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Profit Management In The View Of Islamic Business Ethics

M. Noor Bustomi[1], Indah Maslaha2, Achmad Basofitrah[3], Imelda Musarofah[4], M. Jamaluddin Affan[5]

[1] Sekolah Tinggi Ekonomi dan Bisnis Islam Badri Mashduqi, Indonesia
Email: thommiammar05@gmail.com[1], indahmaslaha000@gmail.com[2], Ach.basofitrah@stebibama.ac.id[3], imeldamusarofah@gmail.com[4], afaffan001@gmail.com[5]

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Abstract:

This study aims to critically investigate the practice of profit management through the lens of Islamic business ethics within the Indonesian corporate context. While profit management is often viewed as a technical accounting maneuver, this research deconstructs its moral implications by integrating prophetic values—shiddiq (honesty), amanah (responsibility), tabligh (transparency), and fathanah (intelligence)—as a framework for financial integrity. A qualitative descriptive approach was employed, utilizing a systematic library research method. The study synthesized 10 primary and secondary sources, including Quranic texts, Hadith, and contemporary academic journals indexed in major databases. Content analysis was applied to reconcile the tension between conventional agency theory and the Maqasid al-Shari'ah framework, focusing on how spiritual internalisation moderates opportunistic managerial behaviour. The results reveal a significant paradigm shift; profit management is categorized into two domains: 'permissible' when aimed at organizational stability (maslahah) without deceit, and 'prohibited' (haram) when it involves tadlis (manipulation) or khiyanah (breach of trust). The study finds that in Indonesia, the "sharia label" does not automatically guarantee superior earnings quality unless supported by robust spiritual governance. Furthermore, an "ethics gap" persists where technical accounting flexibility is frequently exploited to meet market expectations, often sidelining transcendental accountability. This study is limited to a literature-based synthesis and calls for future empirical phenomenological research to explore the psychological-spiritual dimensions of managers. It implies that regulators, such as the OJK and Sharia National Board (DSN-MUI), should enhance the technical accounting competency of Sharia Supervisory Boards to mitigate asymmetric information effectively. This research contributes to Islamic accounting theory by proposing a holistic model that bridges the gap between legalistic compliance and substantive ethical integrity, offering a new perspective on corporate governance in emerging Islamic markets.

Keywords: *Profit Management, Islamic Business Ethics, Indonesia, Maqasid al-Shari'ah, Financial Integrity, Sharia Governance.*

Abstrak:

Studi ini bertujuan untuk secara kritis menyelidiki praktik manajemen laba melalui lensa etika bisnis Islam dalam konteks korporasi Indonesia. Meskipun manajemen

laba sering dipandang sebagai manuver akuntansi teknis, penelitian ini mendekonstruksi implikasi moralnya dengan mengintegrasikan nilai-nilai kenabian—shiddiq (kejujuran), amanah (tanggung jawab), tabligh (transparansi), dan fathanah (kecerdasan)—sebagai kerangka kerja untuk integritas keuangan. Pendekatan deskriptif kualitatif digunakan, dengan menggunakan metode penelitian pustaka sistematis. Studi ini mensintesis 10 sumber primer dan sekunder, termasuk teks Al-Quran, Hadits, dan jurnal akademik kontemporer yang terindeks dalam basis data utama. Analisis konten diterapkan untuk mendamaikan ketegangan antara teori agensi konvensional dan kerangka Maqasid al-Shari'ah, dengan fokus pada bagaimana internalisasi spiritual memoderasi perilaku manajerial oportunistik. Hasilnya menunjukkan pergeseran paradigma yang signifikan; Manajemen laba dikategorikan ke dalam dua ranah: 'diperbolehkan' bila bertujuan untuk stabilitas organisasi (maslahah) tanpa penipuan, dan 'dilarang' (haram) bila melibatkan tadlis (manipulasi) atau khiyanah (pelanggaran amanah). Studi ini menemukan bahwa di Indonesia, "label syariah" tidak secara otomatis menjamin kualitas laba yang unggul kecuali didukung oleh tata kelola spiritual yang kuat. Lebih lanjut, "kesenjangan etika" tetap ada di mana fleksibilitas akuntansi teknis sering dieksploitasi untuk memenuhi ekspektasi pasar, seringkali mengesampingkan akuntabilitas transendental. Studi ini terbatas pada sintesis berbasis literatur dan menyerukan penelitian fenomenologis empiris di masa mendatang untuk mengeksplorasi dimensi psikologis-spiritual para manajer. Hal ini menyiratkan bahwa regulator, seperti OJK dan Badan Syariah Nasional (DSN-MUI), harus meningkatkan kompetensi akuntansi teknis Badan Pengawas Syariah untuk mengurangi informasi asimetris secara efektif. Penelitian ini berkontribusi pada teori akuntansi Islam dengan mengusulkan model holistik yang menjembatani kesenjangan antara kepatuhan legalistik dan integritas etika substantif, serta menawarkan perspektif baru tentang tata kelola perusahaan di pasar Islam yang sedang berkembang.
Kata Kunci: *Manajemen Laba, Etika Bisnis Islam, Indonesia, Maqasid al-Shari'ah, Integritas Keuangan, Tata Kelola Syariah.*

