Published by University of Muhammadiyah Makassar

DOI: 10.26618

e-ISSN 2686-5467 | p-ISSN 1858-2192

Balance: Jurnal Ekonomi

journal homepage: https://journal.unismuh.ac.id/index.php/jeb

Corporate Social Responsibility Based on Rahmatan Lil'alamin in Increasing Company Value at Bank Muamalat Makassar

Putri Ayu Ramadhani[1], Jamaluddin Majid[2], Saiful Muchlis[3]
Universitas Islam Negeri Alauddin Makassar
Email: putriayuramadhani93@gmail.com

ARTICLE INFO

Keywords:
Corporate Social Responsibility, Rahmatan lil 'Alamin, Nilai Perusahaan, Maqashid Syariah, Bank Muamalat.

Article History
- Received: 15 December 2025
- First Revision: 20 February 2026
- Second Revision: 05 April 2026
- Third Revision: 10 May 2026
- Accepted: 30 May 2026

ABSTRAK

This research aims to analyze the concept, application and benefits of Rahmatan lil 'Alamin-based Corporate Social Responsibility (CSR) in increasing company value at Bank Muamalat Makassar. This research uses a qualitative approach with the Islamic phenomenology method. Data was obtained through in-depth interviews, observation and documentation of informants consisting of management, employees, customers and beneficiaries of the Bank Muamalat Makassar CSR program. The research results show that the CSR concept at Bank Muamalat Makassar is not only understood as an institutional obligation, but as a form of social worship oriented towards maqashid sharia values. The implementation of Rahmatan lil 'Alamin-based CSR is realized through educational, social, humanitarian, health, da'wah and community economic empowerment programs. This implementation provides benefits in the form of increasing public trust, strengthening the company's image and reputation, customer loyalty, and sustainable relations between the company and the community. The implications of this research provide a theoretical contribution in developing the concept of CSR based on Islamic values and strengthening the maqashid sharia approach in the social responsibility practices of sharia banking in Indonesia. It is hoped that the findings of this research will become a reference for Islamic financial institutions in designing CSR models that are oriented towards universal benefit and corporate sustainability.

1. Introduction

Indonesia has the largest Muslim population in the world. According to data from the Central Statistics Agency (BPS) and the Ministry of Home Affairs, the Muslim population in Indonesia reached approximately 244 million people in 2024, representing around 87.1% of the national population. This demographic characteristic has significantly accelerated the development of Islamic financial institutions, particularly Islamic banking, as an alternative financial system operating alongside conventional banking while promoting financial practices consistent with Islamic principles (Afifah Sutri, 2021). The rapid expansion of Islamic banking has also increased expectations that Islamic financial institutions should not merely achieve financial performance but also fulfill broader social responsibilities that reflect Islamic ethical values and contribute to sustainable socioeconomic development (Farhan et al., 2024; Prasojo et al., 2025).

Among Islamic banking institutions in Indonesia, Bank Muamalat Indonesia occupies a strategic position as the country's first Islamic commercial bank. Established on November 1, 1991, through the initiative of the Indonesian Ulema Council (*Majelis Ulama Indonesia*—MUI)

DOI: 10.26618

with the support of Muslim entrepreneurs and the wider community, Bank Muamalat has consistently positioned Islamic values as the foundation of its corporate governance and business operations (Gunawan et al., 2022). Beyond its commercial activities, the Bank has integrated Corporate Social Responsibility (CSR) into its institutional strategy as an expression of Islamic business ethics, emphasizing accountability, social justice, and public welfare. Previous studies have demonstrated that CSR implementation and Islamic social finance activities strengthen institutional performance while enhancing public trust and stakeholder relationships within Islamic financial institutions (Marito & Hardana, 2021; Farhan et al., 2024).

Within the Islamic perspective, Corporate Social Responsibility extends beyond legal compliance and corporate philanthropy. CSR represents an institutional commitment to achieving social justice, environmental sustainability, and community empowerment based on Islamic ethical principles and the objectives of *maqashid shariah*. The implementation of CSR in Islamic banking seeks to protect religion, life, intellect, lineage, and wealth while creating sustainable public welfare (*maslahah*) (Hendar et al., 2021; Monawer et al., 2022). Furthermore, CSR in Islamic institutions is inseparable from spiritual values, where corporate responsibility is viewed not only as an economic obligation but also as a moral and religious commitment that integrates organizational sustainability with accountability before Allah (Negari et al., 2022).

Complementing the *maqashid shariah* perspective, the concept of *Rahmatan lil 'Alamin* positions CSR as the practical manifestation of universal compassion (*rahmah*) toward all creation. CSR programs therefore become strategic instruments for promoting justice, inclusiveness, social harmony, and equitable economic development while strengthening corporate legitimacy. Contemporary studies indicate that Islamic CSR practices grounded in *maqashid shariah* and ethical governance significantly improve stakeholder trust, organizational legitimacy, customer loyalty, and long-term corporate sustainability (Prasetiyo, 2023; Prasojo et al., 2025). Likewise, Islamic business ethics embedded in organizational practices positively influence customer loyalty and public confidence in Islamic financial institutions (Maharti & Fahrullah, 2021).

Consistent with these principles, Bank Muamalat has implemented various CSR programs covering education, healthcare, humanitarian assistance, socio-religious activities, and community economic empowerment through Baitulmaal Muamalat. According to the Bank Muamalat Sustainability Report 2024, these CSR initiatives benefited 23,620 individual recipients and 75 institutions across Indonesia, including 4,858 beneficiaries in education, 797 in healthcare, 1,081 in humanitarian programs, 14,425 in religious and social outreach, and 2,459 beneficiaries in economic empowerment initiatives (PT Bank Muamalat Indonesia Tbk, 2025). These achievements demonstrate that CSR has become an essential mechanism for strengthening corporate reputation while simultaneously promoting sustainable community development through Islamic social responsibility.

