

From Agency Theory to Human Agency in Servitude Concept an Islamic Look

Yasmi¹, Siprianus Palete²

Department of Accounting, Faculty of Economics and Science, Universitas Fajar, Indonesia ^{1,2}

Corresponding Author: yasmi@unifa.ac.id

Abstract

Objective. This article aims to explore conventional agency theory based on the capitalist view and agency theory according to the Islamic view and its relation to human agency. **Methods.** The research method in this article uses an epistemological approach. Epistemology in this study is an Islamic epistemology approach where (Al-Quran and Hadith) are in an absolute truth and cannot be refuted. **Results.** Although there is no direct counterpart to conventional agency theory in Islamic thought, Islamic principles and teachings provide insights and understandings that can be applied to the concept of agency. Islamic teachings provide a framework for understanding agency theory and its relation to human agency in the context of servitude to Allah, namely accountability, ethical considerations, social responsibility, and the balance between effort and tawakkala. These principles shape the way individuals exercise their agency and make choices in accordance with Islamic values.

Keywords: Agency Theory, Human Agency, Islamic Look, Servitude

INTRODUCTION

A theory developed in the 1960s by Watt and Zimmerman that is now known as Positive Accounting Theory. In its approach, it focuses on the economic approach, efficient market hypothesis and agency theory. In addition, Jensen and Meckling (1976) highlighted 3 things in reference to the development of current accounting research, namely 1) (proprietary theory) or better known as ownership theory, 2) (agency theory) agency theory, and 3) financial theory in the development of a scientific approach to corporate ownership structure. Some of these approaches/theories provide explanations related to the definition of a company (company), the existence of separate management of ownership and control in the company (separation of ownership and control), social responsibility, understanding the purpose function of a company. Although the article discusses all three, agency theory is an approach that is often applied and adopted in accounting research (Uzaimi, 2017). Agency theory assumes that individuals are only motivated by their own self-interest. If there is cooperative behavior that aims to maximize group (collective) welfare, it makes a mismatch with agency theory. The theory can arise when a person's interests do not match the actions of a group, so that it can make the behavior of a group ineffective (Baiman, 1990).

In agency theory it can be observed that principals and agents behave sensibly to jointly try to maximize one's personal interests, and generally appear to be trying to provide profits to others (principal-agent), and there is no mutually supportive behavior in the group. Ultimately this will result in agency costs. Stakeholders (principals) and agents act rationally, meaning that ordinary principals behave to get earnings from invested funds, increasing monitoring of activities carried out by management. This means that they will not tolerate small or large mistakes from management, especially those that will have an impact on the losses that may be incurred when investing. On the other hand, the agent does not give his best for the good of the principal. However, he does nothing but how he also gets a lot of profit (risk and work averse) (Baiman, 1990). In this agency theory,

mutual distrust is considered normal behavior in business. Cooperative behavior (mutual benefit without coercion) becomes inconsistent.

Since 1970 when agency theory was proposed by accounting experts in the United States, the validity of the meaning of accounting as a medium of information for external parties to the company began to doubt its reliability. Agency theory clarifies the conflict of interest between the principal and the agent. The work behavior between the principal and the agent tends to discuss the role of accounting information which is a means of support and liaison between the principal and the agent. The difference in knowledge and experience between the principal and the agent and the inequality of information known to the agent makes the agent often provide data or information that is not appropriate (asymmetry information) in order to seek the desired benefits. The danger of this behavior encourages the principal to impose a control system in paying attention to the behavior of the agent or in this case management as a trustee.

Agency Theory in a Capitalis Look

The theory underlying the positive accounting theory (Watts and Zimmerman, 1990) whose perspective is taught in various universities in the world including Indonesia and other conventional accounting is agency theory (Jensen and Meckling, 1976). This agency theory is a theory that forms the basis of the relationship between principal and agent which assumes that people will be more influenced by their personal interests so that it can lead to a conflict of interest between the two. The relationship created between the company owner and management is a contractual relationship, namely the relationship created between the wishes expected by the principal (owner) and the ability of the agent (management) to meet the principal's expectations. Jensen and Meckling (1976) suggest that the relationship created is a rational relationship based on materialistic nature for the benefit of the principal. The principal is willing to delegate his authority and give material rewards to the agent if the agent is able to fulfill the material desires required by the principal. The agent will also work earnestly to fulfill the principal's expectations. Thus, the behavior of both parties is determined by the contract agreed upon.

The orientation of interests in the contract is influenced by the interests of each party as a rational economic man (Jensen and Meckling, 1994). Principals are profit-oriented, while agents will expect incentives. Agents will do various ways to fulfill their individual desires for material, which sometimes conflicts with business ethics. An agent in certain circumstances can achieve excellent performance only by utilizing the powerful weapons he has in the form of asymmetry information, namely by utilizing adverse selection and moral hazard behavior. Agents can carry out earnings management with the aim of fulfilling their interests in getting incentives. Such behavior becomes an opportunistic way of free-riding, shirking, and perk consumption (Chrisman et al, 2004). Although the owner as the ruler will control his subordinates (agents) to fulfill his interests, the owner will not be able to control his subordinates (agents).

