

THE IMPLEMENTATION OF SPIRITUAL COMPANY IN IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE PRINCIPLES IN TAMAN BATIK TERANG BULAN GROUP YOGYAKARTA

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Abstract

Good Corporate Governance is very closely discussed with spirituality that is based on religious teachings. Companies that pay attention to the spiritual aspects of doing business can be developed into a sustainable company. Companies that pay attention to the spiritual aspects of running a business, can develop into a sustainable company. Companies that are included in the category of spiritual companies make Good Corporate Governance (GCG) as a guideline and company value (company value) which is always upheld and practiced in daily business activities.

This study aims to describe the implementation of spiritual company on the principles of good corporate governance in the Taman Batik Terang Bulan Group in Yogyakarta. The method used to determine informants is purposive sampling. In this qualitative research data collection using interviews, documentation and observation. From the results of this study, it can be concluded that the implementation of the principles of good corporate governance in the Taman Batik Terang Bulan is quite good. This is proven by spiritual values in business activities. However, there is a need to improve understanding of the financial system and basic terms in financial accounting and the need for clear standards from companies in financial records and companies must be able to internalize and synergize basic GCG guidelines such as transparency, responsibility, accountability, independence, and fairness to stakeholders.

Keywords : Spiritual Company, Good Corporate Governance and Islamic Good Corporate Governance

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INTRODUCTION

The concept of universal good corporate governance is very closely related to the teachings of existing religions. The guiding principles of good corporate governance appear to be in harmony especially with religious teachings. The moral guideline dimensions of implementing good corporate governance include, among others, the principle of accountability, the principle of responsibility, the principle of transparency and the principle of fairness. According to Effendi (2016) that good corporate governance is a company's effort to approach the horizontal line towards a spiritual center such as transparency, responsibility, accountabilities, fairness and social awareness. Honesty, responsibility, trustworthiness and dependability and sensitivity to the social environment is the goal of implementing good corporate governance.

Observations made by researchers, indicate that the existence of Taman terang Bulan Batik Group has now been running for three generations. The presence of a family business group is a form of rational response to an institutional context that has undefined characteristics of ownership, the presence of cronyism, the absence or weakness of the rule of law on the product, the lack of professional management personnel. Efforts made by the first generation is to create a family business that prioritizes the relationship between owners and employees is based on the principle of kinship. But on the other hand, until the third generation (now) the emergence of various actions taken by the family to be more professional and have a reduced sense of family. However, the successor of the third generation is very aware of the importance of implementing good corporate governance as an effort to achieve spirituality in carrying out business activities to become a company that is sustainable. As for the problems encountered by the family it is not easy to realize becoming a company with the label "spiritual company". There are several aspects that must be considered, for example, appearance, behavior, documented values (vision and mission), values that are actually applied and a paradigm. Motivation for material ownership and satisfying ambition often becomes the main motive for implementing good corporate governance. The results that will be achieved if good corporate governance is motivated only for content satisfaction will lead to various problems.

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Some studies support research concepts such as, Muafi (2003) suggest that spiritual motivation is a belief in life, a vocation that departs from the heart such as prayer and prayer. With the aim to regulate human needs such as primary needs (basic needs), secondary (pleasure). Indrawaty and Wardayati (2016) argued that the principles of corporate governance, especially accountability and fairness when associated with sharia aspects, must consider spirituality and material values. Karakas (2009) argues that the level of religiosity provides benefits for employees and supports company performance through religiosity improving employee quality and quality of life, religiosity gives employees a sense of purpose and meaning of work, and religiosity gives employees a sense of interrelation and community.

