



Implementation of Islamic Values in Financial Management

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Abstract. This study aims to determine the nature of Islamic values, the nature of financial management and the implementation of Islamic values in financial management, so that Muslims are not mistaken in calculating their financial lives which are detrimental and making a prosperous life. This research belongs to the type of literature study research by finding relevant theory references related to the implementation of Islamic values in financial management. The results of the study indicate that a Muslim needs to understand and practice the values of Islam which include creeds, sharia and morals in all aspects of life, including in regulating finances. Al-Qur'an has explained how to manage the economy with all its descriptions, which essentially includes two things, namely the ability to find material and the ability to spend it. A Muslim is required to obtain everything in a lawful way, including getting material. In order to create a good mentality related to lifestyle, Allah Subhanahu wa Ta'ala instructs people to fulfill their needs in a modest, middle-class, and not wasteful manner in spending. Talks about spending material can be divided into a number of materials, allocated for routine expenses, alms and investment hereafter.

Keywords: *Islamic Values, Financial Management, Implementation*

INTRODUCTION

As a Muslim, all aspects of life have been determined by Islamic teachings and laws, including how to manage finances. Islam has established teachings on how one manages his financial problems in the Qur'an and Hadith. To avoid things that can harm a Muslim in managing his finances, then a Muslim needs to study and practice it.

One formula for managing finances came from one of the Prophet's companions, Salman Al Farisi. It was reported that he had as much as 1 dirham of money to be used as capital to make woven which was sold for 3 dirhams. Then, his income was divided into: 1 dirham for his family's needs, 1 dirham for alms and the remaining 1 dirham to be used as capital back. This concept can be applied in daily life by dividing the income earned. 1/3

for daily needs, 1/3 for almsgiving and the rest for capital needs again.

Narrated by Ibrahim Al Harbi in Ghorib Al Hadith from the hadith Nu'aim bin 'Abdirrahman, that " Nine out of ten fortune doors are in trade "

Islam strongly encourages its people to trade in making a living. Therefore, Islam also advocates setting aside the income earned from trading for capital returns. The same thing applies to people who do not trade, they can set aside a portion of their monthly salary to later open a business that will increase income. Or, used as investment capital.

"Keep a portion of your wealth for the good of your future, because it is far better for you." (H.R Bukhari)

Saving has many advantages for the future life. As we already know that wasteful attitude

is not recommended in all respects, so is financial management. Islam also forbids a person from shopping excessively. This will cause consumptive nature in the self which is very detrimental.

"And those who, when they spend (property), are not exaggerated, nor are they miserly, and are expenditures in the midst of such." (Surat al-Furqon: 67)

Finance is one aspect that plays an important role in meeting human needs in modern times, in fact almost every activity or activity carried out every day is inseparable from the existence of transactions using money. On the other hand, as Muslims also have Islamic values that are practiced all the time. From the description above, the author tries to discuss about Islamic values with financial management with the title of the paper "Implementation of Islamic Values in Financial Management".

METHOD

This research belongs to the type of literature study research by finding relevant theory references related to the implementation of Islamic values in financial management. The theoretical references obtained by means of research literature studies serve as the basic foundation and the main tool for research practice in the middle of the field.

RESULT AND DISCUSSION

The word management comes from English, "Manage" which means managing / managing, controlling, trying and also leading. According to Stoner Management Science is a process in making a plan, organizing, controlling and leading a variety of businesses from members of the organization and also use all of its resources to achieve the goals set.

Finance in the Big Indonesian Dictionary is defined as everything related to money, the ins and outs of money, the affairs of money and the state of money. Finance studies how

individuals, businesses, and organizations allocate, improve, and use monetary resources over time, and also calculate risks in carrying out their projects.

Financial management is one of the functional management fields in a company, which learns about the use of funds, obtaining funds and sharing the results of company operations. Financial management can be defined from the duties and responsibilities of financial managers. Although the duties and responsibilities are different in each company, the main tasks of financial management include: decisions about investment, financing business activities and dividend distribution of a company.

Financial management is not only in the company, but also in the lives of every individual called personal financial management. Personal financial management is the art and science of managing resources (money) from individual units / households (Gitman 2002). Personal financial management also requires a pattern of life that has priorities. The reason is that the power of priority also affects the level of discipline of a person when managing his money (Benson 2004).