INTRODUCTION

Profit generation is a pillar of sustainability for every business entity, but the method of achieving it has broad systemic impacts on the welfare of Indonesian society (Margono, 2025). Research on earnings management from an Islamic business ethics perspective is crucial because it concerns the fairness of economic distribution and public trust in the rapidly developing Islamic financial system (Asmara, et al., 2023). Fundamentally, business practices that solely focus on maximizing short-term profits without regard for moral values risk creating social inequality and economic exploitation (Schoenmaker, 2020). Empirical evidence shows that financial reporting integrity is fundamental to a healthy investment climate and consumer protection in the domestic market (Hermawan, & Handoyo, 2025). Therefore, integrating Sharia principles is not merely a religious obligation but a functional necessity for building a transparent business ecosystem (Harinurdin, et al., 2025). In conclusion, this research is crucial to provide normative and practical guidance for business actors in balancing profitability ambitions with moral responsibilities to God and fellow human beings amidst the dynamics of the global market (Zahra, et al., 2025).

The general problem underlying this research is the sharp dichotomy between modern accounting practices and the implementation of ethical values in daily business operations (Arifin, et al., 2024). Many companies in Indonesia remain trapped in a materialistic paradigm that views earnings management as a tool of technical manipulation to meet market expectations or minimize tax liabilities (Ghoniyah, & Hartono, 2020). This problem is complicated by weak internal oversight and a lack of a thorough understanding of the boundaries between managerial efficiency and destructive accounting fraud (Nasfi, et al., 2023). The public is often the most disadvantaged when presented earnings information does not reflect true economic reality, ultimately undermining social trust (Abidin, et al., 2025). This irregularity creates an urgency to reformulate the concept of earnings management so that it not only aligns with financial accounting standards but also does not violate the principles of honesty that underpin Islamic economics (Imanuella, et al., 2025). Without a strong reinterpretation, business practices in Indonesia will continue to face credibility challenges that hamper the overall economic potential of the Muslim community (Afifi, 2024).

Research on the ground shows an increase in cases of financial statement manipulation involving large companies and the Indonesian MSME sector in recent years (Amandaria, et al., 2025). Amid the government's ambition to make Indonesia a global center for the Islamic economy, the facts show that creative accounting practices are still frequently employed to polish company performance to attract investors or obtain bank financing (Mohamad, et al., 2024). Many businesses formally use the sharia label, but in practice continue to employ aggressive earnings management strategies that tend to ignore the principle of maslahah (public benefit) (Gunawan, et al., 2022). Observations in the Islamic capital market also indicate unusual profit fluctuations during certain periods, often driven by managerial bonus incentives or tax avoidance (Ogbari, et al., 2024). This phenomenon creates a stark identity gap between the image of a clean Islamic business and an operational reality still tainted by sectoral egoism (Irsan, 2019). This situation demands a critical evaluation of how Islamic ethics are internalized in financial decision-making to prevent the normalization of ethically questionable but technically legal practices (Bell, & Morse, 2012).

A literature synthesis shows that previous research has predominantly focused on the technical mechanisms of earnings management through the lens of agency theory and its impact on conventional firm value (Diprose, et al., 2019). Some researchers have attempted to link corporate governance to earnings quality, but often neglect the dimensions of spirituality and transcendental ethics as dominant control variables (Asmara, et al., 2026). This research focuses on integrating the values of monotheism and trustworthiness into management accounting structures to fill this gap (Rusydiana, et al., 2025). A fundamental weakness of previous research is the tendency to view ethics merely as a complementary instrument, rather than as the primary foundation for financial reporting (Christopoulos, et al., 2012). This research gap is crucial to address because earnings management in an Islamic context cannot be measured solely by numbers but must be assessed based on its intent and impact on social justice (Charina, et al., 2023). This research's contribution lies in providing a conceptual framework that holistically combines regulatory compliance with Sharia compliance, thus providing a new, more comprehensive perspective to the international Islamic accounting literature (Susila, et al., 2024).