The contradictory research found is that spirituality and moral values do not contribute to the implementation of corporate governance. Tapanjeh (2009) argues that governance guidelines using the OECD (Organization of Economics Co-operation and Development) guidelines cannot be adopted with corporate spirituality values, because the Islamic perspective dimension of corporate governance has a broader scope and cannot be separating the roles and responsibilities in which all actions and obligations are in accordance with Islamic principles whereas the OECD principles implement the company with only six guidelines namely the legal basis for implementing GCG, shareholder rights, shareholders' treatment, the role of stakeholders, accountability, and responsibility. Hashim et al (2015) put forward in terms that the application of the values of spirituality cannot be adjusted to the principles of conventional governance because there are some guidelines that cannot be linked to religious values. Based on the gap of previous research findings, research will be conducted to fill the gap by integrating the relationship of the application of the values of spirituality with good corporate governance in the Taman Batik Terang Bulan Yogyakarta Group.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Good Corporate Governance

The implementation of good corporate governance becomes a necessity for every company to achieve good corporate performance. The concept of universal good corporate governance is very closely related to the teachings of existing religions. The principles of good corporate governance are in fact harmonious. Alignment between internal and external

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aspects will improve company performance (Adebayo, *et al*, 2014). Furthermore, the organization must be designed to be able to achieve long-term goals in the form of the organization's vision and mission so that it impacts on company performance such as company value. This means that with the alignment of internal factors (such as good corporate governance) and external (culture) will be able to reduce managers to take opportunistic actions and subsequently have an impact on the value / performance of the company to be increased. Good corporate governance is actually an effort of the company to explore corporate values based on spirituality (Rego and Cunha, 2017). Attitude, honesty, responsibility, trustworthy, and dependability as well as sensitivity to the social environment that is the goal of good corporate governance. Besides that, the implementation of good corporate governance will experience success smoothly and successfully if it is supported by internalization of a good corporate culture (Karakas, 2009). Corporate culture is a value system that is believed by all members of the organization and is learned, besides that it is developed on an ongoing basis, functions as an adhesive system, and can be used as a reference behavior for every member in the organization to achieve company goals (Warrick, 2017).

Islamic Good Corporate Governance

The development of corporate governance is undergoing a process of internalization with Islamic values, given the existence of entities labeled as Islam continues to bloom in the midst of society. Therefore, corporate governance has become a conversation along with the development of Islamic Economics which is part of Islamic studies. For example Choudhury and Hoque (2006) found the theoretical and philosophical foundation of corporate governance is a combination of Islamic economics with an institutional perspective. Likewise Tapanjeh (a chairman of accounting from Mutah University, Karak, Jordan) who directly analyzes the comparison of corporate governance principles from two perspectives, so he concludes that corporate governance in an Islamic perspective has a wider range and does not separate between roles and responsibilities in all actions and obligations which are under the auspices of Islamic law.

Corporate governance in an Islamic perspective or can be termed Islamic corporate governance always links all concepts and behavior in business governance with things that are

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transcendental and immanent. This is a consequence of a Muslim's faith in Allah SWT. So from here we know the value of monotheism as the basis for all the beliefs, thoughts and behavior of a Muslim, including in understanding corporate governance. One of the principles which is the greatest derivative of monotheism is the principle of justice. Islamic teachings always encourage the ummah to be fair in every way, both in matters of aqeedah, sharia, and morals as a consequence of the faith and to achieve the degree of piety.

The concept of corporate governance from an Islamic perspective does not differ much from conventional definitions because it refers to a system in which the company is directed and controlled to meet the company's goals by protecting the interests and rights of all stakeholders. However, the Islamic paradigm shows differences in characteristics or characteristics compared to conventional systems when it comes to the issue of broader decision-making concepts using Islamic socio-scientific rationales based on the unity of Allah.

Corporate governance in Islam and the West plays a very important role in order to meet certain goals and objectives of the company. Actually, Islam has added its values earlier by emphasizing the maqashid elements of sharia which are not found in Western concepts. The objective functions place the shariah maqashid as the ultimate goal of Islamic governance. In general it is known that the company's main objective is to maximize the value of shareholder welfare. This indicates that companies in practice still use the adoption of Anglo-Saxon governance models. The context of Islamic corporate governance There are several studies that have been conducted and found alternative corporate governance models. Islamic companies can adopt a completely different model or make a modified version of the stakeholder-orientate model as an alternative to the corporate governance framework.