Power in this case is seen as a hierarchical relationship that links power with sovereignty. Legally, this kind of power is legitimate to be exercised based on a consensus (Cronin, 1996). As economic beings, principals will impose the achievement of their interests on agents even if they have to go against the value of justice. On the other hand, the agent will try to fulfill the principal's wishes in his own way, sometimes contrary to the values of honesty and justice, in order to fulfill his economic desires as well. This kind of egoistic and materialistic principal and agent power will make it difficult to create justice and honesty in business. The location of the problem is because humans as economic beings are placed as principals (Alimuddin, 2022).

METHODS

The research method in this article uses an epistemological approach. Epistemology is all forms of human activity and thought that always question where the origin of knowledge is obtained. It can also be interpreted as a part that examines the creation of knowledge that has a focus on how knowledge is obtained and how it is able to investigate a valid matter. So that finally, epistemology is one of the branches of philosophy in which it is related to knowledge which is often called the theory of knowledge. And from there it is clear that epistemologists study the nature of knowledge, epistemic justification, belief, and various issues related to the discipline of philosophy. The

epistemology in this research is an Islamic epistemology approach where (Al-Quran and Hadith) are in an absolute truth and cannot be denied.

RESULTS AND DISCUSSION

Humans as managers who come from the creation by God Almighty who are basically good, kind, and clean like cotton, eventually become utilitarian, cunning, selfish, and materialistic because they have been 'held hostage' by a view in assessing work that is materialistic (Alimuddin, 2008). Managers have no other alternative but to increase profits, maximize profits. According to (Estes, 1990), managers are not only expected to increase profits but are also shaped to act inappropriately to maximize profits. In contrast to businesses run in Islam, which sees that life is a process towards meeting the Khaliq who created humans which has an impact that all actions must be in accordance with His will. Thus, the philosophy of business management is drawn to get closer to the Owner of this wealth, namely Allah SWT (Alimuddin, 2016).

The implementation of all activities in business is done to lead to the Owner. Material is not the goal, but a halal and heart-based business is the dream. The right and halal results are the effects of good activities carried out wholeheartedly. Doing work is considered as an activity of worship that has a dimension of humanities to every human being (horizontal relationship) and becomes an attitude of submission to (worship) God (vertical relationship). Thus, every business activity will be built in the dimension of grace for the universe (rahmatan lil alamin) for world civilization, both now and in the future. A person should not only think for himself or for his immediate environment during his lifetime, but also be asked to keep in touch with others and people in the future (Kamla, et al., 2006 and Asmal and Asmal, 2000). According to the Islamic view, the benefits received are solely due to the grace of Allah, and not solely due to human effort. Everything that happens, including profits, has been determined by Allah in the lauh mahfuzh (QS. Al-An'am (6): 59,)].

وَعِنْدَهُ مَفَاتِحُ الْغَيْبِ لَا يَعْلَمُهَا إِلَّا هُوَ ۚ وَيَعْلَمُ مَا فِي الْبَرِّ وَالْبَحْرِ ۚ وَمَا تَسْقُطُ مِنْ وَرَقَةٍ إِلَّا يَعْلَمُهَا وَلَا حَبَّةٌ فِي ظِلْمَاتٍ
الْأَرْضِ وَلَا رَطْبٍ وَلَا يَابِسٍ إِلَّا فِي كِتَابٍ مُبِينٍ

Meaning: And with Allah are the keys to all that is unseen; none knows better than He, and He knows what is in the land and the sea, and not a leaf will fall without Him knowing it, and not a seed will fall in the darkness of the earth, and nothing wet or dry, but it has been written in a book (Lauh Mahfudz)."

The task of humans is only to work optimally to provide benefits in all aspects on earth (prosper the world). As living creatures of His creation, we are expected to try to pick up fortune, not look for fortune because fortune has already been determined, namely Allah Subhana Wa Ta'ala. Being a servant, humans only carry out the obligations that have been destined by Allah and do not have the right to ask for anything in return from Him. Al-Adawiah said: "I am but a servant, and there is no business of a servant who wants anything" (HR. Bukhari and Muslim). The results obtained are only a form of His mercy. A businessman who is motivated to get material benefits will only get material benefits. However, when his business is intended as a dedication to Allah, then he will not only get material benefits, but also benefits in the form of blessings and enjoyment resulting from his efforts and invaluable good rewards that are expected to be obtained in the hereafter (Alimuddin et al., 2016).

