

Islamic Corporate Governance (ICG) approach: An analysis of the implementation of asset utilization cooperation Case Study X University

Aisyah Putri Rizkia¹, Dewi Susilowati¹

¹*Economy and Business Faculty, Jenderal Soedirman University, Purwokerto, Indonesia*

*Corresponding author: aisyah.putri.r@mhs.unsoed.ac.id

Abstract

The X University is a public university with public service agency management and is transforming into a PTN BH. In the transition process, PTN X is required to manage its revenue to be financially independent. Once financially independent, PTN X must manage its revenue and operational costs and be released from government assistance. PTN X has carried out asset utilization cooperation, but from the auditor's findings, the asset utilization cooperation has yet to be profitable and even tends to lose. The cooperation has yet to be implemented according to good corporate governance management. Islam as a way of life can propose Islamic corporate governance as a foundation for managing PTN X cooperation services more responsibly using Islamic principles and ethics. Based on humans are creatures of God to be able to work according to the values taught by Islam. This research uses qualitative methods with in-depth interviews. This study aims to determine the implementation of asset utilization cooperation in terms of financial managers, leaders, and stakeholders. What are the obstacles in implementing asset utilization cooperation with the Islamic corporate governance approach, and analyze asset utilization cooperation in the accountability center corridor. The results showed that aspects of Islamic corporate governance have been carried out at PTN X. It's just that there are still many things that could be improved. Implementation must be based on rules, standard operating procedures, systemized and open. Responsibility center analysis is at the profit center level, where no profit calculation is outlined in the regulations. Suggestions for better management are to make standard operating procedures, rules, and systems more straightforward for managers and stakeholders, increase the professionalism of managers to advance asset service cooperation, increase revenue, and develop asset utilization cooperation with other businesses.

Keywords: Islamic Corporate Governance (ICG); Asset utilization service cooperation; Public universities incorporated.

INTRODUCTION

PTN X is a government organization engaged in education with the Public Service Agency (BLU) management. PTN X is preparing to transform into a Legal Entity PTN (PTN BH). The core business of PTN X is educational services that strive to optimize its assets to increase revenue. In BLU financial management, PTN X is given the flexibility to manage its revenue in non-tax state revenue (PNBP). BLU financial management of PTN X is given the flexibility to obtain its revenue sources not only from education but from other service sources such as asset utilization as regulated in (Permenkeu RI No 115/PMK.06/2020 Tentang Pemanfaatan Barang Milik Negara, 2020).

Based on Law Number 12 of 2012, PTN BH is an autonomy given by the government to PTNs to have independence both academically and non-academically. Government Regulation Number 26 of 2015 Jo. PP Number 8 of 2020, concerning the form and mechanism of PTN BH funding, explains that PTN BH funding comes from two sources, namely the APBN and other than the APBN. PTN BH is given the broadest possible space to explore funding sources other than the APBN. Asset utilization cooperation has a high potential income and has promising opportunities if appropriately managed. Efforts to increase revenue must be accompanied by adequate stakeholder accountability (Tamara *et al.*, 2022).

Assets are the basis for the independence of funding for State Universities with Legal Entities. The initial stage of a PTN BH has income potential, one of which comes from utilizing assets other than the APBN. The authority to use assets is given to the university's leadership, so to optimize PTN X's income, it must conduct an inventory of assets that can be cooperated with and submit approval for their utilization to the Minister of Finance (<https://www.djkn.kemenkeu.go.id/>, 20 October 2022).

At the BPK examination in 2022, PTN X, especially the Business Management Agency (BPU) received an examination report (LHP) in the form of a calculation of asset utilization cooperation that had not been calculated carefully, so it was considered that the cooperation tended to lose money. One of the asset utilization cooperation managers also felt this, stating that the asset utilization cooperation at PTN X was profitable but little. The manager also revealed that there was no basis for calculating tariffs. So far, only from proposals and looking at market prices according to appropriateness and fairness. The manager also suggested that a feasibility study be carried out to calculate tariff determination. The cooperation manager's statement shows that the management of asset utilization cooperation at PTN X has not gone well. Standard operating procedure provisions need to be made so that it can run well. PTN X must also implement good corporate governance for stakeholders in connection with optimal service. This aligns with the statement (Hamid *et al.*, 2019).

In addition to the above statement, one of the cooperation managers also stated:

"In my opinion, the implementation of asset utilization cooperation is not based on the principles of good governance because there should be standards in calculating tariffs and the value of cooperation. To get the right calculation, managers must be trained to calculate the cost components of tariffs and cooperation values to be accurate and accountable".

The informant's statement states that the principles of good corporate governance at PTN X have yet to be implemented thoroughly. Still, conditions are not ideal, so they need to be optimized. PTN X is not only financially responsible but also responsible to the community and other parties as cooperation partners and stakeholders. These problems reflect that good corporate governance has not been implemented thoroughly, so its application needs to be evaluated. The opinion of Forum Corporate Governance Indonesia (FCGI) in (Wulandari, 2010) revealed obstacles that affect the implementation of GCG not as expected because (1) there are still many companies in the form of family companies or closed companies, 2) companies are still closed in providing information (3) many companies do not understand GCG (4) GCG principles are only considered as guidelines that are not mandatory or voluntary.

This must be a reference for implementing asset utilization service cooperation at PTN X to implement Good Corporate Governance. (Rahayu et al., 2023).