According to Choudury and Hoque (2006), the governance model is based on the principle of consultation which confirms that all stakeholders have the same goal, that is Tawhid. Meanwhile, according to Iqbal and Mirakhor (2004) that the governance model adopts a value system; stakeholders with a few modifications. In the context of Islam, the interests of stakeholders are not just returns or maximizing profits, but they prioritize interests that include elements of ethics, sharia, and the principle of monotheism. The fundamental difference with the western concept of the nature of ownership structures in the governance of

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Islamic companies is the shareholders and investment capital owners as legitimate owners, not just the shareholders themselves. The characteristics of corporate governance in Islam are combining the elements of deliberation, interactive processes, integration and evolution; Sharia rules or Islamic law; maintaining personal goals without ignoring social welfare obligations. Islamic companies have different corporate governance values than western corporate governance concepts.

Spiritual Company

The spiritual concept of business has three basic guidelines in understanding a business, namely ecosystems, community and transparency. In the ecosystem do not know the concept of losing or winning, destroyed or intact but a system that is sustainable, complementary, does not prey and together beautify the world. Community means that business is not just a profit making machine, but as a collection of assets and human resources. Transparency means that the company must be run without engineering so that management is seen clearly and fairly which leads to efficiency and effectiveness (Sule and Mulyana, 2004). Sule and Mulyana (2004) said that the spiritual value of business is built on three pillars namely transcendental, transparency and professionalism. Transcendental means that business will pass through the familiar, business is not just looking for money, collecting assets and later going public but also doing humanitarian activities. Transparency means business has a value of openness not engineering. Professional means that the business must prioritize skills, integrity, honesty, adaptive and ethical.

In the context of Islam, Islamic ethics comes from the Qur'an and the Sunnah of the Prophet Muhammad. Islamic work ethics views dedication in working as a virtue. Maximum effort a person must do at work because this is an obligation of a capable individual. Islamic work ethics emphasizes creative work as a source of happiness and achievement. Hard work is seen as virtue and anyone who works hard will succeed in life and vice versa, not working hard as a cause of failure in life (Hayat & Hassan, 2016). The meaning of work as worship is expected to produce output which is the accumulation of expressions of gratitude for all employees to God. It is this spirit that makes all employees from various lines willing to present their best work because the target is to get God's blessing where the output of quality

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products and increased company revenue are positive side effects that can be felt by stakeholders (Winarman, 2004).

Mitroff and Denton (1999) conclude that no organization can survive in the long run without applying the values of spirituality that become its spirit. What must be done is to find a way to manage the values of spirituality without separating it from other elements in company management. It's too far to separate these spiritual values from the key elements of the company and now it's time to integrate them. Spiritual values that form the basis of the company's mission and vision are universal. Even if the implementation is difficult to separate between the practice of spirituality and religiosity or even the two values are united, it does not mean that the company takes sides in a particular religion. Spiritual companies will always carry out operational processes of the company based on the foundation of noble values that not only think of its impact in the short term but the dimension used is the long term dimension. The long-term dimension in question is the accountability of everything done before the ultimate stakeholder (Allah).

Spiritual values in the company will place employees in the right position as humans. Likewise, employees are able to interpret work as worship and embody accountability to the ultimate stakeholder (Allah). This will have an impact on high organizational commitment. Laabs (1995) states that providing time for employees to fulfill their spiritual needs will benefit the company in various ways. Meeting the spiritual needs of employees will be able to grow and increase positive energy. Employees will also have a more positive attitude and a higher level of creativity. The company will also be able to witness dramatic changes in employees' mental, emotional and physical health. Laabs (1995) also said that the implementation of the spiritual-formation office would be felt by the company with fewer cases of harassment, work imperfections, stress levels and complaints from employees related to wage problems, and increased fund-raising activities, and increased harmony core values by expressing these values in daily activities.

