

Research Article

Reconstructing Intellectual Capital through Islamic Religiosity

Aryo Prakoso*, Unti Ludigdo, Lilik Purwanti, Roekhudin

Department of Economic and Business, Brawijaya University, Malang, Indonesia

ORCID

Aryo Prakoso: <https://orcid.org/0000-0002-4683-8218>

Abstract.

Current technological developments have shifted the industrial world from a capital-intensive to a knowledge-based industry. We often find that companies have been awarded higher market value than their book value. Various researchers believe this honor that is given by society to be intellectual capital. Unfortunately, different intellectual ideas presented are still dry, materialistic, secularistic, and far from religious values. This research explained how to reconstruct Intellectual Capital through Islamic spirituality with the method of spirituality through the dimensions of the foundations of Islam. In the spiritualism paradigm, high spiritual norms of faith, good deeds, and noble morals become the foothold. The results of this study produce human capital Rahmatan Lil Alamin which runs full of faith and piety, and structure capital, which is to form an administrative building and run the company not only for profit motives but to provide human benefits by carrying out Sharia principles. Relational capital will be in the form of *habluminallah* and *habluminannas*, namely developing and strengthening corporate relationships internally in the company and with stakeholders, shareholders, and society and nature with the principle of *amaliyah* and providing Value towards Godhead.

Keywords: Intellectual Capital, Relational Capital, human, Structure, Islamic Religiosity

Corresponding Author: Aryo Prakoso; email: aryoprakoso@student.ub.ac.id

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1. Introduction

The technological era has changed the business environment into a knowledge-based business, and intangible assets are no less important than tangible assets [1]. Traditional financial statements cannot present information about Knowledge-Based processes and intangible assets. This makes traditional financial statements unable to present sufficient information about the company's ability to create Value and becomes less representative of the company's performance.

One approach used in the valuation and measurement of hidden value intangible assets is the intellectual capital approach which has become the focus of attention in

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various fields, including management, information technology, sociology, and accounting [2]. Intellectual Capital can create Value added to achieve a competitive advantage for the company through innovation developed from the intellectual Capital [3].

The intellectual capital model comes from Western Europe and North America, with several figures such as Hall (1992); Edvison and Malone (1997); Sveiby (2001); Chen (2005); Sullivan (2000); Gu and Lev (2003); Mouritsen (2001); Bontis (2001) most of this literature comes from the West and is based on the conceptualization of Western knowledge [4].

The conceptualization of Western science that grows and develops consciously has separated science and religiosity, making a real problem for the survival of human life itself. [5] revealed that the culture of intellectuals, without any control from sharia control, destroy the homeland and eliminates identity. [6]reveals that humans build science and technology for the welfare of humanity. [6] Furthermore, science and technology characterized by spiritualism are not only based on accounting numbers. The profit, a product of human energy, is used with the pleasure of God to improve human morals to become believers and *mutaqin*. At this point, Intellectual Capital as the added Value of the company must uphold and respect religious and human authority and increase social awareness based on God's revelation.

The theoretical concept built in Intellectual Capital through intangible assets has yet to be touched from the spiritual side. Spirituality is an attempt to find the meaning of life, purpose, and guidance in living life, even in people who do not believe in the existence of God [7]. Spirituality is a belief concerning the creator [8]. Human life and companies should be able to touch several aspects, including social welfare, it is an integrated aspect of being human as a whole characterized by meaning and hope. Mental health is the feeling of harmony between yourself and people, between nature and the highest life. This sense of harmony is achieved when individuals and organizations balance their values, goals, belief systems, and relationships with themselves and with others. These beliefs are often rooted in spirituality. Spirituality will develop throughout the life of an individual or business so that individuals and businesses become more aware of the meaning, purpose, and value of life.

In the subsequent development, spirituality or religion began to be widely referred to and conditioned the emergence of an era called post-secular critical thinking [9]. There is a gap behind critical accounting studies based on secular thinking that still considers materialism as a way to build a balanced life against "injustice" and oppression in this

world [10]. [11] spirituality is paramount in positive change for our world. Intellectual Capital in creating Value should be the result of human labor blessed by God, which distributes to parties inside and outside the company in the form of profit sharing for shareholders, as well as supporting the poor, orphans, people stricken by hunger, raising nature and serving God [6]. From the above background, this research intends to reconstruct Intellectual Capital through an Islamic spiritual perspective.

2. Methods

The basis of this reconstruction research method uses the perspective of Islamic spirituality, which is at heart and related to the organizational, social and human environment. [12] Islamic perspective is used in an organization through the dimensions of the basics of Islam.