Despite these achievements, evaluating CSR merely through institutional reports and aggregate organizational performance provides only limited understanding of how Islamic values are translated into CSR implementation at the operational level. Existing reports primarily emphasize quantitative outputs without adequately explaining how managers, employees, customers, and beneficiaries interpret CSR through the perspectives of *Rahmatan lil 'Alamin* and *maqashid shariah*. Furthermore, differences in regional socioeconomic conditions, stakeholder expectations, and local institutional contexts may influence the implementation and perceived impacts of CSR across different branch offices. Therefore, this study focuses specifically on Bank Muamalat Makassar Branch to investigate how Islamic values are

DOI: 10.26618

conceptualized, implemented, and experienced in local CSR practices.

The increasingly competitive landscape of Indonesia's Islamic banking industry further reinforces CSR as a strategic instrument for strengthening corporate reputation, customer loyalty, stakeholder engagement, and sustainable corporate value. Islamic financial institutions are expected not only to provide competitive financial products but also to demonstrate tangible commitments to social welfare through transparent, accountable, and value-based CSR practices (Fuadi et al., 2025). Previous empirical studies consistently report that Islamic CSR enhances organizational reputation, service quality, and stakeholder satisfaction while contributing to financial and non-financial performance (Pratiwi et al., 2023; Nurfatimah et al., 2025). Moreover, transparent CSR disclosure enables communities to evaluate corporate social commitment and strengthens organizational legitimacy within society (Tampubolon & Siregar, 2019; Zafar & Sulaiman, 2020).

Although previous studies have examined CSR implementation in Islamic banking from the perspectives of sustainability reporting, stakeholder engagement, Sharia Enterprise Theory, Islamic Social Reporting, corporate governance, and organizational performance, limited attention has been devoted to understanding CSR through the philosophical framework of *Rahmatan lil 'Alamin*, particularly at the regional branch level (Yusdiansyah & Hendar, 2022). Most existing studies emphasize institutional or national performance while overlooking how Islamic ethical values are operationalized within local CSR initiatives and how these values contribute to strengthening public trust, corporate reputation, customer loyalty, and sustainable relationships between companies and communities. This gap highlights the need for empirical investigation into the practical implementation of Islamic value-based CSR within specific regional contexts.

Based on this research gap, the present study addresses the following research question: How are the concepts, implementation, and benefits of Corporate Social Responsibility based on the principle of *Rahmatan lil 'Alamin* implemented at Bank Muamalat Makassar Branch, and how do these practices contribute to enhancing corporate value through public trust, corporate reputation, customer loyalty, and sustainable company–community relationships?

Accordingly, this study aims to analyze the conceptual framework of *Rahmatan lil 'Alamin*-based CSR adopted by Bank Muamalat Makassar Branch, identify the implementation of CSR programs within the local Makassar context, and evaluate the contribution of these programs to corporate value through public trust, corporate reputation, customer loyalty, and sustainable stakeholder relationships. The empirical findings are interpreted using the perspective of *maqashid shariah* to provide a comprehensive understanding of Islamic CSR implementation within Islamic banking institutions.

This study contributes theoretically by integrating the concepts of *Rahmatan lil 'Alamin* and *maqashid shariah* into the CSR framework, thereby extending contemporary discussions on Islamic Corporate Social Responsibility and corporate value creation within Islamic banking. Practically, the findings provide valuable implications for policymakers, particularly the Financial Services Authority (*Otoritas Jasa Keuangan*—OJK), in formulating CSR policies that better reflect the distinctive ethical characteristics of Islamic financial institutions. The findings are also expected to assist Bank Muamalat practitioners in designing sustainable community empowerment programs while offering useful insights for academics and stakeholders interested in Islamic CSR. The novelty of this study lies in its phenomenological examination of *Rahmatan lil 'Alamin*-based CSR implementation at the regional branch level, providing a holistic understanding of how Islamic ethical values are translated into organizational practices that

DOI: 10.26618

create sustainable corporate value.

2. Literature Review

2.1 Conceptual and Theoretical Foundations

Corporate Social Responsibility (CSR) in Islamic banking extends beyond compliance with legal and institutional obligations by incorporating ethical and spiritual responsibilities derived from Islamic teachings. Within this perspective, CSR represents the implementation of the institution's role as *khalifah* (vicegerent) in promoting public welfare (*maslahah*) and sustainable development.

The concept of *maqashid shariah*, which refers to the objectives of Islamic law encompassing the protection of religion (*din*), life (*nafs*), intellect (*'aql*), lineage (*nasl*), and wealth (*mal*), as stated in QS. Al-Maidah: 48, provides the primary normative framework for CSR in Islamic financial institutions. Classical scholars such as Imam Al-Ghazali explain that these five objectives constitute the foundation of Islamic socio-economic activities. Consequently, CSR is interpreted not merely as philanthropic activity but as an integrated effort to preserve human welfare comprehensively.

Complementing *maqashid shariah*, the principle of *Rahmatan lil 'Alamin*, derived from QS. Al-Anbiya: 107, positions CSR as a manifestation of universal compassion (*rahmah*) toward all creation. Under this perspective, CSR becomes a form of social worship emphasizing mercy, peace, obedience to Allah, and harmonious relationships among individuals, society, and the environment rather than merely fulfilling institutional obligations.

The logical relationship between these concepts indicates that CSR based on *Rahmatan lil 'Alamin* facilitates the transformation of spiritual values into socio-economic benefits. The values of compassion (*rahmah*) strengthen public trust, corporate reputation, and long-term organizational sustainability, while *maqashid shariah* provides the ethical objectives guiding all CSR activities toward the realization of public welfare (*maslahah*). Thus, CSR serves simultaneously as a spiritual obligation and a strategic instrument for enhancing corporate value within Islamic banking.

