

GROWTH OF SHARIA ACCOUNTING AND FINANCE RESEARCH IN INDONESIA

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Abstract

This study seeks to describe the development of research in Islamic accounting and finance in Indonesia. The in-depth study aims to understand the research topics of published articles and conference papers published in the period 1997 to 2018. The results found in samples are grouped into four major research topics: concept, construction, pre-position, and performance assessment. The findings proved that conceptual topics dominated research conducted in the period 1997-2013, while performance measurement was the dominant topic of the 2014-2018 study period. Based on these findings, it is concluded that research in the field of Islamic accounting and finance in Indonesia is still in the process of growth and development. In addition, this study also discovered a significant increase in the number of articles in the last two years, which indicates a growing and ascending trend in Islamic accounting and finance studies in Indonesia. The research mapping is expected to provide insights into various research topics that have been written and topics that are still open for further research.

Keywords: Mapping Research, Sharia Accounting, Islamic Finance, Indonesia.

1. INTRODUCTION

Accounting practices have developed for centuries. At that time, accounting mainly is done by the single-entry method. The next development was double-entry documentation after the publication of Luca Pacioli's writings in the 15th century. Some experts believe that double-entry bookkeeping was used by traders in Italy long before Pacioli's book was published (Baridwan, 2000).

Hendriksen in the book "Accounting Theory" wrote: "...the introduction of Arabic Numerical greatly facilitated the growth of accounting". This quote marks the notion that the Arab contribution to the development of the accounting discipline is enormous. The use of Arabic numerals has served greatly to the development of accounting. It is likely that in the Arab civilization there was already a method of accounting records. Maybe they even started it. The Arab world at that time already had a fairly advanced administration, the practice of bookkeeping had adopted general ledgers, general journals, cash books, periodic reports, and book closings.

Accounting practices in a country are developed deliberately to achieve certain social goals. In Indonesia, its development is evident in the emergence of Islamic-based finances known as Sharia accounting. The concept of Sharia accounting is a reflection of Islamic teachings that touch all aspects of human life, including the concept of economics and finance. The development of Islamic accounting is part of the dynamics of accounting theory adapting to the social conditions of the Indonesian demographic, most of which are Muslim. The logical consequence would be the government's willingness to accommodate accounting concepts that are suitable to the need of the Islamic community, hence the idea of Islamic accounting (Apriyanti, 2017).

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The development of Islamic accountancy in Indonesia cannot be separated from the process of establishing a Sharia Bank. The establishment of Bank Muamalat Indonesia (BMI) was the initial basis for the application of Islamic teachings into muamalat guidance (Islamic commercial transaction). This establishment began with a series of struggles by a group of people and Islamic thinkers in an effort to invite the Indonesian people to embrace religious teachings initiated by several Islamic leaders from the Indonesian Muslim Scholars Association (ICMI) and the Indonesian Ulema Council (MUI). The process took around from 1990 to 1999.

Along with the expansion of the Sharia business, Islamic accounting research has also experienced a significant escalation. Research plays role in contributing ideas for the advancement of Islamic accounting theories and practices in business. According to (Saputro & Triyuwono, 2010), the development of Sharia accounting studies is directly proportional to the rapid progress of the Islamic banking industry. Although theoretically the design is not limited to the Islamic banking industry, Islamic accounting studies are useful for any muamalat or transactional activity based on Sharia principles.

The development of research in the field of Islamic accounting and finance encourages researchers to conduct literacy studies related to the growth of Islamic accounting and finance articles. Research by Maali & Napier (2007); Baridwan (2000) who conducted a conceptual study of theory development, or research by Ali (2008); and Handoko & Mardian (2021) which uses the data analysis or bibliometric analysis method, or archival research analysis research by Ryzky & Rini (2018), and other research. Different from other studies that have been done before, this study seeks to conduct a thematic study of the substance of the research and classify it into 4 types of topics that illustrate the shift in the direction of knowledge development in this field.

