PT. Rijan Dinamis Selaras, where all decisions and management are under Kyai Mahfud as president commissioner of PT RDS, and this is an added value for the company because apart from that he has extraordinary thoughts, so company policies are clear and directed. In conducting briefings PT RDS directs a good workload and can create a conducive and systematic work environment, of course in this case there is some support so that the atmosphere is conducive. This support can be in the form of material or non-material, comfortable environmental support including giving bisyarah (salary) creating good work standards (SOP) and refreshing activities.

PT RDS in the process of managing ILB funds has good work standards with ethical, ethical and loyal criteria. Ethical means that it is feasible and does not violate existing regulations or norms, ethos itself is a spirit accompanied by adequate expertise and ability and lastly is loyal in the sense of exerting the ability to give the best results and having a high sense of belonging. These three are professional barometers.

Budgeting is a management function related to finance. PT RDS regulates the finances of ILB funds so that the incoming and outgoing funds are on target. It

is hoped that the budgeting function can maximize ILB funds.

The following is the allocation for the distribution of Infaq Linked Business (ILB) funds: Operator 10%, this operator is PT. RDS, which is involved in managing ILB funds from the 10% operator fund, also allocates salaries from the directors and employees of PT. RDS taken. Consumptive contribution of 30%, this consumption allocation is intended for orphans, the poor and the needy who are around the Riyadlul Jannah Islamic boarding school. 30% investment infaq, this is an infaq fund that is rolled back for productive businesses, where the results of the investment profits from this infaq will be used as educational scholarships. The 30% Caring for the Nation Forum Cooperative, this cooperative was formed at the initiative of the figure who gave birth to the establishment of the Caring for the Nation Forum, but until now this cooperative has experienced several technical problems so it has not been able to stand up. And the 30% allocation that was originally for FPB cooperatives was put back into investment donations (point C), so the total investment investment is 60% of the allocation for ILB fund distribution.

The management of ILB funds that is no less important is financial flows, in which there is budgeting which includes collection and income. In this 10% income will be divided again into investments of 30% allocated for consumptive infaq by way of direct distribution to zakat recipients, based on predetermined qualifications, these funds include social and educational funds. For the allocation of 30% for productive sector investment, and for 30% for cooperative forums caring for the nation.

Reporting for each business unit submits its report per month to PT. Rijan Dinamis Selaras, then will report to the foundation. In addition, the nanny who is also the president commissioner often asks the manager for daily reports and checks directly so that when something happens it will be easy to detect. Every Tuesday every week a meeting is held in Sidoarjo in the context of reporting, in this case the president commissioner is very detailed and firm regarding the reporting of the business being carried out. Being a business unit manager besides being responsible to PT. RDS also to the foundation as a big umbrella.

The president commissioner often requests direct information from unit managers when something goes wrong, this is done if there is an anomaly that occurs in an ongoing business that can be dealt with immediately. Such is the anti-fraud handling strategy, in order to prevent, detect and



minimize the occurrence of fraud. Fraud mitigation strategies can be effective because asset owners directly monitor and provide evaluations and follow-up should fraud occur in the business.

Accountability of ILB funds from the management of PT. RDS provides a form of reporting Infaq Linked Business (ILB) funds with written and oral reports, in a written report covering ILB funds collected and collected while in this oral report PT. RDS once a week holds a meeting with the directors to discuss business developments and the obstacles it faces.

The management of the ILB Fund involves the sharia supervisory division and the finance department. Currently the priority for 90% of the distribution of 10% of the infaq from these 3 fields is education, apart from education being a crucial thing in this field it will also create strong human resources, build loyalty while preparing for a brighter future. Of course, this priority does not eliminate the obligation for the other 2 posts, to provide food for the poor, orphans and also residents around the Islamic boarding school.