Empirical evidence also supports the continued relevance of these classical theories in contemporary Islamic banking. Studies indicate that integrating *maqashid shariah* principles into CSR implementation improves Islamic banks' profitability by up to 15% while significantly strengthening customer loyalty in Indonesia. These findings demonstrate that classical Islamic theories remain applicable in explaining contemporary CSR practices within Islamic financial institutions.

Furthermore, the Sustainability Report of Bank Muamalat 2024 (internal report) confirms that multidimensional CSR programs encompassing education, da'wah, and economic empowerment have benefited approximately 23,620 individuals. Nevertheless, the report primarily presents quantitative achievements and provides limited phenomenological analysis regarding how management, customers, and beneficiaries perceive CSR implementation from the perspective of *Rahmatan lil 'Alamin*.

2.2 Review of Empirical Studies

A local study conducted by Citra Dewi on the implementation of Sharia Enterprise Theory in Corporate Social Responsibility (CSR) and its influence on corporate performance at Bank Muamalat Parepare Branch has not incorporated the concept of Rahmatan lil 'Alamin as an underlying philosophical framework. This limitation provides the rationale for the present study, which adopts an Islamic phenomenological approach to address this gap and offer an original contribution to the literature on Islamic CSR. Meanwhile, Anjar Nopriyanto's study examining the effect of Corporate Social Responsibility on corporate value found that CSR enhances corporate reputation, strengthens public trust, increases customer confidence, promotes customer loyalty, and attracts greater investment. Furthermore, Cut Siska's research

DOI: 10.26618

demonstrated that CSR simultaneously exerts a positive influence on employee job satisfaction at PT Bank Syariah Indonesia KC Banda Aceh, indicating that CSR contributes not only to external stakeholder relationships but also to internal organizational outcomes.

From an Islamic perspective, business activities are not viewed solely as economic endeavors but also as moral and spiritual responsibilities that must generate benefits for society. This perspective is consistent with the concept of Corporate Social Responsibility (CSR), which emphasizes that corporate social responsibility represents the practical implementation of Islamic ethical values, including justice (*'adl*), compassion (*rahmah*), and public welfare (*maslahah*). The application of the value of *rahmah* in CSR can be realized through various initiatives that directly benefit society, such as community economic empowerment, educational assistance, healthcare services, environmental protection, and support for other social development programs.

Recent studies indicate that CSR practices grounded in Islamic ethical values strengthen public trust in Islamic financial institutions while enhancing long-term business sustainability. These findings suggest that the value of *rahmah* extends beyond its spiritual dimension and also contributes positively to corporate sustainability and societal well-being. Moreover, the principle of *rahmah* is closely aligned with the objectives of *maqashid shariah*, namely the promotion of public welfare (*maslahah*) and the prevention of harm. Accordingly, CSR implementation based on the value of *rahmah* supports the achievement of social welfare, equitable economic development, and environmental sustainability. Consequently, organizations that implement CSR from the perspective of *rahmah* function not only as economic entities but also as social agents that contribute to the creation of a more just, harmonious, and prosperous society. The importance of compassion in economic and social activities is further emphasized in the Holy Qur'an, Surah Al-Balad, verse 17, which highlights mercy and mutual encouragement toward compassion as fundamental Islamic values.

2.3 Identification of the Research Gap

The synthesis of theoretical perspectives and empirical findings reveals several research gaps. First, previous studies have predominantly examined CSR in Islamic banking using organizational performance, stakeholder theory, or Sharia Enterprise Theory perspectives, while limited attention has been devoted to understanding CSR through the philosophical framework of Rahmatan lil 'Alamin. Second, existing studies generally employ quantitative approaches that measure CSR outcomes through financial performance, reputation, or employee satisfaction. Such approaches provide limited understanding of how CSR is experienced, interpreted, and internalized by management, customers, and CSR beneficiaries. Third, although the Sustainability Report of Bank Muamalat 2024 (internal report) documents the extensive implementation of CSR programs benefiting 23,620 individuals, it offers limited phenomenological insights into how these activities embody the principles of maqashid shariah and Rahmatan lil 'Alamin.

Accordingly, this study addresses these gaps by employing an Islamic phenomenological approach to explore the lived experiences and meanings attached to CSR implementation at Bank Muamalat from the perspective of Rahmatan lil 'Alamin.

2.4 Development of the Conceptual Framework

The conceptual framework of this study positions Corporate Social Responsibility (CSR) as the central phenomenon analyzed through two complementary Islamic conceptual perspectives. The first perspective is Maqashid Shariah, consisting of the protection of religion, life, intellect, lineage, and wealth, which provides the normative objectives guiding CSR implementation. These dimensions represent the ethical foundation through which CSR

DOI: 10.26618

contributes to comprehensive human welfare (maslahah).

The second perspective is Rahmatan lil 'Alamin, represented by the dimensions of religion, peace, and obedience, which emphasizes universal compassion as the guiding principle of CSR implementation. This perspective interprets CSR as an expression of mercy, social harmony, and spiritual responsibility toward all members of society.

As illustrated in the conceptual framework, both Maqashid Shariah and Rahmatan lil 'Alamin converge in shaping the corporate values of Bank Muamalat. Accordingly, CSR is conceptualized not merely as a corporate social program but as an integrated manifestation of Islamic ethical values that simultaneously creates social, spiritual, and organizational benefits.