3. Results and Discussion

3.1. Intellectual Capital Construction

Intellectual capital is the combination of intangible resources and organizational activities that change the amount of physical, financial, and human resources in a system that can create value. [13]. [14] Intellectual capital is the process of creating value for an organization from different combinations of knowledge sources in the form of members, customers, processes or technologies. Furthermore, intellectual capital refers to the intangible or intangible capital associated with the knowledge and experience of people and the technology used. [15] In general, researchers identify three main concepts of knowledge capital, which are: Human capital (HC), structured capital (SC) and customer capital (CC). The HC represents an organization's personal store of knowledge represented by its employees. Human capital (HC) combines genetic heritage, education, experience and attitudes towards life and business.

Furthermore, [15] that structural Capital (SC) includes all non-human storehouses of knowledge in the organization. This includes organizational charts, databases, process manuals, routines, strategies and everything that makes the company's Value greater than its material Value. In contrast, [15] the central theme of customer capital (CC) is knowledge inherent in the marketing channels and customer relationships that an organization develops in the course of its operations.

Intellectual Capital in the masculine view, when analyzed more profoundly, is something that is not yet complete; there are gaps and empty cavities. [16] Intangible assets in the company are not only meant as a brand image with financial statements with a good asset, equity, and profit values. However, in the process, intangible assets in the perspective of sharia have fulfilled the provisions of sharia which produce benefits for all groups so that the benefits can be felt by the people [16]. The view of feminism, with one of them about religion, in Islamic Accounting Philosophical-Theoretical reporting focuses not only on shareholders but also on spiritual values. This needs to be done to perfect the view of Intellectual Capital so that all organizations can use it. [17] The theory of Islamic companies, all existing resources are the absolute property of God, while humans are allowed to use them in the best possible way according to God's rules.

In the context of understanding postmodernism as a new climate characterized by reconstruction and construction of reality. Reconstruction of Intellectual Capital with the main components of VAICTM, namely physical Capital (VACA - value-added capital employed), views capital as still materialistic and capitalistic. Human Capital (VAHU - Value added human Capital) assumes humans as workers without touching the aspect of human needs itself, especially in the spiritual side of the workers, and positioning the values of workers following Islamic teachings, as well as structural Capital (STVA - structural capital value added) which translates the company's ability needed to make money from Value Added and is an indication of how successful SC in value creation [18], Customer (relational) capital is basically the relationship between the organization and customers but has not been defined how to create a relationship that can satisfy the soul of the company with customers and God. The dimension of Value added Capital is very materialistic, with the orientation of growing the company's value from Capital and profit. Egoistic, the company in measuring the company through Intellectual Capital is egoistic, prioritizing the owners of Capital or the ruler of the company in the framework of the welfare of investors or capital owners. Secularistic ideas and approaches to intellectual capital thinking contain theories of a series of sciences sourced from capitalism without being accompanied by faith. By putting aside faith, this set of knowledge gives the impact of dichotomous science and separates the essence of God, negates the position of God, and causes atheistic science that stands alone without any interference from faith and perception of God's hand.

3.2. Spiritual Islamic Intellectual Capital

Spirituality gives a broad dimension to a holistic vision of humanity. The spiritual dimension seeks to maintain harmony or harmony with the outside world, tries to respond to or gain strength in the face of emotional stress, illness or death, which are forces that arise outside. beyond human power. [19]. [20] Spirituality as multidimensional, namely existential and religious dimensions. The existential dimension focuses on the purpose and meaning of life, while the religious dimension focuses more on one's relationship with the creator. Spirituality as a two-dimensional concept, namely that the vertical is its relationship with the creator who guides one's life, while the horizontal is its relationship with oneself, with others and with the environment. The relationship between these two dimensions is continuous. Although spirituality is difficult to define, some people agree on two essential characteristics: (1) Spirituality is a unifying theme in our lives, and (2) Spirituality is a state of life.

Human Capital

Spiritual experiences, religion, and rituals result from evolutionary changes in thinking that help humans socialize and form groups. From an evolutionary point of view, spirituality or religion can be likened to an advantage for humans over other species. Human nature is explained in the Quran, as Allah says in Surah al-Anbiya' verse 107, which means: "*And we did not send you, but to be a mercy to the universe (rahmatan lilalamin).*"

The verse emphasizes that if humans as caliphs on this earth are asked to give grace to the universe, they are invited to think and work correctly by themselves, which will bring grace, both for Muslims and the whole of nature. Grace is a gift that, in religious teachings, is divided into two; grace in the context of Rahman and grace in the context of the womb. Mercy in the context of Rahman is *amma Kulla syak*, covering everything so that even non-Muslims have the right to mercy. Rahim is Allah's mercy that is only given to Muslims. If Islam is practiced correctly, Allah's mercy and mercy will descend on all. Thus the law of sunnatullah applies to both Muslims and non-Muslims if they do the things required by mercy, they will get it.