So the priority for channeling ILB funds to PT. RDS is a productive priority, where the infaq funds are reallocated to profitable business segments where the business results will be used in the world of education, while the distribution of ILB funds is to provide compensation to the poor and orphans. For the management ILB funds. PT. RDS has a division that handles and manages these funds. This means that the absorption of capital and management of ILB funds is carried out by the management of the company itself. This is done because PT. Rijan Dinamis Selaras wants to take advantage of his scientific potential as a religious education institution that is not only competent and masters religious material, but also able to apply these management concepts in the order of life.

The application of the concept of infak in the Riyadlul Jannah Islamic boarding school is a concept that has been instilled from the start by the caregivers. Thus, there is no selective logging in its application, meaning that all business units without exception within the Riyadlul Jannah Islamic boarding school are required to provide donations. The application aims to instill a social spirit from an early age to the students and all components in the company.

One of the obstacles faced by PT. Rijan Dinamis Selaras, one of which is the community's understanding of ILB funds, they do not yet understand the ILB system, besides that they think their business is not optimal because there is a 10% deduction for infaq. From these 2 things, there is a lack

of public trust in the management of ILB funds conducted by PT RDS

Good Governance Business Sharia (GGBS) Infaq Linked Business (ILB) Fund

The management of ILB funds is managed by the students with the consideration that apart from understanding management, they also understand fiqh muamālah which is studied in Islamic boarding schools. students who are involved in managing ILB funds are senior students who have completed their education at Islamic boarding schools, besides being required to understand fiqh muamālah they also understand management.

In addition to understanding sharia, ILB fund management staff are also required to understand business management, wherein the development of ILB funds requires a breakthrough and a good system that will later make the management of ILB funds optimal and professional. The management of ILB funds at PT RDS is carried out as much as possible, trying to uphold professionalism and sharia conformity, related to the infaq fund management division within PT RDS involving a sharia supervisory manager who will later oversee all ILB fund management businesses not violating sharia.

Management The management of ILB funds is managed by involving the finance section, this section records the incoming and outgoing money, then the business division will optimize the development of the agreed business segment with supervision from the sharia supervisory board, so the involvement of the sharia supervisory board is not only in supervision but also involved in ILB fund processing business management in PT RDS.

The sharia supervisory board itself is a boarding school graduates who has completed their education level, and is capable and understands fiqh muāmalah and its applications, regarding Islamic transactions and management, the sharia supervisory board itself at PT RDS does not yet have a certificate, in this case the legality of supervision from the National Sharia Majelis Ulama.

In the standard supervision carried out by the ILB fund management division, PT RDS has 2 forms: the first is balanced supervision, in which the ILB fundraising report and the ILB fund distribution report must be the same, from this report the amount of ILB fund flows can be known with certainty and where the development allocation will go.

DISCUSSION Planning

The idea for this infaq management plan arose because the potential for ILB which was quite large and



if it was developed it would become a source of social funds that would be used for the segments of educational scholarships, food and compensation for orphans and poor people in need. This is in line with planning theory which states that organizational planning must be active, dynamic, sustainable and creative, so that management can be active in absorbing environmental needs. In the theory of management functions, there are at least three elements that must be met to obtain good planning. Namely organizational goals, functional areas and time.

The process of preparing a PT Rijan Dinamis Selaras ILB fund management plan carried out by the functional areas is to develop a planning strategy by dividing the sources of fundraising. Namely by setting a fixed source of infaq funds obtained from the company's profit sharing percentage, the profit sharing percentage is 10% of the company's profits. Apart from that, the infaq fund management plan also manages infaq funds in the productive business sector and invests infaq funds in potential business sectors under the management of PT RDS itself.

