



# Good Corporate Governance Practices in Managing Finance at Islamic Institutions in Indonesia

Asrida<sup>1</sup>, Elfina Yenti<sup>1</sup>, Tezi Asmadia<sup>1</sup>, Emrizal<sup>1</sup>, Suci Putri Ayu<sup>1</sup>

<sup>1</sup>Universitas Islam Negeri Mahmud Yunus Batusangkar, Indonesia

✉ [asrida@uinmybatusangkar.ac.id](mailto:asrida@uinmybatusangkar.ac.id) \*

## Abstract

Financial management at Sharia Financial Institutions certainly requires the application of good corporate governance principles so that transparency, accountability, so that the distribution of funds can be carried out fairly and on target. This study aims to analyze how financial management in one of the Sharia Financial Institutions in Indonesia is based on the principles of good corporate governance. The research method used is qualitative with a case study model. Data sources consist of primary data and secondary data. Primary data was obtained through interviews with ten informants consisting of leaders and employees at the Sharia Financial Institution, while secondary data came from official reports and information published through the official website of the Sharia Financial Institution. All data were analyzed thematically using the Milles and Hubberman model. The results showed that financial management in Sharia Financial Institutions has applied the principles of Good Corporate Governance with five levels of optimization of the principles, namely; i) the principle of transparency, ii) the principle of accountability, iii) the principle of responsibility, iv) the principle of independence, v) the principle of equality and fairness. With the optimal application of good corporate governance principles, financial management in sharia institutions can run more effectively in improving the welfare of beneficiaries.

## Article Information:

Received February 26, 2025

Revised March 19, 2025

Accepted April 26, 2025

**Keywords:** *Financial management, Shari'ah institutions, Good Corporate Governance*

## INTRODUCTION

In the Islamic economic system, Shari'ah Financial Institutions have a role that is not only a form of worship but also as a major instrument in creating social justice and community welfare. Shari'ah finance comes as an alternative to conventional financial systems that are often not in line with Islamic principles, especially in the aspects of usury, gharar, and maysir which are prohibited in the Quran and Hadith.

<b>How to cite:</b>	Asrida, A., Yenti, E., Asmadia, T., Emrizal, E., Ayu, S. P. (2025). Good Corporate Governance Practices in Managing Finance at Islamic Institutions in Indonesia. <i>International Journal of Multidisciplinary of Higher Education (IJMURHICA)</i> , 8(2), 328-343.
<b>E-ISSN:</b>	2622-741x
<b>Published by:</b>	Islamic Studies and Development Center Universitas Negeri Padang

With the growing awareness of the importance of Shari'ah-based financial systems, many countries, including Indonesia, have begun to adopt and develop various Shari'ah financial instruments to support sustainable economic development (Adinugraha et al., 2023; Al Mustaqim & Makarrim, 2024; Fitria & Sukardi, 2025; Hamzah, 2024; Syahbandir et al., 2022). Despite its various advantages, the challenges in the implementation of the Shariah financial system are still quite significant.

The phenomenon of economic inequality and poverty that is still a global problem, including in Indonesia, shows that the Sharia-based financial system needs to get more serious attention in its implementation and optimization. According to data from the Central Bureau of Statistics in 2022, the poverty rate in Indonesia reached 9.57%, which means there are still millions of people living in deprived conditions. This condition shows that efforts to improve people's welfare through the Shari'ah financial system still need to be improved in order to have a more significant impact in reducing social and economic disparities (Aslamiyah, 2024; Apriliyawati et al., 2023; Ivanka et al., 2024; Menne et al., 2023).

One mechanism that can be a solution in overcoming economic inequality is the management of funds by Shari'ah Financial Institutions. Good and transparent fund management can help improve the welfare of the community, especially for weak economic groups who need access to fair sources of financing and in accordance with Shariah principles. In Indonesia, Shari'ah-based fund management is carried out by various institutions, both public and private. Nationally, the Shari'ah Financial Institution acts as an institution responsible for the collection, management, and distribution of zakat in accordance with the regulations set forth in Law Number 23 Year 2011 on Zakat Management. In addition to the Amil Zakat Agency, there are Amil Zakat Institutions managed by public and private organizations with official permission from the government. These institutions have the task of ensuring that the funds collected can be distributed in a targeted manner to the beneficiaries, either in the form of consumptive assistance or economic empowerment programs (Qutaiba et al., 2024; Muhammadun & Semaun, 2024; Sidik et al., 2024; Zaharah & Fauzi, 2024).

The effective distribution of funds is one of the main keys in ensuring that the benefits of the Shariah financial system can be felt by all levels of society. Therefore, strategies and innovations are needed that can improve the effectiveness of fund management. Some strategies that can be implemented include increasing transparency in fund management, strengthening the digitalization system in collecting and distributing funds, and increasing Sharia financial literacy among the public (Adiwijaya & Amilahaq, 2023; El-Alami et al., 2024; Sa'i et al., 2023).

Although various efforts have been made to optimize the fund management and distribution system, there are still various challenges faced by Sharia Financial Institutions in Indonesia. Some of the main obstacles in managing funds include the low level of Sharia financial literacy among the public, lack of trust in Sharia Financial Institutions due to transparency and accountability issues, and gaps in the application of digitalization systems that can accelerate the process of collecting and distributing funds.

In addition, the effectiveness of fund distribution is also influenced by internal factors such as the capacity of human resources in Sharia Financial Institutions and regulations that do not fully support the optimization of technology-based Sharia financial systems (Amrullah et al., 2024; Khairil et al., 2024; Mohamed & Shafai, 2021; Rusanti et al., 2023). By looking at these various

challenges, innovative and strategic solutions are needed to optimize the role of Sharia Financial Institutions in fund management. One solution that can be applied is the strengthening of regulations that are more supportive of the implementation of Sharia finance, including increased incentives for institutions that implement the principles of Sharia finance properly. In addition, the digitalization of the Shari'ah financial system must continue to be developed to increase efficiency and effectiveness in the collection and distribution of funds. With a more holistic approach, the Shariah financial system is expected to become a stronger solution in overcoming economic disparities and creating more equitable welfare in society.