METHOD

This research was conducted to obtain a description, as well as a deeper understanding of the implementation of spiritual company conducted by the leadership of Taman Batik Terang

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Bulan Yogyakarta in applying the principles of Good Corporate Governance (GCG). So that the type of research used in this study is field research and analytical methods are descriptive qualitative. Meanwhile, this study uses a qualitative approach that can be interpreted as a process of research approach that is conducted naturally and naturally in accordance with objective conditions in the field without any manipulation (Moleong, 2007).

The analysis used in this approach emphasizes the process of thinking inductively associated with the dynamics of the relationship between observed phenomena, and always using scientific logic. Data collection techniques are a method used by researchers to obtain data in a study. According to Sugiyono (2010), data collection can be obtained from observations, interviews, documentation, and combination or triangulation. The data analysis conducted in this study is divided in terms of its approach. A qualitative approach is carried out by means of Data Reduction, summarizing, choosing the main things, focusing on the important things, looking for themes and patterns. Presentation of data (Data Display) in the form of brief descriptions, charts, relationships between categories, flowcharts and the like. And conclusion drawing or verification by drawing conclusions and verifying data. The conclusion was presented with the support of strong evidence to support the validity of the data. Valid supporting evidence when collecting data will produce credible conclusions (Moleong, 2007).

RESULTS AND DISCUSSION

To realize good corporate governance, an organization that has global competitiveness requires human resources who have spiritual competence that has a major role in realizing integrity as a key behavior to create trust and moral values based on religious values. An organization must have moral values that guide employees and stakeholders to achieve the goals towards the spiritual values of Islam.

The achievement of Islamic spiritual values can occur when there is good synergy between employees and stakeholders where those parties are indeed committed to building a spiritual company. In addition there is a key to the success of an organization that is the work ethic. Work ethic is a major component that must be possessed by human resources. This can be seen in the conditions in the research object, namely the low awareness of employees in

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carrying out the duties and orders of superiors, indiscipline, working hours, lack of seriousness about each work's description, procedural errors related to payment systems to suppliers including unclear schedules, administration disorganized, unrecorded nominal amount. In addition there are circumstances where there is a shift between the first generation and the present generation that is felt by some employees. There is a refusal to change from senior employees, in addition to the apathy of employees towards the changing vision, mission, structure, and work climate. low sense of work involvement. The results of researchers' interviews with informant I (Bapak Arif) revealed that

"So, for directors and commissioners, there are gaps that occur due to a jump that has been missed. But yes, it can't be denied because this company is still family-friendly. So it is indeed difficult to make jumps, so yes it does take time. With me, I want to help and encourage the condition of the new system and balanced the family system. By the technique of making money there is a miscommunication between financial managers and operations. We are also currently making improvements in terms of bank account transactions so that they are easily carried out"

Based on the opinion expressed by informant I, it can be concluded that how important is the role of human resources to determine success. So the need for human resource management through good corporate governance. Based on the guidelines of the Organization of Economics Co-operation and Development (OECD) (1999), the OECD defines it as "a series of relationships between company management, the board, stakeholders, and other stakeholders. However, there are a number of problems that exist within the internal object of research including those related to lack of understanding of the vision and mission, organizational culture that is not conducive such as low levels of honesty, ignoring the value of discipline and basic values of the company, this is supported by the results of interviews with informant I

"If I were the first, they might be able to talk in detail because they only heard, but they have never applied it on one side to apply it like this, from we also have not implemented the target because we are in a period of improvement so we don't have too much homework to do. But now the easiest is the vision is how to be a productive human being but this still holds fast to the teachings of religion."

In fact, it shows that there is a need for more optimal implementation of good corporate governance with the aim of optimizing company values, corporate strategic objectives, internalizing the vision and mission so that employees can understand the core values and corporate philosophy. To be able to realize this, it must be able to internalize and synergize the

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basics of good corporate governance guidelines to stakeholders so that it will become an organizational culture in carrying out such governance.