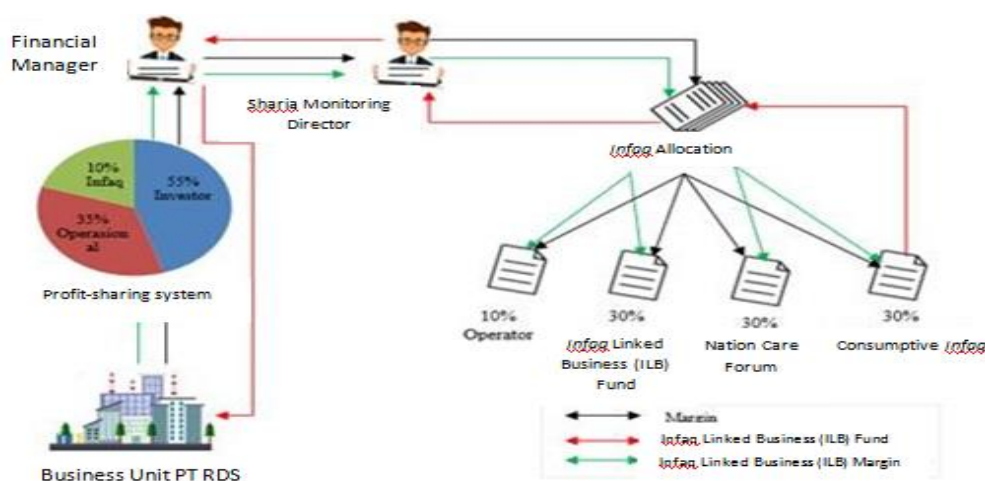
Then planning the distribution of ILB funds by distributing ILB funds to the education and social sectors, the education sector includes scholarships to students at Riyadlul Jannah Sharia Economics High School as well as

students who receive scholarships at senior high or high school levels. Meanwhile, in the social sector, the distribution of ILB funds is by providing

compensation to orphans, the needy and the poor around Islamic boarding schools, but a large percentage of the distribution of ILB funds is still in the education sector.

The process of planning the allocation of personnel PT. Rijan Dinamis Selaras makes use of human resources, in this case the Students, the Students who are often underestimated, it turns out that in the management of ILB funds they are able to develop infaq funds so that ILB funds provide greater benefits to others. Students as human resources in managing ILB funds are those who are scientifically qualified, meaning that they have completed their level of education and also understand and professional in terms of management.

Management of time planning that will be achieved in achieving company goals, in this case usually involves short-term plans, medium-term plans and long-term plans, this aims to continue the management of ILB funds. In planning the time that will be taken in managing ILB funds, PT RDS has not fully carried out an illustrated plan, it's just that in general the target to be achieved is the development of ILB funds without looking at planning management related to targets. To facilitate the discussion about mapping the management planning function in managing ILB funds at PT. Rijan Dinamis Selaras, the researcher will present the chart as follows:



Organizing

The organizational chart for managing linked business infaq funds is automatically adjusted to the organizational structure of PT RDS, but the person in charge of overall management is the finance division and the sharia supervisory division of

PT. RDS. In organizing in the management of linked business infaq funds there is a management hierarchy level which is a level that distinguishes responsibilities within the organization.

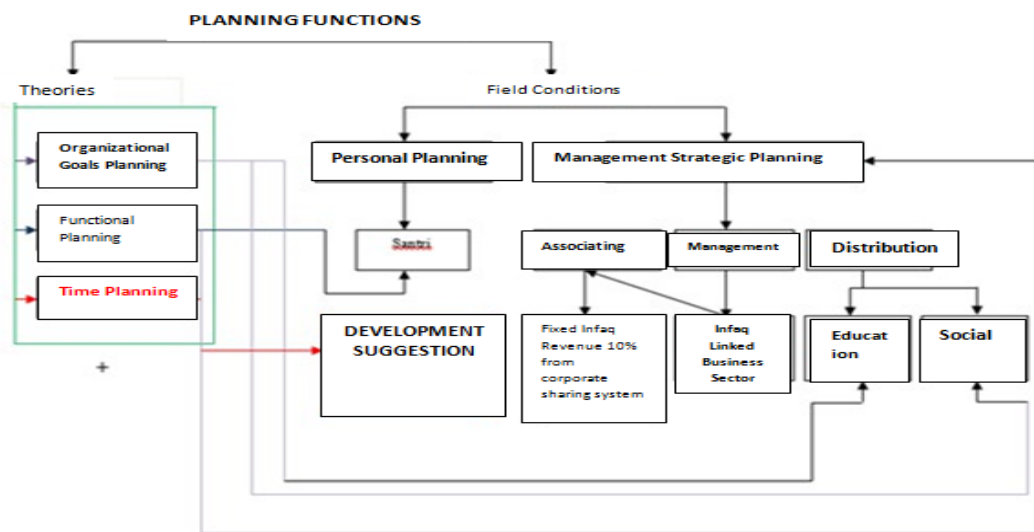
The management of infaq funds at the management hierarchy level is also reflected in the



