

Contributions to Management Science

Nadia Mansour
Lorenzo Mateo Bujosa Vadell *Editors*

Islamic Sustainable Finance, Law and Innovation

Opportunities and Challenges

 Springer

Contributions to Management Science

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Assessment of Financial Performance of RSI Sultan Agung Semarang Through the *Maqashid* Sharia Concordance (MSC) Approach



Muhammad Ali Ridho and Luluk Muhimatul Ifada 

Abstract Islamic economics has a goal to achieve *maqashid* sharia through the realization of justice and balance in society. This chapter aims to assist the management of RSI Sultan Agung Semarang in measuring the company's performance using the *Maqashid* Syariah Concordance (MSC). The company's performance measurement is measured in four main areas, including work plans that are prepared to meet the principles of fairness; fair hospital rates for patients, doctors, and hospitals; recommendations from the sharia committee on policies taken by hospitals; and cooperation with sharia banks.

This research design uses descriptive quantitative analysis by analyzing the financial statements of the Sultan Agung Hospital Semarang during 2017 to 2021. The data is calculated using an index according to the *Maqashid* Syariah Concordance model. The results of the paper show that the portion of da'wah and social costs shows a very good value, the ratio of complaints to tariffs is still within reasonable limits, the role of the Sharia Committee is in accordance with its function, and the portion of RSI Sultan Agung Semarang cooperation with Islamic banks is larger than conventional banks. The conclusion of this paper is that the financial performance of RSI Sultan Agung Semarang based on the *Maqashid* Syariah Concordance approach is good. Suggestions that can be given are to increase cooperation with Islamic banks and reduce cooperation with conventional banks.

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1 Introduction

Islamic economics has a goal to achieve *maqhashid* sharia through the realization of justice and balance in society. *Maqhashid* Sharia is an important thing in practicing *muamalah*. The application of sharia principles began to emerge in 1990 and continued in 1992 with the birth of a sharia bank for the first time, namely, Bank Muamalat Indonesia (BMI). Indonesia has a huge opportunity because according to (Alhamid 2019), Indonesia is a country with the largest Muslim population in the world.

Currently, public trust in sharia services has increased and has even become a lifestyle. Public trust in sharia services is not only for sharia banking services but also for sharia health services. The National Sharia Council-Indonesian Ulema Council (DSN-MUI) in 2016 issued fatwa number 107/DSN-MUI/X/2016 concerning Guidelines for the Operation of Sharia Hospitals. Furthermore, on October 1, 2016, the National Sharia Council-Indonesian Ulema Council (DSN-MUI) established RSI Sultan Agung Semarang as the first sharia hospital in Indonesia in accordance with the DSN-MUI decree number 008.55.09/DSN-MUI/VII/2017 regarding certificates that have met sharia principles for RSI Sultan Agung and were extended according to the DSN-MUI decree number 014.106.09/DSN-MUI/VII/2020.

Indonesia as a country with a Muslim majority population has enormous potential in efforts to develop sharia health services. The existence of a hospital based on the Islamic religion has been around for a long time, but it does not yet have a reference standard and legitimizing institution, so that the application of Islamic values in health services needs to be confirmed with sharia hospital certification standards. According to data from the Secretariat of the All-Indonesian Islamic Health Efforts Council (MUKISI), currently there are 31 hospitals certified as sharia hospitals and 42 hospitals are in the process of becoming sharia hospitals, bringing a total of 73 hospitals. This development is quite encouraging, but the quite disturbing thing in the implementation of the Sharia Financial Management Standards (SSMAK) is that hospitals still use conventional measuring instruments in measuring their financial performance.

In measuring its financial performance, Islamic hospitals still use financial ratios commonly used by public companies, such as profitability, liquidity, solvency ratios, and several other financial ratios. Therefore, according to (Susanti and Murnita 2017), if hospital financial management does not go well, the need for carrying capacity of health services will also be disrupted. In response to the above, one of the solutions offered by Islam is through the *maqhashid* sharia approach, which according to (Sulistiadi 2016) the approach considers reality in relation to the ultimate goal (*maqhashid*) and Islamic sharia values as well as the rules of society and civilization. Based on the results of the description of the problems found in the case, the researcher was then interested in writing a paper on the Financial Performance Assessment of RSI Sultan Agung Semarang through the *Maqhashid* Syariah Concordance (MSC) Approach. In general, this paper aims to assist the management

of RSI Sultan Agung Semarang in measuring the company's financial performance using *Maqhashid* Syariah Concordance (MSC).

2 Method

This research was conducted at RSI Sultan Agung Semarang, which is the first sharia hospital in Indonesia. This research design uses descriptive quantitative analysis by analyzing the financial statements of the Sultan Agung Hospital Semarang during 2017 to 2021. The data is calculated using an index according to the *Maqhashid* Syariah Concordance model. Company performance measurement is measured in four main areas, including:

1. The work plan drawn up meets the principles of fairness.
2. Hospital rates are fair to patients, doctors, and hospitals.
3. Recommendations from the Sharia Committee on policies taken by the hospital.
4. Cooperation with Islamic banks.

In this study, the ratios used are ratios selected which were formulated from the standards in the Sharia Hospital Accreditation Standard Book, which are used in the assessment of sharia hospital accreditation by the DSN-MUI. This formulation is inspired by the tools used (Muhammed and Dzuljastri 2008) who have verified measurements that will be used by sharia experts spread across the Middle East and Malaysia, who are experts in both fields, both in the field of Islamic banking and conventional banking.

