

THE IMPLEMENTATION OF GOVERNANCE AT THE GUNUNG GAMBIR RUBBER PLANTATION, PTPN NUSANTARA 1 REGIONAL 5: AN ISLAMIC PERSPECTIVE OF KALIGLAGAH VILLAGE, SUMBERBARU DISTRICT, JEMBER REGENCY

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Abstract

The purpose of this study is aligned with its research focus, which includes: 1) To describe the implementation of governance through transparency at the Gunung Gambir rubber plantation of PTPN Nusantara 1 Regional 5 in Kaliglagah Village, Sumberbaru District, Jember Regency. 2) To describe the implementation of governance through accountability at the same plantation. 3) To describe the implementation of governance through responsibility at the Gunung Gambir rubber plantation. 4) To describe the implementation of governance through fairness at the plantation. 5) To describe the implementation of governance through sustainability at the Gunung Gambir rubber plantation. 6) To describe governance from an Islamic perspective at the Gunung Gambir rubber plantation. This research uses a qualitative approach to generate descriptive data through written or spoken words, focusing on observable behavior and a holistic understanding of individuals and their environments. The study aims to construct and comprehend social realities through direct interaction with subjects, grounding theories in contextual and historical settings. Field research is employed, with data collected via non-participatory observation and semi-structured interviews at the Gunung Gambir rubber plantation in Kaliglagah Village, Jember Regency, managed by PTPN Nusantara. The study examines governance from an Islamic perspective, emphasizing transparency, accountability, responsibility, fairness, and sustainability. The Gunung Gambir Rubber Plantation applies transparent governance, emphasizing openness, accountability, and fairness in its operations. By adhering to Good Corporate Governance (GCG), it builds stakeholder trust through accurate reports, public Annual General Meetings (AGMs), and clear communication. Despite challenges, the plantation integrates responsible governance practices such as sustainability, stakeholder involvement, and Islamic values like honesty, trustworthiness, and effective communication. Recommendations for improvement include fostering transparency through an ESG team, ensuring accountability with structured reporting and third-party audits, and adopting sustainable practices. This approach enhances the company's reputation, strengthens local partnerships, and supports long-term growth and community welfare..

Keywords: Implementation, Governance, Rubber Plantation. Islamic Perspective

INTRODUCTION

Rubber plantations represent one of the strategic agricultural commodities in Indonesia, particularly in East Java. PTPN Nusantara XII (Persero) Jember, a state-owned enterprise (SOE), is actively engaged in the agricultural sector, including rubber plantations. The Gunung Gambir rubber plantation, established in 1918, 1823, and 1927, is one of the plantations owned by PTPN Nusantara XII and is located in Jember. Rubber cultivation plays a pivotal role in Indonesia's economy, with latex derived from rubber serving as raw material for various products such as bracelets, cables, shoes, and other items.

The agriculture and forestry sectors play an essential role in Indonesia's economic activities. Their significant contribution to the Gross Domestic Product (GDP) reached 12.4% in 2022–2023, ranking second only to the processing industry. The conditions of rubber plantations in East Java, such as those in Jember Regency, hold significant potential, yet effective management remains a challenge.

Previous research has highlighted a dramatic decline in rubber prices since 2013, significantly impacting the income of rubber farmers in East Java. While gambir plants can be harvested after 8–12 months, rubber trees typically take five years to mature. Farmers in Kaliglagah Village, Sumberbaru District, Jember Regency, have demonstrated that the Gunung Gambir rubber plantation can generate higher incomes. The implementation of effective management strategies by PTPN Nusantara in this region holds great potential for optimizing rubber plantation operations.

Rubber varieties utilized must meet specific criteria, including a germination rate exceeding 80%, strong vigor, purity without mixture with other varieties, and being free from pests and diseases. Additionally, the varieties must adapt well to lowland areas below 200 meters above sea level, aligning with the agroecological needs of rubber plants.

From 2023 to 2024, rubber plantations in Jember have shown significant improvements in productivity and quality. The adoption of superior rubber plant varieties, covering areas of 13,185–15,139 hectares, has yielded satisfying results. Effective management practices and robust governance have contributed to sustainable growth and increased farmer incomes in the region.