For a Muslim, there is one purpose and one way to go, and that is to earn Allah's pleasure by walking on His guidance. Allah is the Most Rich who always gives so many gifts to humans and removes badness (mudharat) without expecting anything in return from them. Therefore, any activity carried out must be interpreted as a form of devotion to God the creator (Alimuddin et al., 2016).

Agency Theory an Islamic Look

The biggest mistake of agency theory (Jensen and Meckling, 1976) in the Islamic view is to place humans (capital owners) as principals. The principal should be the owner of wealth who does not expect returns from his ownership, has clear rules of doing business that do not change, and these provisions apply generally so that wherever the agent is active, the general provisions will be the same. This kind of principal is only owned by the All-Having and the Just. To Allah belongs what is in the heavens and what is on earth (QS Al-Baqarah [2]: 284).

لِلَّهِ مَا فِي السَّمَاوَاتِ وَمَا فِي الْأَرْضِ وَإِنْ تُبْدُوا مَا فِي أَنْفُسِكُمْ أَوْ تُخْفُوهُ يُحَاسِبُكُمْ بِهِ اللَّهُ فَيَغْفِرُ لِمَنْ يَشَاءُ وَيُعَذِّبُ مَنْ يَشَاءُ وَاللَّهُ عَلَى كُلِّ شَيْءٍ قَدِيرٌ

Meaning: To Allah belongs all that is in the heavens and the earth, and when you give birth to what is in your hearts or conceal it, then Allah will reckon with you for what you have done. So Allah forgives whom He wills and punishes whom He wills; and Allah is All-Powerful over everything.

By placing Allah SWT as the owner, justice and honesty in business will be created, because the principal will not pressure the agent to impose his will in an unnatural way. He only expects the agent to work seriously according to his ability (QS Hud [11]: 93) and work or do activities that do not conflict with the provisions that He outlines.

وَيَا قَوْمِ اعْمَلُوا عَلَى مَكَانَتِكُمْ إِنِّي عَامِلٌ سَوْفَ تَعْلَمُونَ مَنْ يَأْتِيهِ عَذَابٌ يُخْزِيهِ وَمَنْ هُوَ كَاذِبٌ وَارْتَقِبُوا إِنِّي مَعَكُمْ رَقِيبٌ

Meaning; then said: "O my creatures, do as you are able; indeed, I do too. Later you will know who will receive the punishment that humiliates him and who did not speak the truth. And wait for (Allah) punishment, for which I also wait with you."

Agents are not required to achieve certain material targets but are only asked to obey in carrying out the terms of doing business, and to be fair and honest in doing business. This is one of the meanings of the creation of man to always serve Allah, not only serve in worship mahdhah but also in every activity, including in business. By carrying out this kind of activity, the activity of human life is to serve Allah SWT (QS Az-Zariyat [51]: 56).

وَمَا خَلَقْتُ الْجِنَّ وَالْإِنْسَ إِلَّا لِيَعْبُدُونِ

Meaning; And I did not create the jinn and mankind but that they should serve Me.

Thus the position of the owner of capital (conventional terms), management, accounting staff to even the lowest executive staff in the organization is an agent. They must work together to utilize the resources of the principal by using ways and conditions that do not conflict with the will of the principal. This way of working will encourage agents to work calmly because they are not required with targets that must be met but only required to work seriously within a certain period of time. The working atmosphere becomes more harmonious, and the work process is interpreted as a form of devotion to His creator (QS Az-Zariyat [51]:56). Thus, agent performance becomes more varied and important.

According to (Qardhawi, 2006), the result of true unity (tawhid) and the meaning of "la ilaha illa Allah" is a belief that humans are born into the world in a state of freedom. Therefore, no one should insult others and deprive others of their individual rights, and no one should place objects or himself as God. In the perspective of interdependence theory (Berscheid and Reis, 1998; Kelley and Thibaut, 1978), every interaction between people is intended to maximize gains or minimize losses for each individual. To get benefits, we must also provide benefits to other individuals (Taylor, et.al., 2009). Thus, every human being has the same position and freedom in interacting with others. Islam was revealed in a perfect state as a guide to life so that humanity does not go astray (QS Al Maidah [5]: 3).

حُرِّمَتْ عَلَيْكُمُ الْمَيْتَةُ وَالدَّمُ وَلَحْمُ الْخَنزِيرِ وَمَا أُهْلَ لِغَيْرِ اللَّهِ بِهِ وَالْمُنْخَنِقَةُ وَالْمَوْفُوذَةُ وَالْمُتَرَدِّيَّةُ وَالنَّطِيحَةُ وَمَا أَكَلَ السَّبْعُ إِلَّا مَا ذَكَّيْتُمْ وَمَا ذُبِحَ عَلَى النُّصُبِ وَأَنْ تَسْتَقْسِمُوا بِالْأَزْلَامِ ذَٰلِكُمْ فِسْقٌ الْيَوْمَ يَبْسُ الدِّينَ كَفَرُوا مِنْ دِينِكُمْ فَلَا تُخْشَوْهُمْ وَاتَّقُوا اللَّهَ الْيَوْمَ أَكْمَلْتُ لَكُمْ دِينَكُمْ وَأَتِمَمْتُ عَلَيْكُمْ نِعْمَتِي وَرَضِيْتُ لَكُمُ الْإِسْلَامَ دِينًا فَمَنِ اضْطُرَّ فِي مَخْمَصَةٍ غَيْرَ مُتَجَانِفٍ لِإِثْمٍ فَإِنَّ اللَّهَ غَفُورٌ رَحِيمٌ