Research on the management of funds by Sharia Financial Institutions shows various strategies and a significant impact on the welfare of society. Several previous studies have highlighted various aspects of fund management by Shari'ah Financial Institutions and the implementation of good corporate governance principles in Islamic financial institutions. Research conducted by [Mawardi et al., \(2023\)](#) found that the optimization of Shariah fund management has a significant impact on improving community welfare if managed with a good system. This study shows that the optimization of Sharia fund management with an approach based on transparency and accountability is able to increase the effectiveness of fund distribution to beneficiaries, thus contributing to poverty reduction. Similar research conducted by [Mukhlisshin et al., \(2024\)](#), highlighted the role of Sharia Financial Institutions in building the economic independence of the people. In his research, it was found that the success of the economic empowerment program based on Sharia funds is highly dependent on the professionalism of the manager and the application of the principles of good corporate governance. The conclusion of this study confirms that the better the governance of Sharia Financial Institutions, the greater the positive impact on the empowerment of beneficiaries in the long run.

Another study by [Mulindra et al., \(2023\)](#) focused on the implementation of good corporate governance principles in Shari'ah fund management organizations and its impact on public trust. This study shows that good corporate governance principles, such as transparency, accountability, and professionalism, have a positive correlation with increased public trust in Shari'ah Financial Institutions. With this increased trust, the collection of Shari'ah funds has also increased significantly, which has an impact on the effectiveness of the distribution of funds to beneficiaries. Meanwhile, research conducted by [Faizin et al., \(2024\)](#) examined the challenges in digitizing the Sharia fund management system in Indonesia. The results showed that the main obstacles in the implementation of digitalization of Sharia funds are the low public access to digital financial services, the lack of adequate technological infrastructure in some areas, and the distrust of some people towards digital-based transactions. The conclusion of this study confirms that digitalization efforts in the management of Shariah funds need to be supported by strong regulations and education to the public so that it can be adopted more widely and effectively.

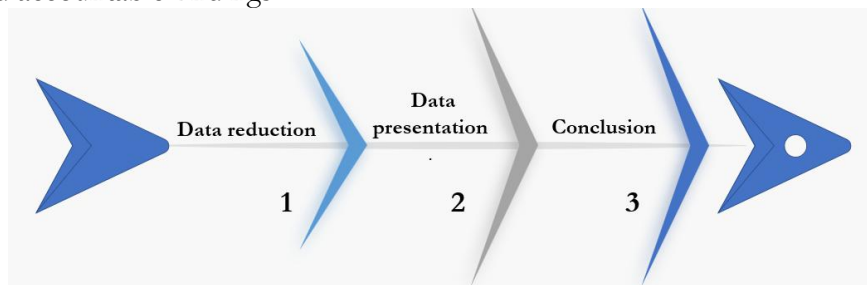
In this study, the author will present the results of bibliometric visualization analysis conducted using VOSviewer software as conducted by previous researchers ([Rahman et al., 2024](#); [Rasdiany et al., 2024](#)). This visualization aims to provide an overview of the research trends of Sharia Financial Institutions, including inter-topic linkages, the development of research from year to year, as well as the main focus in Islamic studies from previously conducted research as shown below.



**METHODS**

This research uses a qualitative approach with a case study type (Allsop et al., 2022; Nevedal et al., 2021; Petersson et al., 2022; Serafini & Reid, 2023; Tümen Akyildiz & Ahmed, 2021) This approach was chosen because it allows researchers to explore in depth the phenomena that occur in the management of financial funds in Sharia Financial Institutions. The Sharia'ah financial institution that the author refers to in this research is the National Amil Zakat Agency in Indonesia, and hereinafter the author will make this National Amil Zakat Agency with the Sharia'ah Financial Institution as a whole greeting this research. This institution has various economic empowerment programs based on Sharia funds that are interesting to be studied further. This research was conducted for eight months, starting from July 2024 to February 2025 (Asrida et al., 2023; Engkizar et al., 2023; Nopiardo et al., 2025; Rozalinda et al., 2024).

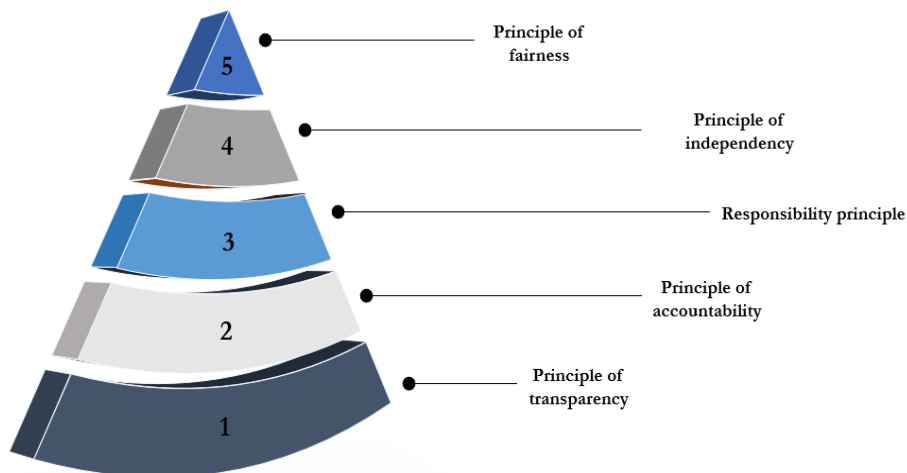
In this study, the data used consisted of primary data and secondary data. Primary data was obtained directly from interviews with ten informants consisting of leaders and employees of Sharia Financial Institutions, while secondary data was obtained from official documents, such as annual reports (Engkizar et al., 2024; Nopiardo et al., 2024). The data that has been collected is then analyzed using the Milles and Hubberman model which consists of three main stages as shown below, namely data reduction, data presentation, and conclusion drawing and verification. This technique was chosen because it is able to organize and interpret data systematically so as to produce valid and accountable findings.