Farmers in Kaliglagah Village have demonstrated that daily rubber harvesting can boost yields. Despite declining global rubber prices, rubber remains a reliable source of family income. The integration of gambir cultivation further enhances farmers' income. Research underscores that applying effective management practices at the Gunung Gambir rubber plantation in Kaliglagah Village significantly improves production and farmer income.

Systematic and continuous management of the Gunung Gambir rubber plantation is essential for enhancing the performance of this state-owned enterprise. This involves efficient land management, pest and disease control, and regular

harvesting schedules. The agricultural sector, resilient to economic shocks, is crucial for national economic recovery.

The plantation sub-sector, contributing 3.76% annually to GDP, ranks first within agriculture. This sub-sector supplies raw materials for the industrial sector, absorbs labor, and generates foreign exchange.

Kaliglagah Village, Sumberbaru District, features Gunung Gambir plantation, which spans 876 hectares. Gunung Gambir serves as both an agricultural hub and a tourist destination, attracting visitors with its vast green landscapes. Tourists can witness the process of collecting latex from rubber trees and explore a variety of woods, including teak and mahogany.

Despite its achievements, the Gunung Gambir plantation faces challenges, including limited managerial skills, educational constraints, and restricted access to capital. The plantation is divided into three areas: Aengsono, Jamintoro, and Karanganyar. Among these, Gunung Gambir stands out for its higher productivity and superior quality standards. Its elevated location provides a favorable microclimate for rubber cultivation.

In the context of Islamic economics, managing natural resources should be fair, transparent, and sustainable. The cooperative relationship between landowners and cultivators often encounters issues, such as mismatched expectations and high capital requirements. However, Gunung Gambir plantation has consistently improved productivity through modern technology and sustainable practices, benefiting the local community through corporate social responsibility (CSR) programs.

Comparing Gunung Gambir with Aengsono and Jamintoro plantations reveals distinctions in productivity, efficiency, quality, supply chain integrity, and innovation. Gunung Gambir's unique geographical and climatic conditions, combined with effective management strategies, underscore its leading position. Future research should holistically evaluate these practices and adopt sustainable, responsible management strategies to mitigate potential adverse impacts.

Table 1.1 Rubber Plantation Production Development Data 2023-2024

No	Village	Regency	Production
1	Kaliglagah	Jember	103%
2	Aengsono	Jember	63%
3	Jamintoro	Jember	36%

Source: Processed Interview with Mr. Sugianto (Danton Foreman of Gunung Gambir Rubber Plantation, PTPN Nusantara, Kaliglagah Village, Sumberbaru District, Jember Regency)

Based on the comparative data table above, the research object related to the implementation of Rubber Plantation Governance at Gunung Gambir PTPN Nusantara reveals that in July 2024, the company achieved a 103% commitment target for total

rubber production. The Aengsono plantation reached 63%, and the Jamintoro plantation achieved 36%, indicating that these are distinct villages in the context of rubber plantation management. The researcher finds the implementation of these production targets, reaching 103%, interesting, as each village has unique needs and characteristics in managing rubber plantations.

Rubber is one of the plantation commodities that needs to improve production, productivity, and quality to enhance competitiveness and increase rubber farmers' income. To achieve this, a good cultivation guideline for rubber is required, as stated in Law No. 12 of 1992, Article 3, which mentions the system of plant cultivation aimed at increasing and diversifying the results to meet the needs of food, clothing, housing, health, domestic industry, as well as increasing exports and improving farmers' income and living standards, while promoting the expansion and equalization of business opportunities and job incomes. Rubber is a significant export commodity for Indonesia, generating foreign exchange for the country, alongside oil and gas.

The concept of rubber governance focuses on the idea that natural resource usage must be regulated so that it does not only provide short-term economic benefits but also preserves the environment and considers the social welfare of the community through good governance practices. According to Reza Widhar Pahlewi in his book *Corporate Governance from an Islamic Perspective*, governance has a broader scope and does not separate roles and responsibilities in all actions and obligations under Islamic law. The fundamental difference between Islamic corporate governance and conventional governance lies in the fact that the Islamic perspective is based on tawhid (oneness of God) and sharia (Islamic law).