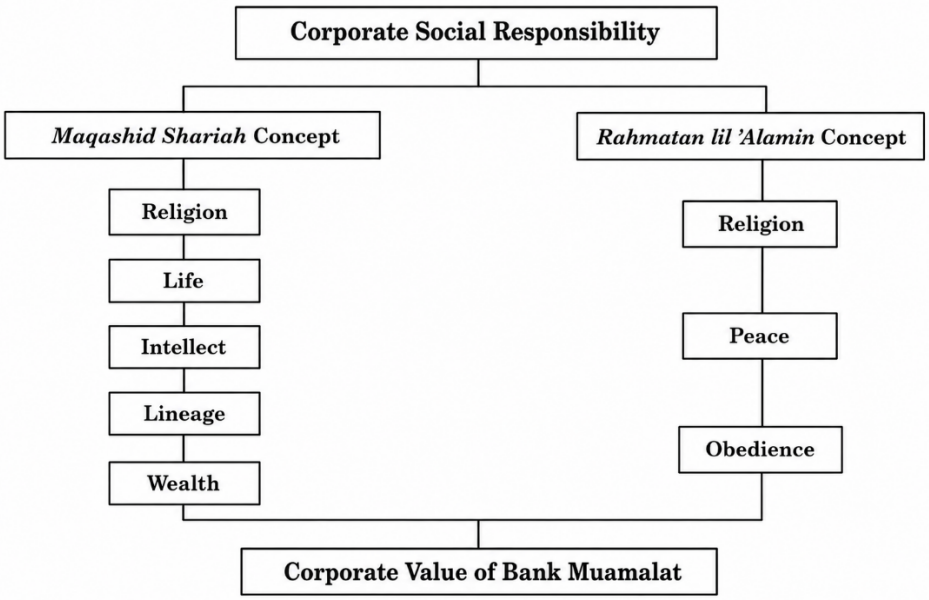

Fig. 1. Conceptual Framework

2.5 Research Propositions

Since this study employs a qualitative phenomenological approach, formal hypotheses are not formulated. Instead, the study is guided by the following research propositions:

a. Proposition 1. Corporate Social Responsibility at Bank Muamalat is implemented as a manifestation of the objectives of maqashid shariah, encompassing the protection of religion, life, intellect, lineage, and wealth.
b. Proposition 2. The implementation of Corporate Social Responsibility at Bank Muamalat reflects the principles of Rahmatan lil 'Alamin through the promotion of compassion, peace, and obedience to Islamic values.
c. Proposition 3. The lived experiences of management, customers, and CSR beneficiaries provide a deeper understanding of how Islamic values are translated into CSR practices and contribute to the corporate values of Bank Muamalat.

3. Research Methods

3.1 Research Design

This study adopts a qualitative research design using a phenomenological approach. Phenomenology is employed to explore and interpret the lived experiences of individuals involved in the implementation of Corporate Social Responsibility (CSR) at Bank Muamalat. Rather than measuring relationships between variables, the study seeks to understand how participants construct the meaning of CSR within the framework of Islamic values. The phenomenological approach is particularly appropriate because it emphasizes participants' subjective experiences while interpreting social phenomena through the philosophical

DOI: 10.26618

principles and ethical values of Islam.

3.2 Research Context and Setting

The research was conducted at Bank Muamalat Indonesia, one of Indonesia's pioneering Islamic commercial banks that consistently integrates Islamic principles into its corporate governance and social responsibility practices. The institution was selected because it actively implements CSR programs guided by Islamic values, particularly *maqashid shariah* and *Rahmatan lil 'Alamin*. Furthermore, the Bank Muamalat Sustainability Report 2024 documents various CSR initiatives in education, da'wah, economic empowerment, and social welfare, making the institution an appropriate context for examining CSR from an Islamic phenomenological perspective.

3.3 Research Participants

The participants of this study were selected purposively based on their direct involvement and experience with CSR implementation at Bank Muamalat. The participants included management personnel responsible for CSR programs, customers, and beneficiaries of CSR initiatives. Purposive sampling was employed to ensure that all participants possessed sufficient knowledge and experience to provide meaningful insights into the implementation of CSR from the perspectives of *maqashid shariah* and *Rahmatan lil 'Alamin*.

3.4 Data Sources and Data Collection

This study utilizes both primary and secondary data sources. Primary data were obtained through in-depth interviews and direct observations involving research participants. The interviews were conducted to explore participants' experiences, perceptions, and interpretations regarding CSR implementation within the Islamic banking environment.

Secondary data were collected through document analysis, including the Bank Muamalat Sustainability Report, corporate publications, and other institutional documents relevant to CSR implementation. The combination of interviews, observations, and documentary evidence enables data triangulation and strengthens the comprehensiveness of the findings.

3.5 Research Instruments

As a qualitative phenomenological study, the primary research instrument was the researcher, who conducted interviews, observations, and document analysis. Semi-structured interview guidelines were developed to facilitate in-depth exploration of participants' experiences while allowing flexibility for emerging themes during the interviews. The interview protocol focused on participants' understanding and experiences regarding CSR implementation, Islamic ethical values, *maqashid shariah*, and the principles of *Rahmatan lil 'Alamin*. Observational notes and documentary evidence were used to complement and verify information obtained from interviews.

3.6 Data Analysis Techniques

The collected data were analyzed using qualitative data analysis techniques consisting of data reduction, data display, and conclusion drawing. Data reduction involved organizing and selecting relevant information obtained from interviews, observations, and documentary analysis. Subsequently, the data were systematically presented to identify emerging patterns, relationships, and themes before drawing final conclusions.

The interpretation of findings employed the concept of Rahmatan lil 'Alamin as the primary analytical lens. This analytical framework enabled the researcher to interpret participants' experiences based on Islamic values emphasizing compassion (*rahmah*), peace, obedience to Allah, and the realization of public welfare (*maslahah*). The integration of phenomenological analysis with Islamic principles facilitated a comprehensive understanding of CSR implementation within the context of Islamic banking.

DOI: 10.26618

3.7 Validity, Reliability, and Trustworthiness

To ensure the trustworthiness of the research findings, the study applied the qualitative criteria of credibility, dependability, confirmability, and transferability. Credibility was enhanced through data triangulation by comparing information obtained from interviews, observations, and documentary analysis. Dependability was maintained through systematic documentation of the research process, while confirmability was ensured by grounding interpretations in empirical evidence collected from participants. Transferability was supported by providing detailed descriptions of the research context, participants, and analytical procedures to enable readers to assess the applicability of the findings in similar contexts.