This shows that the Terang Bulan Batik Garden Group has committed to prioritizing the transparency aspect into the internal organization. (2) accountability; seen from the management aspect of accountability has become a major concern, such as efforts made by related management in terms of improving financial reporting, revamping human resources, renewing the vision and mission, and changing marketing strategies, but management has problems due to weak employee support to support organizational strategy (3) responsibility, in this aspect the achievements that have been carried out include conducting social services at events (boot birthday of Taman Terang Bulan Group), mass circumcision, monthly zakat budgeting, routine recitation attended by employees and surrounding communities. These activities are a form of responsibility carried out by the organization; (4) independence, the fact shows that the organization is not involved in any interests and is purely a family company that prioritizes family values among stakeholders, but does not rule out the possibility that in the future the organization will involve independent commissioners in the company's operations; (5) fairness, the researcher observes that from the perspective of distributive justice, there is compatibility between salary and work output and compensation received by employees, from the aspect of procedural justice, there is a gap in information received by senior and junior employees. From the aspect of interactional justice, researchers found that communication and coordination between employees is still weak, both employees and fellow employees or employees with superiors.

Islamic values are the building blocks of human culture and habits in general, as well as Islamic values will be a guideline for behavior in organizing with the purpose of worship and merely hoping for the pleasure of Allah SWT. So that in working when applying Islamic values will provide high morale to employees and produce the achievement of company goals and progress optimally.

There is a problem of lack of understanding of the vision and mission of employees of the organization so the company should make improvements to become strategic values and will become the values of the company's culture. The problem of understanding the vision and

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mission in Taman Batik Terang Bulan is still a matter that needs attention because most employees still do not understand the meaning of the organization's vision and mission. Therefore it is necessary to plant a stronger vision and mission for all employees through the internalization of vision and mission into the company culture.

There are keys to organizational success including a work ethic. Work ethic is a major component that must be possessed by human resources. This can be seen in the conditions at Taman Terang Bulan Batik namely the low awareness of employees in carrying out the duties and orders of superiors, indiscipline working hours, lack of seriousness about each work's description, procedural errors related to payment systems to suppliers, unorganized administration, in addition there is a shift between the first generation with the current generation that is felt by employees, so the need for human resource management through GCG to improve the weak understanding of the company's vision and mission to employees. It is necessary to have an optimal application of GCG for the purpose of optimizing company values, the company's strategic goals, internalizing the vision and mission so that employees can understand the company's core values and philosophy. To be able to realize this, companies must be able to internalize and synergize the basics of GCG guidelines to stakeholders so that they will become cultural values in carrying out such governance.

In addition, problems related to financial recording are found, there is a need to improve understanding of the financial system and basic terms in financial accounting and the need for clear standards from companies in financial recording. There is a need for discipline in recording all transactions that occur and the need for financial strategic planning in making capital and planning investments in the future. Whereas from the aspect of human resources, it is necessary to apply more optimal GCG to be able to improve a good work ethic which is manifested in work loyalty, work discipline, work involvement, sense of belonging to the company and good working relationships. Companies must be able to internalize and synergize basic GCG guidelines such as transparency, responsibility, accountability, independence, and fairness to stakeholders.

The results of discussions with Informant II (Mr. Ismu) show that from a financial perspective there are still misunderstandings of recording assets where there is no

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understanding of the recording of assets, especially the classification of the most liquid assets so that it will be wrong in analyzing when recording capital changes and cash flow statements. In addition, there was a misunderstanding of the term dividend which had been distributed to the owners but there was no recording so there was a need to understand the term dividend and retained earnings. Administrative activities that are still in disarray make it difficult for the financial department to record financial transactions that occurred in the previous period where accounting activities that should be used as a basis for decision making then what happens is the chaos in looking for memorandum and receipts that result in ineffectiveness and inefficiency of the company. this is supported by the results of interviews with informant II