Islamic corporate governance guidelines emphasize the roles of stakeholders related to the company. This distinguishes Islamic corporate governance from conventional corporate governance, particularly in terms of the stakeholders' identity. The principles of good corporate governance in Islam include siddiq (truthfulness), amanah (trustworthiness), tabligh (conveying), and fatonah (wisdom). On the other hand, conventional corporate governance generally includes five basic principles: transparency, accountability, responsibility, fairness, and sustainability.

By considering stakeholders, a company can compete effectively in the global marketplace and create a healthy environment. A mutually beneficial relationship can emerge between the company as the producer and the society as the consumer, with the business environment supporting the company's operations. This harmonization leads to good corporate governance, enabling the company to remain sustainable in its operations. Corporate governance is defined as the principles that underpin the processes and mechanisms of managing a company. In the implementation of good corporate governance (GCG), the aim is to direct and control the company's operations in line with stakeholders' expectations. GCG can be understood as a framework regulating the relationship between shareholders, management, the

company, and other internal and external stakeholders, concerning rights and obligations. It is a system that governs the company.

The application of good corporate governance in state-owned enterprises (BUMN) has been regulated by Ministerial Decree No. Kep-117/M-MBU/2002 dated July 31, 2002. According to the Ministry of BUMN, Article 1, Paragraph 1 of Ministerial Regulation No. PER-01/M-MBU/2011 dated August 1, 2011, good corporate governance refers to the principles that underpin the company's management processes and mechanisms, based on legislation and business ethics, creating long-term value for shareholders while respecting the interests of other stakeholders, in compliance with applicable laws and norms. This clearly demonstrates that corporate governance is closely related to the value of a company and its financial performance.

Previous research by Edwin Triyuwono suggests that applying corporate governance can enrich literature on stakeholders and offer recommendations to companies, investors, and governments for managing risks and ensuring the company's sustainability, benefiting stakeholders. The company's value responds to the success of the company in managing its resources, which can be reflected in its stock price, formed by stakeholders' perceptions of the company, and it can be measured by the company's integrity in implementing governance.

The implementation of good corporate governance is essential to ensure continuity in the internal and external relationships of the company. It ensures that the company's structure and operational mechanisms are aligned with the expectations of stakeholders. GCG aims to maximize the company by applying the five pillars of corporate governance: transparency, accountability, responsibility, fairness, and sustainability, promoting professional management and ensuring decision-making is grounded in moral values, enhancing the company's contribution to the national economy.

Based on observations, the author is interested in further discussing the implementation of governance in rubber plantations and intends to present it in the form of a thesis proposal titled "The Implementation of Governance at the Gunung Gambir Rubber Plantation, PTPN Nusantara 1 Regional 5: An Islamic Perspective of Kaliglagah Village, Sumberbaru District, Jember Regency."

RESEARCH METHOD

This research employs a qualitative approach, aimed at generating descriptive data in the form of written or spoken words. According to Bogdan and Taylor, qualitative research is a procedure that produces descriptive data through observable behavior and holistic understanding of individuals and their environments. The qualitative method seeks to construct and comprehend social realities, involving researchers in direct interaction with the subjects of study, thereby grounding theories in contextual and historical realities. The research design emphasizes a focused

exploration of specific dimensions, addressing them comprehensively. The type of research is field research, where data is collected through direct observation of phenomena in their natural settings. Specifically, this study investigates the governance of the Gunung Gambir rubber plantation managed by PTPN Nusantara, analyzed from an Islamic perspective in Kaliglagah Village, Sumberbaru District, Jember Regency. The study is conducted at the Gunung Gambir Plantation, chosen for its potential in natural tourism, economic contributions through agriculture, and the transformative influence of infrastructure. Researchers act as the main instrument in qualitative research, interacting with informants to collect data through methods such as non-participatory observation and semi-structured interviews, focusing on transparency, accountability, responsibility, fairness, and sustainability in governance, alongside an Islamic governance perspective.

