

## The Meaning of Time-Driven Activity-Based Costing in Islamic Banking Products: A Phenomenological Study of Tawhid

Lince Bulutoding <sup>1\*</sup>, Azizah binti Saban <sup>2</sup>, Supriadi <sup>3</sup>, Namla Elfa Syariati <sup>4</sup>, Wilhalminus Sombolayuk <sup>5</sup>, Mustakim Muchlish <sup>6</sup>, Nur Rahma Sari <sup>7</sup>

<sup>1,3,4,6,7</sup>Universitas Islam Negeri Alauddin Makassar

<sup>2</sup>MILA International University, Malaysia

<sup>5</sup>Universitas Atma Jaya Makassar

\* Corresponding author: [lince.bulutoding@uin-alauddin.ac.id](mailto:lince.bulutoding@uin-alauddin.ac.id)

**Article history:** Received December 3, 2024 | Revised February 19, 2025 | Accepted March 9, 2025 | Available online on April 11, 2025.

To cite this article [*Turabian of style 8th edition*]: Bulutoding, Lince, Azizah binti Saban, Supriadi, Namla Elfa Syariati, Wilhalminus Sombolayuk, Mustakim Muchlish, Nur Rahma Sari. "The Meaning of Time-Driven Activity-Based Costing in Islamic Banking Products: A Phenomenological Study of Tawhid". IQTISHODUNA: Jurnal Ekonomi Islam 14, no. 1 (April 11, 2025): 167-182. Accessed April 11, 2025.

### ABSTRACT

The purpose of this study is to reveal and interpret the calculation of the cost of determining *wadiyah yad dhamanah* savings at Bank Syariah Indonesia (BSI) based on activities that use the concept of sharia and spiritual time driven activity-based costing (SSTDABC). Time Driven Activity Based Costing (TDABC) has a weakness in cost calculation because it does not take into account cognitive time distortion (CTD) owned by human resources. This can lead to irrelevant revenue and cost assessments that will affect managers' decision-making. The Interpretive method of monotheistic phenomenology used in this study includes *noema*, *noesis*, *epoché* (bracketing), intentional analysis, and eidetic reduction to reveal the phenomena experienced by participants related to determining activity-based costs so as to produce an Islamic banking product (*wadiyah yad dhamanah*). The results of this study reveal that sharia and spiritual time driven activity-based costing can be developed in Islamic banking. The SSTDABC concept will become the "spirit" for the management of Islamic banks in the world and in Indonesia in particular. SSTDABC can be a new input for the development of theory both in the field of service companies and in the field of industry globally and nationally.

**Keywords:** *wadiyah yad dhamanah*, fenomenologi tawhid, spiritual.

### INTRODUCTION

Activity base costing (ABC) is a development of traditional costing. Furthermore, Time Driven Activity Based Costing (TDABC) is a development of a cost calculation model from ABC that focuses on time triggers. Several studies

have examined cost calculations based on TDABC including<sup>1</sup>; <sup>2</sup>; <sup>3</sup>; <sup>4</sup>, which explain that TDABC focusing on time triggers can be used as a strategy in calculating the accuracy and speed of cost calculations, can create the value of a service and service, and can increase cost transparency. Furthermore, according to Pashkevich et al.<sup>5</sup> that TDABC has a weakness in cost calculation because it does not take into account cognitive time distortion (CTD) owned by human resources so that it can cause irrelevant revenue and cost assessments that will affect managers' decision making. In addition, company managers are not ready to adopt the use of "big data" technology because there will be changes, namely technological, organizational and environmental difficulties<sup>6</sup>. The full use of technology does not always create efficiency and effectiveness because there are behavioral factors that create value in decision making<sup>7</sup>. In addition, there are spiritual factors that are not owned by machines which are also a component of value creation. Human cognitive factors according to Wang et al.<sup>8</sup>, contain self-efficacy, results, and perceived expectations in the context of individual goals, morals and personal standards. This is why ABM is still the main concern of researchers both cognitively in machine artificial intelligence and human cognitive.

According to Hall<sup>9</sup>, Management accounting will never be separated from contingency-based psychological theory because it concerns the relationship between individuals and organizations, examines the accounting context from

<sup>1</sup> Zuleyha Cidav et al., "Programmatic Costs of the Telehealth Ostomy Self-Management Training: An Application of Time-Driven Activity-Based Costing," *Value in Health* 24, no. 9 (2021): 1245-1253, <https://doi.org/10.1016/j.jval.2021.03.018>.

<sup>2</sup> Ana Paula Beck da Silva Etges et al., "Advances in Value-Based Healthcare by the Application of Time-Driven Activity-Based Costing for Inpatient Management: A Systematic Review," *Value in Health* 23, no. 6 (2020): 812-823, <https://doi.org/10.1016/j.jval.2020.02.004>.

<sup>3</sup> Heather A. Heaton et al., "A Time-Driven Activity-Based Costing Analysis of Emergency Department Scribes," *Mayo Clinic Proceedings: Innovations, Quality & Outcomes* 3, no. 1 (2019): 30-34, <https://doi.org/10.1016/j.mayocpiqo.2018.11.004>.

<sup>4</sup> Roberto Revenco et al., "Determining the Operating Costs of a Medical Surveillance Program for Copper Miners Exposed to High Altitude-Induced Chronic Intermittent Hypoxia in Chile Using a Combination of Microcosting and Time-Driven Activity-Based Costing," *Value in Health Regional Issues* 20 (2019): 115-121.

<sup>5</sup> Natallia Pashkevich, Fabian von Schéele, and Darek M. Haftor, "Accounting for Cognitive Time in Activity-Based Costing: A Technology for the Management of Digital Economy," *Technological Forecasting and Social Change* 186, no. November 2022 (2023).