“So I followed the development of how to manage from my parents, and I immediately saw examples - examples given by our parents, ladies and gentlemen, all of this was done continuously. It means to continue, so it doesn't demand to follow a certain management flow. If I have difficulties I often ask people who are considered experts on finance, human resources, and things, I also learn from some people, books, etc. Then I practice what is known and learned. So every time I have an idea, I also do the activities carried out by my father. And if there are problems, they must be solved together. Yes while living a family and while selling there, which is good for life, this is good for trading like this. His life is not separated like this and his trade with this theory, so the point is also to use an approach with others, especially employees as well. For example, the approach you use when you shop at the market, so if you trade, you have to meet face to face so that the contact person is closer to the buyer

On this issue the Taman Batik Terang Bulan should pay attention to the existence of the company in order to compete with other batik companies. The existence of a company is very dependent on the transactions made. Companies that can conduct transactions well based on good planning and calculation will be able to maintain their existence and even get good business guidelines. Companies really need a system that regulates how transactions must be recorded systematically so that reports are obtained that can provide a picture of the company's activities in the past, present, and able to provide a picture of the company's prospects in the future. The system that regulates the recording of transactions that have been carried out by the company to the preparation of financial impact reports on transactions must be of concern to the company.

Observation of this phenomenon also found strategies efforts made by the Taman Batik Terang Bulan in building a culture of good corporate governance also refers to the principles of

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GCG itself, which consists of five principles therein, namely the principle of transparency, accountability, responsibility, independence, and fairness or equality. The application of GCG principles in a company is basically inseparable from the attitude of honesty, responsibility, trustworthy, and dependability, as well as sensitivity to the social environment that is owned by company leaders even to its employees. That attitude is inherited by the Prophet Muhammad to his people. He who became *uswah hasanah* as a professional leader, and has an outstanding reputation and integrity. Thus, the principles of GCG can be applied through the traits inherited by the Prophet, namely the *sidiq*, *amanah*, *tablig* and *fatanah*.

Through the nature of the *tablig* which is owned by Mr. Arif and Mr. Ismu as the next generation as well as company management, is closely related to the adoption of these principles, the reason for the leader who has the nature of the *tablig* is a communicative, informative and transparency leader. With these basic characteristics, leaders can convey, broadcast, disclose and report various kinds of information available.

So the basic principle of **transparency** has been carried out by the leadership of Taman Batik Terang Bulan. Based on the results of interviews conducted by several informants in Taman Batik Terang Bulan, it was stated that the leadership in implementing organizational culture or corporate governance based on the Qur'an and Sunnah, even in its doctrine, the leadership stated that working was for worship, responsible for family living and work professionally. In addition, the leaders also always call for goodness, "*amar ma'uf*", and prevent deviations that deviate from religion, "*nahi mungkar*", and act wisely in responding to both.

The second principle, namely **accountability**, has not been implemented optimally by Taman Batik Terang Bulan. Employees feel the details of the duties and responsibilities of each division and employees are unclear and employees do not understand in harmony with the vision, mission, corporate values or strategy company. In addition, Taman Batik Terang Bulan has not mapped all of its employees who have the ability in accordance with their duties and responsibilities, as well as their role in implementing the program. For example in delegating an HR division's responsibility, the leader assigns responsibility to employees who are competent in the field. Based on the results of an interview with Mr. Arief, it was felt that the

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recruitment of employees in general was actually not feasible, but yes the human resource needs did not meet the standards because there were so many shortcomings and did not meet the requirements. Second, age was related to old and young employees. If the recommendation from Mr. Arief, actually all employees must be upgraded. But the founder of Taman Batik Terang Bulan has a philosophy that is inherited by the company, which is a sense of kinship so that employees tend not to have competence in their respective fields.