The informant's statement also shows that PTN X's obstacles to managing cooperation could be more optimal. A policy to establish rules and standards for implementing collaboration is needed. Determining standard operating procedures and mechanisms for tariff components that determine the value of cooperation is especially important (Fikri, 2020).

It is crucial to apply the principles of Good Corporate Governance in managing asset utilization cooperation. PTN X is not only financially responsible but also responsible to the community and other parties as cooperation partners and stakeholders. Therefore, good corporate governance must always be applied in asset utilization cooperation management (Rahayu et al., 2023).

The implementation of Corporate Governance is a principle that has been applied in government. The Good Corporate Governance system conventionally originates from Western countries with the principles of accountability, transparency, responsibility, fairness, and independence Kusmayadi et al., (2016). The system can be used as a basis for organizations to have good governance. For educational institutions, applying the principles of good corporate governance helps them achieve better goals, reduce the risk of fraud, and increase the trust of stakeholders. In addition, it also supports the vision and mission of better education in educating the younger generation and society Remaja (2017).

Good corporate governance in government agencies refers to the provisions launched by the National Committee for Governance Policy (KNKG), which was formed by the Coordinating Minister for Economic Affairs, who is responsible for developing the implementation of public sector governance and corporations in Indonesia. The legal basis of the KNKG is based on the decision of the Coordinating Minister for Economic Affairs of the Republic of Indonesia, Number 44 of 2021. GCG is based on five principles: transparency, accountability, responsibility, and excellence in supporting good governance. Then, the General Guidelines for Indonesian Public Sector Governance were issued, which explained that for public sector governance to run well, there are fundamental values that are implemented in every authority, element, and management instrument of public sector organizations, which include leadership, ethics and honesty, rule of law, transparency, independence, accountability, trustworthiness, service-oriented and proud to serve the community, competent, harmonious, loyal, adaptive, collaborative.

In the implementation of the company's asset utilization services, an organization's business process is not only fixated on organizational achievement targets but also cannot be separated from moral values (Asril, 2019). Adequate good governance is inseparable from moral meaning. Morals are determined by ethics relating to Godhead, the social contract, and individual integrity (Armstrong, 2020). Referring to the existing problems, this research will analyze the implementation of asset utilization cooperation with the application of Islamic good corporate governance based on Islamic ethics, where responsibility starts from within as creatures of God who are required to carry out the mandate properly and the obligation to be accountable to social and environmental aspects. Ethics guide actions and practices to improve welfare. Ethics determines good and right, the goals to be achieved by humans and society through reason, rules, values to be achieved, and the desire for better for society according to customs and morals (Armstrong, 2020).

Islamic Good Corporate Governance is a system that regulates and controls the company to create value-added for stakeholders because GCG can encourage the formation of a clean, transparent, and professional (Wahyuni et al., 2021). Islamic Good Corporate Governance is

something that can overcome existing problems. This is supported by the statement by Nugroho (2015), which states that Islam as a way of life has always voiced the importance of business ethics and unwavering values of integrity and honesty. Indonesia, where most of the population is Muslim, must understand the principles of GCG in the Islamic context in daily work. As stated by Tresniati (2016), the main characteristics of Islamic economics are the ability to carry out basic principles such as giving, honesty, fairness, and balance in society based on ethical values and Islamic rules. Nugroho (2015) also revealed that adherence to regulations and honesty in each company's management is a determining factor in creating good governance. Furthermore, Indonesia has a majority Muslim population, so the application of Islamic good corporate governance can be applied in Indonesia.

Abidin (2019) mentioned that from an Islamic perspective, corporate governance can be called Islamic corporate governance. Islamic Good Corporate Governance is related to matters of faith, which are a consequence of a Muslim's faith in Allah SWT. The value of tawhid is used as the initial basis for all Muslim beliefs, thoughts, and behaviors in understanding corporate governance. Muslims must guide and implement Islamic Good Corporate Governance to fulfill their obligations as servants of Allah and meet their daily needs. Islamic principles in Islamic Good Corporate Governance have existed since the birth of Islam in 610 AD and since the revelation of the Quran. However, over time, the development of the principles of capitalism in the Western world has made the principles of Islamic Good Corporate Governance increasingly abandoned (Sulton Arif *et al.*, 2022). The Quran explains the concepts of responsibility, transparency, justice, and equality, and these universal concepts, including justice, transparency, accountability, and responsibility, are also found in the basis of Shari'ah law. The main objectives of Shari'ah for the Ummah are preserving the soul (life), preserving the mind (intellect), preserving offspring (generation), and preserving property (Sulton Arif *et al.*, 2022).

This aligns with Shariah enterprise theory, which is based on humans as khalifatullah fil ardh, which aims to create human welfare to realize the value of justice and benefit stakeholders and society. Humans are also responsible to Allah (vertical) and mankind and the natural environment (horizontal) (Triyuwono, 2015).

Thus, humans are God's mandate (Harahap *et al.*, 2015). The same thing was also expressed by (Aminu *et al.*, 2020). The concept of leadership in Islam is rooted in institutions rather than personalities so that each individual embodies the principle that is naturally recognized as a leader that the Prophet is a leader who should be emulated because he is known as al amin by the community. The term comes from the word amn, derived from the word amanah. The role of humans in government is crucial because they are responsible for the tasks they have carried out as state civil servants.