**Fig 2. Milles and Hubberman analysis model**

**RESULT AND DISCUSSION**

Based on information obtained in the field, the management of funds in Sharia Financial Institutions with a good corporate governance model consists of five main principles as shown below.



**Fig 3. Five principles of good corporate governance in managing finance at Islamic financial institutions**



Based on the above, the author will explain in detail and comprehensively the implementation of the five principles that have been applied in one of the Sharia Financial Institutions in Indonesia, although the narrative that the author conveys is slightly different but has more or less the same meaning.

First, the principle of transparency. Transparency is a principle which requires an openness in disclosing material and relevant information and openness in the decision-making process (Devy et al., 2021; Sasmita et al., 2023). With transparency in an institution, it will increase public trust. The following is the application of the principle of transparency in Sharia Financial Institutions, transparency can be seen based on interviews the author conducted with several employee structures of Sharia Financial Institutions, all agreed that the principle of transparency had been applied in Sharia Financial Institutions. In the collection of financial funds, transparency is carried out by inviting journalists, community leaders, local officials when handing over assistance. As stated by one of the informants of the Sharia Financial Institution during the following interview.

*"We invite journalists, community leaders, local officials when we hand over the assistance so that journalists and others know that Sharia Financial Institutions provide assistance to so many mustahik"* (informant 1)

But in the collection of Sharia Financial Institutions also experience an obstacle if the community and Sharia Financial Institutions do not agree in doing zakat. This is based on the results of interviews with informants, as the head of the Sharia Financial Institution stated.

*"Obstacles definitely exist because there are still many people who do not understand Sharia Financial Institutions, more charity directly to mustahik so it is not visible, even though it should be channeled to Sharia Financial Institutions so that the sense of loss is lost, the community should do it like that"* (informant 2)

Transparency has also been applied in the implementation of distribution by conducting socialization, education, communication to muzakki when giving zakat. In the publication of the management of zakat, infaq and sadaqah funds using media such as online media, electronic print media so that it looks transparent. Sharia Financial Institutions also use other media to carry out transparency such as Facebook, Instagram, and websites to show every activity carried out by Sharia Financial Institutions. This is in accordance with the results of interviews with informants as the chief executive on January 14, 2025, saying that.

*"We have media cooperation with Kominfo, we make news there and then publish it, online media, newspapers, Facebook, Instagram, and websites. You can see directly the name of the Sharia Financial Institution. As for finance, it is published on the website, every year we hold a sharia audit. But for the previous year the financial statements have not been uploaded to the website"* (informant 3)

Transparency regarding the financial situation by making financial reports. In making financial reports, it is in accordance with the preparation of balance sheet or financial position reports, cash flow reports, notes to financial statements. This is based on an interview with the informant as Treasurer, saying that.

*"The type of report is in accordance with PSAK 409, there are financial statements, statements of changes in funds, cash flow statements, notes to financial statements. Actually, PSAK 109 is essentially the same as PSAK 409, just changing the number. Of course it is allowed, by sharing it means it is allowed"* (informant 4)

In addition to every year, the Sharia Financial Institution in providing financial reports is also given every month to the head of the Sharia Financial

Institution first. The report is only given directly to *muzakki* or parties who need information by coming directly to the Sharia Financial Institution. In addition, the Sharia Financial Institution is also always audited by other parties, which is carried out once a year. Auditing that is carried out is more about checking the financial statements, because by looking at the financial statements you can find out what is being implemented by the Sharia Financial Institution. This is based on an interview with the informant as the vice chairman I of the collection field, said that.

*"We make a financial report which we report every 6 months. yes of course that is used as a guideline in making reports because we are audited every year by the AKP office. We also have a SIMBA system, so whatever the activities of the Sharia Financial Institution are monitored by Jakarta every day"* (informant 5)

The National Committee on Governance Policy is a guideline for good corporate governance, one of which is the Sharia business sector, in its application must ensure that information disclosure is carried out in a timely, adequate, accurate and clear manner. This is not limited to financial statements and company profiles, but more than that such as company performance, ownership and corporate governance. The information must be compiled, disclosed, presented and even audited with good quality. Transparency is also seen in the implementation of the annual work program plan for the next year. This annual work plan is carried out at the beginning of each year with the aim of providing sufficient time for planning and preparation before the implementation of the work program. At the annual work meeting of the Sharia Financial Institution the planned work program is a short, medium and long term work program. For the work program that has been planned, namely increasing the productivity of collecting zakat, infaq, and alms from employees of the Sharia Financial Institution itself at the time of the meeting.

Based on research conducted by the author on the application of the principle of transparency in Sharia Financial Institutions, it can be accessed on the official website of the Sharia Financial Institution, namely <https://kotasolok.Baznas.go.id/>, in which there are various kinds of information that can be accessed openly. However, the financial statements have not been posted on the website. The Sharia Financial Institution applies the principle of information disclosure in the form of publications or announcements through other media such as Facebook and Instagram, which publishes every activity held by the Sharia Financial Institution. The Annual Report of the Sharia Financial Institution has fulfilled the applicable provisions and regulations.

The Syari'ah Financial Institution periodically issues press releases given to the mass media on various activities and interests of the Syari'ah Financial Institution. All strategic policies of the Shari'ah Financial Institution in the field of employment have been conveyed to all employees of the Shari'ah Financial Institution directly or through media that can be accessed by employees. The application of the principle of transparency does not reduce the obligation to maintain organizational secrets. Implementation of transparency for the delivery of information Sharia Financial Institutions make publications through social media, print media, electronic media. All information has been explained and socialized to every *muzakki*, *mustabik* and community leaders so that there is no misunderstanding at the end.