organizational structure of PT RDS. The hierarchical level itself is formed with the placement of resources or people who are responsible for each division, while those who are responsible for one division are held by a manager, then these managers are led by a main director, and the main director's responsibility is to the head of the company or in this case the president

commissioner of PT Rijan Dinamis Selaras.

To facilitate the mapping of management organizing functions in the management of linked business infaq funds PT. Rijan Dinamis Selaras, the researcher presents an explanation in the form of a chart as follows:



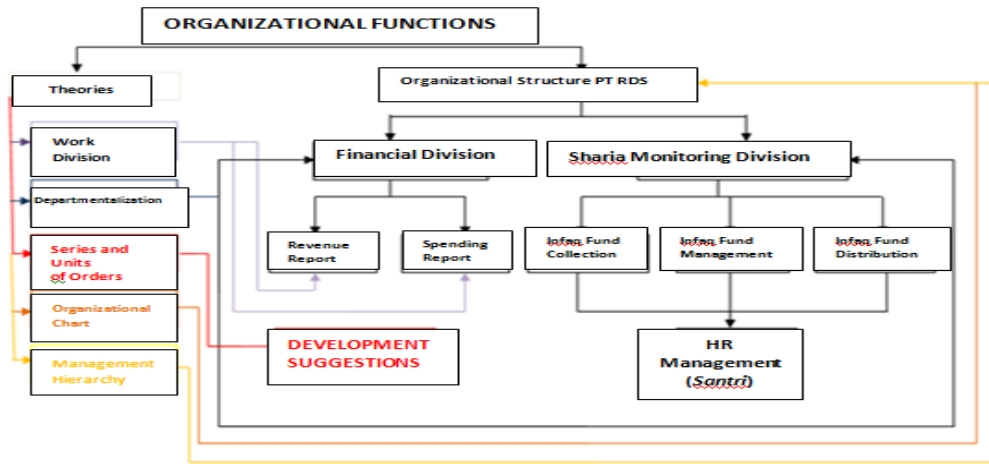
Briefing

The results of the researcher's analysis in the directing function are that there are two elements that are not fulfilled, namely changes in organizational development and conflict management. Based on the researcher's analysis, changes in organizational development in the management of linked business infaq funds have not been well organized. So that the management of PT RDS needs to pay attention to how to make a clear and directed concept in changing organizational development so that in the future management is able to exist in its business.

There are many breakthroughs that can be made in the innovation of changes in company development, namely by cooperating with Islamic tertiary institutions that have Islamic business majors. From this model, new ideas and research will emerge that can be developed from the management of ILB funds.

The second breakthrough is partnering with the Islamic boarding schools community which as a community already has a mass and a mass base, this will facilitate the development of the ILB model, of course, with better management so that the management is more professional. Findings in linked business infaq management did not find conflict management infaq management. According to researchers, PT RDS must create a conflict management concept so that a business model like ILB can be perfectly adopted and can be applied outside of Islamic boarding schools, because the management model that has been running in PT RDS will be culturally different when the application is different.