The principles and concepts of Islamic good corporate governance universally include fairness, transparency, accountability, and responsibility, which align with the principles of Sharia law. Sulton Arif *et al.* (2022) explained that the maqashid sharia for Muslims is to improve welfare, which is divided into five factors, namely protecting religion, protecting the soul (life), protecting the mind (intellect), maintaining offspring (generation) and protecting property Sulton Arif *et al.*, (2022) revealed that Islam intensively teaches principles such as justice, *tawazum* (balance), *mas'uliyah* (accountability), morals, *shiddiq* (honesty), *amanah* (fulfillment of trust), *fathonah* (intelligence), *tabligh* (transparency), *hurriyah* (independence and freedom of responsibility), *ihsan* (professional), *idarah* (management), *khilafah* (leadership), *raqabah* (supervision), *qira'ah* and *islah*.

The transformation from BLU to PTN BH resulted in units at PTN X having to prepare for financial management, which initially only managed costs related to education services, now given the responsibility of developing cooperation and businesses that would later provide income for PTN X. Units that were initially in the form of cost centers, must turn into revenue centers. Units that already have a high income must increase to become investment centers, where the management of asset utilization cooperation services must be well studied. The measure of the unit's success is financial independence. This encourages researchers to learn more about the implementation of utilization cooperation based on the principles of Islamic Corporate Governance to find solutions that can be taken, especially regarding the readiness of BLU towards PTN BH.

LITERATURE REVIEW

(1) Good Corporate Governance (GCG)

Public sector governance is needed to increase public trust in the government in realizing national development goals, namely achieving a just and prosperous society by the ideals and objectives of an independent Indonesia (Maranjaya, 2022). Good corporate governance is the highest achievement of public sector governance. Based on Pedoman Umum Governansi Sektor Publik Indonesia (PUGSPI) Year 2022 published Komite Nasional Kebijakan Governance (KNKG), There are 13 pillars set for governance guidelines, namely Leadership, Ethics and Honesty, Supermasi Hukum, Transparency, Independence, Accountability, Amanah, Service Oriented and Proud to serve the Community, Competent, Harmonious, Loyal, Adaptive and Collaborative.

(2) Islamic Good Corporate Governance (IGCG)

Islamic good corporate governance is good corporate governance that integrates business aspects and Islamic ethical principles. ICGG balances efficient business principles and sound finance with Islamic values of ethics and justice. It aims to create companies that contribute positively to society and operate by Islamic religious principles (Tresniati, 2016). The difference between conventional Good Corporate Governance and Islamic Good Corporate Governance is that the objectives of the Islamic model focus on maqashid sharia. In contrast, the traditional model focuses on shareholder profits and stakeholder welfare. The role of managers in the Islamic concept is on khalifah and deliberation, while in the conventional, it is dominated by managers and shareholders. In the Islamic concept, management guidelines are based on sharia and other institutions responsible for ethical issues, while in the conventional model, there is no exceptional ethics committee. In cases that have occurred in government, such as corruption, collusion, nepotism, fraud, misappropriation, abuse of authority, and others, it is necessary to increase the integrity of stakeholders. Strengthening integrity can be pursued by re-applying Islamic ethical principles that must be instilled in everyday life (Nugroho, 2015).

Hamid *et al.* (2019) argue that Islamic Ethics is integral to the business world. Islamic ethics is not only a tool to judge appropriate or inappropriate, right or wrong, bad or good. Business ethics is also the glue in every business, being a rule that ensures the implementation of fair transactions is mutually beneficial to the parties involved. Thus, the ICGG has the basic principles of Islamic ethics that are complete and useful for implementing business processes as a whole, both for individuals and corporations. The system underlies the character, decisions, organizational activities, policies, and various economic, social, legal, and political fields. The above scheme of business ethics explains that in the life of society, there is a concept of individual and community moral standards that judge good or bad and right or wrong. It develops in the broader scope from an individual with the character of action to make decisions to the corporate level in policy making in organizations and government systems that cover economic, social, political, and legal life. It must be based on sound human awareness (Tresniati, 2016).

Establishing Islamic Good Corporate Governance Principles is related to the basic principles of ethics. The principles of Islamic Good Corporate Governance include:

1. Leadership

Islam explains that leadership has the mandatory characteristics of the Prophet Muhammad SAW, which reflects his character in carrying out his duties as leader of the people. These traits include shiddiq (honest), Amanah (trustworthy), Tabligh (conveying), and Fathanah (intelligent) (Herlambang, 2018).

2. Ethics and honesty

In a democratic country like Indonesia, it is in line with the Prophet's hadith that obedience to a leader is limited to a corridor that does not come out of disobedience, namely not violating laws and regulations—leaders who are honest, fair and do not commit corruption, collusion, and nepotism. The spirit of the Quran and the prophetic spirit of Muhammad SAW is to build an ideal and prosperous civil society with the term *baladatun thayyibatun wa rabbun ghafur*, which means good and fair leadership will give birth to a developed, prosperous region supported by fair economic progress and guaranteed education and health (Herlambang, 2018).

3. Supermajority of Law

Supermasi Hukum is an effort to uphold and place the law in the highest position. Law enforcement should not be selective. All people must be treated equally before the law. Everyone is entitled to recognition, guarantees, protection, and legal certainty that is fair and treated equally before the law (Arake, 2020).