Based on the results of observations made by the author on the social media of the Sharia Financial Institution, an example of the application of transparency in terms of social media is related to distribution activities published through social media in the form of Instagram and Facebook. Other

publications such as social activities carried out by Sharia Financial Institutions. The application of transparency in the Sharia Financial Institution is applied in almost all structures in the Sharia Financial Institution, from some of those interviewed by the author such as the leadership, deputy chairman I of the collection field, chief executive, and treasurer to carry out transparency in accordance with their respective work portions. This is based on interviews with informants, on January 14, 2025, saying that.

*“Yes, it is clear that we have one leader, then there is the first deputy for collection, the second deputy for distribution, the third deputy for finance, and the fourth deputy for human resources. Each of the representatives is assisted by each secretariat, there is a secretary for Human Resources, there is a treasurer for finance, there is a distribution section and there is also an executive head as support for all fields. There are five administrators appointed by the local government and assisted by staff. The leader is called amil leader then under him is amil executor. Each board is obliged to carry out each of their duties, but in collecting we work together”* (informant 6)

The purpose of applying the principle of transparency in Sharia Financial Institutions according to informants mentioned during the interview on January 14, 2025.

*“The purpose of applying this transparency is so that the public or stakeholders know so that it can foster trust in Sharia Financial Institutions”* (informant 7)

So the intention is to maintain public trust, comply with existing rules and as a form of accountability provided by Sharia Financial Institutions. Avoiding misunderstandings at the end is also one of the reasons for applying the principle of transparency. With public trust, the public will also want to give zakat to Sharia Financial Institutions. Based on the results of interviews that the author has conducted above, it can be concluded that the application of the principle of transparency in the management and zakat, infaq, and sadaqah in Sharia Financial Institutions has been applied properly and in accordance with the main guidelines for its implementation. From the explanation above, we can know that there are many benefits from applying the principle of transparency in an institution. With the application of good transparency in terms of providing information and making reports that are adequate, clear, accurate and timely, it allows efficiency, thus avoiding conflicts of interest.

The second is the principle of accountability. Accountability is one of the principles that requires clarity of function and implementation of accountability so that the management of zakat, infaq, and sadaqah funds can be carried out optimally (Mais & Palindri, 2020). Accountability in Sharia Financial Institutions to ensure that in carrying out the management of zakat, infaq and sadaqah funds is in accordance with procedures, established regulations, and does not conflict with the interests of the general public. The principle of accountability is seen in Sharia Financial Institutions as follows: seen in implementing the principle of accountability in Sharia Financial Institutions is as follows having a work guideline and organizational structure where there is a division of positions and duties that are structured and clear.

The division of tasks is carried out in order to facilitate the work of each management because it is clear what must be done and the division of tasks is carried out evenly according to the ability of each management. Sharia Financial Institutions periodically monitor performance achievements, achievement of targets and realization of work programs that have been prepared by Sharia Financial Institutions. based on interviews the authors conducted found that the principle of accountability has been applied. The application of the principle of accountability in accordance with informant 1



during an interview on January 14, 2025 said that.

*“Accountability is a financial matter, so the Sharia Financial Institution asks for a financial audit and a Sharia audit. Which later by the Supervisory Competency Assessment (AKP) monitors the transparency, accountability of the Sharia Financial Institution. The Sharia Financial Institution has done so accordingly”* (informant 8)

Sharia Financial Institutions determine each task and job of each employee at work and there is no overlap of positions and jobs so as to facilitate monitoring of every job done by employees. The results of monitoring employee performance will later affect the punishments that will be received. This is based on another concept of the application of the principle of accountability is that every business actor must have performance measures for all levels of the organization that are consistent with the business objectives owned, and have a system of rewards and sanctions.

Every employee who works at a Sharia Financial Institution is given a target or thing that must be achieved and then later will be evaluated for performance achievement, both target achievement and realization of the work program that has been prepared. Based on the results of interviews with informants on January 14, 2025, he said.

*“Yes, of course, we have 4 fields, namely the field of collection, the field of distribution and empowerment, the field of finance, the field of human resources and administration. If it is 100%, it is not yet, but we have gradually done it according to their respective tasks. We always discuss it or plenary to remind each board to do each of their duties”* (informant 9)

In addition, Sharia Financial Institutions have also made financial reports in accordance with the guidelines for making reports, this was conveyed by the informant in an interview the author conducted on January 14, 2025, he said.

*“The financial report has been made accountably, if the financial report for the public does not exist except on the website, but for now the report has not been uploaded to the website. For financial reporting, every December 31 must close the book”* (informant 10)

The reports that have been made accountable and understandable to interested people are then reported to the center in a timely manner. Not for the public because it is not required by law. Based on the law, the management of zakat, infaq and sadaqah funds is reported to the regional head, the *muza'aki*, and the Provincial Shari'ah Financial Institution. The reporting is always done on time, once every 6 months and at the end of the year. In accordance with the law, the reporting is done twice a year.

Based on the results of interviews conducted by the author about the application of the principle of accountability in the management of zakat, infaq and sadaqah funds at Sharia Financial Institutions, it has implemented well in accordance with the rules that have been issued. The application of the principle of accountability has divided employees based on their respective qualities and abilities so that it is easier to monitor the performance that has been carried out.

The third is the principle of responsibility. Responsibility is one of the principles that requires accountability for every activity carried out, as well as the suitability of the management of zakat, infaq and sadaqah funds with applicable laws and regulations and the principles of healthy management of zakat, infaq and sadaqah funds. The principle of responsibility is seen in Sharia Financial Institutions as follows: seen in implementing the principle of responsibility Sharia Financial Institutions already have strong legal legality,

with strong legal legality can facilitate the collection and distribution in the community because it has been given permission by the government and there is also an institution that is responsible for the funds that have been disbursed by each *muzakki* so that it can increase public trust. This is based on interviews with informants on January 14, 2025.