The growth of Islamic accounting research that has been carried out so far is the background for this literature study, considering the previous literacy studies on Islamic accounting, therefore this paper will focus on examining the development of Islamic accounting and finance research in Indonesia. This study also excavated further research opportunities to enrich Islamic accounting literature in Indonesia. Thus, these recommendations are appropriate as initial considerations for researchers interested in studying this topic.

2. LITERATURE STUDY

Sharia Accounting

Sharia accounting, according to Triyuwono and Gaffikin, is an effort to deconstruct modern accounting into a humanist and value-oriented form. The purpose of creating Sharia accounting is the creation of a business civilization with humanist, emancipatory, transcendental, and teleological insights (Triyuwono and Gaffikin, 1996).

Asrori (2002) argued that the objective of implementing Sharia accounting is to provide complete information to find out the conflicting values and economic activities allowed by Sharia; increase compliance with Sharia principles in all transactions and business activities; as well as determine the rights and obligations of interested parties in a Sharia economic entity based on the concepts of honesty, justice, virtue, and compliance with Islamic business values and ethics.

The application of such principles and rules of Islamic law in Indonesia are imposed on several financial institutions, such as Islamic financial institutions, Islamic insurance companies, Islamic investment companies, Islamic finance companies, Islamic capital markets, and hundreds of Bait al-Maal Waal Tamwil (Murtiyani, 2009).

The Analysis of Sharia Accounting Research

The previous Islamic accounting study analysis was in the form of a descriptive review, hence difficult to conclude to what extent the development of Islamic accounting research was Maali & Napier (2007); Napier (2007); Ali (2008); Christopher Napier & Haniffa (2011); and Mustofa (2013). A review by Mustofa (2013) described Islamic accounting research in Indonesia has increased from year to year from 2001 to 2011. The most discussed topic was Islamic banking at 64.08%, the topic of the Islamic capital market was at 9.22% and the topic of zakat was 6.15%. The least highlighted one was the Sharia accounting system at 0.16%. However, Islamic accountancy research in Indonesia from 2001 to 2011 was still mostly carried out by public universities at 70.39%, compared to Islamic universities at 28.96% and other institutions at only 0.65%.

3. RESEARCH METHODOLOGY

The research samples are 120 research articles discussing Islamic accounting from online journal databases (Scopus, Sciences Direct, Portal Garuda) and search engines like google scholar. Concerning the research objectives, simple random sampling was chosen as the appropriate method to enrich the diversity of literature sources. Therefore, the sources of research data are not limited in terms of database resources, period, and the origin of the study (domestic or foreign researcher).

