

MEASUREMENT OF SHARIA BUSINESS PERFORMANCE WITH AL-FALAH APPROACH

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ABSTRACT

This study aims to conduct performance measurement analysis with the Al-Falah approach. Al-Falah's approach is evaluated in accordance with Islamic law where the purpose of human life is to achieve worldly benefits and the well-being of the hereafter. The methodology used in this research is qualitative descriptive through reference studies conducted with scientific level through data collection, data reduction, data presentation, data validation and drawing conclusions. The results of the study formulate the concept of business performance through al-falah approach that balances aspects of worldly welfare and the well-being of the hereafter through eight balance indicators namely property development, worship, capacity development, spiritual development, salary eligibility, implementation of zakat, sustainability of business organization and ukhuwah in the organization.

Keywords: Performance, Al-Falah, Worldly Welfare, Hereafter Welfare

INTRODUCTION

The existence of a business or company that applies sharia principles must be followed with the existence of a sharia business performance measurement method. Measurement of business performance does not only refer to financial aspects but must include various aspects supporting other business activities, both material and non-material. Measuring the performance of sharia companies or businesses currently uses several methods that refer not only to financial aspects or increasing profits but also to various other supporting aspects that support the sustainability of the company's business. Performance appraisal has a strategic role to be able to map various strategic policies that will be implemented in the company.



The role of performance measurement for companies is important for employees and companies as a reference for taking corrective actions to improve performance, as a basis for determining appropriate compensation, as a basis for determining employee placement according to their expertise, as a basis for companies in providing training, basis for career planning, as an assessment of performance quality employees and as feedback on the implementation of the Human Resource Management function (Wayan Arthabawan, 2017). In addition, performance measurement must provide a real picture of the state of the company so that decisions can be made according to the needs of the company.

There are several methods of measuring business performance including performance measurement using a *balanced scorecard*. This *balanced scorecard* performance measurement uses a financial perspective, listener perspective, internal business process perspective and growth and learning perspective. Performance measurement using the balanced scorecard is still considered unrepresentative of various other indicators inherent in the company, in companies that apply sharia values in which this measurement method cannot explain religious values which should also be the basis for indicators of business performance achievement (Fera Devani and Ade Setiawarnan, 2015).

Firdaus developed a performance measurement that accommodates more sharia values through business performance measurement using the *masalahah scorecard* as an answer to the inability of the *balanced scorecard method* to answer sharia aspects in measuring sharia business performance. This concept formulates six business performance measurement orientations, namely asset orientation, customer orientation, worship orientation, internal process orientation, learning orientation and workforce orientation (Firdaus and Prianto, 2013). However, this performance measurement method has not been able to fully accommodate the benefit goals because it has not formulated the concept of balance in achieving human life goals, namely *al-falah* through the value of *masalahah*.

METHOD

The research method used is descriptive qualitative. The type of data used is in the form of secondary data, namely sourced from references related to the research subject collected from references in the form of journals, books and other references related to the study being discussed.



RESULTS AND DISCUSSION

The concept of *Al-Falah* in measuring business performance includes two important elements, namely to achieve worldly prosperity and happiness in the hereafter. Worldly well-being can be shown as follows:

1. World Welfare

a. Property Development

Allotment of property for a Muslim can be used for positive activities such as worship, some worship in Islam requires assets in its implementation such as zakat, alms and grants (Andiko, 2016). Therefore, looking for treasure must fulfill two aspects, namely the aspect of the world and the hereafter. As monodual beings, humans have physical and psychological elements, both of which require balance so that humans can live perfectly to fulfill their physical and spiritual needs (Ichsan, 2015). For a Muslim, the balance of life in the world and the hereafter is a goal, therefore in his activities humans must strive to prepare for the affairs of the hereafter without neglecting their worldly affairs. Allah SWT says in QS Al-Qashash:77

وَابْتَغِ فِيمَا آتَاكَ اللَّهُ الدَّارَ الْآخِرَةَ وَلَا تَنْسَ نَصِيبَكَ مِنَ الدُّنْيَا وَأَحْسِنْ كَمَا أَحْسَنَ اللَّهُ إِلَيْكَ وَلَا تَبْغِ الْفُسَادَ فِي الْأَرْضِ إِنَّ
اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ ٧٧

Translated:

And seek (reward) the land of the Hereafter with what Allah has bestowed upon you, but do not forget your share in this world and do good (to others) as Allah has done good to you, and do not do mischief on earth. Indeed, Allah does not like people who do damage.