*"Yes, in accordance with Law No. 23 of 2011. The purpose is the same as mentioned earlier with the accountability given to each stakeholder, it will increase trust in the Sharia Financial Institution"* (informant 1)

The existence of strong legal legality can facilitate accountability in the collection and distribution carried out by Sharia Financial Institutions and report any management or activities carried out to related parties. This was said by the informant during the interview.

*"We see that in terms of management, collection, distribution, empowerment is done as well as possible. And if you have difficulties, you report it directly to the center, namely the Provincial Sharia Financial Institution. We always report every management carried out to related parties such as muzakki, religious leaders to check it. And we are also guided by the fatwa of the Ulama Council. And every accountability carried out is also known by every stakeholder so that no mistakes occur"* (informant 2)

The basis for implementing this principle is because Sharia Financial Institutions are very aware of their responsibility to the community, because they are government institutions that must hold public trust, so that people believe in giving zakat to Sharia Financial Institutions. This is also a form of obedience and compliance of Sharia Financial Institutions to applicable regulations. This principle of accountability in distribution and finance is carried out by making reports related to incoming and outgoing funds accompanied by receipts as valid evidence, reporting is also carried out periodically. This is based on interviews by informants saying.

*"Yes, of course we provide reports regularly, every period and every year we always provide reports. For internal supervision, it is through Simba, because one rupiah of money that enters every day goes directly to Jakarta through the institution, that is Simba, so where the money comes in and the money goes out is recorded immediately. Alhamdulillah, Simba Solok is the 4th most active in Indonesia"* (informant 3)

The purpose of applying the principle of accountability in Sharia Financial Institutions according to the chief executive mentioned by the informant during an interview on January 14, 2025.

*"Yes, we always report at the end of each period. We also cooperate with the Ministry of Religious Affairs, the Indonesian Ulema Council, we provide reports as well as to the province and always coordinate. Especially to muzakki, we provide all financial reports. The goal is that we as amil obey the rules and then oversee the people's funds with clarity and transparency so that there is no misappropriation"* (informant 4)

So, the intention is to maintain public trust, comply with existing rules and as a form of accountability provided by Sharia Financial Institutions. Avoiding misunderstanding at the end is also one of the reasons for applying the principle of responsibility in Sharia Financial Institutions. With public trust, the public will also want to give zakat to Sharia Financial Institutions so that funds will also increase in Sharia Financial Institutions.

Sharia Financial Institutions also make Islamic principles in carrying out their activities. This shows that the Sharia Financial Institution is committed to carrying out its mandate in accordance with Islamic values. In addition, all parties involved such as leaders, employees, *muzakki*, *mustabik*, and other

parties always pay attention to religious values and carry out their duties such as wearing clothes based on Islamic law and the management of zakat, infaq and sadaqah funds must also be directed to provide the maximum benefit for Muslims.

Based on the results of research conducted by the author on the application of the principle of responsibility in the management of zakat, infaq and sadaqah funds in Sharia Financial Institutions, it has implemented well in accordance with the rules that have been issued and implemented with the main guidelines for its application. In Sharia Financial Institutions, the principle of responsibility is realized in the form of accountability or compliance of an institution with existing regulations. Sharia Financial Institutions ensure compliance with the articles of association in accordance with the laws and regulations contained in the main regulations of employees and legal legalities.

The fourth is the principle of independency. Independency is one of the principles that has competence, is able to act objectively and is free from external influence or pressure from any party. Each institution is managed professionally without any influence or pressure from other parties in making decisions or policies. The principle of independence is seen in Sharia Financial Institutions as follows: Sharia Financial Institutions are seen in making decisions always conducting deliberation, based on interviews the author conducted with informants of Sharia Financial Institutions, this principle of independence has been applied in Sharia Financial Institutions, he said.

*“The principle of independence is that we try to manage and carry out all regulations, meet together and how to increase income then how do we distribute the right target to the 8 asnaf. In making decisions, we look at the regulations because these regulations will be held together and discussed in the plenary. Every time there is a distribution, we always hold a meeting, even though we have made a Standard Operating Procedure (SOPp). The decision is not only the chairman but also the leadership plenary. Every program has its SOP. The SOP is in written form, the Standard Operating Procedure (SOP) has been carried out in accordance with the agreed agreement.”* (informant 5)

The Sharia Financial Institution always complies with the applicable rules, information from the chief executive of the Sharia Financial Institution said that every decision that will be taken is not only from the leadership alone but the decision is taken based on the results of a plenary or joint meeting. Sharia Financial Institutions realize the principle of independence by looking for *muzakki* other than the State Civil Apparatus. This is in accordance with the interview with the following informant.

*“Independence by looking for muzakki other than the State Civil Apparatus (ASN), from new muzakki but so far our independence is supported from the regional government”* (informant 6)

Sharia Financial Institutions based on the rules that are regulated highly anticipate the existence of conflicts of interest, this is in line with the concept of the principle of independence, namely each company organization must carry out its respective functions and duties in accordance with laws and regulations and not dominate each other or throw responsibilities between one another. All conflicts of interest that may occur are very vigilant and the rules are applied that if there is a conflict of interest, the leadership will follow up and report to the top. Sharia Financial Institutions in determining a policy do not include outside parties to make a decision. This is based on interviews with the following informants.

*“For policy-making we have no interference from outside parties, but if there is good*

*input or recommendations we will accept them. Yes, we clearly cooperate with the Ministry of Religious Affairs, the Indonesian Ulema Council, and the local government, always confirming with each other” (informant 7).*

The application of the principle of independency in Sharia Financial Institutions can also be seen from the division of tasks and work of each existing employee, all employees do their work professionally in accordance with their respective fields in order to build a good image for Sharia Financial Institutions and be responsible for the performance they have done. The manifestation of the professional attitude is that each employee always provides good service to the community in accordance with their respective authorities. Based on the research conducted by the author, it can be concluded that the Sharia Financial Institution has implemented the principle of independency in accordance with the rules and principal of its implementation. The application of the principle of independence in Sharia Financial Institutions can be seen in the management of zakat, infaq and sedeqah funds independently, not dominating each other, not affected by certain interests and free from conflicts of interest.