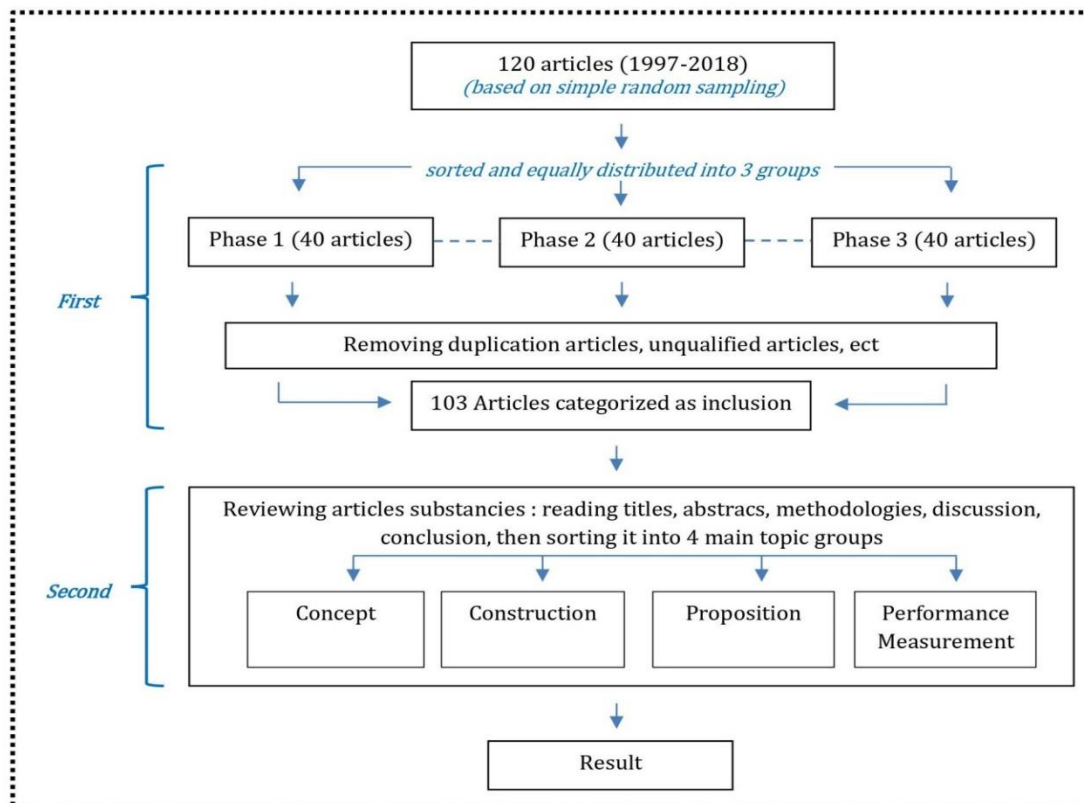


Figure 1. Searching Process

In the first stage, the research samples were sorted and then distributed equally into 3 groups based on the number of research samples. Each data group contains 40 articles. The sample grouping is divided into 3 groups to facilitate researchers in the process of identifying research

topics and outlining the dynamics of accounting research studies and Islamic finance in Indonesia.

The first 40 group articles consist of articles from 1997 to 2012, the second 40 group articles (second group) consist of articles dated 2013 - 2016, and the third 40 group articles consist of articles dated from 2017 - 2018. The investigation determined the nature of the researches themselves, whether they were more inclined toward conceptual research or performance measurement. Furthermore, the investigation obtained information on possible future research topics.

In the first research stage which is the data analysis stage, research articles were reviewed and assessed to obtain a quality sample. Through the process of preliminary review and assessment, 103 research subjects were acquired.

All the 103 samples were then analyzed by deep review of their title, abstract, methodologies, discussion, and conclusion to obtain an understanding of their substance. Based on the understanding obtained from the in-depth review process, then the sub-topics of discussion found in each article were determined. All of the sub-topics found will then be grouped and four main topics are found, namely: concepts, construction, propositions, and performance assessment.

The main purpose of the research topics classification into the 4 main topics in this research is to bring a structure to fragment literature on the growth of ideas and themes in the field of Sharia accounting and finance research in Indonesia.

The assessment of research main topics into 4 main topic groups is to obtain a technical structure of the development of knowledge and to classify articles into several groups of similar research topics. This effort is inspired by Maali & Napier, (2007), which also grouped articles into several groups of studies, while the 4 main topics groups of articles selected in the study were determined by observation of the topic's structure formed by the sample of this study itself. The 4 main topics were selected by observation performed in the second stage of this research, by observing the derivatives sub-topics and the main topics that are inferred from the substance of the sample articles

4. RESULT AND DISCUSSIONS

Mapping Analysis Phase (1997-2012)

Table 1. The proportion of Comparison of Phase I Mapping

Period	Topics	Sub-Topic	Quantity
Phase 1 (1997-2012)	Concept	General Basic Concepts	55,2%
		Concept Comparison	
		Standard Analysis	
		Methodology	
		Islamic Business Analysis	
		Accountability	
	Construction	Economic growth	31%
		Shariah Supervisory Board	
		Financial Report Components	
		Warranty	
		Business Modeling	
		Islamic Business Analysis	

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	Proposition	Perception	13,8%
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Data source: processed by researchers (2018)

Based on the literature study in the first period from 1997 to 2012, it was found that research with conceptual topics (55.2%) was more dominant than research on the topic of construction (31%) and propositions (13.8%).