Meaning: It is forbidden to you to eat carrion, blood, pork, meat of animals slaughtered in the name of other than Allah, strangled, beaten, fallen, gored, and killed by wild animals, except that which you have slaughtered, and (it is forbidden to you) that which is slaughtered to give to idols. And (it is also forbidden) to cast lots with arrows; (casting lots with arrows) is ungodliness. Today the disbelievers have despaired of overcoming your religion, so do not fear them but fear Me. Today I have perfected for you your religion, and I have made sufficient for you My favor, and I have chosen Islam as your religion. So whoever is compelled by famine without intentionally committing a sin, surely Allah is Forgiving, Merciful.

The perfection of Islamic teachings can be seen from all the instructions needed by humans and explained in the book of Al-Quran, including the need for bookkeeping of trusts of wealth entrusted to humans. Islam upholds individual freedom but within limits that do not harm the individual himself and others, freedom of thought but not to disbelief, freedom of intuition not because of lust, freedom of opinion but not to accuse and slander. Islam provides freedom to earn a living not to take the rights of others, freedom to accumulate wealth not to be enslaved by wealth, freedom to interact with others not to worship, freedom to get achievements not to break relationships with others for the sake of an achievement, and there are many more freedoms that humans can do as long as they do not conflict with Islamic rules in a relationship (Alimuddin et al, 2016). Islam itself strictly forbids its followers to be extravagant and miserly or to be neither extravagant nor miserly (QS Al Furqan [25]: 67).

وَالَّذِينَ إِذَا أَنْفَقُوا لَمْ يُسْرِفُوا وَلَمْ يَقْتُرُوا وَكَانَ بَيْنَ ذَلِكَ قَوَامًا

Meaning: And those who, when they spend, are neither extravagant nor miserly, and their expenditure is in the middle between the two.

Stinginess will be able to increase profits and increase dividends so that this behavior is used by capitalists to accumulate wealth. The results of Chapra's research (1999) suggest that large companies have succeeded in making efficiency so as to enlarge the company's profits but unfortunately many who enjoy the results are the owners of capital while management and workers only enjoy a small portion. Stinginess for capitalists is one way to increase equity while in the view of Islam, stinginess will actually afflict the perpetrator. A miserly person may increase his wealth now but in the future it will not grow and may even cause destruction. Like heavy water entering the pipe but the small drain will cause obstruction of incoming water and if the water flow is very heavy then the possibility will occur that the pipe will break and the owner will not get water. Allah SWT has warned the miser that he himself will feel his miserliness (QS Muhammad [47]: 38).

هَآ أَنتُمْ هَؤُلَاءِ تُدْعَوْنَ لِتُنفِقُوا فِي سَبِيلِ اللَّهِ فَمِمَّنْكُم مَّن يَخْلُفُ مِمَّا بَيَّعَ عَنْ نَفْسِهِ وَاللَّهُ الْغَنِيُّ وَأَنتُمُ الْفُقَرَاءُ وَإِنْ تَتَوَلَّوْا يَسْتَبَدِلْ قَوْمًا غَيْرَكُمْ ثُمَّ لَا يَكُونُوا أَمْثَالَكُمْ

Meaning: Remember, you are those who are invited to spend in the way of Allah. So some of you are miserly, and whoever is miserly is only miserly towards himself. And Allah is the All-Rich while you are the ones who will (to Him); and if you turn away He will surely replace (you) with another people; and they will not be like you.

Rights and Obligations of Principal and Agent an Islamic Look

There are responsibilities in fulfilling the obligations that must be fulfilled by the owner or principal to the agent or management. These obligations include (Uzaimi, 2017):