Humans in their actions should not only be materialistic, but it is essential to unite the *ruhiyah*, presenting Allah in every act of life to become a believer, which can be interpreted as a Muslim who can fulfill Allah's will and has strong faith in his heart and Muttaqin, a person with piety. The role model in Islam presents the Messenger of Allah

Muhammad PBUH as a messenger of God who is given the grace to enlighten those who believe in God and the day after with His particular mercy for him in the world and the hereafter. Secondly, humans follow the characteristics of the apostle in the form of *sidiq* (honest), *Amanah* (trustworthy), *tabligh* (conveying), and *fatamah* (intelligent) in financial dealings with Dhikr, Shalawat, prayer, and human endeavors in seeking, processing and spreading God's grace to themselves, fellow humans and nature. Islam states that humans were not created simply as God created other creatures such as animals, plants, and non-living things. Instead, man is a *khalifatullahfilardh*, God's representative on earth. As a Khalifah, man has been given a mandate by God, which is to produce and spread grace (wealth) for the universe and humans [17]. Islam positions profit-creating workers as human beings created by God, the spiritual element of workers is valued and developed, and workers are seen as beings who work and think with the power of the spark of God's spirit so that their lives are full of wisdom [21].

Structure Capital

In Islam rahmatan Lil Alamin, Islam has regulated the relationship regarding theological, ritual, social, and humanity aspects. Regarding theology, Islam provides a firm formulation that every adherent must believe. Likewise, at the ritual level, its operations are determined in the Qur'an and As-Sunnah. Quran Surah At Taubah 105: And say, *"Work, and Allah and His Messenger and the believers will see your work, and you will be returned to the One who knows the unseen and the manifest, and He will tell you what you have done"*.

Verse 105 of Surah Attaubah clearly states that Allah SWT commands His servants to work, as a basis for earning a living and feeding them, for Allah SWT will support His servants who like working, highly motivated people who work to be able to fulfill needs and wants and as a means to always only get closer to Allah SWT. The verse above has a common thread, which discusses human endeavors, that Allah SWT will look at what we do and try. Allah SWT will reward us with results commensurate with what we have done because Allah SWT is speedy and precise in its calculations. Trying and working is the smallest part of the process of doing something, and Prayer is the most important part that plays a vital role in the success of the process we are undertaking.

Capital structure with a *muamallah* approach can be described in qualitative characteristics, namely the company's economic activities following sharia, containing contracts permitted in Islam and presenting the pleasure of the transaction actors to achieve the grace of Allah. Furthermore, this organizational structure aims to realize the benefit

of reducing hostility and discord among humans. Allah did not send down sharia except to realize the benefits of life for His servants. He was realizing the benefit and perfecting it, eliminating and reducing damage, providing the best choice among several options, providing the maximum Value of *maslahat* among several *maslahat*, and eliminating the Value of more significant damage by bearing lesser damage.

Relational capital *Rahmatan Lil Alamin habluminallah and habluminannas*

The concept of mercy Lil Alamin consists of two: the testimony of humanity in general and the perpetrators of financial muamalah. Spirituality is a two-dimensional concept, namely the vertical dimension, which is a relationship with God that guides a person's life. In contrast, the horizontal dimension is a person's relationship with oneself, others, and the environment. Human beings are commanded to share and do good to others. As Allah SWT says in the Quran, Surah An-Nisa verse 36: *"And worship Allah and do not associate Him with anything. Furthermore, do good to parents, relatives, orphans, the poor, near and far neighbors, friends, ibnu sabil, and enslaved people that you have. Indeed, Allah does not like the proud and boastful."*

Islam teaches that worshipping Allah SWT must align with our actions towards fellow humans. Although the worship of Allah is always routinized and well maintained, whatever sunnah worship Allah commands, we never leave; from all of that, it is not valuable on the side of Allah if we damage our good deeds to fellow human beings. The relationship between these two dimensions is continuous. Although spirituality is difficult to define, there are two essential characteristics of the relationship of spirituality, namely spirituality in our lives with fellow creatures of God and nature, and it is a state of life towards God.

4. Conclusions

The idea of intellectual Capital still has a gap separating science and God. The results of this reconstruction of intellectual Capital with Islamic spirituality produce human capital *rahmatan Lil Alamin* by running full of faith and piety, structure capital forms and runs the company not only for profit motives but provides human benefits by running muamalah through sharia principles. The last relational Capital is *habluminallah and habluminannas*, namely developing and strengthening the company's muamalah relationship with stakeholders and shareholders and the environment with the principles of *amaliyah* and *tawhid*. As this research is still a basic idea of Islamic intellectual

Capital, further research can develop such as measurement indicators, recognition, and reporting.

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