<sup>6</sup> Shivam Gupta et al., "Big Data with Cognitive Computing: A Review for the Future," *International Journal of Information Management* 42, no. June (2018): 78-89.

<sup>7</sup> Tuomas Korhonen et al., "Exploring The Programmability of Management Accounting Work for Increasing Automation: An Interventionist Case Study," *Accounting, Auditing & Accountability Journal* 21, no. 1 (2020): 1-9.

<sup>8</sup> Sha Wang, Kam Hung, and Wei Jue Huang, "Motivations for Entrepreneurship in the Tourism and Hospitality Sector: A Social Cognitive Theory Perspective," *International Journal of Hospitality Management* 78, no. December 2017 (2019): 78-88.

<sup>9</sup> Matthew Hall, "Realising the Richness of Psychology Theory in Contingency-Based Management Accounting Research," *Management Accounting Research* 31, no. January (2016): 63-74.

the perspective of accounts dynamically, and expands the range of psychological contexts to include the role of emotions. Furthermore, the cognitive factor possessed by machines, namely artificial intelligence, is able to calculate "big data" accurately in a relatively short time but does not have the cognitive factors possessed by humans. The components in human cognitive contain self-efficacy, results, and contain expectations or desires that are felt so that they are life goals to be achieved, moral obligations, and individual life principles<sup>10</sup>. The principles of life can come from religious values that the individual believes can be spiritual values. According to Neubert et al.<sup>11</sup>, spiritual values will be able to have an impact on the development of innovation and business scale. Spirituality in organizations can encourage knowledge management<sup>12</sup>. The spiritual aspect is closely related to the religious beliefs of an individual because spirituality is a feeling of closeness of the relationship between humans and God (13;14;15;16). Likewise, Islam has a unique concept of spirituality and is very important for individuals and organizations because it can have an impact on the way business entities or organizations are managed in ensuring the implementation of rules and standards<sup>17;18</sup>; <sup>19</sup>, as well as honest financial management to achieve company performance<sup>20</sup>, holistically<sup>21</sup>.

<sup>10</sup> Wang, Hung, and Huang, "Motivations for Entrepreneurship in the Tourism and Hospitality Sector: A Social Cognitive Theory Perspective."

<sup>11</sup> Mitchell J. Neubert et al., "The Role of Spiritual Capital in Innovation and Performance: Evidence from Developing Economies," *Entrepreneurship: Theory and Practice* 41, no. 4 (2017): 621-640.

<sup>12</sup> Raysa Rocha and Paulo Pinheiro, "Can Organizational Spirituality Contribute to Knowledge Management?," *Management Dynamics in the Knowledge Economy* 9, no. 1 (2021): 107-121.

<sup>13</sup> Bobby Briando et al., "Tuah Sebagai Sarana Pengembangan Etika Pengelolaan Keuangan Negara," *Jurnal Akuntansi Multiparadigma JAMAL* 11, no. 2 (2020): 227-245.

<sup>14</sup> Bobby Briando and Agung Sulistyo Purnomo, "Etika Profetik Bagi Pengelola Keuangan Negara," *Jurnal Akuntansi Multiparadigma* 10, no. 4 (2019): 342-364.

<sup>15</sup> Lince Bulutoding and Sitti Salmah Sharon, "Manifestasi Surah Al-Kahfi Pada Praktik Akuntansi Manajemen Perkebunan Syariah," *Jurnal Akuntansi Multiparadigma* 14, no. 1 (2023): 165-181.

<sup>16</sup> Sonhaji Sonhaji, "Sistem Informasi Akuntansi Manajemen Syariah Untuk Organisasi Islam," *Jurnal Akuntansi Multiparadigma* (2017): 47-62.

<sup>17</sup> Ariawan et al., "The Role Of Spiritual Capital, Human Capital, Structural Capital, And Relational Capital Of SMEs To Improving On Performance: Study Literature," *South East Asia Journal of Contemporary Business, Economics and Law* 11, no. 2 (2016): 87-94.

<sup>18</sup> Lince Bulutoding, "Audit Delay and Risk Management Disclosure in Capital Market: Some Nexus Considerations," *Jurnal Minds: Manajemen Ide dan Inspirasi* 8, no. 2 (2021): 255.

<sup>19</sup> Lince Bulutoding et al., "Machine Translated by Google Anteseden Dan Akibat Pendanaan Murabahah Pada Bank Umum Syariah Di Indonesia Abstrak Machine Translated by Google" 8, no. 3 (2021): 487-495.

<sup>20</sup> Bambang Tjahjadi et al., "Business Strategy, Spiritual Capital and Environmental Sustainability Performance: Mediating Role of Environmental Management Process," *Business Process Management Journal* 29, no. 1 (2023): 77-99.

<sup>21</sup> Nasrollah Amoozesh, Abdolreza Mohseni, and Mostafa Ghasemi, "Accountants and Auditors' Spiritual Capital Pattern Planning Using Grounded Theory Approach," *International Journal of Finance and Managerial Accounting* 8, no. 29 (2023): 185-194.

Spiritual capital is an important factor in company management, especially in decision making. Spiritual aspects in a manager can encourage the character of optimism in him to make an innovation accompanied by virtues in order to improve company performance for decision making<sup>22</sup>; <sup>23</sup>; <sup>24</sup>; <sup>25</sup>. Individuals who do not have spiritual values within themselves tend to act in capitalistic ways<sup>26</sup>; <sup>27</sup>, thus not creating a balance of material and spiritual performance that will create added value to a product or service. The management accounting management paradigm in Islam always prioritizes the balance of human, institutional, socio-economic development and protection of the universe, all of which aim to realize maqasidu sharia<sup>28</sup>; <sup>29</sup>.