Discipline is self-awareness to obey the rules as well as the ability of self to adjust themselves to change, so it has explicitly touched self control. This is based on the reason that one's success or failure is also influenced by self-control (Tangney, Baumeister & Boone 2004). Self control means the overall ability of self to control itself.

There are four areas in self control that study. First is cognitive, in this aspect, then a person when making financial decisions has thought about the various benefits to be gained. It seems clear here that there is a correlation with utility theory. Precisely is someone will behave to maximize satisfaction (utility) based on adjustments when receiving information. Therefore, cognitive studies are always associated with various biases when making financial decisions.

Second is impulse, which means that someone is able to control various impulses that come from outside themselves and within oneself that tend to cause irregularities when making financial decisions. Based on this understanding, it appears that the self-awareness factor due to self-reflection becomes an anchor in controlling impulses. The logic is that a person is required to be aware that financial decisions taken are likely to experience irregularities.

Third is emotion. The reason is that a person is required to increase his emotional intelligence to help when making financial decisions. more specifically, it cannot be denied that emotional weaknesses such as greed, fear, mood, etc. will cause a person to not be directed in making financial decisions every day. For example, when going to the shopping center, then someone often buys products that are not really needed.

The last or the fourth is performance. The reason is that someone is able to review or review the shopping records so that it is known whether they are in accordance with the budget plan that has been made. It also is how someone is not easily fooled to see the achievements in managing their finances. The specific is that it is not easy to be proud because it has managed to manage its budget several times, but instead continually tries to manage its money appropriate

Globally, the Qur'an has explained how to manage the economy with all its descriptions, which essentially includes two things. This is what is meant by "*ushûl iqtishâd*", namely *husnun nazhari fiktisâbil mâl* (ability to search for material) and *husnun nazhar fi sharfihi fi mashârifihî* (ability to spend property at appropriate expenditure points).

A. Ability to Obtain Material

Allah *Subhanahu wa Ta'ala* paved the way for the acquisition of *ma'îsyah* through ways that still safeguard *murû'ah* and religion (halal work). Allah *Subhanahu wa Ta'ala* said which means

"When the *salat* is fulfilled, you are scattered on earth; and seek the gift of Allah and remember Allah a lot so that you may be lucky "(*Al-Jumu'ah* / 62: 10).

A Muslim is required to obtain everything in a lawful way, including getting material. Halal and haram are like lines that stretch, one end is halal, and the other end is haram, while what is between them is a good thing (mixing between halal and haram, or those that do not have clarity between halal or haram).

Wara' attitude is needed to maintain the sanctity of oneself from practicing uncleanness in accordance with what has been outlined or said by the *ulama* (*wara'ul 'udul*) This halal-haram level carries logical consequences at the level of people who want to keep themselves pure from something unclean.

B. Spend Material

Allah *Subhanahu wa Ta'ala* has ordered that humans be frugal in spending. Allah *Subhanahu wa Ta'ala* said:

"And do not make your hands lie on your neck and do not stretch out too much, therefore you are despicable and sorry" (*Al-Isrâ`* / 17: 29)

Furthermore, Allah *Subhanahu wa Ta'ala* forbids spending on illicit matters. Allah *Subhanahu wa Ta'ala* said:

"Verily those who disbelieve, spend their wealth to hinder (people) from the path of Allah. They will spend the treasure, then become regret for them and they will be defeated. And into hell, those who disbelieve are gathered together "(*Al-Anfal* / 8: 36)

In order to create a good mentality related to lifestyle, Allah *Subhanahu wa Ta'ala* instructs people to fulfill their needs in a modest, middle-class, and not wasteful manner in spending. Allah *Subhanahu wa Ta'ala* said:

"O son of Adam, wear your beautiful clothes in each (enter) mosque, eat and drink, and don't overdo it. Surely Allah does not like people who are overdone "(*Al-A'raf* / 7: 31).

"And do not overdo. Surely Allah does not like excessive people ". (*Al-An'am* / 6: 141).

The ability to spend material can be divided into several material allocations, including routine costs, alms and investment hereafter.

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