1. Islam gives the agent the position of the closest person like a brother to the principal. From Abu Dzar R.A, the Prophet Muhammad SAW said: "Your brothers are your slaves. Allah has made them under your authority." (HR. Bukhari). This hadith does mention the naming of "slaves" for "subordinates" but scholars collectively agree that this naming can mean that a "subordinate", is a confidant in a job that is bound by an oath in the form of rules. Prophet Muhammad SAW called laborers (agents) who are brothers of employers (principals) so that their degrees are the same as their brothers, so that they will provide decent and good treatment.
2. A principal is not allowed to give an excessive amount of work to the agent, not allowed to give a salary that is not in accordance with what was agreed upon, provide pressure at work and not provide an opportunity to rest by working past working hours. The Prophet SAW did not justify giving work to agents outside the ability bricks owned by agents. Even if there is one time it is forced to be done, the Prophet SAW ordered that the principal should not remain silent by providing assistance to the agent. Unless there is an agreement to pay an excess burden that is not in the initial agreement. In the tradition of Abu Dzar R.A, the Prophet Muhammad SAW said: "Do not burden them (workers), and if you assign tasks to them, help them." (HR. Bukhari).
3. The owner should pay attention and give priority in paying wages or salaries for agents. Prophet Muhammad SAW obliged the principals to give their employees' salaries on time, without any deduction. From Abdullah bin Umar R.A, the Prophet Muhammad SAW said: "Give the worker (laborer) his wages, before his sweat dries." (HR. Ibn Majah). Rasulullah SAW is a person who gives attention and appreciates every human being who works. So that wages become something that is most important to be considered by the employer. In Islam, the concept of the value of justice is known, so the Islamic view in agency theory sees that a worker will feel in accordance

with the wages received and it is proportional to the work given by the agent to the leader (company).

4. it is expected to be able to pay attention to the welfare of the workers (agents). Such as family needs, housing, education and others in order to maximize the quality and competence of the work performed, so that agents will feel that their lives can be sufficient and able to provide a sense of calm.

On the other hand, a worker or agent has the responsibility to fulfill obligations to the owner (principal) (Uzaimi, 2017), some of these obligations include:

1. The work done by agents is honest, sincere and of good quality. When agents do good work, it can provide an increase in performance that will have a good impact on the company. So that it will also have an impact on the welfare of agents who will certainly also experience an increase. Rasulullah SAW said: "Verily Allah loves when one of you does a job then he does it well,"
2. A worker is required to remain loyal and not betray in doing work regardless of the conditions. Such as corruption of time, goods or assets regardless of value. (QS Al-Anfaal: 27). Allah SWT says in the Qur'an:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَخُونُوا اللَّهَ وَالرَّسُولَ وَتَخُونُوا أَمَانَاتِكُمْ وَأَنْتُمْ تَعْلَمُونَ

Meaning: "you who believe, do not betray Allah and the Messenger (Muhammad) and (also) do not betray the trusts entrusted to you, while you know".

3. Carrying out responsibilities and doing good work so as to provide increased profits to the company is an agent's obligation to the owner / company. Rasulullah SAW said: "A trustworthy treasurer, who fulfills what is ordered to him with pleasure, is among those who give in charity". It is not permissible for a worker-agent to take something for himself because it is a betrayal. Similarly, it is not permissible for him to hand over profits to someone other than the owner. Indeed, that is injustice.
4. Expecting the agreed reward and not violating it, even if there is a change in the reward it is known to the owner and by mutual decision so that the owner can be pleased in giving wages. If the owner is not pleased, then there are two options: find a job elsewhere that pays better or be patient and pray. When the attachment between workers and the company can be carried out based on Islamic law, it will ensure the emergence of harmonious working relationships and close brotherhood so that it will create blessings for all.

Human Agency in Servitude Concept an Islamic Look

Agency refers to the ability of humans to influence the functioning and course of events through their actions (Bandura, 1989). Human agency is the concept that an individual has competence in planning, disciplining, realizing and evaluating their own behavior. Human Agency refers to the capacity of individuals to act independently and make choices that impact their lives and the world around them. It is the ability to exercise control over one's thoughts, actions and decisions, taking into account personal values, beliefs and goals. Human Agency is closely related to the concept of free will, as it implies that individuals have the freedom to make choices and are not solely determined by external factors or circumstances. It recognizes that humans are not passive beings, but actively engage with their environment, make deliberate decisions and shape their own lives.

While external influences and constraints can certainly affect human agency to varying degrees, such as social, cultural and economic factors, human agency emphasizes the idea that individuals have a degree of autonomy and can exert influence over their own lives. It recognizes the capacity for self-determination and the responsibility that comes with it. However, it is important to note that human agency does not stand alone. It is shaped and influenced by social structures, norms, and power dynamics, which can either enable or limit individual choices and actions. Overall, human agency emphasizes the active role of individuals in shaping their lives and highlights the importance of personal choice and responsibility in navigating the world.

Basically, the nature of human creation on this earth is only to carry out three major tasks, namely;

1. To worship Allah (QS. Adz-Dzariyat [51]: 56 [11])

وَمَا خَلَقْتُ الْجِنَّ وَالْإِنْسَ إِلَّا لِيَعْبُدُونِ

Meaning; And I did not create the jinn and mankind but that they should serve Me.