In the most dominant topic in this phase, several studies are mostly carried out. Conceptual researches mostly formulate, define, and describes general basic concepts and ideas of Islamic accounting and finance. This kind of studies found in journals that discuss various topics of concepts and ideas.

After the initial phase of concepts, ideas, and thought formulation, the research pattern was revealed. It attempted to construct Islamic accounting thinking into more technical and applicable research. It was found that 31% of the total sample debated the topic of construction. The most written sub-topics constructive are financial statements, business modeling, the construction of a Shariah supervisory board, warranty, and Islamic business analysis.

Propositional and perception studies are the least discussed topics in the First Phase. Only 13.8% of the articles brought up these themes. They explore the public's acceptance and understanding of Islamic accounting and finance.

Mapping Analysis Phase II (2013-2016)

Table 2. The Comparison Result of Phase II Mapping Proportions

Period	Topics	Sub-Topic	Quantity
Phase 2 (2013-2016)	Performance measurement	Third-party funds	54,5%
		Standard Implementation	
		Financing Instruments	
		Sharia Investment	
		Bank Policy	
		Market Forces	
		CSR disclosure	
		GCG disclosure	
		Profitability	
	Brand psychology		
	Concept	BMT	24,2%
		DPS function	
		Standard Setting	
Sharia Accounting Principles			
Proposition	Sharia Accounting	21,2%	
	Accounting for Zakat		
	BMT		

Data source: processed by researchers (2018)

In the second period from 2013 to 2016, it was found that the study topic of Islamic banking performance assessment (54.5%) was more dominant than conceptual topic research (24.2%) and propositions (21.2%). The distribution of research sub-topics in the second phase was quite even.

In the performance assessment research group, profitability was the most-studies sub-topic. The research pattern more illustrates the performance measurement of Islamic banking financing instruments.

The second phase also has conceptual and propositions-themed studies. There are 24% of conceptual topics and 21% the proposition. The most written sub-topics of this research group are the concept of Sharia accounting and standard-setting.

Mapping Analysis Phase III (2017-2018)

Table 3. The Comparison Result of Phase III Mapping Proportions

Period	Topics	Sub-Topic	Quantity
Phase 3 (2017-2018)	Performance Measurement	Corporate Governance	58,8%
		Satisfaction (SAT) and kepercayaan (TRS) on Word of Mouth (WOM) and decision pembelian (BD)	
		BMT health level	
		CSR	
		Profitability	
		Stock performance	
		Sharia bank performance	
		AAOIFI and IFRS standards	
		Troubled financing (NPF)	
		Efficiency, stability, and quality of a set	
		Customer satisfaction and loyalty	
		Accounting management	
		Financial performance	
		The health of the child	
		Concept	
	Margin concept		
	Accounting Standard Concepts		
A new paradigm in Islamic housing			

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		Accounting and spirituality of IFI	
		The role of SSB	
	Construction	Pe ngembangan soil productivity models wsakaf	14,7%
		Sharia management accounting information system	
		A new framework for Islamic economic analysis	
		Reconstruction of cash waqf accountability	
		The golden role for Sharia stock	
	Proposition	Perception	8,8%

Data source: processed by researchers (2018)

The third phase takes a total sample of 34 studies. The mapping results show that the growth of Islamic accounting and finance research is dominated by performance measurement topics which amounted to 58.8%, then the conceptual topics of 17.6%, construction topics t 14.7%, and propositions 8.8%. Based on the results, the dominant research topic is performance measurement. See table 3. Proportion Comparison of Phase III Mapping.

In measuring performance, profitability is the most dominant sub-topic, such as research by Hariyani (2017); Ariyanti et al. (2017); Aulia (2018), and others.