The difference between this study and previous studies is that previous studies in measuring the assessment of the company's financial performance always use conventional ratios, such as profitability, liquidity, solvency, and several other ratios. While this research in measuring the assessment of the company's financial performance is using the sharia approach, namely, using the *Maqhashid* Sharia Concordance (MSC) approach.

3 Result and Analysis

3.1 *The Budget Work Plan Prepared Meets the Principles of Justice*

The principle of justice referred to in the preparation of the budget is to consider the budget allocation for the needs of hospital operational management and the need for *da'wah* to the community (Masyhudi 2019). Then because RSI Sultan Agung Semarang does not calculate zakat, it is logical that RSI Sultan Agung Semarang allocates its wealth for *da'wah* and social funds equivalent to the value of zakat mal,

Table 1 Budget fairness ratio

Year	Da'wah budget	SUD	Ratio (%)
2017	1.991.485.000	20.476.342.072	9.73
2018	2.833.776.301	27.806.036.182	10.19
2019	4.193.121.56	49.531.39.518	8.47
2020	3.967.186.068	54.663.605.125	7.26
2021	1.949.724.420	54.663.605.125	3.57

Table 2 Tariff fairness ratio

Year	Complain by doctor	Complain by patient	Ratio (%)
2017	(2 × 6)/128	0	9.38
2018	(5 × 6)/130	0	23.08
2019	(2 × 6)/130	0	9.23
2020	(5 × 6)/136	0	22.05
2021	(5 × 6)/138	0	21.73

which is 2.5% of the rest of the business. If the ratio value is below this value, it can be concluded that the performance is categorized as unhealthy. Conversely, if the value is equal to or more than the standard, it can be concluded that the performance is in the healthy category. The data for the da'wah budget and the total budgeted costs for 2017–2021 are as follows:

The results of the calculation of the ratio in Table 1 show that the budget fairness value of RSI Sultan Agung Semarang from 2017 to 2021 shows a value above 2.5%. This shows that the value of budget justice is in the healthy category, but it needs attention because the value is decreasing.

3.2 *Hospital Rates Are Fair for Patients, Doctors, and Hospitals*

Data for complaints on hospital rates by doctors and patients and the number of product tariff items are as follows:

Based on the tariff fairness ratio Table 2, it can be conveyed that the ratio of complaints to tariffs is still within reasonable limits. During 2017–2021, the ratio of complaints varied, and the highest was in 2018, where there were five doctors from different SMFs asking for tariff adjustments. However, according to data from the Public Relations and Partnerships Division, from 2017 to 2021, there were no complaints about the tariffs from patients receiving health services at the Sultan Agung Hospital, Semarang.

Table 3 Sharia committee engagement ratio

Year	Recommendation	Number of letters	Ratio (%)
2017	1	1	100
2018	2	2	100
2019	1	1	100
2020	1	1	100
2021	1	1	100

3.3 Recommendation from the Sharia Committee on Policies Taken by Hospitals

The Sharia Committee has the task of assessing, supervising, and providing recommendations on policies and governance of health services in hospitals in accordance with sharia principles. Thus, there is a guarantee that Islamic values in health services can be implemented in every work unit in sharia hospitals.

How high the involvement of the Sharia Committee in making decisions and formulating hospital policies in the financial sector is calculated from the number of recommendations of the Sharia Committee issued for the number of application letters submitted by the finance sector for one period. Data on the number of recommendations from the Sharia Committee as well as the number of regulations and cases related to financial practice at RSI Sultan Agung Semarang are as follows:

Based on the results of the calculation of the ratio of the involvement of the Sharia committee as shown in Table 3, it shows that from time to time, the Sharia Committee at RSI Sultan Agung Semarang has always contributed to the role of maintaining sharia implementation, especially in the financial sector.

3.4 Cooperation with Islamic Banks

According to (National Sharia Council - Indonesian Ulema Council (DSN-MUI) 2016) in the seventh dictum regarding provisions related to the placement, use, and development of hospital funds, explained that hospitals are required to use the services of Sharia Financial Institutions in an effort to operate hospitals, whether banks, insurance, financing institutions, guarantee institutions, or pension funds. Therefore, Islamic hospitals are required to cooperate with Islamic banks, so to calculate the ratio, it is calculated based on the number of collaborating Islamic financial institutions compared to the number of collaborating financial institutions. The data on the number of Islamic Financial Institutions, the number of banks, insurance, financing institutions, guarantee institutions, and pension funds in collaboration with RSI Sultan Agung Semarang are as follows:

Table 4 Ratio of cooperation with Islamic banks

Year	Number of Islamic banks	Number of cooperation institutions	Ratio (%)
2017	5	9	56
2018	5	10	50
2019	5	10	50
2020	6	10	60
2021	5	8	62.5

Based on the results of the calculation of the value of the ratio of cooperation with Islamic banks as presented in Table 4, it shows that there is an effort from RSI Sultan Agung Semarang to implement the fatwa from the National Sharia Council-Indonesian Ulama Council (DSN-MUI). This can be seen from the increasing value of the ratio, and this can be continued until the ratio reaches 100%.

4 Conclusion and Suggestions

4.1 Conclusion

Based on the research that has been done, it can be concluded that the financial performance of RSI Sultan Agung Semarang based on the *Maqhashid* Syariah Concordance approach is good.

4.2 Suggestions

Based on the research that has been done, the advice that can be given is to increase cooperation with Islamic banks and reduce cooperation with conventional banks.

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