2. To prosper the earth (QS. Hud [11]: 61 [11])

وَالِى تَمُودَ أَخَاهُمْ صَالِحًا قَالَ يَا قَوْمِ اعْبُدُوا اللَّهَ مَا لَكُمْ مِنْ إِلَهٍ غَيْرُهُ هُوَ أَنشَأَكُمْ مِنَ الْأَرْضِ وَاسْتَعْمَرَكُمْ فِيهَا فَاسْتَغْفِرُوا لَهُ ثُمَّ تَوْبُوا إِلَيْهِ إِنَّ رَبِّي قَرِيبٌ مُجِيبٌ

Meaning; And to the Tsamud (We sent) their brother Shaleh. Shaleh said: "O my people, worship Allah; there is for you no god but Him. He has created you from the earth and made you its caretakers, so seek His forgiveness and repent to Him; surely my Lord is very near (to His mercy) and accepts (the prayer of His servant)".

3. And become a caliph (QS. al-'Araaf [7]: 129 [11])

قَالُوا أَوَدِينًا مِنْ قَبْلِ أَنْ تَأْتِيَنَا وَمِنْ بَعْدِ مَا جِئْتَنَا قَالَ عَسَىٰ رَبُّكُمْ أَنْ يُهْلِكَ عَدُوَّكُمْ وَيَسْتَخْلِفَكُمْ فِي الْأَرْضِ فَيَنْظُرَ كَيْفَ تَعْمَلُونَ
Meaning; The people of Moses said: "We were oppressed (by Fir'aun) before you came to us and after you came. Moses replied: "May Allah destroy your enemies and make you caliphs on the earth (His), then Allah will see what you do.
and Al-Baqarah [2]: 30 [11]).

وَإِذْ قَالَ رَبُّكَ لِلْمَلَائِكَةِ إِنِّي جَاعِلٌ فِي الْأَرْضِ خَلِيفَةً قَالُوا أَتَجْعَلُ فِيهَا مَنْ يُفْسِدُ فِيهَا وَيَسْفِكُ الدِّمَاءَ وَنَحْنُ نُسَبِّحُ بِحَمْدِكَ وَنُقَدِّسُ لَكَ قَالَ إِنِّي أَعْلَمُ مَا لَا تَعْلَمُونَ

Meaning; Remember when your Lord said to the Angels: "Surely I will make a caliph on the earth". They said: "Why do you want to make on the earth one who will make mischief and shed blood, while we praise you and purify you?" God said: "Surely I know what you do not know".

As a servant, humans only work as optimally as possible for the provision that is represented (khalifah) so that this life (now and in the future) becomes better (prosperous) and does not make damage on earth. The results obtained are not determined by humans but by the Provider. Thus, naturally, the results obtained in the form of wealth are a gift from God in the form of a mandate to be enjoyed and utilized as optimally as possible in accordance with His provisions. Thus, there will be no word of loss or waste, everything will return as long as it is done sincerely and wholeheartedly. This is the highest peak of happiness, when egoism is eroded. Happiness is not caused by material gain or loss, but is permanent and unaffected by time and circumstances, long-lasting. This kind of happiness is true happiness (Tolle, 2009).

Agency theory is a concept that originated in the western corporate governance literature and focuses on the relationship between principals (shareholders or owners) and agents (managers or employees) in organizations. The theory mainly addresses the conflict of interest that arises between the two parties and seeks to align their objectives. In the Islamic view, the agency concept emphasizes that the principal is the real wealth owner of Allah SWT who does not expect returns from his ownership, has clear rules of doing business that do not change, and these provisions are generally applicable so that wherever the agent is active, the general provisions will be the same.

Agency theory as traditionally understood in economics and organizational behavior, focuses on the relationship between principal and agent, usually in a corporate or contractual setting. However, it is important to note that Islam provides its own perspective on human rights and responsibilities. While there may not be a direct counterpart to conventional agency theory in Islamic thought, Islamic principles and teachings offer insights that can be applied to the concept of agency. The following are some key considerations when looking at agency from an Islamic perspective when it comes to human agency:

1. Tawhid and servitude

The concept of tawhid in Islam emphasizes the oneness of Allah SWT, which has implications for human agency. Muslims believe that all humans are servants of Allah, and their actions should be in accordance with His will and guidance. Recognizing the supreme authority and submitting to divine commands influences human actions and decision-making. In Islam, the purpose of human life is to devote oneself to Allah and live a life in accordance with His teachings. Human agency is seen as an opportunity to get closer to Allah SWT and take actions that are in line with Islamic values and principles. Therefore, agency theory in the Islamic view emphasizes the importance of actions that are beneficial, fair, and in accordance with Islamic teachings.