Fifth is the principle of fairness. Fairness is one of the principles that requires the implementation of justice and equality in fulfilling the rights of stakeholders based on agreements and laws and regulations. In the implementation of the principle of fairness in Sharia Financial Institutions has done justice with all parties who have an interest. Behavior needs to be applied because it avoids conflicts that can occur if there is a differentiating behavior between one party and another. This is based on the results of interviews with the following informants.

*“We have the principles of Shari’ah, expediency, justice, legal certainty and accountability. We do it in accordance with these principles. In terms of equality, of course we look at the needs of each mustabik, adjusting to what they need.” (informant 8)*

The principle of equality and fairness is seen in the Sharia Financial Institution, as follows: Sharia Financial Institutions also have a Standard Operating Procedure (SOP) in every program or activity carried out. Standard Operating Procedure (SOP) is a guideline that contains various operational procedures contained in an institution with the aim of ensuring that all activities are carried out optimally, smoothly, and controlled to prevent fraud or embezzlement by other parties. Standard Operating Procedure (SOP) in Sharia Financial Institutions is presented in the form of a book and is easy to understand. This is based on interviews with the following informants.

*“Yes, Sharia Financial Institutions use Standard Operating Procedure (SOP), and every assistance provided is in accordance with their respective Standard Operating Procedure (SOP). The Standard Operating Procedure (SOP) is in written form because it was agreed at the plenary and also follows the guidelines from the Jakarta Standard Operating Procedure (SOP), from the Standard Operating Procedure (SOP) we elaborate and conclude. By submitting a request first, then selected, if needed we interview, then surveyed to the location of the person who needs help, so that the assistance provided is also right on target” (informant 9).*

Sharia Financial Institutions also treat *mustabik* and *muzakki* fairly and honestly without distinguishing between one another. The purpose of applying the principle of fairness in Sharia Financial Institutions according to the chief executive mentioned by the following informant during an interview on January 14, 2025.

*“So that there is justice, the community feels helped, Sharia Financial Institutions play a role, especially helping the government in overcoming leaders, people who are*

*difficult can also be helped so that they feel that this zakat is indeed beneficial for them” (informant 10).*

So, the intention is to maintain public trust, comply with existing rules and as a form of accountability provided by Sharia Financial Institutions. Based on interviews that have been conducted by the author, the Sharia Financial Institution has implemented the principle of fairness in accordance with the main rules and guidelines for its implementation.

## CONCLUSION

Based on the results of the research analysis, there are several recommendations that can be applied to improve the effectiveness of financial management in Sharia Financial Institutions. First, it is necessary to increase transparency and accountability in zakat management by providing financial reports that are easily accessible to the public and utilizing digital technology in the zakat management and distribution system. Second, the productive zakat program needs to be expanded and supported by a tighter monitoring mechanism so that the funds channeled actually have a sustainable economic impact on the beneficiaries. Third, increasing the capacity of human resources (HR) among amil zakat is important, for example through training in zakat management, data-based distribution strategies, and more professional management of empowerment programs. In addition, collaboration with external parties, such as government agencies, Shari'ah financial institutions, and academics, also needs to be strengthened to develop innovations in zakat management and optimize its impact on the poor. As an effort to develop future research, further research can use a quantitative approach with the method of studying the economic impact of zakat on *mustahik* in the long term. With a more targeted strategy implementation, it is expected that financial management in Sharia Financial Institutions can be more optimal in helping people in need and become a more effective and professional financial management model.

## REFERENCES

- Adinugraha, H. H., Shulhoni, M., & Achmad, D. (2023). Islamic social finance in Indonesia: Opportunities, challenges, and its role in empowering society. *Review of Islamic Social Finance and Entrepreneurship*, 62(<https://doi.org/10.20885/RISFE.vol2.iss1.art4>), 45–62. <https://doi.org/10.20885/risfe.vol2.iss1.art4>
- Adiwijaya, Z. A., & Amilahaq, F. (2023). Mustahik Economic Empowerment through Micro Business Development. *Jurnal Ilmiah Ekonomi Islam*, 9(2), 1683. <https://doi.org/10.29040/jiei.v9i2.7446>
- Al Mustaqim, D., & Makarrim, A. (2024). YBM PLN's Strategy in Supporting SDGS through ZIS Potential in Maqashid Syariah Perspective. *International Journal of Islamic Economics*, 6(01), 1. <https://doi.org/10.32332/ijie.v6i01.8855>
- Allsop, D. B., Chelladurai, J. M., Kimball, E. R., Marks, L. D., & Hendricks, J. J. (2022). Qualitative Methods with Nvivo Software: A Practical Guide for Analyzing Qualitative Data. *Psych*, 4(2), 142–159. <https://doi.org/10.3390/psych4020013>
- Amrullah, M. T., Nisa, C., & Pe, C. D. (2024). IKOPZ: Measuring The Accountability of Zakat, Infaq, and Sadaqah Fund Management in BAZNAS Jakarta Province. *Perbanas Journal of Islamic Economics and Business*, 4(2), 165. <https://doi.org/10.56174/pjieb.v4i2.258>
- Aslamiyah, S. (2024). Bridging the gap: evaluating Indonesia's national income