4. Transparency

The concept of transparency in Islam relates to the understanding that an entity has an obligation to stakeholders in information disclosure, which can be expressed in the Quran Surah Al Baqarah (2): 282. The concept of transparency can be explained in the verse above, which states that we must always record debts and credits and not forget them as Muslims. Even if we cannot do so, the guardian must dictate it, and there must be more than one witness involved because if one witness forgets, the others can remind them. The verse also explains that the record keeper should not be rugged so that it can be the basis for upholding honesty, openness, correct reporting, and correct accountability. Hadith narrated by Bukhari Volume 11, Page 1134, explains that someone given a task, authority, and mandate must carry it out by existing rules. As explained (Arake, 2020), one must dare to say things as they are to actualize the value of truth in life. The Prophet said that transparency is part of the truth. Therefore, the truth is part of the religious commandment. This statement is the basis that transparency is necessary and must be applied in everyday life related to working individuals.

5. Independency (Kemandirian)

Independence is a situation where the company is managed professionally without conflict of interest and influence/pressure from management that is not by applicable laws and regulations and sound corporate principles. Allah's verses explaining independence are Al Quran Surat Fushshilat (41) ayat 30. According to (Prabowo, 2018), Independence is a wise human characteristic (ulul al-bab). The Quran mentions 16 times, including those who can absorb information, listen to words, and make the best decisions according to their conscience, without pressure from any party. The Hadith narrated by Alauddin Ali bin Hisam, Kanzu al Ummal Volume 8 Page 77, explains that the most evil leader is an unjust leader. Rasululloh always reminds us to be careful lest we are among them. A good leader is one who always makes things easy for the people. Islam also explains that a leader must be firm but should not be rude, swear, or abusive. Leaders in Islam must carry out their obligations by always prioritizing the interests of the people because Islam highly upholds the benefit of the people.

6. Accountability

According to (Sulton Arif et al., 2022), Accountability is one of the elements of company management related to recognition, recording, and ethics in human transactions. The Islamic concept of accountability in Surah Al Baqarah (2): 282 refers to sound and reliable recording so that no errors occur. In addition, there needs to be a witness or supervision

in its implementation because it is related to the reports' reliability. The foundation of accountability is also contained in the Quran Surah An-Nisa (4): 58. The word of Allah implies that the concept of accountability is related to trust, honesty, and trust that must be accounted for by Allah and Stakeholders. The hadith that can be used to implement accountability in Islamic Good Corporate Governance is the Hadith narrated by Muslim Sahih Muslim no. 293 relating to honesty. In addition, it is also explained in the hadith narrated by Ahmad, Al-Musnad, no. 58. The hadith means that work is a mandate and will become a humiliation and regret unless someone gets a position because it is worthy and fulfills it well and perfectly. It is better not to ask for a position so that Allah will always be pleased to guide him to do better. This implies that according to Islamic principles, it is crucial to carry out a mandate to carry out our duties well, perfectly, and responsibly.

7. Amanah

Herlambang (2018) explains that, in Ibn Tamiyyah's view, a leader must fulfill two classifications: strength and integrity. In the Qur'an letter al Qashash, verse 26, Ibn Taymiya explains the verse as a basis for the idea that the best person to work with is one who has strength and trustworthiness or is called *amanah*. Fair, honest, accurate, and equal treatment in fulfilling stakeholder rights arising under agreements and applicable laws and regulations. This principle is explained in Surah An-Nisa verse 58. The verse explains the application of Islamic ethics guarantees honest, fair treatment of all parties so that it becomes the basis for good management. Everything done by a servant of Allah will be accounted for on the Day of Judgment, so a servant of Allah will have high integrity in carrying out tasks responsibly, namely with good management. The hadith of the prophet explains equality and fairness in the hadith narrated by Bukhari, sahih al Bukhari volume 5 p. 5524. Islam is a religion that upholds human values, including values of justice, equality, and equal opportunity and does not distinguish between one person and another because of type, skin color, ethnicity, tribe, family, and even religion. Leaders in Islam uphold the value of equality in their rights as people. Islamic leaders must apply the value of fairness and equality in the decision-making process for every problem.

8. Service Oriented and Proud to Serve the Community

A leader must be oriented towards providing the best service for the community based on the needs and interests of the wider community. A trustworthy leader is genuinely responsible for the tasks and trust given to him by the community, whether the trust is to manage the economy, politics, or religious affairs. Allah SWT says in Surah Al-Ahzab verse 72. The verse shows that every human carries a mandate accounted for in the afterlife before Allah SWT. The Prophet is a good figure and example in carrying out the mandate; he is very concerned about the community's needs, listens to their wishes and complaints, and pays attention to the potential of the community (Herlambang, 2018).

9. Competent

A leader or public servant must measure his or her abilities and at least prepare himself or herself to be a leader who has capabilities by the needs and demands of the community. Capability includes both physical and mental aspects. The outer element is adequate physical health, while the inner element comprises mental and spiritual dimensions. Spiritual acumen helps a leader to be able to find a way out of difficulties (Herlambang, 2018)

10. Harmonize

In QS. Al-Maidah verse 51 explains that every Muslim and non-Muslim citizen must live harmoniously side by side as fellow Muslims. There is no prohibition for us to do good with friends with them (Herlambang, 2018). The government must create a harmonious environment for the community by instilling in ASN care and respect for differences. The government must serve regardless of the background of the community so that it is fair in making policies.

11. Loyal

Ibn Abbas said the Prophet said:

"A ruler who is just for a day is more honorable than 60 years of worship. And a righteous punishment on earth will be more honorable than 40 years of rain."

The hadith states that the government must have strong principles, be committed to establishing justice, and always be wise. Therefore, before deciding on a case or taking action, the company should be open to receiving input and suggestions so that all decisions can still be accepted because they are in the people's interests. The government must demonstrate a strong commitment to achieving the state's goals (Arake, 2020).