Research on ABC to create company value, products, services and competitive advantages from various aspects has been widely researched including value-based service research<sup>30</sup>, service cost efficiency with time triggers<sup>31</sup>; production time efficiency with artificial intelligence (Atia et al., 2022), TDABC can provide accurate cost calculation information<sup>32</sup>; <sup>33</sup>. Furthermore, research<sup>34</sup> explains that TDABC is not very relevant in providing information in order to make decisions because it only focuses on time issues and does not consider the cognitive aspects of humans. In addition, many company managers are not ready to adopt "big data" because it is related to the availability of resources and the readiness of the company itself<sup>35</sup>. Without ignoring technology,

---

<sup>22</sup> Ibid.

<sup>23</sup> Ariawan et al., "The Role Of Spiritual Capital, Human Capital, Structural Capital, And Relational Capital Of SMEs To Improving On Performance: Study Literature."

<sup>24</sup> Neubert et al., "The Role of Spiritual Capital in Innovation and Performance: Evidence from Developing Economies."

<sup>25</sup> Tjahjadi et al., "Business Strategy, Spiritual Capital and Environmental Sustainability Performance: Mediating Role of Environmental Management Process."

<sup>26</sup> Indria Fitri Afiyana et al., "Tantangan Pengelolaan Dana Zakat Di Indonesia Dan Literasi Zakat," *Akuntabel* 16, no. 2 (2019): 222-229. Universitas Mulawarman.

<sup>27</sup> Aji Dedi Mulawarman, "Accounting, Agriculture, and War," *Jurnal Akuntansi Multiparadigma* 11, no. 1 (2020): 1-22.

<sup>28</sup> Ahmed Mansoor Alkhan and M. Kabir Hassan, "Does Islamic Microfinance Serve Maqāsid Al-Shari'a?," *Borsa Istanbul Review* 21, no. 1 (2021): 57-68, <https://doi.org/10.1016/j.bir.2020.07.002>.

<sup>29</sup> M. Kabir Hassan et al., "A Survey on Islamic Finance and Accounting Standards," *Borsa Istanbul Review* 19 (2019): S1-S13.

<sup>30</sup> Etges et al., "Advances in Value-Based Healthcare by the Application of Time-Driven Activity-Based Costing for Inpatient Management: A Systematic Review."

<sup>31</sup> Cidav et al., "Programmatic Costs of the Telehealth Ostomy Self-Management Training: An Application of Time-Driven Activity-Based Costing."

<sup>32</sup> Heaton et al., "A Time-Driven Activity-Based Costing Analysis of Emergency Department Scribes."

<sup>33</sup> Reveco et al., "Determining the Operating Costs of a Medical Surveillance Program for Copper Miners Exposed to High Altitude-Induced Chronic Intermittent Hypoxia in Chile Using a Combination of Microcosting and Time-Driven Activity-Based Costing."

<sup>34</sup> Pashkevich, Schéele, and Haftor, "Accounting for Cognitive Time in Activity-Based Costing: A Technology for the Management of Digital Economy."

<sup>35</sup> Gupta et al., "Big Data with Cognitive Computing: A Review for the Future."

the human cognitive factor according to Wang et al<sup>36</sup> is still a major concern because it has aspects that can lead individuals to moral and ethical goals. This research is different from previous research because this research tries to interpret the spiritual aspects of Islam in costing activities in the context of value creation. In addition, this research uses a qualitative interpretive phenomenological approach. This research aims to reveal describe as well as interpret Islamic spirituality in order to build an Islamic spiritual activity-based costing model for Islamic banking actors. This research can provide practical and theoretical contributions in the development of activity-based costing based on religiosity and Islamic spirituality for the purpose of maqasidu sharia.

## Literature Review

### ABC and ABM Concepts

ABC is one of ABM's components in increasing the added value of products and services. ABC is an activity-based cost calculation. The scope of ABC is the identification of activities that affect the added value of a product and service which of course these activities incur costs. The existence of ABC is very important for the development of ABM because staff activities are identified for cost allocation which can be a performance indicator. ABM is a series of organizational activities in directing, measuring and controlling the organization which aims to improve performance. In practice, ABM can be achieved if the creation and use of an activity-based performance measurement framework as a major component of human resources, improving organizational sustainability and decision making<sup>37</sup>. Activity-based management has two dimensions, namely the analysis of the value obtained from the process (process value analysis) and the costs required in producing this value, namely activity-based costing. Both dimensions aim to create company performance.

### Islamic Spiritual Values.

Spiritual values arise from an affinity with religion as most religions are spiritual in nature. Spirituality is a way of feeling through an awareness of a transcendent dimension that is associated with elements outside of oneself such as nature, life, other people and something higher than the individual<sup>38</sup>. Furthermore, spirituality in Islam is a close relationship between humans and God that can only be felt by the individual concerned. The spiritual values possessed by an individual will differ from one another, depending on how

---

<sup>36</sup> Wang, Hung, and Huang, "Motivations for Entrepreneurship in the Tourism and Hospitality Sector: A Social Cognitive Theory Perspective."

<sup>37</sup> Peter Armstrong, "The Costs of Activity-Based Management," *Department of Management, Keele University* (2002): 1-45.

<sup>38</sup> Rocha and Pinheiro, "Can Organizational Spirituality Contribute to Knowledge Management?"

deeply the individual has an inner awareness with God<sup>39</sup>; <sup>40</sup>; <sup>41</sup>; <sup>42</sup>; <sup>43</sup>. Islamic spiritual values possessed by leaders, staff and all personal will be a force in every management activity that will establish an Islamic-based corporate value.