To facilitate the elaboration of the discussion of the directive function in the management of PT Rijan Dinamis Selaras linked business infaq funds, the researcher will present the chart as follows:

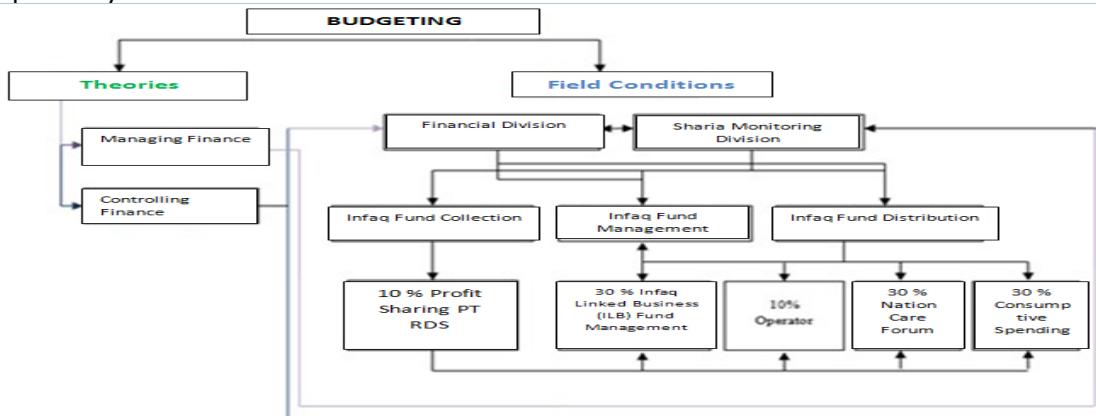


Budgeting

The application of budgeting in PT RDS is different from the theory of the function of budgeting where its function is to regulate and control the company's finances. Meanwhile, in the management of ILB funds, the budgeting includes the collection of funds up to the distribution of business-linked infaq funds. Management of ILB fund management at PT RDS, budgeting begins with arranging the sources of infaq funds, namely sources obtained from the company's profit sharing system with partners/investors of 10% of ILB fund management.

The holder of budgeting control is the sharia supervisory division. In this case the sharia

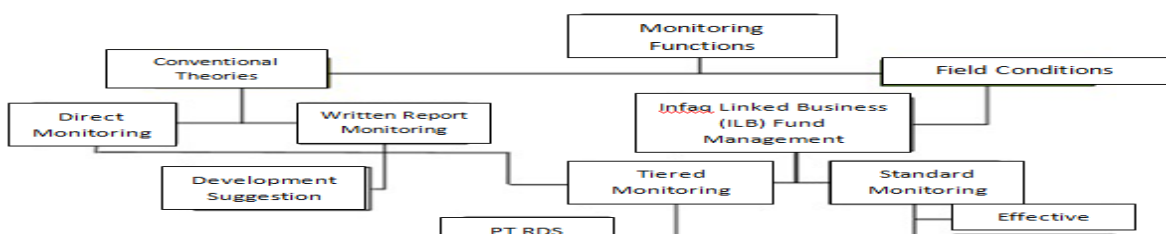
supervisory division has the right to determine where the collected funds will be allocated, whether in the productive or consumptive sector. From this uncertain decision model, it can be concluded that budgeting is still unclear and budgeting should be the main function of the finance division, but in reality in the field, budgeting ILB fund management is in the sharia supervisory division, this is a critical input for management so that management is more appropriate and maximum. To facilitate mapping in the budgeting function in PT Rigan Dinamis Selaras ILB fund management, researchers will present a chart as follows:



Reporting

According to the researcher, the direct report model is less effective, besides it is possible that a lot of information will not be conveyed. Criticism from researchers of the direct reporting model must be corrected with written reporting which will make it easier for policy holders to read reports as well as make

it easier for existing policy directions. To facilitate the mapping of the discussion of the management reporting function in the management of PT Rigan Dinamis Selaras linked business infaq funds, the researcher presents the following chart