The novelty, or state-of-the-art, of this research lies in the use of a multidimensional Islamic business ethics approach to specifically examine earnings management practices within Indonesia's unique economic ecosystem (). Unlike previous, general studies, this research offers a deconstruction of managerial motivation through the lens of Maqasid al-Shari'ah, which emphasizes the protection of property and life. This issue is crucial given that Indonesia has a market dominated by religious values yet still struggles with corruption and bureaucratic inefficiency. The importance of this research is also driven by the urgent need for standards of business conduct capable of mitigating the risk of moral hazard in the ever-expanding Islamic finance industry. By formulating clear ethical boundaries between permissible and prohibited earnings management, this research provides an original theoretical contribution to redefining corporate integrity. Resolving this issue will serve as a starting point for a more ethical and dignified accounting transformation in the future.

The research problem formulation centers on how the implementation of Islamic business ethics can act as a control instrument for deviant earnings management practices in Indonesia. The main argument put forward is that earnings management will not be a detrimental practice if guided by the principles of shiddiq (honesty) and tabligh (transparency), where financial information is presented for the common benefit rather than merely for the personal interests of managers. As a tentative answer, this study argues that the higher the internalization of Islamic ethical values in organizational culture, the lower the tendency of companies to engage in opaque earnings manipulation. This research's contribution includes providing policy recommendations for regulators such as the Financial Services Authority (OJK) and the National Sharia Council (DSN-MUI) in developing financial reporting guidelines with greater integrity. Academically, this research strengthens Islamic accounting theory by proving that spiritual morality has a transformative power to create economic stability. Thus, this research is expected to bridge the gap between ideal ethical theory and pragmatic business practices to achieve sustainable economic justice.

RESEARCH METHOD

This research uses a descriptive qualitative approach. This approach was chosen because the study aims to describe and understand in-depth the Islamic perspective on earnings management practices within the context of business ethics. This type of research is library research, namely, gathering information from various relevant sources such as the Quran, Hadith, books on Islamic jurisprudence (fiqh muamalah), academic journals, and other supporting references.

The data in this study is classified into two main categories: primary and secondary data sources. Primary data sources refer to authoritative Islamic texts, namely the Qur'an and Hadith, particularly those relating to the principles of honesty (shiddiq), trustworthiness, and the prohibition of fraud in economic transactions (Aritenang, 2021). Meanwhile, secondary data sources were obtained from supporting literature such as textbooks on Islamic accounting, Islamic jurisprudence (fiqh muamalah), and scientific journal articles discussing previous research on earnings management and Islamic business ethics in Indonesia (Schoneveld, et al., 2015). The use of these two types of sources aims to ensure that the resulting analysis has a strong theological foundation and is relevant to modern academic discourse.

The data collection technique used was a documentary study using a systematic literature search. The collection process began by identifying keywords related to "earnings management," "Islamic business ethics," and "financial statement integrity" in scientific journal databases and library catalogs (Nasikhin, et al., 2022). The researcher then selected the literature found (purposive sampling of literature) to ensure only credible and up-to-date references were used for the analysis (Gorski, & Dumitraşcu, 2024). All relevant information is recorded and grouped based on certain themes to facilitate the process of synchronizing conventional accounting theory with Islamic normative values.

Table 1. Data Analysis Techniques Table

Tahapan Analisis	Deskripsi Kegiatan	Tujuan
1. Reduksi Data (Data Reduction)	Memilih, memfokuskan, dan menyederhanakan data dari literatur (Al-Qur'an, Hadis, Jurnal). Memilah informasi yang spesifik membahas manajemen laba dan etika bisnis Islam.	Menajamkan data agar sesuai dengan fokus penelitian dan membuang informasi yang tidak relevan.
2. Penyajian Data (Data Display)	Menyusun data hasil studi literatur ke dalam bentuk uraian naratif, matriks, atau tabel perbandingan antara teori akuntansi konvensional dan prinsip syariah.	Memudahkan peneliti untuk melihat pola, tema, dan hubungan antar konsep secara sistematis.
3. Analisis Isi (Content Analysis)	Melakukan interpretasi mendalam terhadap makna teks dan nilai-nilai etis di balik praktik manajemen laba dalam konteks Indonesia.	Membedah batasan antara manajemen laba yang bersifat teknis-legal dengan yang bersifat manipulatif-haram.
4. Penarikan Kesimpulan (Conclusion	Melakukan verifikasi terhadap hasil analisis untuk menjawab rumusan masalah mengenai posisi	Menghasilkan argumentasi final dan solusi teoretis mengenai

Tahapan Analisis	Deskripsi Kegiatan	Tujuan
Drawing)	manajemen laba dalam etika bisnis Islam.	praktik laba yang sesuai dengan prinsip maslahah.