## METHODS

This research uses a qualitative approach to the phenomenology of tawhid. This is based on the fact that phenomenological research always reveals individual experiences (me) and how to understand a particular context. This research tries to focus on something that individuals experience that can describe the relationship between the process in this consciousness that describes the relationship between the process that occurs in consciousness with the object of concern in the process itself. In this research, the focal point is how to be concerned with the implementation of shariah in the practice of activity-based costing in meaning. With the phenomenological approach of tawhid, the initial thing that the researcher wants to achieve is to interpret every angle related to the practice of ABC in sharia-based entities. This individual meaning is then faced with the meaning of the value of sharia based on the holistic concept of tawhid<sup>44</sup>.

The meaning of ABC (as referred to in the context of divinity) in this study refers to the concept of Islamic accounting as a manifestation of efforts to achieve material and spiritual welfare (*falah*). The concept of Islamic accounting and ABC is used as a technology (*techne*) that underlies the revelation of truth (*aletheia*). This paradigm of monotheistic phenomenology assumes that noema (what is seen and what is not seen noesis data (what is realized through experience) is manifested in the concept of God in every daily life in every life. The realization obtained in this study is assumed to come from the understanding of the concept of sharia and monotheism that has been ingrained in the informants. This research uses six informants. The informants in this study can be seen in the table that follows:

| No | Name        | Profession/Title             |
|----|-------------|------------------------------|
| 1  | DPS         | Board of Supervisors of BSI  |
| 2  | MUI         | Member of MUI South Sulawesi |
| 3  | Head of BSI | Branch Manager               |

<sup>39</sup> Briando et al., "Tuah Sebagai Sarana Pengembangan Etika Pengelolaan Keuangan Negara."

<sup>40</sup> Briando and Purnomo, "Etika Profetik Bagi Pengelola Keuangan Negara."

<sup>41</sup> Bulutoding and Sharon, "Manifestasi Surah Al-Kahfi Pada Praktik Akuntansi Manajemen Perkebunan Syariah."

<sup>42</sup> Sonhaji, "Sistem Informasi Akuntansi Manajemen Syariah Untuk Organisasi Islam."

<sup>43</sup> Iwan Triyuwono, "Akuntansi Malangan: Salam Satu Jiwa Dan Konsep Kinerja Klub Sepak Bola," *Jurnal Akuntansi Multiparadigma* 6, no. 2 (2015): 290–303.

<sup>44</sup> Masudul Alam Choudhury, "Tawhidi Islamic Economics in Reference to the Methodology n Arising from the Qur 'a and the Sunnah," *ISRA International Journal of Islamic Finance* 10, no. 2 (2018): 263–276.

|   |                       |   |
|---|-----------------------|---|
| 4 | Accounting Department | Knowing the cost calculation                      |
| 5 | Customer Service      | Serving Customers for Account opening.            |
| 6 | Customer              | Opened <i>wadiah yad damanah</i> savings account. |

They were chosen as informants of this research because they know more about the activities of calculating and managing costs in Islamic banking. These informants are the source of data acquisition which is then analyzed by tawhid phenomenology. As explained by Choudhury (2018b) in the initial stage that utilizes conventional phenomenology, this research analysis includes noema, noesis, epoché (bracketing), intentional analysis, and eidetic reduction to reveal the phenomena experienced by informants related to determining activity-based costs so as to produce an Islamic banking product (*wadiah yadhamanah*). At this stage, the researcher conducts intentional analysis, which examines how noesis (what is realized through experience) forms noema (what is seen and read), or in other words, analyzes the reasons why an action/behavior occurs. This step begins by identifying noema or what can be called textural analysis (such as surface "texture"). By identifying noema in the form of the reality of the phenomenon surrounding the practice of determining the price of a product based on ABC that appears, the researcher brackets, or puts brackets, or epoché on what is captured to get noesis, which is the informant's understanding that arises as a result of experience due to and time and a certain place (*weltzeit*).

Furthermore, eidetic reduction to reveal the results of all phenomena seen in the field in order to obtain the essence or idea that underlies the whole pure awareness in the form of product activity-based pricing. The essence of this research was carried out in line with the lack of references to family accounting in general and samara families. The results of the phenomenological analysis above, we "fenced" with the analysis of tawhid (what we call the phenomenology of tawhid as a tool of analysis). The phenomenological interpretation of the informants is dissected with the theory or concept of how sakinah family accounting should be carried out based on Islamic values). The Islamic values used as the "fence" of the meaning of tawhid in this research are taken from the perspective of sharia accounting<sup>45</sup> and sakinah finance<sup>46</sup>.

To obtain this trust, the researcher used the triangulation technique. Triangulation in this study is defined as checking data from various sources in various ways and at various times. The researcher chose to use the triangulation technique because he considered that this technique was a way that made it easier for researchers to eliminate differences in differences in the field. In other words, in using this technique the researcher also hopes to crosscheck his findings by

<sup>45</sup> Rita Yuliana, Achdiar Redy Setiawan, and Robiatul Auliyah, "Akuntansi Keluarga Sakinah Sebagai Manifestasi Pengelolaan Keuangan Rumah Tangga Syariah," *Jurnal Akuntansi Multiparadigma* 11, no. 3 (2020): 479–499.

<sup>46</sup> Murniati Mukhlisin, Nurizal Ismail, and Reza Jamilah Fikri, "Mind the Gap: Theories in Islamic Accounting and Finance, Islamic Economics and Business Management Studies," *ISRA International Journal of Islamic Finance* 14, no. 3 (2022): 333–348.

comparing with several sources, techniques, and time so as to get valid data. Findings or data can be deemed valid in qualitative research, namely that there is no difference between what the researcher reports and what actually happens to the object under study.