In seeking wealth, humans are ordered to always be serious and not to be lazy and to balance between worship and seeking halal sustenance. Allah SWT said in QS. Al Jumuah verse 10

فَإِذَا قُضِيَتِ الصَّلَاةُ فَانْتَشِرُوا فِي الْأَرْضِ وَابْتَغُوا مِنْ فَضْلِ اللَّهِ وَاذْكُرُوا اللَّهَ كَثِيرًا لَعَلَّكُمْ تُفْلِحُونَ ١٠

Translated:

When the prayer has been carried out, then scatter you on earth; seek Allah's bounty and remember Allah a lot so that you will be successful.

Working for every human being is a necessity, not just an obligation because work is human nature given by Allah SWT to humans. Humans make work an effort in order to fulfill their life needs, both physical needs such as clothing, food and shelter or other needs such as pleasure (Wijayanti, 2018). Working to earn wealth is ordered in Islam, Rasulullah SAW called on his people to earn a living by working through various types of work whether it be through trade, farming and so on and does not want a Muslim to just worship silently and only wait for



the sustenance that has been promised by Allah SWT. Working hard is an obligation for humans who live on this earth, the Prophet and his friends have taught many lessons about work ethic (Ramadhan and Ryandono, 2015).

b. Capability Development

The development of one's capabilities and competencies as well as cooperation within an organization will affect the success of the organization (Nurrohim). Employee capabilities or competencies show skills or knowledge that are characterized by professionalism in a particular field and are applied to improve their performance. The competencies possessed will show the characteristics of the knowledge and skills possessed or needed by each individual which demonstrates the ability of each employee to complete their work effectively and raise professional quality standards in their work (Ataunur and Ariyanto, 2016).

Competence is the ability to work by integrating knowledge, skills, abilities and personal values based on experience and learning possessed in the framework of carrying out tasks carried out in a professional, effective and efficient manner (Fatmah, 2017). The development of employee capabilities or competencies characterizes the company's seriousness in *upgrading* the company so that business performance can be improved.

Competence is the basis for evaluating employee performance. Competence possessed by an employee is not just the knowledge or skills he has, but a very complex special ability. The competence of an employee can be seen from the way a person behaves at work (Kartika and Sugiarto, 2016). Therefore increasing employee competence is a must that needs to be done by companies to increase company productivity.

c. Decent wages

In the concept of sharia, wages have two dimensions, namely the dimensions of the world and the hereafter. In the world dimension, the application of wages must pay attention to the moral concept so that rewards can be obtained from these wages, ignoring morals means that the hereafter dimension will not be achieved. Fair and decent wages are the characteristics of wages in the world dimension. Fair wages mean that the wages given are clear, transparent and proportional, while decent means that the wages given must meet the needs for food, clothing and shelter (Agustian and Mellita, 2020). In addition to fair and decent wages, the principles that form the basis for determining wages and wages according to sharia are taking into account the principles of virtue, namely principles which in a work relationship can be interpreted as principles that touch on spiritual aspects or relate to the ability to touch the



conscience of the job owner so that can give more appreciation to workers (Firmansyah and Fauzy, 2017).