- and societal welfare through an Islamic economic perspective. *Journal of Islamic Economics Management and Business (JIEMB)*, 6(1), 23–44. <https://doi.org/10.21580/jiemb.2024.6.1.20358>
- Asrida, A., Iska, S., & Putriana, V. T. (2023). Roles of Indonesia Magnificence of Zakat in Managing Zakat, Infaq and Sadaqah. *International Journal of Multidisciplinary Research of Higher Education*, 6(2), 85–96. <https://doi.org/10.24036/ijmurhica.v6i2.25>
- El-Alami, D., Ab Rahman, M. F., & Jailani, M. R. (2024). Zakat-Based Microfinancing: Insights from The Melaka Islamic Religious Council (MAIM). *Journal of Fatwa Management and Research*, 29(3), 199–218. <https://doi.org/10.33102/jfatwa.vol30no1.659>
- Engkizar, E., Jaafar, A., Sarianto, D., Ayad, N., Rahman, A., Febriani, A., Oktavia, G., Guspita, R., & Rahman, I. (2024). Analysis of Quran Education Problems in Majority Muslim Countries. *International Journal of Islamic Studies Higher Education*, 3(1), 65–80. <https://doi.org/10.24036/insight.v3i1.209>
- Engkizar, E., Jaafar, A., Taufan, M., Rahman, I., Oktavia, G., & Guspita, R. (2023). Quran Teacher: Future Profession or Devotion to the Ummah? *International Journal of Multidisciplinary Research of Higher Education (IJMURHICA)*, 6(4), 196–210. <https://doi.org/10.24036/ijmurhica.v6i4.321>
- Ervy Apriliyawati, Reza Tatimatus Sholikhah, & Desiwy Widyawaluyanda. (2023). Developed Countries: Challenges of Developing Countries, the Role of Islamic Institutions and Finance in Indonesia. *Proceeding of International Conference on Islamic Economics, Islamic Banking, Zakah and Waqf*, 1, 355–368. <https://doi.org/10.24090/icibzawa.v1i.769>
- Faizin, M., Karimullah, S. S., Faizal, B. T. W., & Lubis, I. H. (2024). Development of Zakat Distribution in the Disturbance Era. *Jurnal Ilmiah Mizani: Wacana Hukum, Ekonomi Dan Keagamaan*, 10(2), 196. <https://doi.org/10.29300/mzn.v10i2.2997>
- Fitria, Z., & Sukardi, A. S. (2025). Effectiveness of Infaq and Shodaqoh Empowerment in Religious Tourism Areas: A Study on the Menara Kudus Mosque. *Journal of Islamic Economic Laws*, 8(01), 106–128. <https://doi.org/10.23917/jisel.v8i01.7371>
- Hamzah, M. (2024). The Role and Legal Aspects of Infaq, Sadaqah, and Waqf in Realizing Economic Equality and People's Welfare. *Al Iqtishadiyah Jurnal Ekonomi Syariah Dan Hukum Ekonomi Syariah*, 10(1), 107. <https://doi.org/10.31602/iqt.v10i1.14950>
- Happy Sista Devy, Husni Awali, Rita Hadiyati, & Aurell Achza Rayne Effendi. (2021). Good Corporate Governance As A Corporate Strategy During The Covid-19 Pandemic in Islamic Financial Institutions. *Mutanaqishah : Journal of Islamic Banking*, 1(1), 21–30. <https://doi.org/10.54045/mutanaqishah.v1i1.2>
- Ivanka, M., Siregar, S. W., & Dharmawan, A. Z. (2024). Realizing the SDGs Through the Development of Islamic Finance: Its Impact on Environmental Quality, Economic Growth, and Population in All Provinces of Indonesia. *Jurnal Magister Ekonomi Syari'ah*, 3(2 Desember), 15–35. <https://doi.org/10.14421/jmes.2024.032-02>
- Khairil, Useldi, & Novi Mubyarto. (2024). Management of Zakat Funds in Improving The Community Economy. A Study on The National Amil Zakat Agency of Merangin District. *The Asian Journal of Professional & Business Studies*, 5(1). <https://doi.org/10.61688/ajpbs.v5i1.315>
- Mais, R. G., & Palindri, L. (2020). Penerapan Prinsip Akuntabilitas Dan