In the third phase, there were also other conceptual studies. Among them are about the concept of fraud (Yurmaini, 2017), margin (Trinugroho et al., 2018), accounting standards (Siswanto et al., 2018), a new paradigm in Islamic housing (Firmansyah & Gunardi, 2018), accounting and spirituality in Sharia financing institutions (Hidayah et al., 2018), the role of SSB (Prabowo & Jamal, 2017), and others.

Discussion

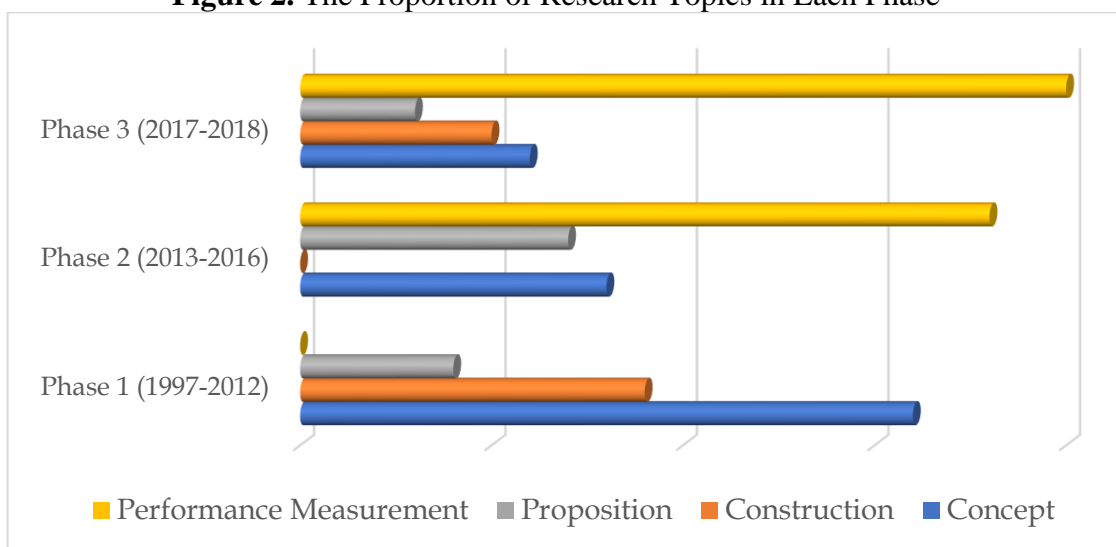
Overall, the topics that dominated research in the early period were conceptual topics, where many researchers presented theories, ideas, formulations, and concepts on Islamic accounting and finance. These ideas are then constructed through various studies that propose forms and technical models for the implementation of these theories. The researchers then moved to examine the topic of performance measurement of the implementation of Islamic accounting and finance practices that have been running in Indonesia, this topic then dominated research studies in the second phase and became increasingly dominant in the third phase. Mapping based on this theory is described in Figure 2. The proportion of comparison of research topics in each phase.

Another thing to consider is the fact that most of the articles in the early phase of 1997-2012 were dominated by contextual research related to concepts around Islamic accounting and finance. Most of the studies in the initial phase were theoretical and normative in nature, and there were no papers on technicalities that were needed at that time. This finding is in line with the opinion of (Maali & Napier, 2007) that until 2007, very little empirical research had been found, most of the research at that time was theoretical and normative. The limited number of articles that discuss the actual technical needs of the Sharia financial business then becomes a problem that

hinders the growth of the Sharia financial business by not meeting actual Islamic financial business policy necessities.

Constructive research, however, is considerably scarce and never dominates the research trends in the three phases. Constructive topics pretty much covered 31% during the first period in 1997-2012, but no significant number of articles emerge in other research phases. The limited number of constructive studies found on the topic of Islamic accounting and finance greatly affects the development of the national Islamic accounting and finance system. Until now, literature that discusses the system and technical implementation of Islamic accounting and finance are still quite finite, even in the academic realm. Most literature is still focused on studying concepts and theories. Findings by (Ryzky & Rini, 2018) supported this argument, they found the topic of the Sharia accounting system draws the least attention.