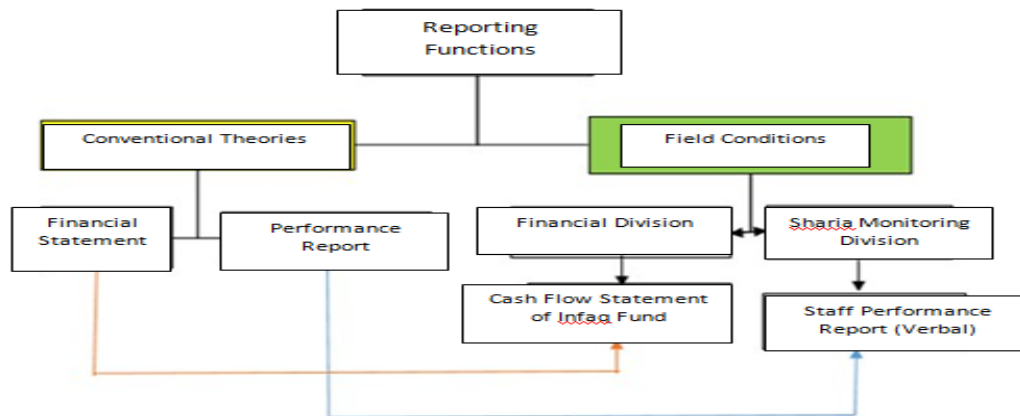




Controlling

Direct supervision is carried out by managers in the divisions involved in the management of ILB funds, as is the description of the existing structure at PT Rijan Dinamis Selaras. The direct supervision model that occurs at PT RDS has not been maximized. The following is also the impact of the absence of a written

reporting system, this is where supervision in evaluating employee work cannot be carried out. In an effort to maximize supervision, researchers provide input so that written reports are the main reports that must be present in each division, not oral reports. To facilitate the explanation of the supervisory function, the researcher presents the chart below.



Implementation of Good Governance Bisnis Syariah (GGBS)

The implementation of GGBS, which includes transparency, in the business activities carried out by PT. RDS is in line with the values taught by Rasulullah. Meanwhile, in determining the profit ratio of PT. RDS uses the principle of openness by determining the percentage that has been agreed between RDS and partners/investors at the beginning of the contract, this result is a barometer of honesty carried out by PT. RDS with partners or investors.

Sharia business entities must carry out good governance or management as a manifestation of worship to Allah, or good deeds that have piety origins, therefore ideally sharia business entities have spiritual principles in their operations. Business itself is not only a world affair but there will also be accountability in the future before God. In running its business, PT. RDS implements the principles of Good Corporate Governance (GCG) which is based on monotheism, and Good Corporate Governance of Sharia Business (GGBS) which is specifically for sharia business entities. GGBS is

a variable on how the application of sharia business principles in a company runs its business.

PT. RDS in running GGBS is a reference in doing business in an Islamic way, both institutions and managed management. By implementing GGBS, PT. RDS is committed to: have awareness and commitment to increase piety, benefits and blessings in doing business, in making decisions besides being based on noble moral values also adhering to laws and regulations, in business practice trying to carry out business practices taught by the Prophet Muhammad, trying to empower the independent function of each divisions within the company, have a social responsibility for the benefit of mankind and preserve the environment.

In optimizing the sharia business value PT. RDS makes transparency, information can be easily accessed in a clear, accurate and accountable manner to stakeholders within the PT. RDS. At the place of business of PT. RDS has an information board that contains business achievements by creating several websites or accounts on social media, including @dapurmriahofficial, @m2m.bangkalan, @maurra.id



and the Official Facebook account of the Riyadlul Jannah Islamic Boarding School with the address <https://www.facebook.com/rijan.pacet>. In addition to the above breakthroughs PT. RDS in carrying out the principle of transparency by providing correct and timely information to shareholders/partners, the provision of this information also covers the company's financial statements, company profits and also about the company's ILB funds.