- Transparansi Dalam Mengelola Keuangan Desa. *Jurnal Akuntansi Dan Governance*, 1(1), 57. <https://doi.org/10.24853/jago.1.1.57-66>
- Mawardi, I., Widiastuti, T., Al Mustofa, M. U., & Hakimi, F. (2023). Analyzing the impact of productive zakat on the welfare of zakat recipients. *Journal of Islamic Accounting and Business Research*, 14(1), 118–140. <https://doi.org/10.1108/JIABR-05-2021-0145>
- Menne, F., Mardjuni, S., Yusuf, M., Ruslan, M., Arifuddin, A., & Iskandar, I. (2023). Sharia Economy, Islamic Financial Performance and Factors That Influence It—Evidence from Indonesia. *Economies*, 11(4), 111. <https://doi.org/10.3390/economies11040111>
- Mohamed, M. I., & Shafiai, M. H. M. (2021). Islamic Agricultural Economic Financing Based On Zakat, Infaq, Alms And Waqf In Empowering The Farming Community. *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita*, 10(1), 144–161. <https://doi.org/10.46367/iqtishaduna.v10i1.334>
- Mohammad Qutaiba, Mohd Owais, & Muharam, A. S. (2024). The Current Issue of Reporting Zakat in Indonesia: A Critical Analysis. *Journal of Islamic Economic and Business Research*, 4(1), 1–23. <https://doi.org/10.18196/jiebr.v4i1.227>
- Muhammadun, M., & Semaun, S. (2024). The Role of Lembaga Keuangan Syari'ah (Lembaga Keuangan Syari'ah) In Improving Literacy and Community Participation in Fulfilling Agricultural and Livestock Zakat. *International Journal of Health, Economics, and Social Sciences (IJHESS)*, 6(3), 671–684. <https://doi.org/10.56338/ijhess.v6i3.5019>
- Mukhlisin, Wahab, A., Setiaji, B., & Tazhdinov, M. (2024). Zakat Maal Management and Regulation Practices: Evidence from Malaysia, Turki and Indonesia. *Journal of Human Rights, Culture and Legal System*, 4(2), 569–592. <https://doi.org/10.53955/jhcls.v4i2.204>
- Mulindra, M. A., Novianty, I., & Setiawan, I. (2023). Muzakki's Perception Regarding Implementation Good Corporate Governance (GCG) Against Muzakki's Trust in OPZ. *Indonesian Journal of Economics and Management*, 3(3), 582–591. <https://doi.org/10.35313/ijem.v3i3.4876>
- Nevedal, A. L., Reardon, C. M., Opra Widerquist, M. A., Jackson, G. L., Cutrona, S. L., White, B. S., & Damschroder, L. J. (2021). Rapid versus traditional qualitative analysis using the Consolidated Framework for Implementation Research (CFIR). *Implementation Science*, 16(1), 67. <https://doi.org/10.1186/s13012-021-01111-5>
- Nopiardo, W., Asrida, A., & Elfadhli, E. (2025). Management Model of Zakat Collection at the Badan Amil Zakat Nasional in the Province of West Sumatra Indonesia. *International Journal of Multidisciplinary Research of Higher Education (IJMURHICA)*, 8(1), 24–36. <https://doi.org/10.24036/ijmurhica.v8i1.277>
- Nopiardo, W., Asrida, A., & Mariyani, F. (2024). Analysis of High School Learners on Zakat and Waqf Management Program at Islamic Higher Education: A Mixed Methods Approach. *International Journal of Islamic Studies Higher Education*, 3(3). <https://doi.org/10.24036/insight.v4i1.213>
- Petersson, L., Larsson, I., Nygren, J. M., Nilsen, P., Neher, M., Reed, J. E., Tyskbo, D., & Svedberg, P. (2022). Challenges to implementing artificial intelligence in healthcare: a qualitative interview study with healthcare leaders in Sweden. *BMC Health Services Research*, 22(1), 850. <https://doi.org/10.1186/s12913-022-08215-8>
- Rahman, I., Kustati, M., & Sepriyanti, N. (2024). Sustainable Development: Implementation of The Talqin Method In Memorizing The Quran. *Jurnal Kepemimpinan Dan Pengurusan Sekolah*, 9(1), 99–108.

<https://doi.org/10.34125/jkps.v9i1.355>

- Rasdiany, A. N., Akmal, F., Pasaleron, R., Dafrizal, D., Ningsih, R., & Rahman, I. (2024). Systematic Literature Review: The Impact of Social Competence on Teacher Communication Intelligence. *Jurnal Kepemimpinan Dan Pengurusan Sekolah*, 9(2), 239–251. <https://doi.org/10.34125/jkps.v9i2>
- Rozalinda, R., Agusna, W. L., Wira, A., & Azis, S. (2024). Bibliometric Analysis of Islamic Macroeconomic Publication Trends Using VOSviewer. *International Journal of Islamic Studies Higher Education*, 3(1), 32–49. <https://doi.org/10.24036/insight.v3i1.172>
- Rusanti, E., ... S. H.-A.-I. J., & 2023, undefined. (2023). Zakat Empowerment Model Trough Islamic Corporate Social Responsibility Of Bank Syariah Indonesia. *Jurnalfai-Uikabogor.Org*, 14(1), 2579–6453. <https://doi.org/10.32507/ajei.v14i1.1866>
- Sa'i, M. K., Nashirudin, M., & Fuadi, R. (2023). The Role of BAZNAS in Empowering Communities Affected by the Recession through the Mustahik Economic Empowerment Institute. *Jurnal Ilmiah Ekonomi Islam*, 9(2), 1773. <https://doi.org/10.29040/jiei.v9i2.8706>
- Sasmita, N., Arif, A., & Mursalim, M. (2023). Pengaruh Transparansi Informasi Akuntansi Mandatory dan Voluntary Terhadap Kinerja Perusahaan Advertising di Kota Makassar. *Journal of Accounting and Finance (JAF)*, 4(2), 48–63. <https://doi.org/10.52103/jaf.v4i2.1855>
- Serafini, F., & Reid, S. F. (2023). Multimodal content analysis: expanding analytical approaches to content analysis. *Visual Communication*, 22(4), 623–649. <https://doi.org/10.1177/1470357219864133>
- Sidik, F., Mubarrok, D. H., & Mujib, H. (2024). The Influence of Transparency and Accountability of The “Amil Zakat Persatuan Islam. *Institution on Muzakki Beliefs. Syari'ah Economics*, 7(2), 69–79. <https://doi.org/10.36667/se.v7i2.1972>
- Syahbandir, M., Alqarni, W., Dahlawi, M. A. Z., Hakim, A., & Muhiddin, B. (2022). State Authority for Management of Zakat, Infaq, and Sadaqah as Locally-Generated Revenue: A Case Study at Baitul Mal in Aceh. *Al-Ihkam: Jurnal Hukum Dan Pranata Sosial*, 17(2), 554–577. <https://doi.org/10.19105/AL-LHKAM.V17I2.7229>
- Tümen Akyildiz, S., & Ahmed, K. H. (2021). An Overview of Qualitative Research and Focus Group Discussion. *International Journal of Academic Research in Education*, 7(1), 1–15. <https://doi.org/10.17985/ijare.866762>
- Zaharah, R., & Fauzi, M. Y. (2024). Sharia Economic Law Analysis on Zakat Management at Lembaga Keuangan Syari'ah Bandar Lampung City. *Jurnal Justisia Ekonomika: Magister Hukum Ekonomi Syari'ah*, 8(2), 1135–1148. <https://doi.org/10.30651/justeko.v8i2.23630>

**Copyright holder:**

© Asrida, A., Yenti, E., Asmadia, T., Emrizal, E., Ayu, S. P.

**First publication right:**

International Journal of Multidisciplinary of Higher Education (IJMURHICA)

**This article is licensed under:**

**CC-BY-SA**