RESULT AND DISCUSSION

Findings

The implementation of transparent governance in the Gunung Gambir rubber plantation at PTPN Nusantara 1 Regional 5, located in Kaliglagah Village, Sumberbaru District

Transparency plays a crucial role in enhancing accountability and public trust in organizations, both in the public and private sectors. It fosters public trust by ensuring that information is accessible, promoting participation in decision-making, and encouraging active involvement from the community. In the context of the Gunung Gambir rubber plantation, transparency is vital for improving resource management, particularly in financial reporting. Clear financial statements, adhering to applicable accounting standards like SAK ETAP, are necessary for ensuring accuracy and accountability in all transactions. Interviews with key stakeholders, including the manager, Dedi Irawanto, SP, and other employees, emphasize the commitment to transparency, where every decision is openly communicated, fostering trust and collaboration. The involvement of local communities in decision-making processes through regular meetings further strengthens this transparency. However, challenges such as land quality, human resources, and financial constraints are significant obstacles that need to be addressed for enhancing productivity. Overcoming these challenges requires a holistic approach, including land quality improvement, skill enhancement for workers, and better access to financial resources. Coordination and collaboration with relevant authorities are essential to ensure sustainable development in the rubber plantation sector, reinforcing the transparency principles that guide its operations.

The application of accountability governance in the management of the Gunung Gambir rubber plantation in PTPN Nusantara 1 Regional 5, Kaliglagah Village, Sumberbaru District, Jember

Accountability refers to the obligation of individuals or entities to justify their actions and decisions, ensuring that their operations are transparent and that stakeholders can access clear and accurate information about decision-making processes and performance. Interviews conducted with key figures such as Selamat Santoso, Agung Supriyadi, and Sugianto highlighted the importance of documenting activities, production reports, and financial transparency in the plantation's management. Selamat emphasized the technical planning and evaluation of production outcomes, while Agung stressed that good governance involves transparent reporting on resource use. Sugianto, a foreman in the plantation, pointed out the challenges in ensuring accountability, particularly with some community members' lack of understanding regarding management processes and the importance of transparent reports. He advocated for involving the local community in regular meetings to discuss harvests and fund usage, fostering trust and ensuring that accountability is effectively applied. The interviews and observations concluded that a collaborative approach and open communication are essential to overcoming challenges and ensuring the sustainable and transparent management of the Gunung Gambir rubber plantation.

The responsible governance implementation at the Gunung Gambir Rubber Plantation, located in PTPN Nusantara 1 Regional 5, Kaliglagah Village

According to Dedi Irawanto, the plantation manager, responsible governance is integrated through transparent decision-making and active local community engagement in management processes. This includes training farmers on sustainable agricultural practices to enhance productivity and efficiency. Despite challenges like climate change and fluctuating rubber prices, the goal is to establish the plantation as a model for sustainable management that benefits both farmers and environmental conservation. Imam, the administrative staff, highlighted the importance of accurate record-keeping and internal audits to ensure operational transparency and accountability. Furthermore, Agung Supriyadi, the assistant administration officer, emphasized routine monitoring to manage disease outbreaks and ensure environmentally friendly cultivation practices. The overall approach aims to strengthen responsible governance, ensuring that Gunung Gambir can serve as a long-term example of sustainable management. However, challenges such as climate change and market volatility need to be addressed through technological adoption, stakeholder collaboration, and capacity-building programs, including rubber cultivation training. Through these efforts, the plantation can achieve greater sustainability and reinforce responsible governance practices.

The application of fairness in governance at the Gunung Gambir Rubber Plantation, PTPN Nusantara 1 Regional 5, Desa Kaliglagah, Sumberbaru District, Jember Regency

Fair governance requires transparent and equitable practices, especially in the relationship between major and minor stakeholders. As explained in interviews with Mr. Dedi Irawanto, SP, Mr. Iram, and Mr. Selamat Santoso, fairness in the plantation's management is demonstrated through a commitment to transparent decision-making, equitable distribution of resources, and protection of workers' rights. The allocation of harvest proceeds, such as the 50:50 split between plantation owners and rubber tappers, exemplifies the adherence to fairness. The company's focus on transparency, social responsibility, and continuous evaluation further strengthens stakeholder trust, contributing to long-term sustainability. The successful implementation of fairness, supported by external and internal factors like a solid legal system, a strong company culture, and openness, ensures that there are no significant obstacles hindering the application of fair governance. The positive impact on company performance and public trust highlights the importance of fair governance in ensuring stability, growth, and harmonious relationships with the surrounding community.