2. Accountability and responsibility

Islam emphasizes individual accountability before Allah SWT for their actions and choices. Muslims believe in the Day of Judgment, where everyone will be held accountable for their deeds. This understanding of accountability encourages individuals to act responsibly and make choices that are aligned with Islamic principles and values. Islam teaches that humans have freedom of action and choice. Allah gives humans the free will to choose between good and bad. However, along with this freedom, humans also have moral responsibility for the choices they make. This responsibility includes accountability before God and the consequences of actions taken.

3. Ethical considerations

Islamic teachings emphasize the importance of ethical behavior in all aspects of life. Muslims are encouraged to act with integrity, honesty, justice and compassion. Islamic principles require agents to conduct their activities in accordance with ethical standards derived from Islamic teachings. Agents should avoid engaging in activities that are prohibited or discouraged in Islam, such as usury, gambling (maysir), and fraudulent practices. When exercising the right to vote, individuals are expected to consider the ethical dimensions of their choices and their impact on others and the environment. Human agency is inseparable from social and ethical considerations.

4. Social responsibility

Islam places great emphasis on the welfare of society and the importance of fulfilling social obligations. Islamic teachings encourage acts of charity, cooperation and support for those less fortunate. Individual rights are expected to be used in ways that benefit society as a whole and contribute to its well-being. Humans are responsible not only to Allah, but also to society, fellow humans and the environment. Individual actions should be mindful of the common good, justice and the common good. Human agency in Islam must not cause harm, oppression or violation of the rights of others. It is important to note that agency theory in the Islamic view is inseparable from the context of Islamic religious teachings as a whole. This view provides a moral and spiritual foundation for individual actions.

5. Balance between Effort and Tawakkal

Islam recognizes the role of human effort and striving (ijtihad) in achieving goals, while acknowledging that the final outcome is determined by Allah. Muslims are encouraged to make sincere efforts and use their abilities to pursue goals, but they also understand that success ultimately rests with Allah. In the Islamic view, everything that happens in this world is by the will of Allah. Humans have freedom of action, but that freedom is limited by the will of Allah. Agency theory in Islam, therefore, links human agency with God's will and plan. Humans can exercise their freedom by acting in accordance with Allah's commands and guidelines.

Overall, although there may not be a direct Islamic equivalent for agency theory as understood in conventional economics, Islamic teachings provide a framework for understanding human agency in the context of servitude to God, namely accountability, ethical considerations, social responsibility, and a balance between effort and trust. These principles shape the way individuals exercise their agency and make choices in accordance with Islamic values.

CONCLUSION

Agency theory is a concept in economics and management that focuses on the relationship between principals and agents. In this context, the principal is the owner or stakeholder of an organization, while the agent is the individual entrusted to carry out a specific task on behalf of the principal. The theory examines how conflicts of interest can arise between principals and agents and how these conflicts can be mitigated.

When considering the concept of human agency in servitude from an Islamic perspective, it is important to realize that Islam places great emphasis on the concept of servitude to God (Allah SWT) and the idea that humans are ultimately accountable to their Creator. Islam encourages individuals to exercise their right to vote within the limits set by divine guidance. From an Islamic perspective, human agency in servitude can be understood as the recognition of one's responsibilities and obligations to God, while actively engaging in the world and using one's free will to make choices in accordance with Islamic principles. Islam teaches that humans have been given free will by God, and they are responsible for their actions in this world and the hereafter.

Islam emphasizes the importance of using one's right to vote to fulfill the purpose of creation, which is to worship and serve God. This involves adherence to Islamic teachings, following the guidance provided in the Quran and the teachings of Prophet Muhammad (pbuh). In the context of agency theory, an Islamic perspective on human agency in service would highlight the need for agents (individuals) to recognize their ultimate accountability to God and align their actions with Islamic principles. This includes conducting business and fulfilling their duties and responsibilities in a manner that is fair, ethical, and in accordance with Islamic teachings.

In addition, the Islamic perspective emphasizes that individuals should not be slaves to worldly desires, material possessions, or the whims of others. Instead, they should exercise their voting rights in a way that upholds their servitude to God, prioritizes justice, and promotes the well-being of individuals and society as a whole. In short, the Islamic perspective on human agency in servitude recognizes the importance of aligning one's actions with Islamic teachings, fulfilling one's responsibilities to God and society, and exercising one's agency in a way that promotes justice, ethical behavior, and the well-being of all people.