The third principle is the principle of **responsibility** which is basically directly related to the characteristics of a leader. Among the characteristics of an Islamic leader is faith and devotion to Allah SWT, because leadership is closely related to the achievement of the ideals or goals of the company, therefore leadership must be in people who uphold faith and devotion to Allah SWT. This is very synergized with the vision carried by the leadership, which indoctrinates its employees in shaping the intention to work because of worship. In addition, the leaders and founders of Taman Batik Terang Bulan have a strong Islamic background, even on their journey to start the Taman Batik Terang Bulan, starting with social activities that are not at all expecting profit from him, solely because of the provision of faith and piety to Allah SWT. This is the basis for the application of the principle of accountability in the realm of internal management by the leadership, with the existence of the devotion and faith of the leader to uphold the existing SOP and the models conducted by the manager and the family, by providing good examples and role models to their employees. The leadership, in this case the management, also enters the office on time and follows recitation activities regularly in the morning. This proves that the management's role in implementing GCG in Taman Batik Terang Bulan has greatly contributed.

The fourth principle is the principle of **independence**, in its implementation, the Taman Batik Terang Bulan is in compliance with the Anggaran Dasar (AD) and the Anggaran Rumah Tangga (ART), SOP, and various kinds of laws and regulations to carry out its organizational activities. The nature of an intelligent leader (fathanah) is indispensable in managing an organization, the reason this responsibility is very heavy felt if the leader does not have a character that understands and is understood, comprehended and understood, clever and intelligent.

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The final principle, namely the principle of **fairness or equality**, Taman Batik Terang Bulan not been optimal given attention to justice and equality in meeting the interests of shareholders. Submission of monthly, quarterly, semiannual and annual reports in annual member meetings has not been carried out properly by the Taman Batik Terang Bulan carry out these principles. The results of discussions with Mr. Arif showed that from a financial perspective there was still a misunderstanding of recording assets where there was no understanding of the recording of assets, especially the classification of the most liquid assets so that they would be wrong in analyzing when recording capital changes and cash flow statements. In addition, there was a misunderstanding of the term dividend which had been distributed to the owners but there was no recording so there was a need to understand the term dividend and retained earnings. Administrative activities that are still in disarray make it difficult for the financial department to record financial transactions that occurred in the previous period where accounting activities that should be used as a basis for decision making then what happens is the chaos in looking for memorandum and receipts that result in ineffectiveness and inefficiency of the company. On this issue the Taman Batik Terang Bulan should pay attention to the existence of the company in order to compete with other batik companies. The existence of a company is very dependent on the transactions made. Companies that can conduct transactions well based on good planning and calculation will be able to maintain their existence and even get good business guidelines. Companies really need a system that regulates how transactions must be recorded systematically so that reports are obtained that can provide a picture of the company's activities in the past, present, and able to provide a picture of the company's prospects in the future. The system that regulates the recording of transactions that have been carried out by the company to the preparation of financial impact reports on transactions must be of concern to the company.

CONCLUSION

Based on the phenomena that have been found and the findings obtained there are a number of issues that must be taken into account by the family and management so that the company's existence can continue. These problems include, 1) Perspective of human resources, lack of ownership, low work discipline, poor organizational culture, a non-conducive work environment, and gaps between senior and junior employees. In addition

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there is a sense of superiority of senior employees in evaluating colleagues at the same level.

2) Financial perspective, the phenomenon shows that there is a lack of understanding of the basic concepts of accounting and recording, an incomprehension of separating components of the balance sheet and profit and loss, an understanding of changes in capital and cash flow reports and a poor budgeting process so that they do not understand how to value an investment.

Based on observations there are several problems, namely financial problems, it is necessary to improve understanding of the financial system and basic terms in financial accounting and the need for clear standards from companies in financial records. There is a need for discipline in recording all transactions that occur and the need for financial strategic planning in making capital and planning investments in the future. Whereas from the aspect of human resources, it is necessary to apply more optimal GCG to be able to improve a good work ethic which is manifested in work loyalty, work discipline, work involvement, sense of belonging to the company and good working relationships. Companies must be able to internalize and synergize basic GCG guidelines such as transparency, responsibility, accountability, independence, and fairness to stakeholders.

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