3.8 Ethical Considerations

The research adhered to fundamental ethical principles throughout the study. Prior to data collection, all participants were informed about the objectives of the research and voluntarily agreed to participate. Informed consent was obtained from each participant before interviews were conducted. Participant confidentiality and anonymity were maintained by protecting personal information and ensuring that the collected data were used exclusively for academic purposes.

3.9 Research Procedure

The research was conducted through several sequential stages. First, the researcher identified the research problem and conducted a comprehensive review of the relevant literature on CSR, *maqashid shariah*, and *Rahmatan lil 'Alamin*. Second, the research design and interview guidelines were developed. Third, primary and secondary data were collected through interviews, observations, and document analysis. Fourth, the collected data were analyzed through data reduction, data display, and conclusion drawing using a phenomenological approach with *Rahmatan lil 'Alamin* as the analytical framework. Finally, the findings were interpreted and discussed in relation to existing theories and previous empirical studies.

3.10 Methodological Limitations

This study has several methodological limitations. First, as a qualitative phenomenological study, the findings are context-specific and are not intended for statistical generalization. Second, the interpretation of participants' experiences is influenced by the research context and the perspectives of the participants involved. Third, the study focuses exclusively on CSR implementation at Bank Muamalat; therefore, the findings may differ from those of other Islamic financial institutions with different organizational characteristics and CSR strategies. Nevertheless, the study provides in-depth insights into the implementation of CSR through the perspectives of *maqashid shariah* and *Rahmatan lil 'Alamin*, thereby contributing to the development of Islamic CSR literature.

4. Results and Discussions

4.1 Research Results

4.1.1 Sample Description and Descriptive Statistics

This study was conducted at two institutions directly involved in the implementation of Corporate Social Responsibility (CSR) programs, namely Bank Muamalat Indonesia Ratulangi Branch Office (KCU Makassar) and Baitulmaal Muamalat South Sulawesi (BMM South Sulawesi). Bank Muamalat KCU Makassar functions as one of the main Islamic banking branches in Eastern Indonesia, while BMM South Sulawesi is responsible for managing and distributing CSR funds through various social empowerment programs. The CSR programs implemented encompass education, healthcare, socio-religious activities, humanitarian assistance, and economic empowerment.

The study employed a qualitative research approach involving five key informants selected purposively based on their

DOI: 10.26618

direct involvement in CSR implementation. The informants consisted of the Branch Operation Service Manager, the Human Capital Business Partner (HCBP) Manager, the Head of Baitulmaal Muamalat South Sulawesi Representative Office, one customer, and one CSR beneficiary. These participants provided comprehensive perspectives regarding CSR implementation, organizational values, and the perceived impacts of CSR on corporate value.

4.1.2 Data Quality and Preliminary Analysis

Since this study adopts a qualitative research design, data quality was ensured through credibility and triangulation techniques by comparing information obtained from multiple informants representing different stakeholder groups. Data were analyzed using data reduction, data presentation, and conclusion drawing to identify recurring themes concerning the implementation of Rahmatan Lil'Alamin-based CSR and its contribution to corporate value. The consistency of findings across managerial representatives, customers, and CSR beneficiaries strengthened the credibility of the research results.

4.1.3 Main Analytical Results

The analysis indicates that CSR implementation at Bank Muamalat Makassar has been institutionalized through Baitulmaal Muamalat (BMM), which professionally manages and distributes CSR funds based on Islamic principles. CSR is not merely regarded as a corporate obligation but as a manifestation of Islamic social responsibility aimed at generating economic, social, and spiritual benefits for stakeholders. Informants consistently emphasized that CSR programs are implemented inclusively without discrimination and are oriented toward long-term community empowerment rather than short-term charitable activities.

The findings further reveal that the implementation of Rahmatan Lil'Alamin values is reflected through three primary dimensions:

a. Compassion (Rahmah), demonstrated through community empowerment, social assistance, educational support, healthcare services, and ethical treatment of beneficiaries.
b. Peace (Salam), reflected in transparency, fairness, open communication, conflict prevention, and harmonious relationships with stakeholders.
c. Obedience (Ta'ah), manifested through compliance with Islamic principles, organizational regulations, ethical conduct, and accountability in managing CSR programs.

The analysis also identifies five principal CSR program areas implemented by Bank Muamalat through BMM, namely:

a. Economic empowerment;
b. Educational programs;
c. Healthcare initiatives;
d. Socio-religious activities; and
e. Humanitarian assistance.

These five CSR dimensions collectively contribute to strengthening public trust, corporate reputation, stakeholder relationships, and ultimately corporate value.

4.1.4 Key Findings

The qualitative findings indicate several major empirical results. First, CSR implementation at Bank Muamalat is grounded in the Islamic principle of Rahmatan Lil'Alamin, emphasizing inclusiveness, justice, compassion, and sustainable community empowerment rather than corporate image enhancement alone. Second, CSR programs contribute to strengthening public trust and customer confidence because beneficiaries perceive the programs as transparent, fair, and socially responsible. Third, CSR implementation improves the corporate reputation through ethical governance, professional management of social funds, and community-oriented programs administered by Baitulmaal Muamalat.

Fourth, the implementation of Rahmatan Lil'Alamin values creates harmonious relationships among stakeholders while

DOI: 10.26618

enhancing employee commitment and organizational legitimacy. Finally, the study identifies six major organizational benefits resulting from CSR implementation:

a. Increased public and customer trust;
b. Strengthened corporate image and reputation;
c. Improved employee loyalty and performance;
d. Enhanced business sustainability;
e. Increased corporate value from social, moral, and spiritual perspectives; and
f. Long-term corporate investment through sustainable CSR initiatives.