Source triangulation in this study was carried out by checking the data obtained from several different sources, namely from several supporting informants, namely especially the informant's life partner. Triangulation of techniques is done by checking data to the same source with different techniques, namely data obtained from interviews with informants, observation, and documentation. Time triangulation usually also affects the credibility of the data, so researchers conduct data collection techniques to informants at different times and situations. Interviews were conducted repeatedly on several different occasions. The last stage is the stage of summarizing the findings obtained during the search process in the field. This research extracts the meaning of the informants and the value of divinity into a sharia activity-based costing model. The model raised from the practice of reality is expected to be one of the references for SABC praxis.

## RESULTS AND DISCUSSION

### **Islamic Banking Entity as a “mandate” that must be managed in an Islamic concept.**

Islamic banking entities need to be managed according to Islamic concepts. Islam understands that everything on this earth belongs to Allah swt, humans are only as trustees who must manage the trust itself, namely banking entities. Understanding this concept will cause Islamic banking management to manage banking entities in accordance with the rules outlined in the Qur'an, sunnah, consensus of scholars, rules of the Indonesian Ulema Council (MUI) and Sharia Accounting Standards (SAS) as a management benchmark. The purpose of all this is to bring the benefit of the people. As explained by an informant who is one of the Sharia Supervisory Board (DPS) in Islamic banking and a member of MUI:

“Islamic banks should operate in accordance with the rules issued by MUI and also the sharia accounting standards.” .... I think these two institutions in making rules and standards must be derived from the Qur'an and Hadith. That's why if all banks in Indonesia that are labeled sharia realize that their work is only as a mandate from Allah then...”. (Member of DPS).

“Actually, the motivation of MUI in making fatwa is so that the managers of Islamic banks realize that Islamic banks are not only in name but they should really pay attention to the rules of bank management that avoid usury and so on. I think there is a meaning to be achieved when a bank operates sharia. The bank is not only looking for profit but the bank is trying to implement the value of sharia which is certainly for the purpose of benefit”. (Member of MUI)

Based on the noema and noesis data stated by the two informants above, it shows that the existence of Islamic banks is expected to be able to implement sharia rules such as the avoidance of usury, the implementation of contracts regulated in Islamic accounting which is certainly motivated by an understanding of the mandate given by Allah swt as the absolute owner of everything on this earth. The results of this study provide an overview that humans are only as caliphs who receive trust from Allah swt<sup>47</sup> (Triyuwono, 2001);<sup>48</sup>

The concept of trust always considers that what is owned on the face of this earth is only a mandate from Allah swt whose management must be accounted for both in this world and in the hereafter. In carrying out this mandate, Islamic banks must be managed in accordance with the principles of the Trust Giver, namely Allah SWT. In the trust there is a link between the trust giver (Allah swt), the recipient of the trust (human) and the trust itself, namely the Islamic bank. Some elements related to the mandate are freedom in managing the mandate which must be in accordance with sharia rules, the achievement of benefits for the management of the mandate which is not only for the benefit of Muslims but the benefit of all mankind and accountability for the mandate<sup>49</sup>.

### **The fundamental meaning of determining the cost of activity-based Islamic banking products.**

Islamic banks in determining the cost of their products should use Islamic sharia and spiritual concepts. This is because the purpose of the operation of Islamic banks is not to seek profit alone but more to the benefit of the people. The existence of Islamic banks is expected to be able to lift the economy of customers in particular and society in general. The concept of determining fees at Islamic banks should not burden customers but how customers feel the profit sharing of the management of Islamic banks. As explained by the following informant:

“I chose the wadiah yadh dhamanah product and what I deposited at the beginning was a minimum of 100,000, the next deposit was at least 10,000, and the minimum balance was 50,000. In my savings book, there is no minimum balance fee, no monthly administration fee and no interest fee, which is clear that I just like leaving money. (Customer).

“The value of the product is calculated from the real costs incurred which of course are all sharia standardized. This is what encourages bank management to work in a trustworthy manner because we must work according to the vision and mission of Islamic banks. At least what we do is in accordance with the standard” (Bank Leader).

---

<sup>47</sup> Iwan Triyuwono, “Metafora Zakatdanshari’Ah Enterprise Theory Sebagai Konsep Dasar Dalam Membentuk Akuntansi Syari’Ah,” *Jaai Volume 5*, no. 2 (2001): 131–145.

<sup>48</sup> Triyuwono, “Akuntansi Malangan: Salam Satu Jiwa Dan Konsep Kinerja Klub Sepak Bola.”

<sup>49</sup> Bulutoding and Sharon, “Manifestasi Surah Al-Kahfi Pada Praktik Akuntansi Manajemen Perkebunan Syariah.”

“Before I work in an Islamic bank, I must first have sharia knowledge so that I work according to sharia standards.” (Customer Service).

Based on the noema and noesis data stated by the informants above, it can be concluded that the determination of activity-based fees for an Islamic banking product, such as *wadiyah yad dhamanah*, is adjusted to the principles and vision and mission of Islamic banking in determining a product. Islamic bank management considers the customer's initial deposit, subsequent minimum deposits and minimum balances as well as administrative fees and minimum balances that are adjusted to sharia rules because they are not subject to interest. The strategy of Islamic banks in determining the price of *wadiyah yad dhamanah* products is more considering the rules of sharia and the values of tawhid, as well as tabarruq (helping) in providing services to the community. The results of this study differ from the concept of activity-based costing. ABC only focuses on the speed of volume calculation and the accuracy of the calculated cost quantity without considering the sharia values that make up a transaction.