The implementation of sustainability governance at the Gunung Gambir Rubber Plantation in PTPN Nusantara 1, Regional 5, Kaliglagah Village, Sumberbaru District, Jember Regency

As explained by Dedi Irawanto, the manager of the plantation, PTPN Nusantara 1 is committed to sustainability, emphasizing responsible resource management, including environmentally friendly agricultural practices such as reducing pesticide use and maintaining biodiversity. Similarly, Agus Purwanto, the assistant of G. Gambir, highlighted the importance of adopting organic and environmentally friendly farming techniques to protect soil health and biodiversity. Hendro Setyo Wibowo, the assistant head, mentioned that the company conducts regular reporting on sustainability progress to stakeholders, ensuring transparency and accountability. These practices reflect PTPN Nusantara 1's commitment to creating long-term value that benefits both the environment and the community. The company's efforts include local community involvement through training and economic empowerment programs, promoting sustainable farming techniques, and reducing environmental impact by minimizing chemical usage. Through transparent reporting, adoption of innovations, and responsible resource management, PTPN Nusantara 1 is a prime example of ethical business practices in the plantation sector, demonstrating that sustainability is essential for a better future while benefiting all stakeholders involved.

In the implementation of governance from an Islamic perspective at the Gunung Gambir rubber plantation under PTPN Nusantara 1 Regional 5 in Kaliglagah Village, Sumberbaru District, Jember Regency

key principles of Islamic corporate governance such as siddiq, amanah, and tablig are highlighted. Siddiq refers to truthfulness, which is crucial for building trust among stakeholders. Managers emphasize the importance of consistency between words and actions, ensuring transparency and accountability in decision-making. This approach fosters a harmonious work environment where employees feel motivated and productive, as they trust their leaders to act with integrity. Amanah emphasizes the importance of responsibility and trustworthiness, where promises, such as routine training for employees, are kept, and resources are managed with transparency and fairness. The involvement of local communities in decision-making further strengthens trust and responsiveness, ensuring sustainable management practices. Additionally, tablig, which involves conveying Islamic teachings and principles, plays a role in guiding ethical practices within the plantation, encouraging good deeds, and discouraging harmful ones. Through these principles, the Gunung Gambir rubber plantation strives to create an effective, sustainable, and ethical governance model that not only benefits the company but also the surrounding community, ensuring long-term prosperity and social responsibility.

Analysis/Discussion

The implementation of transparent governance at the Gunung Gambir Rubber Plantation in PTPN Nusantara 1 Regional 5, Kaliglagah Village, Sumberbaru District, Jember Regency

Transparency ensures the timely and accurate delivery of material information, including the company's vision, mission, strategy, financial condition, and policies. It also involves regular reporting that reflects company performance and external audit results, enabling stakeholders to participate in strategic decisions, such as through open Annual General Meetings (AGMs). This process, accompanied by internal oversight, ensures compliance with applicable regulations and fosters trust and accountability within the community. However, challenges such as limited resources and public skepticism must be addressed for effective transparency. Additionally, clear and effective communication is crucial for explaining company policies and practices to the public. By embracing transparency, the company can enhance its reputation, attract investment, and improve its competitiveness. This also contributes to corporate social responsibility (CSR), where the company balances profitability with social and environmental impact. The GCG principles further align with agency theory, where transparency helps mitigate agency problems by ensuring that management acts in the best interests of shareholders. Supporting previous research, such as that by Taraweh Harahap and Rini Antika, which emphasizes the role of GCG in enhancing

financial transparency and preventing corruption, it is evident that effective GCG application promotes sustainability and reduces risks. Moreover, stakeholder engagement is essential in effective GCG implementation, as it fosters inclusive decision-making and strengthens company legitimacy. The theory of stakeholders, as proposed by Freeman, underscores the importance of considering the diverse interests within a company's ecosystem. In line with Ahmad Qurtubi's research on the impact of stakeholder involvement, the active participation of both internal and external stakeholders significantly enhances organizational adaptability and business policy sustainability. Therefore, transparent communication strategies are vital to facilitate stakeholder involvement, ensuring that decisions reflect diverse perspectives, thereby fostering mutual trust and long-term success.