4.1.5 Visual Presentation of Results

Table 1. Relationship between Rahmatan Lil'Alamin-Based CSR Implementation and Corporate Value Enhancement

Corporate Social Responsibility (CSR)	Rahmatan Lil 'Alamin Values	Contribution to Corporate Value
Economic Programs – MSME empowerment, business capital assistance, and business mentoring through Baitulmaal Muamalat.	Economic empowerment programs reflect the value of compassion (rahmah) by supporting communities in improving their economic well-being. The value of peace is demonstrated through the promotion of economic independence, which helps reduce social inequality. The value of obedience is reflected in economic practices that comply with Islamic principles and are free from riba (usury).	These programs strengthen public trust and enhance Bank Muamalat's reputation by demonstrating that the Bank is committed not only to profitability but also to the economic empowerment of society. This strengthens stakeholder relationships and enhances the Bank's corporate image. This finding is consistent with Qur'an Surah Al-Hasyr (59:7), which emphasizes the equitable distribution of wealth.
Educational Programs – Educational scholarships, educational facility assistance, and Islamic financial literacy programs.	Educational initiatives reflect compassion (rahmah) through concern for improving the quality of human resources. The value of peace is reflected in the development of a more knowledgeable society capable of addressing future challenges. Obedience is demonstrated through the encouragement of seeking knowledge as an act of worship in Islam.	These programs enhance Bank Muamalat's positive image and strengthen community loyalty, as the Bank is perceived as contributing to educational development. Consequently, corporate value is enhanced through increased public trust. This is in line with Qur'an Surah Al-Mujadalah (58:11), which highlights the virtue of knowledge.
Healthcare Programs – Healthcare assistance, free medical services, and support for community health facilities.	Healthcare initiatives embody compassion (rahmah) by prioritizing the safety and well-being of the community. The value of peace is reflected in efforts to improve the quality of life, while obedience is demonstrated through protecting human life as part of the maqashid al-shariah (hifz al-nafs).	These initiatives strengthen public trust and foster emotional connections between the community and Bank Muamalat, thereby enhancing the Bank's social reputation. They also demonstrate the Bank's commitment to public welfare. This principle is consistent with Qur'an Surah Al-Maidah (5:32) concerning the importance of preserving human life.
Social and Da'wah Programs – Religious activities, mosque assistance, support for	These programs reflect compassion (rahmah) through concern for the spiritual well-being of society. The value of peace is demonstrated by	These initiatives reinforce Bank Muamalat's Islamic identity and religious corporate image, thereby increasing public trust. They also

DOI: 10.26618

orphans, and Islamic outreach (da'wah) programs.	strengthening social harmony (ukhuwah) and community cohesion. Obedience is reflected through support for worship activities and the dissemination of Islamic teachings.	strengthen relationships between the Bank and the surrounding community. This aligns with Qur'an Surah At-Tawbah (9:18) concerning the prosperity of mosques and religious activities.
Humanitarian Programs – Disaster relief, social assistance for disadvantaged communities, and other humanitarian activities.	Humanitarian initiatives embody universal compassion (rahmah) by assisting people regardless of their background. The value of peace is reflected in promoting social solidarity through support for those experiencing hardship. Obedience is demonstrated through the implementation of Islamic teachings that encourage mutual assistance in righteousness and piety.	These programs strengthen Bank Muamalat's social legitimacy and corporate reputation, as the community perceives the Bank as an institution committed to public welfare (maslahah). Consequently, stakeholder relationships are strengthened, contributing to long-term corporate value enhancement. This is consistent with Qur'an Surah Al-Maidah (5:2), which encourages mutual cooperation in righteousness and piety.

Source: Processed by authors, 2026

Based on the visual presentation, each CSR dimension—including economic empowerment, education, healthcare, socio-religious activities, and humanitarian assistance—reflects the values of compassion (*rahmah*), peace, and obedience. Collectively, these dimensions contribute to increased public trust, enhanced corporate reputation, stronger stakeholder relationships, and sustainable corporate value creation.

4.2 Research Discussion

4.2.1 Interpretation of Key Findings

The findings demonstrate that the implementation of Corporate Social Responsibility (CSR) at Bank Muamalat Makassar extends beyond fulfilling corporate obligations, serving instead as a practical manifestation of Islamic values embodied in the concept of *Rahmatan Lil'Alamin*. The study reveals that CSR activities are designed to generate sustainable economic, social, and spiritual benefits for various stakeholders through the management of social funds by Baitulmaal Muamalat (BMM). Rather than functioning merely as philanthropic initiatives, CSR programs emphasize long-term community empowerment, inclusiveness, transparency, and accountability.

The implementation of *Rahmatan Lil'Alamin* values is reflected through the principles of compassion (*rahmah*), peace (*salam*), and obedience (*ta'ah*). Compassion is demonstrated through community empowerment programs, educational assistance, healthcare services, and humanitarian support. Peace is reflected in transparent decision-making, equitable distribution of CSR assistance, open communication, and harmonious stakeholder relationships. Meanwhile, obedience is manifested through strict adherence to Islamic principles, organizational regulations, ethical conduct, and professional accountability in managing CSR programs. These findings indicate that CSR implementation strengthens stakeholder trust, corporate legitimacy, and corporate reputation, ultimately contributing to the enhancement of corporate value.

4.2.2 Comparison with Previous Studies

The findings are consistent with previous studies arguing that CSR implementation contributes positively to organizational reputation, stakeholder trust, and long-term corporate sustainability, particularly when CSR activities are integrated into the organization's core values rather than being treated solely as

DOI: 10.26618

compliance mechanisms. In this study, CSR is implemented as an integral component of Islamic banking operations, emphasizing social justice, ethical responsibility, and sustainable community development.

Unlike many previous studies that primarily examine CSR from economic or stakeholder-oriented perspectives, the present study highlights the integration of Islamic values through the *Rahmatan Lil'Alamin* framework. The findings demonstrate that CSR implementation encompasses not only social and economic dimensions but also spiritual and moral responsibilities. Consequently, corporate value is enhanced not only through improved financial reputation but also through increased public trust, moral legitimacy, and stronger emotional relationships with stakeholders.