12. Adaptive

According to al-Mawardi, the author of Ahkamul Sulthaniyyah, to determine the choice of the leader of the people, one must have seven conditions, namely being able to do justice to anyone and in any condition, must know to be able to think and ijtihad when facing problems or make laws, the third limb must be perfect, the fourth no deficiencies in his limbs in moving and acting, the fifth has a good vision and mission so that policies oriented to the interests of the people for the benefit, the sixth dares to keep and defend his people in the face of enemy attacks, the seventh leader must have a lineage Quraish. If a leader or representative of the community possesses all of these abilities, it will be able to face and adapt to change. The government must proactively deal with rapid changes in all aspects of life by constantly updating its skills and knowledge (Herlambang, 2018).

13. Collaborative

The Hadith of Annu'man bin Basyir means that unity and integrity must be maintained and well cared for because everything will be easy if you work together. The nation and state will be substantial if they unite and synergize with each other. Maintaining unity is not easy; it is not created just like that but must be accompanied by consistent understanding and hard work (Arake, 2020).

(3) Shariah Enterprise Theory

Shariah enterprise theory is a theoretical concept that can provide the basis for forming accounting principles and techniques that produce accountability and information stakeholders need. The company's existence is inseparable from the participants' contributions (employees, creditors, government, and society). A company can exist because it interacts with the community due to the social contract that the company has with the community. Allah is the primary source of trust because he is the sole and absolute owner. The resources owned by stakeholders are, in principle, a mandate from God in which the responsibility to use the means and objectives set by the Trust Giver is attached.

Shariah enterprise theory is based on humans as khalifatullah fil ardh. It aims to create and distribute human and natural welfare to realize the value of human justice and the natural environment, which benefits stakeholders and society. Shariah enterprise theory provides the concept of accountability to God (vertical), which is further elaborated into accountability to mankind and the natural environment (horizontal) (Triuwono, 2015).

This research is based on shariah enterprise theory because it is the accountability of the implementation of asset utilization cooperation carried out by PTN X. The focus of this research includes the accountability that PTN X must carry out to customers (service users) and the community because the use of funds from the service revenue of asset utilization cooperation is also returned to the community in the form of optimal services. The obligation of PTN X as khalifatullah fil ardh is to realize its mandate's responsibility correctly.

(4) Responsibility center

Determining the unit of responsibility within the organization facilitates financial control and performance measurement (Atkinson *et al.*, 2012). In the transition of PTN X from a Public Service Agency to a Legal Entity PTN, it is emphasized that the center of responsibility

must increase from the cost to the revenue center. Then, the highest level is the investment center.

RESULT AND ANALYSIS

This research was conducted qualitatively by interviewing cooperation managers, leaders, and stakeholders. The interview technique is in-depth and semi-structured so that the research is more open and informants can provide their opinions and ideas. Document analysis is also used to support the results of interviews or observations to make the data obtained accurately. The documents are in the form of photos, images, agreement documents, and other supporting documents. Focus group discussions (FGDs) were also conducted to triangulate the data so that the data obtained was more convincing. The results showed that:

1. Leadership

Based on the data processing of the interview results, leadership is evidenced by the following:

a. Information Disclosure at PTN X

Information disclosure is expressed by how limited information disclosure is. The results of processing interview data from 7 informants explained that information disclosure was open and detailed, but not all through the web or platform. The following is a statement from one of the informants:

“Cooperation is documented. Its publication is in the form of legal standing in the form of a contract or cooperation agreement. Cooperation can be in leases, asset utilization (objects or goods or human resources), or published in the form of PKS. The unit's responsibility is to the university leadership in the form of unit performance reports on asset utilization through third parties in contracts and income reports” (Informant KP, February 6, 2024).

The statement above proves that leadership traits such as *shiddiq*, *amanah*, *tabligh*, and *fathonah* have been applied at PTN X.

b. Reward and Punishment System for Employees

The existence of a reward system for employees who excel and punishment for employees who violate work discipline is a condition of a developed and developing organization. Based on data processing from interviews, six informants stated that there was a reward system, and one person said there was no reward system. This is revealed based on the following informant's statement:

“We just follow the applicable regulations. Specifically in the BPU, there is no authority, for example, to give rewards related to the targets set and then achieved. There is no rector's regulation yet. What we do is usually not giving rewards but giving attention. The form of attention is that we agonize; for example, there is a joint meeting conveyed there, and this business coordinator has achieved so many targets, closing with a better meal. In the past, I have shared, so in some universities, there are indeed, at UPN Surabaya, at UNY, at UNPAD, for example, in the BPU, the target is 5 M of revenue and then 6 M, there is a Rector's Regulation that more there will be a special reward of how many percent of that. Now, in what form does a percentage of the welfare budget exist? But in the past, I have shared, but not yet. So, I follow the provisions. The reward is in the form of a budget, for example, for outstanding employees, even though the BPU follows the center” (Informant AI, February 15, 2024).

In determining rewards and punishments at PTN X, there is no rector's regulation governing, so it can be concluded that the aspects of *shidiq*, *amanah*, *tabligh*, and *fathonah* have not been implemented because government regulations constrain them and still have the status of a Public Service Agency (BLU).