The transparency carried out by PT. RDS is to provide information that is open, timely, clear and comparable and explains the financial condition of the company's ILB fund management. In carrying out its business activities, PT. RDS is based on sharia principles as the word of Allah in Al-Baqarah/2: 282 whose translation is "And be transparent (witness) if you transact with each other.", and based on the hadith which states "whoever does hides information needed in transactions is not one of our people". then all transactions must be carried out transparently in the corridor of sharia.

The transparency carried out by PT. RDS is not merely an accountability to stakeholders, partners and investors, but as a manifestation of Islamic teachings which teach transparency. especially in the business of PT. RDS has infaq funds from collaboration with partners/investors, so the accountability of this ILB fund is not only to the directors of PT. RDS but also partners and investors and the general public.

Every month PT. RDS provides a profit/loss report, including sales revenue, operational costs and profit sharing for mudharabah including ILB funds. This report is written and sent via online media to partners who work together in business with PT. RDS So that business development can be known by partners/investors, this is a concrete step for PT. RDS implements financial report transparency.

The basic principle of accountability carried out by PT. RDS is accountable and transparent. In this case the management of the company must be managed in a way that is correct, measurable and in accordance with sharia, in the corridor while taking into account the interests of partners and others. PT. RDS guarantees the availability of a mechanism for managing the ILB Fund and in making professional policy decisions.

As a sharia business entity PT. RDS carries out the concept of accountability, in accordance with the word of Allah in surah al Isrā: 84 which translates as "say that every entity works according to its position and your God knows better who is most righteous among you" and this is reinforced by verse 36.

Implementation of the principle of accountability carried out by PT. RDS in his business practices as

follows: divide the details of the tasks of each company organ, this division is clear and in line with the company's vision and mission and company values and company strategy, ensuring that the company's organs include employees who are capable and credible with their respective duties and roles in carrying out operations in accordance with Sharia Business Good Governance, having good performance measures for each section and division, a system of rewards and sanctions applies, guaranteeing that every business model is carried out according to sharia ethics and does not violate laws referring to the GGBS guidelines.

According to the accountability trilogy theory, sharia business not only has a responsibility to Allah but also has a responsibility to nature in its preservation. In Sharia GCG as in Sharia Enterprise Theory (SET), Sharia GCG contains the values of justice, trust and accountability.

The basic principle of responsibility, in principle, companies must comply with applicable laws, in sharia entities compliance with Sharia Good Governance Business (GGBS). Following are the principles of responsibility in business practices carried out by PT. RDS, including: adhering to compliance and applicable laws and regulations as well as compliance with sharia as a sharia entity and carrying out social responsibility by caring for the community, providing compensation to those in need and preserving the environment, especially around the company.

Application in carrying out the principle of Responsibility PT RDS adheres to the principle of prudence in making decisions and adheres to applicable sharia business guidelines, keeps promises made with partners/investors that have been made in contracts and in carrying out social responsibilities, among others by social care, supporting orphans, poor widows and in the implementation of protecting the environment, especially around the boarding school environment.

The company's efforts in implementing management require independence, so that the company can be independent in making decisions. Compatibility between the company and investor partners must be balanced, not interfering or dominating each other. In the Qur'an mentions independence 16 times, this indicates that the attitude of independence is important.