Source: Authors' own work

The data collection technique used was a documentation study using a systematic literature search. The collection process began by identifying keywords related to "earnings management," "Islamic business ethics," and "financial reporting integrity" in scientific journal databases and library catalogs (Brugere, et al., 2023). The researcher then selected the literature found (purposive sampling of literature) to ensure only credible and up-to-date references were used for analysis (Landoni, & Trabucchi, 2024). All relevant information was recorded and grouped according to specific themes to facilitate the synchronization process between conventional accounting theory and Islamic normative values.

FINDINGS AND DISCUSSION

Findings

Research Findings Trends

Research trends over the past decade indicate a paradigm shift from merely technical detection of earnings management to a moral deconstruction based on prophetic values. The majority of scientific literature agrees that earnings management in Indonesia is not simply an accounting phenomenon, but rather a reflection of a spiritual crisis in corporate governance that often neglects transcendental aspects. Analysis of various studies reveals a consistent pattern where companies with high Islamic ethical disclosure scores tend to have lower discretionary accruals and more authentic earnings quality. This indicates that ethical instruments such as honesty (shiddiq) and responsibility (amanah) are beginning to be recognized as effective internal governance mechanisms for mitigating managerial opportunistic behavior. These findings confirm that Islamic business ethics is no longer viewed merely as normative jargon but has transformed into a determinant variable capable of significantly influencing the integrity of financial reports in the Islamic capital market.

Furthermore, recent research trends have begun to integrate the concept of Maqasid al-Shari'ah as a new evaluation standard for assessing the fairness of earnings management practices by managers. Researchers have found that profit assessment is no longer limited to the nominal figures in the financial position statement, but rather extends to how those profits are distributed for the benefit of the community (maslahah). A synthesis of various academic sources indicates that there is strong pressure for companies to conduct more transparent social reporting as a form of accountability to God and the wider community. This phenomenon has created a trend where earnings management aimed at maintaining company stability and avoiding layoffs is seen as more ethical than profit manipulation to trigger short-term stock price increases. Thus, the direction of future research is predicted to delve deeper into the inner dimensions of managers and their influence on accounting policies, thereby creating a bridge between financial accounting standards and the more equitable principles of Islamic economics.

Divergent Results Across Researchers

Despite general agreement on the importance of ethics, there is sharp divergence in findings among researchers regarding the effectiveness of sharia labeling in curbing earnings management practices. Some researchers argue that adherence to Islamic principles automatically reduces managers' incentives to manipulate earnings due to the inherent spiritual oversight inherent in individuals. This group of researchers presents data showing that Islamic banks and companies listed on Islamic stock indices exhibit more conservative and honest reporting behavior than conventional companies. However, on the other hand, several critical studies have found contradictory results, with companies with sharia labels still engaging in aggressive earnings management, primarily through manipulation of real activities. This discrepancy has sparked academic debate about whether the sharia label truly reflects substantial ethical behavior or is merely a marketing strategy to attract the Muslim market segment without changing the inherently materialistic organizational culture.

Divergent results have also been found regarding the effectiveness of the Sharia Supervisory Board (SSB) in monitoring earnings quality in various financial institutions in Indonesia. Some literature claims that the existence of a SSB provides additional assurance of financial reporting integrity due to the multi-layered oversight that is not only administrative but also religious. Conversely, other researchers have shown that the Sharia Supervisory Board (SPS) often lacks competence in understanding the complex intricacies of accrual accounting, resulting in limited oversight of product formalities. This inconsistency in findings raises doubts about the extent to which sharia supervision can penetrate the technical loopholes of earnings management, often hidden behind legal accounting policies. This debate demonstrates that the application of Islamic business ethics to earnings management practices still faces significant challenges in standardizing interpretation and implementation, ultimately leading to highly variable research findings across industry contexts.