2. Ethics and honesty

Regarding ethics and honesty, asset utilization cooperation must be implemented by the rules, free from immorality or not violating laws and regulations. Leaders who are honest and fair and do not commit corruption, collusion, and nepotism. This can be described in the following aspects:

a. Limited disclosure of information

Information disclosure is essential in the cooperation service system at PTN X. Based on the data processing of interview results, limited information disclosure at PTN X already exists, and seven informants expressed this. Some limited information is conveyed to those concerned only through meetings, WhatsApp groups, and SOPs have been made. As described by the following informant:

"So, nothing is then restricted, such as the cooperation built by the BPU MoU with PT A. If someone asks, I won't show it because it is an agreement between PTN X and PT A. The principle of this cooperation is this: if the contents are not allowed. For example, I want to know how much. Regarding targets, the rector targets the BPU, and a signed performance contract is also open when talking about targets. However, the content of the cooperation is limited—yes, only me and those interested" (Informant AI, February 15, 2024).

The informant's statement above suggests that ethics and honesty have been fulfilled in managing PTN X's cooperation. This is evidenced by honest and fair leaders implementing systems and procedures for disclosing limited information.

b. Written policies outlined in regulations and published

Written policy at PTN X is a regulation that underlies the management of asset utilization cooperation. From the data processing of the interview results, the form of written policy already exists and was answered by seven informants. The policy is contained in the rector's regulations on tariffs and cooperation, PKS addendum, through verbal and notification letters. As expressed by the following informants:

"As far as I know, if there is cooperation between institutions, a rector's regulation regulates the cooperation. That is open. That's the guideline for me. Now, for individual cooperation, agreements, and leases, the template already exists. However, the basis of the template is also the rector's regulation on cooperation. So, we follow the rector's regulation" (Informant AI, February 15, 2024).

The informant's statement above shows that PTN X already has a written policy outlined in regulations and published. This proves that aspects of good Islamic corporate governance have been implemented at PTN X, with cooperation by the rules, honesty, fairness, and freedom from immorality or not violating laws and regulations.

c. Guidelines socialized to employees

One of the characteristics of good corporate governance is good service, which results from good communication between leaders and employees. This is one of the essential aspects and must be carried out. Based on data processing from interviews, seven informants revealed that there are already socialized guidelines in the form of work rules, new regulations, cooperation agreements, etc. As expressed by the following informants:

"Maybe if there is a manager in the stable, the admin and the crew members will socialize the rules of working in the stable to the crew members. We adopt the stakeholder's rules to determine the profit-sharing formula. Still, seeing that profits cannot be targeted, profit results fluctuate according to the harvest and market prices at that time. The target still depends on income/sales" (Informant APR, February 2, 2024).

"So, if it is related to the socialization of the agenda, it is mostly in the form of meetings or coordination if there are new issues. For example, the most recent collaboration we evaluated was with Pertashop, which we did with KOSUKU. After that, we evaluated it. So how do we make it if we don't do a workshop? In my opinion, the BPU is not too big, so we do the socialization through coordination meetings. How can this be made, and which points should be changed through a coordination meeting or consultation from staff to leaders? The pattern is like that" (Informant AI, February 15, 2024).

The informant's question above proves that there are socialized guidelines for employees, so cooperation management at PTN X is good and meets the aspects of ethics and honesty.

d. Submission of agreement disclaimers in the event of force majeure

Force majeure events cannot be avoided when cooperating with external parties. How force majeure is accommodated by the company is a form of exemplary service to stakeholders. The results of interview data processing, seven informants stated that there was a force majeure policy implemented by PTN X. as asserted by the following informants:

"It should have been stated in the cooperation agreement. Yesterday, there were several submissions for the power outage alarm. For electricity, it is very fatal. Because it results in the fan dying. If there is a problem, whose loss is it because this should have been anticipated at the beginning" (Informant AR, February 2, 2024).

The informant's statement above proves that a force majeure policy is stipulated in the cooperation agreement. This proves that the management of cooperation at PTN X is by Islamic Good Corporate Governance.

3. Supermajority of Law

Supermasi Hukum is an effort to uphold and place the law in the highest position. Law enforcement should not be selective, meaning that all people must be treated equally before the law and are entitled to recognition, guarantees, protection, and legal certainty that is fair and treated equally before the law. This includes

- a. the implementation of asset utilization cooperation carried out by the vision and mission, regulations, articles of association, and policies
- b. Revenue so far has met the target and constraints
- c. Expenses have been carried out have been carried out efficiently

Has the opportunity to meet revenue targets. The implementation of asset utilization cooperation at PTN X. The following question evidences this:

"In my opinion, there is still a lot of land that has not been managed, and maybe it can be managed to build something that can be cooperated, open a new business.

Building and managing a new business costs a lot of money" (Informant APR, February 2, 2024).

4. Transparency

The concept of transparency in Islam relates to the understanding that an entity has an obligation to stakeholders in information disclosure. The idea of transparency in question is that, as Muslims, we must always record accounts payable and receivable and not forget them. Even if we cannot do so, the guardian must dictate it, and there must be more than one witness involved because if one witness forgets, the others can remind them. From the statements expressed by informants, PTN X fulfills the indicators under the General Guidelines for Indonesian Public Sector Governance and Islamic Corporate Governance aspects of ethics, honesty, trustworthiness, and loyalty. In addition to information disclosure, transparency includes aspects of Guidelines that are socialized to employees. Assignments are under the vision and mission of the organization. There is a reward and punishment

system, obstacles to implementing daily cooperation operations, policies and procedures for resolving conflicts of interest, and meeting minutes.