The application of accountability in governance at the Gunung Gambir rubber plantation in PTPN Nusantara 1 Regional 5, Kaliglagah Village, Sumberbaru District, Jember Regency

Accountability ensures that every action and decision made by management can be explained to stakeholders, including the community and shareholders, through clear roles and responsibilities. This principle not only focuses on financial aspects but also on performance and public service. A strong accountability framework fosters trust and integrity within the organization and helps achieve sustainable goals while improving public service quality. However, challenges such as low transparency and corruption must be addressed for effective governance. By applying the agency theory, where the principal (owner) delegates operational management to the agent (manager), accountability becomes crucial. The theory highlights potential conflicts of interest and information asymmetry between the principal and agent, suggesting that managers might prioritize short-term profits over long-term goals, which can affect product quality and environmental sustainability. The importance of clear responsibility is pivotal in addressing these conflicts, improving organizational performance, and ensuring the achievement of long-term objectives. Previous research by Dedeg Yusuf and Ajeng supports the idea that public accountability and good corporate governance are essential for improving service quality and efficient governance, although challenges like low transparency and corruption persist. By establishing clear obligations and monitoring mechanisms, organizations can enhance accountability, foster collaboration, and ensure sustainable growth, ultimately contributing to the long-term success of the company.

The application of responsible governance at the Gunung Gambir Rubber Plantation, PTPN Nusantara 1 Regional 5 in Kaliglagah Village, Sumberbaru District, Jember Regency

This principle emphasizes the importance of accountability to all stakeholders, including the surrounding community and the environment. In practice, the company must document and report every action and decision made to ensure clear accountability. This also involves avoiding transactions that could harm third parties and ensuring that all company activities align with sound business ethics. Responsible governance not only enhances stakeholder trust but also contributes to the company's sustainability and positive reputation. Additionally, it helps in managing risks effectively and efficiently, which is key to achieving long-term goals and sustainable business success. Furthermore, responsible governance involves engaging employees in decision-making processes, creating an inclusive organizational culture that fosters innovation and boosts morale. Companies that adopt responsible governance are better positioned to attract investments, as investors increasingly prioritize sustainability and social responsibility in their decisions. Thus, responsible governance not only benefits the company internally but also has a positive impact on society and the environment. By integrating these principles into business strategy, companies can meet stakeholder expectations and strengthen their competitive position in the market. Moreover, good governance aids in building long-term relationships with local communities, which in turn supports the company's operations. Based on findings from interviews, responsible governance at the Gunung Gambir Rubber Plantation is evident in the preparation of financial reports in accordance with the standards of financial accounting for entities without public accountability (SAK ETAP), ensuring financial transparency and accuracy. This approach helps maintain stakeholder trust and aligns with the broader goals of sustainability and corporate social responsibility (CSR). Research indicates that applying SAK ETAP can lead to better financial reporting and more effective governance, strengthening the company's social and environmental responsibilities, and contributing to long-term, sustainable success.

The application of fairness in governance at the Gunung Gambir rubber plantation in PTPN Nusantara 1 Regional 5, Kaliglagah Village, Sumberbaru District, Jember

This principle ensures that all parties, including shareholders, employees, and the community, are treated fairly and without discrimination. In practice, fairness involves transparency in decision-making, accountability in company management, and protection of stakeholder rights, preventing conflicts of interest and building trust among all involved. In the context of Good Corporate Governance (GCG), fairness plays a crucial role in creating a healthy and sustainable business environment. By applying this principle, the company ensures that all stakeholders have equal access to