Factors Influencing Differences

The variation in findings in the literature is significantly influenced by differences in methodology, particularly in the selection of proxies or measures of earnings management. Researchers using the classic discretionary accrual model tend to find different results than those using the real earnings management approach, such as discretionary expense manipulation or price discounts. This occurs because earnings management practices in Islamic economics are often more subtle and hidden within daily operational activities that appear to be Sharia-compliant, but in substance contain elements of dishonesty. Furthermore, differences in observation periods and macroeconomic conditions during the research are also determining factors; research conducted during times of crisis tends to show higher levels of earnings management as a self-defense measure. This lack of uniformity in measurement tools makes it difficult to generalize the results, so the interpretation of Islamic business ethics depends heavily on the technical perspective adopted by each researcher.

Beyond technical aspects, differences in research results are also significantly influenced by the varying levels of internalization of religious values in each corporate research subject. The regulatory environment in which companies operate exerts different pressures on managerial behavior. Companies under the strict supervision of the Financial Services Authority (OJK) may exhibit different behavior than family-owned businesses or MSMEs. Differences in organizational culture are also key, where Islamic business ethics may be considered merely a formality in one company but become the operational spirit in another. Researchers who fail to consider moderating variables such as external audit quality or share ownership composition tend to produce oversimplified conclusions. As a result, understanding earnings management from an Islamic perspective is fragmented, as each researcher sees a different slice of reality depending on the control variables and sociopolitical context they incorporate into their research models.

Research Gap

Despite the extensive discourse on Islamic ethics and earnings management, a significant research gap remains due to the lack of studies exploring the psychological-spiritual dimensions of managers qualitatively and phenomenologically. Most current research remains trapped in a quantitative-positivistic approach that attempts to measure "ethics" solely through disclosure indices or sharia labels, which often fail to capture the true intentions (niyyah) behind accounting policies. There is an urgent need for research that delve into the realm of managerial decision-making to understand how inner struggles arise when religious values clash with the demands of market profitability. Furthermore, the existing literature rarely addresses how the interaction between Islamic business ethics and global accounting standards (IFRS) can create tension or harmony in earnings reporting. Filling this gap is crucial for building a more holistic sharia accounting framework that is not only technically and legally superior but also possesses moral integrity capable of addressing the challenges of an increasingly complex global economy.

Discussion

The divergence in research findings on earnings management from an Islamic perspective stems from fundamental differences in the positioning of ethics, whether as a constraint or merely a complementary instrument. Critically, this difference arises from the subjective nature of the interpretation of the boundaries of maslahah and gharar in accrual accounting policies. Researchers who find low levels of earnings management typically assume that the values of monotheism have been thoroughly internalized in managerial behavior, thus diminishing the intention (niyyah) to manipulate information by awareness of divine oversight. Conversely, findings showing high levels of manipulation in Islamic entities indicate a "decoupling" phenomenon, where religious symbols are used as a veil to mask opportunistic behavior to meet materialistic market expectations. This inconsistency demonstrates that the sharia label is not an absolute guarantee of financial reporting integrity unless accompanied by a substantial moral commitment.

Furthermore, the divergent results are also driven by the ambiguity in distinguishing between informative and opportunistic earnings management within the Islamic framework. Some researchers argue that the flexibility in Financial Accounting Standards (FAS) allows managers to engage in earnings smoothing to maintain company stability, which, in some perspectives, is considered in line with the principle of asset protection (hifdzul maal). However, another group of researchers views any distortion of economic reality as dishonesty (khiyanah) that violates the principle of transparency (tabligh). These differing epistemological perspectives can lead to contradictory conclusions when evaluating the same empirical data. This emphasizes that without rigid ethical standards agreed upon by consensus in Islamic accounting, interpretations of earnings management will always be mired in moral relativism, dependent on the interests of each business entity studied.

Factors Influencing Findings

The primary factor influencing the variation in findings is the quality and independence of the sharia supervisory mechanisms within the organizational structures of companies in Indonesia. Critically, the effectiveness of the Sharia Supervisory Board (SSB) is often questioned when its role is limited to product compliance while neglecting the quality of financial reporting, which is a technical accounting issue. Research that includes accounting competency variables among SSB members tends to find more controlled levels of earnings management compared to research that only examines the formal existence of a SSB. This indicates that information asymmetry exists not only between managers and investors but also between managers and sharia supervisors. Therefore, research findings depend heavily on the extent to which researchers are able to substantively analyze the effectiveness of sharia governance, rather than simply examining the organizational structure displayed in corporate annual reports.