5. Independence

Independence is a situation where the company is managed professionally without conflict of interest and influence/pressure from management that is not governed by applicable laws and regulations and sound corporate principles. Independence is a wise human character, including those who can absorb information, listen to words, and make the best decisions according to their conscience without pressure from any party. A good leader is one who always provides convenience for the people.

Independence in the management of asset utilization cooperation at PTN X includes providing opportunities for interested parties (stakeholders) to express opinions and have access to information. Work and business ethics have been created, implemented, and evaluated for their application, and business ethics and employee codes of conduct have been implemented at work.

6. Accountability

Accountability includes aspects of company management related to recognition, recording, and ethics in human transactions. The Islamic concept of accountability is contained in Surah Al Baqarah (2): 282 because it is related to sound and reliable recording so that no errors occur. In addition, there needs to be a witness or supervision in its implementation because it is related to the reports' reliability.

Amanah in the management of asset utilization cooperation at PTN X includes assignments that are according to the vision and mission of the organization, revenues that have met the target, costs that have been carried out that have been made efficient, and future opportunities to meet revenue targets.

Based on the interview data processing results, assignments that follow the vision and mission of the organization have been carried out well. The assignment aspect is the vision and mission of the organization, so the management of employee administration is good. The following informant revealed revenue that has met the target:

"If the target is, of course, there is a time when during a pandemic it is not. If it is a normal period, it has met the target. The target of asset utilization carried out by PT is not pure business; there is a target, but it cannot be equated with the private sector" (Informant AI, February 15, 2024).

The informant's statement above shows that the target has been met. Still, it is not purely business and cannot be shared with private institutions because this is a land lease cooperation and profit sharing, so it cannot maximize its profits and is hampered by government regulations.

For aspects of efficiency and future target opportunities, the following informant revealed: "That is homework, asset utilization cooperation should be as profitable as possible, just don't break even, let alone costs greater than income, that is the biggest homework there" (Informant AI, February 15, 2024).

The informant's statement above states that efficiency has been carried out. However, it is still a significant homework because, at PTN X, it is a collaboration of sharing profits and leasing land. So, efficiency is not easy because it is not a business carried out alone. Based on the results of the informant's statement above, future opportunities are very open for PTN X to open new businesses. All informants agree that idle assets have not been utilized. This is an excellent opportunity to increase revenue targets. Based on the aspects above, PTN X's accountability has fulfilled good corporate governance.

7. Amanah

The leader must fulfill two classifications: strength and integrity. The best person to work with is one who is strong, trustworthy, fair, honest, accurate, and equal in fulfilling the rights of stakeholders that arise based on agreements and applicable laws and regulations.

Applying Islamic ethics guarantees honest, fair treatment of all parties so that it becomes the basis for good management. Everything done by a servant of Allah will be accounted for on the Day of Judgment, so a servant of Allah will have high integrity in carrying out tasks responsibly, namely with good management. This includes the value of justice, equality, and equal opportunity and does not distinguish between one person and another because of type, skin color, ethnicity, tribe, family, or even religion. Leaders in Islam uphold the value of equality in their rights as people. Islamic leaders must apply the value of fairness and equality in the decision-making process for every problem. Amanah, in the management of cooperation in the utilization of PTN X assets, includes information disclosure, written policies outlined in regulations and published, and a reward system for employees who excel and punishment for employees who violate work discipline. For the aspect of information disclosure, it has been proven by the following informant's expression:

"There is—maybe there is no special link yet, no platform, it is still manual and not yet applied" (Informant APR, February 2, 2024).

The above statement proves that access to stakeholder information exists but has not been applied, and no platform exists. This is constructive criticism for PTN X, which is to improve the platform for stakeholder access to information. As for the written policy outlined in the regulations and published, all informants answered that the policy already exists, but it is not yet good, as expressed by the following informants:

"Yes, it is conveyed verbally, then in the form of a letter of notification if there are changes to the provisions" (Informant DF, February 2, 2024).

A platform that accommodates these needs can be provided as a basis for improving the written policies contained in regulations in the future. The reward and punishment system has also been implemented, but no rules or policies govern it.

8. Service Oriented and Proud to Serve the Community

A leader must be oriented towards providing the best service for the community based on the needs and interests of the wider community. A trustworthy leader is genuinely responsible for the tasks and trust the community gives him, whether the trust to manage the economy, politics, or religious affairs. Every human being carries a mandate accounted for in the afterlife before Allah SWT.

In the management of asset utilization cooperation, service-oriented aspects and pride in serving the community have entered into all good corporate governance, such as information disclosure, accountability, transparency, ethics, honesty, competence, harmony, loyalty, adaptability, and collaboration. From the data processing of the interview results, PTN X always strives to provide the best possible service.

9. Competent

A leader or public servant must measure his or her abilities and at least prepare himself or herself to be a leader who has capabilities by the needs and demands of the community. Capability includes both physical and mental aspects. The outer element is adequate physical health, while the inner includes mental and spiritual dimensions. Spiritual acumen helps a leader to find a way out amid difficulties.

Competent in the management of asset utilization cooperation at PTN X, includes a reward system for employees who excel and punishment for employees who violate work discipline, the ability to meet revenue targets, and the ability to make operational costs efficient. From the results of data processing interviews with informants, all agree that this aspect has been carried out. However, some provided additional information, as conveyed by the following informant:

"The reward is there, but for discipline it is rare." (Informant DF, February 2, 2024).