4.2.3 Theoretical Contributions

This study contributes to the theoretical development of Islamic Corporate Social Responsibility by providing empirical evidence that the concept of *Rahmatan Lil'Alamin* can serve as a comprehensive framework for CSR implementation within Islamic financial institutions. The findings extend the understanding of CSR beyond conventional stakeholder and legitimacy perspectives by demonstrating that Islamic ethical values influence organizational practices and stakeholder perceptions simultaneously.

Furthermore, the study confirms that the principles of compassion, peace, and obedience operate as interconnected mechanisms through which CSR activities generate sustainable organizational value. These findings reinforce the proposition that integrating Islamic ethical values into CSR practices strengthens organizational legitimacy while simultaneously enhancing stakeholder trust and corporate reputation.

4.2.4 Practical and Policy Implications

The findings provide several practical implications for Islamic banking institutions and CSR managers. First, CSR programs should continue emphasizing community empowerment rather than focusing solely on charitable assistance, thereby creating sustainable socioeconomic impacts. Second, transparent governance and professional management of CSR funds through specialized institutions such as Baitulmaal Muamalat enhance organizational credibility and public confidence.

For management, integrating Islamic ethical values into organizational culture—including customer service, employee relationships, and CSR governance—may strengthen stakeholder loyalty and reinforce corporate reputation. For policymakers and Islamic financial regulators, the findings suggest that CSR evaluation should incorporate not only financial performance indicators but also social, ethical, and spiritual dimensions that reflect the distinctive characteristics of Islamic financial institutions.

4.2.5 Integration with the Research Gap

This study addresses the research gap identified in the literature by demonstrating how the implementation of *Rahmatan Lil'Alamin*-based CSR contributes to corporate value enhancement within the context of an Islamic banking institution. Previous studies generally focused on measuring CSR performance from economic, financial, or stakeholder perspectives, whereas limited attention has been devoted to examining CSR through the comprehensive framework of Islamic values.

The present findings show that integrating compassion, peace, and obedience into CSR implementation creates broader organizational outcomes, including enhanced public trust, stronger stakeholder relationships, improved corporate reputation, and sustainable corporate value. Consequently, the study provides empirical evidence that Islamic ethical principles constitute an important mechanism through which CSR creates long-term organizational value.

4.2.6 Acknowledgement of Study Limitations

DOI: 10.26618

This study has several limitations. First, the findings are based on a single case study conducted at Bank Muamalat Makassar and Baitulmaal Muamalat South Sulawesi; therefore, the transferability of the findings to other Islamic banking institutions should be undertaken cautiously. Second, the study involved only five key informants representing managerial personnel, customers, and CSR beneficiaries, which may not fully capture the diversity of stakeholder perspectives. Finally, the study focuses primarily on qualitative interpretations of CSR implementation and its perceived contribution to corporate value without incorporating quantitative measurements of financial performance or stakeholder perceptions. Future studies may expand the research by involving multiple Islamic financial institutions, larger stakeholder groups, and mixed-method approaches to provide broader empirical evidence regarding the effectiveness of *Rahmatan Lil'Alamin*-based CSR implementation.

5. Conclusion

5.1 Summary of Key Findings

The study achieved its research objectives by demonstrating three principal findings. First, Corporate Social Responsibility at Bank Muamalat Makassar is conceptualized not only as an institutional obligation but also as an Islamic social responsibility grounded in the principles of social welfare (*maslahah*) and worship (*ibadah*). CSR is implemented through various programs in education, healthcare, humanitarian assistance, socio-religious development, and community economic empowerment in collaboration with Baitulmaal Muamalat.

Second, the implementation of *Rahmatan Lil 'Alamin*-based CSR is reflected through the values of compassion (*rahmah*), peace, justice, and obedience to Islamic principles in both internal organizational practices and external community programs. These values are manifested through inclusive community empowerment, ethical service delivery, transparent CSR governance, and harmonious relationships among stakeholders.

Third, the implementation of *Rahmatan Lil 'Alamin*-based CSR contributes significantly to enhancing corporate value from social, moral, spiritual, and institutional perspectives. The findings indicate that CSR strengthens public trust, improves corporate image and reputation, enhances employee loyalty and performance, and supports the long-term sustainability of Bank Muamalat Makassar. Consequently, CSR functions not only as a mechanism for delivering social benefits but also as a long-term strategic investment that creates sustainable corporate value within the framework of Islamic economics.

5.2 Theoretical Contributions

This study contributes to the development of Islamic Corporate Social Responsibility theory by demonstrating that the concept of *Rahmatan Lil 'Alamin* provides a comprehensive framework for integrating social, economic, moral, and spiritual dimensions into CSR practices within Islamic financial institutions. The findings extend existing CSR literature by showing that corporate value can be enhanced not only through economic performance but also through ethical governance, stakeholder trust, and adherence to Islamic principles.

Furthermore, the study addresses the research gap concerning the limited empirical evidence on the application of *Rahmatan Lil 'Alamin* as a conceptual framework for CSR implementation in Islamic banking. By illustrating how the values of compassion, peace, justice, and obedience shape CSR practices and organizational outcomes, the study enriches the theoretical understanding of value creation in Islamic business organizations.

5.3 Practical and Policy Implications

The findings offer important implications for managers, practitioners, and policymakers within Islamic financial institutions. From a managerial perspective, the study

DOI: 10.26618

demonstrates that CSR grounded in Islamic values can serve as a strategic institutional approach for strengthening corporate reputation, enhancing stakeholder trust, and supporting long-term organizational sustainability. CSR programs should therefore prioritize sustainable community empowerment rather than short-term charitable activities while maintaining transparency, accountability, and inclusiveness.