Figure 2. The Proportion of Research Topics in Each Phase

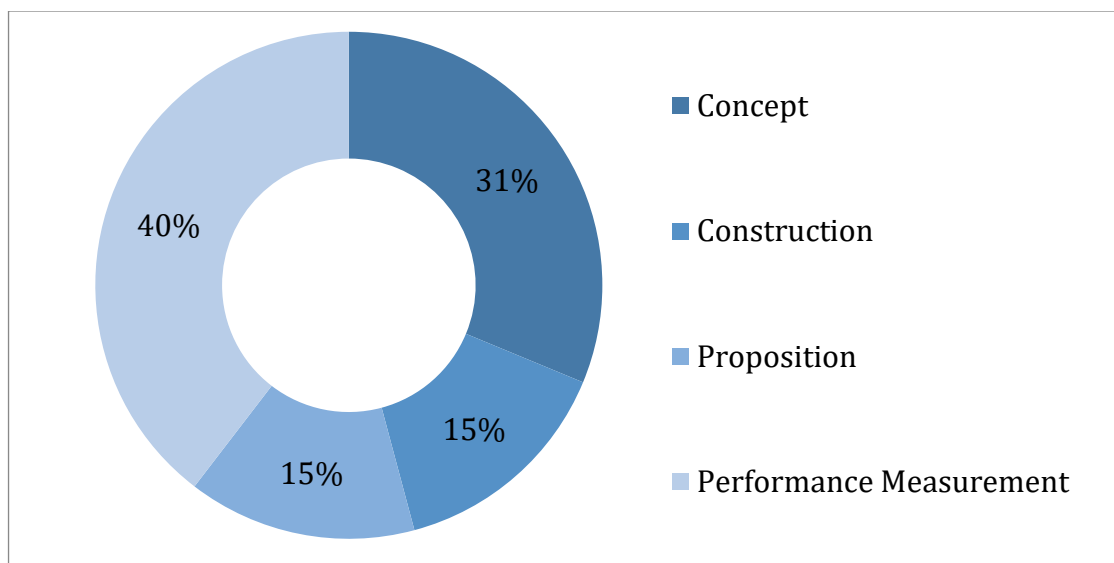


Data source: processed by researchers (2018)

Based on the descriptions discussed in the results of the analysis that has been carried out before, it can be concluded that research topics that have been researched a lot and research topics that are less researched are more deeply. The results of this study indicate that performance measurement research is the most frequently conducted research over another topic, followed by conceptual topic research as the second most researched topic. The topics of construction and propositions are in the same rankings and are the research topics that are the least studied in-depth overall topics.

Figure 3. The Proportion of Research Topics in All Phases (1997-2018)

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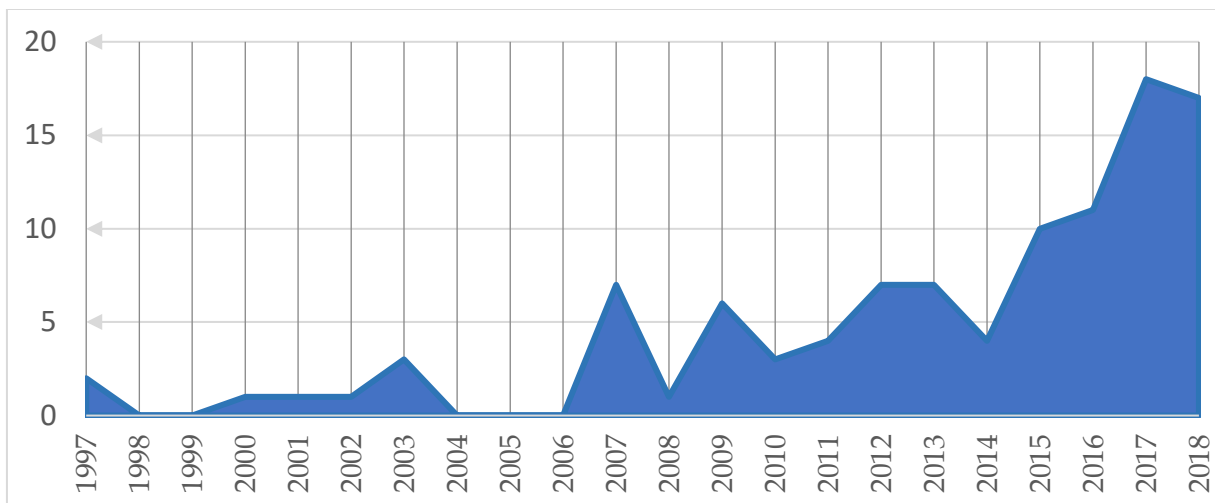
Data source: processed by researchers (2018)