REFERENCES

- 2023. Al-Quran dan Hadist terjemahan. Tafsirq.com
- Achmad Uzaimi. 2017. Teori Keagenan Dalam Perspektif Islam. Jurnal Ilmiah Akuntansi dan Finansial Indonesia. Volume 1.
- Alimuddin. 2008. Critical Review of the Performance Concept Accounting. (In Indonesian Tyranny of the Bottom Line: Tinjauan Kritis terhadap Konsep Kinerja Akuntansi). JAM, Jurnal Aplikasi Manajemen. Volume 6. Nomor 3. Halaman 447-457.
- Alimuddin, Iwan Triuwono, dan Muhammad Ali. 2016. Panning the Servitude Value, Building the Sale Vale Concept of Islam. European Journal of Economics, Finance and Administrative Sciences. Issue 87. FRDN Incorporated.
- Alimuddin. 2022. Akuntansi Manajemen Islam Untuk Kehidupan Mashlahah. Orasi Pengukuhan Guru Besar.
- Alimuddin. 2023. Islamic Pricing Based on Ukhuwwah Value in Islam. <https://www.scribd.com/document/651454521/14-islamic-pricing-based-on-ukhuwwah>.
- Asmal, Abdul Cader dan Mohammad Asmal. 2000. Islamic Perspectives on the Environment and Population. In Chapman, Audrey R., Rodney L. Petersen, and Barbara Simith Moran. Consumption, Population, and Sustainability: Perspective from Science and Religion. Translate Basuki Dian and Admiranto Gunawan. 2007. Bumi yang Terdesak: Perspektif Ilmu dan Agama Mengenai Konsumsi, Populasi, dan Keberlanjutan. PT. Mizan Pustaka. Bandung. Halaman 209-221.
- Baiman, S. 1990. Agency Research In Managerial Accounting: A Second Look *. Accounting Organizations and Society, 15(4), 341-371.
- Bambang Lesmono, Saparuddin Siregar. 2021. Studi Literatur Tentang Agency Theory. Ekonomi, Keuangan, Investasi dan Syariah (EKUITAS). Volume 3. Nomor 2. Hal 203-210.
- Bandura, A. 1989. Human agency in social cognitive theory. American Psychologist. 44, 1175-1184.
- Berscheid, E., & Reis, H. T. 1998. Attraction and close relationships. In D. T. Gilbert, S. T. Fiske, & G. Lindzey (Eds.), The handbook of social psychology (4th ed., Vol. 2, pp. 193-281). New York: McGraw-Hill.
- Chapra, M Umer. 1999. Islam dan Tantangan Ekonomi; Islamisasi Ekonomi Kontemporer. Risalah Gusti. Surabaya.
- Chrisman, J.J., J.H. Chua, dan R.A. Litz. 2004. Comparing the Agency Costs of Family and Non-family Firm: Conceptual Issues and Exploratory Evidence. Entrepreneurship Theory and Practice. Vol. 28. No. 4. Page 335-354.
- Cronin, Ciaran. 1996. Bourdieu and Foucault on Power and Modernity. Philosophy Social Criticism. Volume. 22. Page 55-85.
- Estes, W. Ralph. 1996. Tyranny of the Bottom Line: Why Corporations Make Good People Do Bad Things. Translate Nur Basuki Rachmanto. 2005. Tyranny of the Bottom Line: Mengapa Banyak Perusahaan Membuat Orang Baik Bertindak Buruk, Translation. PT. Gramedia Pustaka Utama. Jakarta.
- Jensen, M.C. dan W.H. Meckling. 1976. Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. Journal of Financial Economics. Vol. 3. No. 4. Page 305-360.

- Jensen, M.C. dan W.H. Meckling. 1994. The Nature of Man. *Journal of Applied Corporate Finance*. Vol. 7. No. 2. Page 4-19.
- Khoiruddin, Moh. 2017. Upaya Meminimumkan Agency Problem Dengan Menggunakan Konsep Islam Tentang Perusahaan. *Journal Competency of Business*. Volume 1. Nomor 2. Halaman 73-98.
- Kamla, Rania, Sonja Gallhofer, dan Jim Haslam. 2006. Islam, Nature and Accounting: Islamic Principles and the Notion of Accounting for the Environment. *Accounting Forum*. Volume. 30. Pages 245–265.
- Kelley, H. H. and Thibaut, J. 1978. *Interpersonal relations: A theory of interdependence*. New York: Wiley.
- Qardhawi, Yusuf. 2006. *Islam and Secularism*. (In Indonesian *Islam dan Sekularisme*). Pustaka Setia. Bandung.
- Said, Hilda Salman, dkk. 2022. Teori agensi: Teori agensi dalam perspektif akuntansi syariah. *Fair Value: Jurnal Ilmiah Akuntansi dan Keuangan*. Volume 5, Nomor 5.
- Taylor, Shelley E., Letitia Anne Peplau, and David O. Sears. 2009. *Psikologi Sosial*. (In Indonesian). Prenada Media Group. Jakarta.
- Tolle, Eckhart. 2009. *The Power of Now: A Guide to Spiritual Enlightenment*. Translation. *Spiritual Enlightenment guide*. Mitra Sejati. Sleman, Yogyakarta.
- Watts, R. I. dan Zimmerman, J. L. 1990. Positif Accounting Theory. Ten Year Perspective. *The Accounting Review*. Vol. 65, No. 1, Page 131-158.. (Times New Roman, 10pt, space 1).