The informant's expression above explains that the provision of rewards and punishments at PTN X needs to be clarified and the reward and punishment system reorganized.

So far, the BPU work contract with the Chancellor has met the revenue target. As expressed by the following informant:

“During the pandemic, no, we have met the target during normal times. The target of asset utilization carried out by PT is not pure business; a target cannot be equated with the private sector” (Informant AI, February 15, 2024).

The informant's explanation above explains that target fulfillment is yet to be a pure business because it is still pioneering. The cooperation is in the form of a land lease and profit sharing, so it cannot be maximized to determine the target. Because there is already a profit-sharing agreement, this proves that revenue generation at PTN X is still limited. Regarding the efficiency aspect of operational costs, from the results of the interview data, all agree that efficiency has been carried out but has yet to be able to increase profits and revenues. As expressed by the following informants:

“That is homework, asset utilization cooperation should be as profitable as possible, just don't break even, let alone costs greater than income, that is the biggest homework there” (Informant AI, February 15, 2024).

The informant's expression above explains that efficiency has been pursued and is still a joint homework to be carried out. This proves that the management of PTN X cooperation has yet to meet the expected efficiency.

10. Harmonious

Muslim and non-Muslim citizens must live harmoniously side by side as fellow Muslims. There is no prohibition for us to do good with friends with them. The government must create a harmonious environment for the community by instilling in ASN concern and respect for differences. The government must serve regardless of the background of the community so that it is fair in making policies.

In fulfillment of harmonious aspects in asset utilization cooperation services, there are already guidelines that are socialized to employees. As expressed by the following informant:

“Maybe there is a manager, admin, and crew member in the cage. The rules for working in the cage are the most socialized to the crew members. We adopt the stakeholders' rules to determine the profit-sharing formula. Still, seeing that profits cannot be targeted, profit results fluctuate according to the harvest and market prices at that time. The target still depends on income/sales” (Informant APR, February 2, 2024).

The results of interview data processing, for guidelines socialized to employees, all informants answered that they already exist, conveying new issues and regulations through meetings. This proves that PTN X is good at fulfilling the criteria of good corporate governance.

11. Loyal

The government must have strong principles and commitment to justice. The government must also always be wise. Therefore, before deciding on a case or taking action, it should be open to receiving input and suggestions so that all its decisions can still be accepted because they are in the people's interests. The government must be able to demonstrate a strong commitment to achieving the goals of the state.

In the loyal aspect, the thing that fulfills is how PTN X pays attention to stakeholders' interests through the principle of fairness and has provided opportunities for interested parties to express opinions and gain access to information. Based on the interview data processing results, PTN X has always prioritized stakeholder interests, and all informants answered this based on their respective cases. This proves that PTN X prioritizes the interests of stakeholders and does not only prioritize its profits. This is still considered with the actual incident; then, a policy is given. PTN X has also provided a forum for stakeholders to express their opinions and gain access to information. All procedures in the field have been anticipated, but some policies need to be in writing or evaluated. This

can be a record for PTN X to improve its governance in services to stakeholders to be even better.

12. Adaptive

Adaptive is the ability of PTN X to make ijtihad when facing problems, determine legal policies, protect all parties from harm, and adapt to changes that skills and knowledge must accompany.

Regarding aspects that meet these adaptive criteria, PTN X already has policies, systems, and procedures to resolve conflicts of interest and can disclose conflicts of interest in every decision with well-documented meeting minutes. Informant AI said:

"There is no written system. We still follow the legislative system related to cooperation only; it is regulated that if there is a problem, the first step is deliberation and consensus, and it has been directed at criminal law issues, for example."

The policy has been carried out well in the procedure but still needs to be systemized and manual. The system must also support the existence of well-documented meeting minutes so that the documentation is well-maintained.

13. Collaborative

The collaborative aspect is a synergy between PTN X and stakeholders. Everything will be easier if we synergize to maintain unity and togetherness followed by consistency, understanding, and hard work. Collaboration in asset utilization cooperation services is expressed on the condition that there are policies, systems, and procedures for resolving conflicts of interest.

Based on the results of interview data processing from all informants, it was stated that PTN X already has a conflict-of-interest resolution policy procedure. Still, it needs to be more systematic and has only been accommodated manually. As expressed by the following informant:

"If it's not written yet, it's only informal" (APR Informant, February 2, 2024)

The statement above requires improving and implementing better and systematic conflict-of-interest resolution procedures to increase users' satisfaction with asset utilization services, which can impact income growth. However, the existing policy has met the criteria of PTN X by good corporate governance.

CONCLUSION

This research concludes that asset utilization cooperation in terms of financial managers, leaders, and stakeholders has been implemented based on the Islamic corporate governance approach. However, there are still obstacles in its implementation, and there needs to be improvements, including:

1. All parties have felt information disclosure, but it still needs an official platform and website for its implementation. Henceforth, it would be better if the platform and website were realized for ease of information for all parties.
2. The reward and punishment system has been implemented. Still, there are no regulations, so it is better to establish standard operating procedures and rules and enforce them according to them in the future.
3. There is no procedure for calculating the appropriate tariff for cooperation, and there is no standard operating procedure. This is very important for determining profits and achieving revenue targets.
4. The implementation of asset utilization cooperation in the corridor of accountability units at PTN X is currently at the profit center level, and some units are still in the cost center. This

needs to be reviewed, considering the status of PTN X, which will increase to PTN BH. Improvements need to be made so that all revenue units can generate profits.

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