From a policy perspective, the findings suggest that regulators and Islamic financial authorities should encourage CSR frameworks that integrate Islamic ethical values into corporate governance. Positioning CSR as a strategic instrument for socioeconomic development rather than merely a regulatory obligation may strengthen the contribution of Islamic financial institutions to sustainable national development. The *Rahmatan Lil 'Alamin* framework may also serve as a practical reference for developing CSR guidelines that emphasize social welfare, justice, and long-term sustainability.

5.4 Limitations of the Study

This study has several limitations that should be considered when interpreting its findings. First, the research was conducted exclusively at Bank Muamalat Makassar and Baitulmaal Muamalat South Sulawesi; therefore, the findings may not be fully generalizable to other Islamic banking institutions operating in different organizational or regional contexts. Second, the study focused primarily on qualitative evidence obtained from a limited number of key informants, which reflects in-depth perspectives but may not capture the full diversity of stakeholder experiences. Consequently, the findings should be interpreted within the specific institutional context of the study.

5.5 Directions for Future Research

Future studies are encouraged to examine the implementation of *Rahmatan Lil 'Alamin*-based CSR across multiple Islamic financial institutions to enhance the generalizability of the findings. Comparative studies involving Islamic and conventional banks could provide broader insights into the distinctive characteristics and effectiveness of Islamic CSR practices. Future research may also employ mixed-method or quantitative approaches to measure the relationship between Islamic CSR implementation and organizational outcomes such as corporate reputation, stakeholder trust, financial performance, and corporate value. Additionally, incorporating other theoretical perspectives and exploring additional dimensions of Islamic business ethics would further enrich the understanding of CSR implementation within Islamic financial institutions.

6. References

Afifah Sutri. (2021). *Analisis perbandingan kinerja keuangan Bank Syariah Mandiri dan Bank Negara*. STIE Perbanas Surabaya.

Farhan, M., Soediro, A., Kusumawardani, M., Adhitama, F., & Lakilaki, E. (2024). Corporate social responsibility in Islamic banking: A practical evaluation. *Indonesian Interdisciplinary Journal of Sharia Economics, 7*(2). https://doi.org/10.31538/iijse.v7i2.4121

Fuadi, F., Sari, S. P., Sunarmi, S., & Mulyono, A. (2025). Corporate social responsibility in Islamic bank: Review of one decade of research and future directions. *Journal of Islamic Accounting and Finance Research, 7*(2).

Gunawan, H., Hendra, & Dauda, P. (2022). Islamic work ethics dalam peningkatan mutu kerja sumber daya insani PT Bank Muamalat Indonesia Cabang Makassar. *Jurnal Ilmiah Manajemen dan Kewirausahaan, 1*(2), 225–237.

Hendar, J., Chotidjah, N., & Rohman, A. (2021). Implementasi tanggung jawab sosial perusahaan pada perbankan syariah ditinjau dari maqashid syariah. *Anterior Jurnal, 20*(3), 70–79. https://doi.org/10.33084/anterior.v20i3.2334

Maharti, R. K., & Fahrullah, A. (2021). Penerapan etika bisnis syariah dan dampaknya

DOI: 10.26618

terhadap loyalitas pelanggan. *Jurnal Ekonomika dan Bisnis Islam, 4*(1), 207–218.

Marito, N., & Hardana, A. (2021). Pengaruh zakat perbankan dan corporate social responsibility terhadap kinerja PT Bank Muamalat Indonesia. *Journal of Islamic Social Finance Management, 2*(2), 190–209.

Monawer, A. T. M., Abdul Rahman, N. N., Qasem Al-Nahari, A. A. A., Abdullah, L. H., Ali, A. K., & Meguellati, A. (2022). The actualization of *maqāṣid al-sharīʿah* in Islamic finance: A conceptual framework. *International Journal of Islamic and Middle Eastern Finance and Management, 15*(5), 847–864.

Negari, A. K., Sukoharsono, E. G., & Djamhuri, A. (2022). Proposing spirituality as the soul of corporate social responsibility accounting. *Jurnal Akuntansi Multiparadigma, 13*(2), 226–241.

Nurfatimah, G., Sriwardany, S., Harahap, J. P. R., & Irama, O. N. (2025). Pengaruh Islamic Corporate Social Responsibility (ICSR) dan kepatuhan syariah terhadap kinerja perbankan syariah. *Economics and Digital Business Review, 6*(2).

Prasetiyo, L. (2023). Formulasi prioritas program corporate social responsibility di bank syariah: Perspektif *maqasid al-shariah*. *Etihad: Journal of Islamic Banking and Finance, 3*(1).

Prasojo, P., Muhfiatun, M., Syarifah, L., & Rosman, R. (2025). Conformity of Indonesian Islamic bank CSR practices with *maqashid shariah* rules. *Journal of Islamic Marketing, 16*(9), 2596–2616. https://doi.org/10.1108/JIMA-01-2024-0047

Pratiwi, D. N., Setiyowati, A., & Huda, F. (2023). Quality of corporate social responsibility services at Bank Syariah Indonesia in the perspective of Islamic Social Reporting Index and Maqashid Shariah Index. *Perisai: Islamic Banking and Finance Journal, 7*(2).

PT Bank Muamalat Indonesia Tbk. (2025). *Sustainability report 2024*.

Tampubolon, & Siregar. (2019). Pengungkapan tanggung jawab sosial pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia. *Jurnal Maneksi, 8*(2), 223–229.

Yusdiansyah, E., & Hendar, J. (2022). Islamic corporate social responsibility in the company of sharia in Indonesia with the implementation of *maqashid sharia*. In *Proceedings of the 4th Social and Humanities Research Symposium* (pp. 344–348).

Zafar, M. B., & Sulaiman, A. A. (2020). Measuring corporate social responsibility in Islamic banking: What matters? *International Journal of Islamic and Middle Eastern Finance and Management, 13*(3), 357–388.