The results of this study can complement the concept of sharia-based TDABC and Islamic spirituality. Sharia Spiritual Activity Time Driven Based Costing (SSTDABC) is a calculation of the costs of sharia-based banking products that not only focuses on the volume of calculations, data accuracy and speed of calculation but rather is motivated by compliance with sharia rules and elements of the benefit of the people in determining the value of a product and services. The results of this study are in line with the results of research<sup>50</sup> which explains that cost calculations in Islamic accounting are always formed from sharia values that are understood by a Muslim in carrying out every accounting activity. In addition to sharia values, a muslim in carrying out his accounting activities will be formed from the values of tawhid and the spiritual values he believes in.

### **Islamic spiritual capital is an important component in determining banking products based on activity time triggers.**

Islamic spiritual capital is a differentiating component from other products. In activity-based costing, it is often the case that management involved in costing will manipulate the amount of costs calculated, leading to cost distortions. Islamic spiritual capital will be a controlling factor that comes from within the individual to calculate costs honestly and fairly. As explained by the following informant:

“When determining the cost of *wadiyah yad dhamanah* products, we take into account the customer's initial deposit, management fees, subsequent deposits and minimum balance fees. This savings account is not subject to interest charges and other fees”. (Accounting Department).

“... I try to serve customers honestly, fairly, sincerely, and trustworthy, besides that I always prioritize sincerity in providing services. Everything is aimed at getting the pleasure of Allah

---

<sup>50</sup> Ibid.

alone. What is clear is that I try to provide the best service to customers". (Bank Manager)

Based on the explanation of the informants above, it can illustrate that the determination of time driven activity-based costs in Islamic banks must always be motivated by spiritual elements, namely having a sense of empathy for customers, honesty, sincerity, trustworthiness and to get Allah's pleasure. This illustrates that working with Islamic spiritual values is not only based on the amount of money but rather on working honestly, sincerely, trustworthily, having a sense of empathy for customers and aiming to get the pleasure of Allah. The results of this study differ from the concept of activity-based costing which only considers costs to achieve the value of a product. The role of spiritual values in costing according to Islamic concepts is a very important component and is the "spirit" of Islamic management accounting<sup>51</sup>. Spiritual values in the form of feeling close to Allah will guide in calculating costs honestly and fairly<sup>52,53,54,55</sup>.

### **Shariah and Spiritual Time Driven Activity Based Costing (SSTDABC) Concept.**

Time Driven Activity-based costing TDABC) in Islam is never separated from sharia values and spiritual values. Islam is a religion that never separates the life of the world and the life of the hereafter. The quality of life in the world will determine the afterlife of a Muslim, on the other hand, understanding or faith in the afterlife will be one of the factors shaping the behavior of a Muslim. Likewise, when a Muslim calculates costs in order to calculate the value of a product, the sharia knowledge and closeness of an individual will also shape the value of a product. Sharia and spiritual values will not be seen materially in cost calculations because everything is related to material, but if you look holistically, sharia values and spiritual values will add value to products and services.

In calculating costs, of course, an accountant tends to "mark up" but because of the sharia compliance that must be followed and is a standard, it causes the "mark up" not to be done. Likewise, with transactions containing usury, *maysir* and *gharar*, as well as other transactions that violate sharia, because of the sharia compliance understood by an accountant so that his activities are always within the corridors of sharia. Likewise, the spiritual values of Islam always animates an accountant, because of the feeling of closeness to Allah so that it will appear in every activity. The spiritual concept is the "spirit" of accounting activities in financial transactions. The forms of spiritual concepts that can be implemented in sharia accounting transactions are justice, honesty, the

---

<sup>51</sup> Ibid.

<sup>52</sup> Triyuwono, "Akuntansi Malangan: Salam Satu Jiwa Dan Konsep Kinerja Klub Sepak Bola."

<sup>53</sup> Sonhaji, "Sistem Informasi Akuntansi Manajemen Syariah Untuk Organisasi Islam."

<sup>54</sup> Briando and Purnomo, "Etika Profetik Bagi Pengelola Keuangan Negara."

<sup>55</sup> Briando et al., "Tuah Sebagai Sarana Pengembangan Etika Pengelolaan Keuangan Negara."

feeling of always being seen and supervised by Allah swt, the feeling of always being accountable for behavior in the future and the belief that all accounting activities carried out will return to the perpetrator.

The components of the Spiritual Sharia Time Driven Activity Based Costing (SSTDABC) cost calculation as outlined in table 1 is below:

**Table 1 The components of SSTDABC in Sharia Entity Services.**

| SSTDABC Component  |  |   |
|--|--|---|
| ABC  | Shariah Component  | Spiritual Component   |
| Activity: Cost of activities by accounting for resources in the form of services | Selection of service activities in accordance with the concept of sharia (no usury, gharar and maysir).      | Principles of fairness, honesty, universalism, no fraud.  |
| Resources Drivers: the benchmark of an activity..                                | Efficient activities with consideration of appropriate output, fair without harming either party..           | Belief Accountability for all behavior  |
| Resouces: Budget of materials and services absorbed by the product.              | Selection of service cost components that are <i>toyyib</i> and <i>halal</i> according to their acquisition. | The concept of <i>ihsan</i> : making all banking activities a form of manifestation in seeing the existence and greatness of Allah and all behavior is seen by Allah SWT. |
| Cost object: Raw materials and other activities                                  | Shariah-compliant service  | performed service ( <i>Ikhlas</i> )   |
| Activities Drivers: Drivers of activity costs                                    | Total of costs in accordance with the concept of sharia  | The purpose of service for the pleasure of Allah.   |