Other determinants include pressures from the institutional environment and ownership structure, which force managers to compromise ethical values. In Indonesia, listed sharia companies face dual demands: complying with sharia principles while meeting profitability targets from investors who may not share their religious orientation. These capital market pressures often trigger managers to engage in earnings management to avoid stock price declines or debt contract defaults. Previous research that fails to consider these external pressures tends to present a biased picture, as if managerial behavior is solely influenced by internal religious factors. However, the reality on the ground shows that the macroeconomic environment and industry competition often exert stronger pressures than individual ethical commitments, thus influencing how earnings management is practiced and found in various studies.

Strengths and Weaknesses of Previous Research

The primary strength of previous research lies in its success in establishing a theoretical framework linking modern accounting with prophetic values, thereby enriching the academic discourse on Islamic economics. This research has identified that earnings management is not merely a technical issue, but rather a moral one with broad implications for distributive justice in society. The use of various econometric models to examine the influence of religiosity on earnings quality also provides initial empirical evidence supporting the need for integrating ethics into reporting standards. Critically, however, previous research has significantly contributed to raising collective awareness among accounting practitioners regarding the importance of multidimensional accountability, which encompasses not only human stakeholders but also creators. This success provides an important foundation for the development of ethics-based accounting curricula currently being implemented in various universities in Indonesia.

On the other hand, a fundamental weakness of most previous research is an overreliance on positivistic approaches that attempt to quantify ethics in rigid numbers. This approach often fails to capture the inner complexities and hidden motives of managers, which are central to the study of Islamic business ethics. Furthermore, much research remains descriptive-normative, with researchers merely describing what "should" be according to sacred texts without conducting an in-depth analysis of "why" deviations persist on a massive scale in the field. Another weakness is the paucity of studies evaluating the effectiveness of social or legal sanctions against perpetrators of earnings management in Indonesia's sharia economic ecosystem. This often leaves research findings vague and lacking practical solutions that regulators can adopt to improve the existing oversight system. Consequently, such research tends to end up as academic literature without any real impact.

Implications of the Findings for the Development of Science

The implications of these findings for the development of accounting science are the need for a more holistic reorientation of the curriculum and financial accounting standards, integrating the spiritual dimension as a key pillar. Epistemologically, accounting should no longer be viewed as a value-free tool, but rather as a social practice imbued with moral and religious content. The discovery of a gap between the sharia label and managerial behavior requires the development of a new accounting theory capable of synergizing Agency Theory and Stewardship Theory from an Islamic perspective. This also implies the need for the development of more advanced sharia audit methods, which not only examine transaction compliance but also assess the moral integrity and transparency of earnings information. Ultimately, this scientific development is expected to produce an accounting paradigm capable of creating a sustainable balance between corporate profitability and the well-being of humanity.

CONCLUSION

This study concludes that earnings management practices, from the perspective of Islamic business ethics in Indonesia, are not a single, mechanical phenomenon, but rather a manifestation of the complex interaction between conventional accounting standards and religious moral integrity. Substantially, earnings management is classified into two main domains: permissible practices as long as they aim for stability and welfare (maslahah) without any element of fraud, and prohibited practices if they involve elements of injustice, manipulation (tadlis), and betrayal of the trust of capital owners. These findings emphasize that Islamic business ethics must be positioned as the epistemological foundation of financial reporting, where the values of shiddiq, tabligh, and fathanah serve as a stronger internal control instrument than mere administrative oversight. Success in mitigating opportunistic behavior depends heavily on the extent to which these prophetic values are internalized into the organizational culture, transcending the formality of the sharia label currently attached to business institutions.

The implications of this literature study indicate an urgent need for regulators and accounting practitioners in Indonesia to formulate more rigid standards of conduct to close the gap in information asymmetry that is often exploited for earnings manipulation. Theoretically, this study contributes to the development of Islamic accounting theory by proving that the spiritual dimension has transformative power in improving earnings quality and public trust in the capital market. As a solution, it is necessary to strengthen the technical competence of the Islamic Supervisory Board to enable it to conduct more in-depth supervision of managerial accrual policies. Finally, this study opens up space for future research to further explore the psychological-spiritual dimensions of managers in financial decision-making. The paradigm shift from material-oriented accounting to God- and humanity-oriented accounting is key to creating a fair, transparent, and sustainable business ecosystem in the future.

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