Wages given to workers must be clear and in accordance with the previous agreement and not carry out practices that could violate the wage agreement contract. In the hadith narrated by Abd ar-Razzaq from Ibn Hanifah and Said al-Khudri, that means: *From Abu Said al-Khudri ra. That Rasulullah SAW said: "whoever employs a worker should he determine his wages". (Narrated by Abdurrazzaq)* (Muhajir, at.al., 2021). Based on this, the determination of wages and the eligibility of wages is a fundamental thing that must be met by companies to ensure employee welfare.

d. Organizational Sustainability

Organizational survival will be realized if organizational managers pay attention to environmental sustainability, have mutual respect, make appropriate and acceptable business policies. The sustainability of the organization in implementing the benefit foundation is by taking preventive action on problems that arise (Kadir, 2019). Organizational sustainability is in accordance with the *triple bottom line concept* put forward by Elkington which contains three main concepts in determining organizational sustainability, namely environmental, social and economic. The company has a role and contribution in the social, economic and environmental management aspects together. In the social dimension, a company has a function in providing the welfare of employees and the community regardless of the existing background. Furthermore, on the economic dimension of the sustainability of the company's organization can be measured through growth and revenue through the level of growth in sales of competitors, the level of satisfaction with sales growth, the benefits obtained compared to competitors, the profit position obtained compared to competitors, the position of financial liquidity compared to competitors and the level of satisfaction on the company's return on investment (UW Nuryanto, at.al., 2020).

2. Hereafter Prosperity

a. Worship

Islam has explicitly explained that the nature of human creation is for the purpose of worshiping Allah SWT so that all work carried out by humans must always be in accordance with the values of worship. As the word of Allah SWT in QS Adz Dzariyat [51]: 56

وَمَا خَلَقْتُ الْجِنَّ وَالْإِنْسَ إِلَّا لِيَعْبُدُونِ ٥٦

Translated:

I did not create jinn and humans except that they should worship Me.



The purpose of a business or company is related to the *maslahah* element, namely maintaining religion, placing this as the goal of the hereafter which is implemented in the practice of worship to Allah SWT (Kadir, 2019). In the aspect of worship, to create a business organization that provides *maslahah* can be done by building a foundation of welfare in the form of faith, sharia and morals (Agnes Yolanda: 2020). The application of faith, sharia and good morals in a company will create an Islamic atmosphere in carrying out company activities.

b. Spirituality

The ability of Islamic spirituality possessed by humans can be developed so that it can be useful and efficient as motivation to action in achieving life goals. Islamic spiritual values are based on faith in Allah SWT which forms worship-oriented attitudes and practices. The value of Islamic spirituality for business actors, including employees or company owners, is important because it is the spearhead of sustainable business development. (Hijriah, 2016).

Spirituality within the scope of business research is one of the key indicators of long-term business organizational success. In a business organization that has good spiritual abilities will be able to maximize employee commitment, satisfaction and intrinsic motivation (Wibowo, 2017). Muafi stated that there are several indicators that can be used to measure religious performance, namely the intention to work to expect the pleasure of Allah SWT, use sharia values in a kaffah manner when working, his belief in work is to seek the benefits of the world and the safety of the hereafter, carry out the principles of efficiency and the principle of benefit consistently. maintaining a balance to seek wealth and keep worshiping, not consumptive as a form of gratitude to Allah SWT, distributing zakat infaq and alms and giving compensation to the poor and orphans (Jufri, at.al., 2021).

Wealth obtained will not be useful without being based on faith and devotion to Allah SWT. In Islam, business is not only oriented to aspects of the world but must also be oriented to the hereafter. Seeking as much profit as possible in Islam is not something that is prohibited with a note that wealth from profits obtained in business activities is distributional because the main value in owning assets is the ability to spend these assets in the way of Allah SWT to realize *maqashid sharia* (Khairi, 2013).

c. Implementation of Zakat

The orientation of zakat within a company or business organization makes the company no longer only aims to achieve maximum profits but also strives to achieve the optimum amount of zakat payments. Net profit is no longer a measure of *performance* in Islamic companies but places zakat as a measure of company performance (Triyuwono, 2001). Zakat



as one of the Islamic economic instruments apart from being an obligation ordered by Allah SWT, also has a role in social aspects. Zakat has a function that is personal or oriented towards a vertical relationship with Allah SWT, some of the functions of zakat for a Muslim include:

- 1) Rid yourself of miserliness
- 2) Eliminate the miserly nature of property owners
- 3) Develop a sense of social responsibility, especially for property owners
- 4) Reassuring mustahiq feelings , because there is concern for them
- 5) Train or educate spend and give
- 6) Growing wealth of heart and purify oneself from sin
- 7) Purify the assets of the *muzakki*, etc.