Source: Data processed 2024

## CONCLUSION

Activity-based costing (ABC) in Islamic entities is an activity that comes from pragmatists who can produce a sharia-based theoretical concept. The results of this study produce the concept of spiritual sharia activity based costing (SSTDABC). SSTDABC not only considers the accuracy of activity-based costing calculations, but also incorporates Islamic sharia and spiritual concepts as a cost shaper. Activities are not only seen from cost items but also built from sharia and spiritual concepts embraced in an entity. The sharia concepts considered in SSTDABC consist of sharia components, namely (1) free from *riba*, *gharar* and *maysir*, (2) fair and not determining product costs that burden customers, (3) *halal* and *toyyib* cost components (4) services that must be based on Islamic sharia (5) Total costs which must all be in accordance with sharia concepts. The spiritual component is (1) the form of activity is based on the principles of fairness, honesty, universalism and no fraud (2) the belief that now and later all actions

must be accounted for (3) The concept of *ihsan*: making all banking activities a form of manifestation in seeing the existence and greatness of Allah and all behavior is monitored by Allah SWT (4) providing services sincerely (5) and the purpose of all activities is to get the pleasure of Allah SWT.

#### **Author's Contribution**

Lince Bulutoding: Contribute to formulating research ideas, research methods, writing systematics, processing data, and interpreting data.

Azizah binti Saban: Interpreting, Review article and correct translation

Supriadi: Collecting data

Namla Elfa Syariati: Research Ideas dan translate

Wilhalminus Sombolayuk: Research methods

Mustakim Muchlisl: Interpreting data

Nur Rahma Sari: collecting data

#### **Acknowledgements**

The author is grateful to those who helped in the completion of this article, especially during the data collection process and article review.

#### **Declaration of Competing Interest**

The author declares that there is no conflict of interest.

#### **Ethical Approval**

Ethical approval No patient-identifying parts in this paper were used or known to the authors. Therefore, no ethical approval was requested.

## **REFERENCES**

Afiyana, Indria Fitri, Lucky Nugroho, Tettet Fitrijanti, and Citra Sukmadilaga. "Tantangan Pengelolaan Dana Zakat Di Indonesia Dan Literasi Zakat." *Akuntabel* 16, no. 2 (2019): 222-229. Universitas Mulawarman.

Alkhan, Ahmed Mansoor, and M. Kabir Hassan. "Does Islamic Microfinance Serve Maqāsid Al-Shari'a?" *Borsa Istanbul Review* 21, no. 1 (2021): 57-68. <https://doi.org/10.1016/j.bir.2020.07.002>.

Amoozesh, Nasrollah, Abdolreza Mohseni, and Mostafa Ghasemi. "Accountants and Auditors' Spiritual Capital Pattern Planning Using Grounded Theory Approach." *International Journal of Finance and Managerial Accounting* 8, no. 29 (2023): 185-194.

Ariawan, Made Sudarma, Djumahir, and Ghozali. "The Role Of Spiritual Capital, Human Capital, Structural Capital, And Relational Capital Of SMEs To Improving On Performance: Study Literature." *South East Asia Journal of Contemporary Business, Economics and Law* 11, no. 2 (2016): 87-94.

Armstrong, Peter. "The Costs of Activity-Based Management." *Department of Management, Keele University* (2002): 1-45.

Briando, Bobby, Muhamad Ali Embi, Iwan Triyuwono, and Gugus Irianto. "Tuah Sebagai Sarana Pengembangan Etika Pengelolaan Keuangan Negara." *Jurnal Akuntansi Multiparadigma JAMAL* 11, no. 2 (2020): 227-245.

Briando, Bobby, and Agung Sulistyo Purnomo. "Etika Profetik Bagi Pengelola Keuangan Negara." *Jurnal Akuntansi Multiparadigma* 10, no. 4 (2019): 342-

364.

Bulutoding, Lince. "Audit Delay and Risk Management Disclosure in Capital Market: Some Nexus Considerations." *Jurnal Minds: Manajemen Ide dan Inspirasi* 8, no. 2 (2021): 255.

Bulutoding, Lince, Cici Rianti K Bidin, Alim Syariati, Qarina Qarina, Lince Bulutoding, Cici Rianti K Bidin, Alim Syariati, and Qarina Qarina. "Machine Translated by Google Anteseden Dan Akibat Pendanaan Murabahah Pada Bank Umum Syariah Di Indonesia Abstrak Machine Translated by Google" 8, no. 3 (2021): 487–495.

Bulutoding, Lince, and Sitti Salmah Sharon. "Manifestasi Surah Al-Kahfi Pada Praktik Akuntansi Manajemen Perkebunan Syariah." *Jurnal Akuntansi Multiparadigma* 14, no. 1 (2023): 165–181.

Choudhury, Masudul Alam. "Tawhidi Islamic Economics in Reference to the Methodology n Arising from the Qur 'a and the Sunnah." *ISRA International Journal of Islamic Finance* 10, no. 2 (2018): 263–276.

Cidav, Zuleyha, Steven Marcus, David Mandell, Mark C. Hornbrook, Julia J. Mo, Virginia Sun, Elizabeth Ercolano, et al. "Programmatic Costs of the Telehealth Ostomy Self-Management Training: An Application of Time-Driven Activity-Based Costing." *Value in Health* 24, no. 9 (2021): 1245–1253. <https://doi.org/10.1016/j.jval.2021.03.018>.

Etges, Ana Paula Beck da Silva, Karen Brasil Ruschel, Carisi Anne Polanczyk, and Richard D. Urman. "Advances in Value-Based Healthcare by the Application of Time-Driven Activity-Based Costing for Inpatient Management: A Systematic Review." *Value in Health* 23, no. 6 (2020): 812–823. <https://doi.org/10.1016/j.jval.2020.02.004>.