The following is the implementation of independence carried out by PT. RDS. taking an attitude of independence and trying to avoid being dominated by all parties, trying not to be influenced by an interest, free from conflicts of interest, all of this is



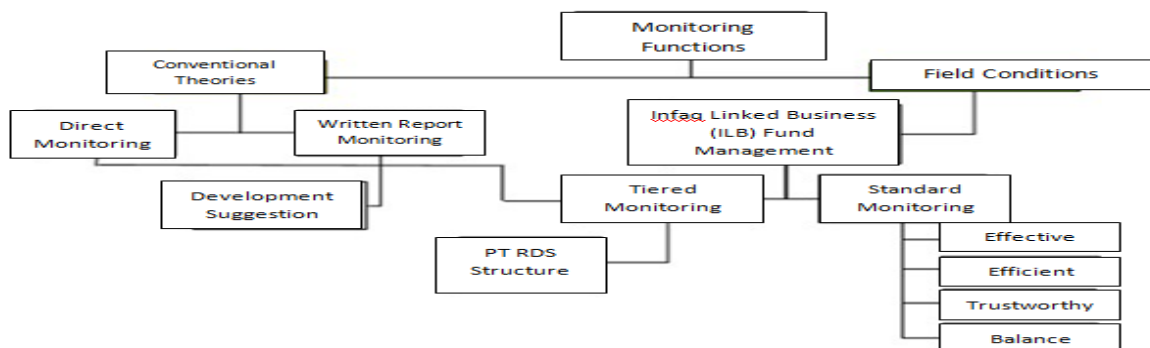
expected in making decisions objectively. The organs of the company, PT RDS, run well and are able to carry out their duties in accordance with applicable laws and sharia provisions and guidelines, and do not throw tasks at each other or dominate each organ of the company.

The company is obliged to implement the principles of fairness and equality because fairness and equality contain elements of justice, which guarantees fairness between all those involved in the activities of a company, shareholders and protection of the interests of minority shareholders from fraud.

In implementing fairness and equality in its business, PT RDS is open with stakeholders in terms of providing input or opinions for the benefit of the company and providing access to information, providing fair and equal treatment to stakeholders by looking at the contributions and benefits to the Company and providing opportunities and opportunities in recruitment of employees, a career in carrying out tasks in a professional manner regardless of ethnicity, race, gender and physical form.

Fairness and equality have elements of equality in treatment and opportunity. In accordance with the word of Allah SWT in the letter al- Maidah/5: 8, which means: "O you who believe, be a person who always upholds the truth because of Allah, bear witness fairly. Never let your hatred of other people (groups) cause you to be unfair. be fair to you because fairness is closer to piety. And fear Allah for Allah is Aware of what you do. "Fairness or fairness is a form of embodiment of fairness in the business world.

Several policies were taken by PT RDS as a reflection of the principles of fairness and equality by providing opportunities for stakeholders to provide input and express opinions for the interests of the company within their respective scopes. The same treatment carried out by PT RDS to stakeholders is adjusted to the benefits and contributions to the company, PT. RDS does not discriminate between religion, race, class and physique and behaves as *tawazun* in the sense of being fair to partners without reducing their rights, in accordance with the agreed contract regarding the ratio, quality and product.



CONCLUSION

GGBS funded by ILB PT. RDS includes a 10% contribution to partners/ investors. This infaq is called the ILB fund, PT RDS's ILB fund management is carried out by 3 divisions, the finance division, the business division and the sharia supervisory division. In managing ILB funds allocated to the business and investment sectors. In independent management, several unusual findings were found, namely the management of ILB funds that was most responsible from planning, management and distribution was the sharia supervisory division.

The implementation of GGBS on the 36 indicators of GGBS was not fully fulfilled, because the ILB fund management division manages social- based infaq funds, while GGBS is intended for profit-based sharia companies. Among the variables that cannot be fulfilled are that there is no internal audit monitoring system,

internal audit, majority shareholders, reports on the implementation of GGBS at annual meetings and payment of zakat and CSR obligations, therefore PT RDS is a business institution that has a special division in managing ILB funds. which are included in the category of ZISWAF funds.

Therefore a new index is needed in its measurement, namely by reducing the majority shareholder variable in the GGBS variable because infaq funds are obtained from business investment funds. Then in this variable it is necessary to add the *maslahah* variable, where in this variable it is hoped that you will be able to see how much the benefits of managing the ILB funds are.

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