In addition, the function of zakat which is oriented towards horizontal relations to fellow human beings, among others

- 1) Establish friendship (brotherhood) among Muslims and humans in general
- 2) Elevating the degree of the poor and helping him get out of life's difficulties and suffering
- 3) Cleanse the nature of envy and envy, hate and desire (social jealousy) from the hearts of the poor.
- 4) Forms of mutual cooperation and help in kindness and piety (Syafiq, 2019).

Islam requires zakat and determines its nisab for the purpose of equalizing social security so that more and more rights of the poor are fulfilled and thus will be able to reduce the social class gap between the poor and the rich in society. Islam does not want the widening of differences between social classes in society because it can give rise to feelings of revenge and hatred such as unrest which is the cause of divisions in society (Rahman, 2019). Therefore, in measuring sharia business performance it is important to include zakat implementation indicators with the aim of maintaining good relations between the company and the surrounding community. In addition to zakat, the distribution of benevolent funds owned by companies can also be channeled in other forms, for example through *Corporate Social Responsibility* (CSR), donations, alms or company grants.

d. Ukhuwah in the Organization

Ukhuwah or brotherhood is a value that supports the sustainability of a business organization. *Ukhuwah* in Islam is called *ukhuwah Islamiyah*, namely the bond that exists between Muslims because of the similarity of faith in religion which will form a sense of mutual love, mutual assistance, mutual defense, mutual respect, cooperation, tolerance and prioritizing the value of justice in the event of a dispute between them (Syeikh, 2020). In business these



values are important to apply in order to create a healthy atmosphere at work. These values can direct employees or company owners to be able to collaborate in achieving the company's business goals by prioritizing the principle of ukhuwah. Several opinions also explain the value of ukhuwah and *human relations* which generally refer to the same thing, namely brotherhood among humans.

Human relations are understood as interactions carried out by one person to another in all situations and in all areas of life that can generate happiness and satisfaction from both parties or in other words both parties must participate actively in the relationship (Fauzi, 2015). A good relationship in a business organization is determined by how well the communication in it is established. Good communication within a business organization will support organizational success both in improving business performance and in adapting the organization to any changes in the existing business environment so that it can *survive* and even gain competitive advantage. Good communication between individuals and other parties in a business organization will facilitate the delivery of information (Nurrohimi and Anatan, 2009).

CONCLUDING

Sharia business performance measurement has a strategic role in determining the future of an organization or company. Performance measurement is used as evaluation and consideration by company owners in implementing policies that are useful in decision making. Performance measurement in sharia business must be in accordance with the goals to be achieved in life, namely achieving *al-falah* or prosperity in the world and the hereafter. The balance between the welfare of the world and the hereafter is an absolute thing that every Muslim wants to achieve. Therefore, in compiling the performance measurement of an Islamic company, it must pay attention to the balance of the world and the hereafter.

The *al-falah approach* in measuring business performance balances the human desire to achieve worldly and hereafter happiness through the measurement indicators used. The balance between property development and worship, the balance between capability development and spiritual development (*spiritual building*), the balance between the eligibility of wages and the implementation of zakat and the balance between organizational sustainability and ukhuwah within the organization. In addition, the *al-falah approach* in measuring business performance must pay attention to *Maqashid sharia*, namely protection of religion (*ad-din*), protection of reason (*al-aql*), protection of the soul (*an-nafs*), protection of offspring (*an-nasl*) and protection of property (*al-mal*). *Maqashid sharia* includes protection of religion shown



through indicators of worship and implementation of zakat, protection of reason through capability development and spiritual development, protection of souls through wage eligibility indicators, protection of offspring through indicators of organizational sustainability and ukhuwah and protection of assets through indicators of wealth development.

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