Gupta, Shivam, Arpan Kumar Kar, Abdullah Baabdullah, and Wassan A.A. Al-Khowaiter. "Big Data with Cognitive Computing: A Review for the Future." *International Journal of Information Management* 42, no. June (2018): 78–89. <https://doi.org/10.1016/j.ijinfomgt.2018.06.005>.

Hall, Matthew. "Realising the Richness of Psychology Theory in Contingency-Based Management Accounting Research." *Management Accounting Research* 31, no. January (2016): 63–74.

Hassan, M. Kabir, Sirajo Aliyu, Makeen Huda, and Mamanur Rashid. "A Survey on Islamic Finance and Accounting Standards." *Borsa Istanbul Review* 19 (2019): S1–S13. <https://doi.org/10.1016/j.bir.2019.07.006>.

Heaton, Heather A., David M. Nestler, William J. Barry, Richard A. Helmers, Mustafa Y. Sir, Deepi G. Goyal, Derek A. Haas, Robert S. Kaplan, and Annie T. Sadosty. "A Time-Driven Activity-Based Costing Analysis of Emergency Department Scribes." *Mayo Clinic Proceedings: Innovations, Quality &*

*Outcomes* 3, no. 1 (2019): 30–34. <https://doi.org/10.1016/j.mayocpiqo.2018.11.004>.

Korhonen, Tuomas, Erno Selos, Teemu Laine, and Petri Suomala. "Exploring The Programmability of Management Accounting Work for Increasing Automation: An Interventionist Case Study." *Accounting, Auditing & Accountability Journal* 21, no. 1 (2020): 1–9.

Mukhlisin, Murniati, Nurizal Ismail, and Reza Jamilah Fikri. "Mind the Gap: Theories in Islamic Accounting and Finance, Islamic Economics and Business Management Studies." *ISRA International Journal of Islamic Finance* 14, no. 3 (2022): 333–348.

Mulawarman, Aji Dedi. "Accounting, Agriculture, and War." *Jurnal Akuntansi Multiparadigma* 11, no. 1 (2020): 1–22.

Neubert, Mitchell J., Steven W. Bradley, Retno Ardianti, and Edward M. Simiyu. "The Role of Spiritual Capital in Innovation and Performance: Evidence from Developing Economies." *Entrepreneurship: Theory and Practice* 41, no. 4 (2017): 621–640.

Pashkevich, Natallia, Fabian von Schéele, and Darek M. Haftor. "Accounting for Cognitive Time in Activity-Based Costing: A Technology for the Management of Digital Economy." *Technological Forecasting and Social Change* 186, no. November 2022 (2023).

Reveco, Roberto, Mónica Velásquez, Luis Bustos, Matías Goyenechea, and Vivienne Bachelet. "Determining the Operating Costs of a Medical Surveillance Program for Copper Miners Exposed to High Altitude-Induced Chronic Intermittent Hypoxia in Chile Using a Combination of Microcosting and Time-Driven Activity-Based Costing." *Value in Health Regional Issues* 20 (2019): 115–121.

Rocha, Raysa, and Paulo Pinheiro. "Can Organizational Spirituality Contribute to Knowledge Management?" *Management Dynamics in the Knowledge Economy* 9, no. 1 (2021): 107–121. [https://www.proquest.com/scholarly-journals/can-organizational-spirituality-contribute/docview/2509034062/se-2?accountid=14570%0Ahttps://primo-49man.hosted.exlibrisgroup.com/openurl/MAN/MAN\\_UB\\_service\\_page?url\\_ver=Z39.88-2004&rft\\_val\\_fmt=info:ofi/fmt:kev](https://www.proquest.com/scholarly-journals/can-organizational-spirituality-contribute/docview/2509034062/se-2?accountid=14570%0Ahttps://primo-49man.hosted.exlibrisgroup.com/openurl/MAN/MAN_UB_service_page?url_ver=Z39.88-2004&rft_val_fmt=info:ofi/fmt:kev)

Sonhaji, Sonhaji. "Sistem Informasi Akuntansi Manajemen Syariah Untuk Organisasi Islam." *Jurnal Akuntansi Multiparadigma* (2017): 47–62.

Tjahjadi, Bambang, Noorlailie Soewarno, Tsanya El Karima, and Annisa Ayu Putri Sutarsa. "Business Strategy, Spiritual Capital and Environmental Sustainability Performance: Mediating Role of Environmental Management

Process." *Business Process Management Journal* 29, no. 1 (2023): 77-99.

Triyuwono, Iwan. "Akuntansi Malangan: Salam Satu Jiwa Dan Konsep Kinerja Klub Sepak Bola." *Jurnal Akuntansi Multiparadigma* 6, no. 2 (2015): 290-303.

— . "Metafora Zakatdanshari'Ah Enterprise Theory Sebagai Konsep Dasar Dalam Membentuk Akuntansi Syari'Ah." *Jaai Volume* 5, no. 2 (2001): 131-145.

Wang, Sha, Kam Hung, and Wei Jue Huang. "Motivations for Entrepreneurship in the Tourism and Hospitality Sector: A Social Cognitive Theory Perspective." *International Journal of Hospitality Management* 78, no. December 2017 (2019): 78-88. <https://doi.org/10.1016/j.ijhm.2018.11.018>.

Yuliana, Rita, Achdiar Redy Setiawan, and Robiatul Auliyah. "Akuntansi Keluarga Sakinah Sebagai Manifestasi Pengelolaan Keuangan Rumah Tangga Syariah." *Jurnal Akuntansi Multiparadigma* 11, no. 3 (2020): 479-499.