In the aspect of growth, the quantity of studies increases from time to time. The expansion occurred gradually from the beginning of the period 1997 to the end of the period 2018. In Grap 3. The proportion of Research Growth, there are several decreases, but in general, the graph illustrates an ascending trend. The fluctuation of research quantity is supported by (Ryzky & Rini, 2018) who state that the number of Islamic accounting articles has fluctuated during the 2008-2017 period. (Maali & Napier, 2007) also think that although the research is still rather normative and contrary to the market needs, the total quantity has indeed been rising sharply.

Studies in the field of Islamic accounting and finance have increased significantly, especially in the third phase (2017-2018), where the number of research samples found during these two years is equal to the number of samples found in phase 1 which took much longer period: 15 years. Research in Islamic accounting and finance in Indonesia has experienced growth in each phase, especially experiencing a surge of numbers in the third phase. This condition is slightly different from the development of research in the global Islamic accounting and finance that has been started in 1979 and has gone through a doubling in the period 1990 to 1999 (Ali, 2008). This fact revealed that the growth of this research topic in Indonesia started a bit late and experienced a surge in different periods than the global research development.

This delay in growth may be caused by several factors described by (Siddiqi, 2008) such as methodological barriers or technical constraints on funding and copyright protection. This opinion was later refined by Ali (2008), who stated that Indonesia was one of the countries where researchers, especially at the doctorate level, in 2008 had difficulty in obtaining funding sources to carry out postgraduate research. Siddiqi (2008) explained further that the funding problem inhibiting the development of research in the field of Islamic economics as it is found, at that point, Islamic economic studies that have been implemented were self-funded and/or dedicated to the researchers themselves.

Figure 4. The Proportion of Research Growth



Data source: processed by researchers (2018)

5. CONCLUSION

Based on the research, four general topics of research in Islamic accounting and finance are found, namely: concept, construction, proposition, and performance measurement. They are spread over three-time phases, each phase having a bias on a specific topic.

The first phase of research in the period 1997 - 2012 was dominated by conceptual research. The study mostly focused on formulating, defining, and putting forward general basic concepts, ideas and thoughts in the field of Islamic accounting and finance. After the initial phase of concepts, ideas, and thoughts formulation, the research patterns move towards constructing Islamic accounting ideas into more technical and applicable research.

As the practice of Islamic accounting and finance grows, research studies in the second phase (2013-2016) are closely related to the topic of performance measurement of Islamic accounting and finance practices. There are also conceptual studies in this phase although the number was not significant, contrary to the first phase where research conceptual topics are more fundamental, conceptual research in the second phase is more solution.

There are also conceptual studies in this phase, although the number is not significant, in contrast to the first phase where the conceptual research topic is more basic, conceptual research in the second phase is more solution-oriented.

The third phase (2017 - 2018) is not much different from the second. Performance assessment of profitability instruments is the most dominant subject studied. In addition, conceptual topics include the concept of fraud, margin, accounting standards, a new paradigm in Islamic housing, accounting and spirituality in Islamic financing institutions, and the role of SSB. Besides, there is some growth research in each phase such as in Islamic accounting standard instruments. This development is due to several principles of IFRS which are incomparable to the interpretation of sharia. Sharia accounting and finance studies are still in developmental stages both in aspects of quantity and topic variation.

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