information and opportunities to participate in decision-making processes. This not only enhances a sense of justice but also strengthens the relationship between the company and stakeholders. Fairness also helps mitigate potential conflicts between majority and minority shareholders by providing equal treatment in terms of voting rights and information access. With clear regulations regarding shareholder rights, the company can create a harmonious environment where all parties feel valued. Furthermore, fairness encourages the company to act responsibly, as each decision directly impacts various stakeholders. The application of fairness can improve the company's reputation in the eyes of the public and investors, attracting more interest from investors and customers who value ethical business practices. The trust built through fairness will contribute to the long-term sustainability of the company. Overall, fairness in governance is not only about fulfilling legal obligations but also about fostering a corporate culture that values justice and equality, focusing on long-term value creation for all stakeholders. This approach aligns with ethical and social theories that emphasize justice and equality in social and economic interactions, with a focus on transparency, accountability, and fairness in financial reporting, ensuring all stakeholders receive fair and accurate information. Previous studies support these findings, highlighting the importance of fairness in corporate governance to create a balanced and just environment for all stakeholders.

The implementation of sustainable governance at the Gunung Gambir rubber plantation in PTPN Nusantara 1 Regional 5, Kaliglagah Village, Sumberbaru District, Jember Regency

This includes the development of a clear organizational structure, integrated policies and procedures within strategic plans, and active engagement with stakeholders such as employees and local communities. Transparency in sustainability performance reporting is crucial, requiring the company to publish annual reports on achievements and challenges faced. In addition, innovation and adaptation are necessary to address global challenges such as climate change. Despite the many benefits of sustainable governance, challenges such as regulatory uncertainty, resource limitations, and organizational cultural changes are often encountered. Therefore, the implementation of sustainable governance is a critical step to ensure that the company focuses not only on short-term profits but also on long-term environmental and societal impacts, building a good reputation, and achieving sustainable business goals. Practices such as environmentally friendly farming techniques, like reducing pesticide use and using organic fertilizers, align with ecological theory by promoting ecosystem balance and biodiversity. Additionally, responsible natural resource management ensures that all entities in the ecosystem, including local communities, benefit from agricultural outcomes while maintaining ecosystem health. This approach helps establish

sustainability in the rubber plantation while enhancing the well-being of surrounding communities and conserving the environment for future generations.

Governance According to Islamic Perspective in the Gunung Gambir Rubber Plantation at PTPN Nusantara 1 Regional 5 Kaliglagah Village, Sumberbaru District, Jember Regency.

Islamic governance, or good governance, integrates ethical and moral principles derived from the Qur'an and Sunnah, beyond just administrative aspects, to include spiritual and social values that guide relationships between the government and society. Fundamental norms such as justice, public welfare, and brotherhood serve as guiding principles for fair and transparent governance. Islamic law incorporates these values into actionable regulations that govern individual and institutional behavior. Participation through consultation (syura) is central to decision-making, and accountability and transparency foster public trust. Justice is key in ensuring equal treatment of all citizens without discrimination, and promoting the welfare of the community is a primary focus. Public education and awareness about rights and responsibilities are vital for encouraging social accountability. Furthermore, the role of social oversight, including promoting good and preventing wrong (amar ma'ruf nahi munkar), is crucial. Islamic governance, therefore, aims to create an ethical, effective, and responsive government. According to Najmudin, corporate governance in Islam directs and controls companies to achieve their goals while protecting the interests and rights of stakeholders based on the social-scientific epistemology of Islam, rooted in the oneness of Allah. Additionally, Bhatti emphasizes that Islamic Corporate Governance takes into account Sharia law, Islamic economics, and financial principles, extending beyond conventional corporate governance to include entities like zakat institutions, the prohibition of speculation, and profit-sharing economic systems. Its primary objective is Maqasid Shariah, which focuses on societal welfare. The four essential qualities of Islamic leadership—shiddiq (honesty), amanah (trustworthiness), tabligh (conveying truth), and fathanah (wisdom)—form the foundation of Islamic corporate governance, creating an environment of integrity, responsibility, and sustainable development. These principles ensure that businesses not only thrive ethically but also contribute positively to social welfare and local economic growth.

CONCLUSION

The application of transparency governance at Gunung Gambir Rubber Plantation demonstrates a commitment to Good Corporate Governance (GCG), focusing on openness to stakeholders through accurate performance reports, and public Annual General Meetings (AGMs). Despite challenges such as limited resources and public skepticism, transparency helps attract investment, enhance accountability, and improve the company's image and public trust. Effective communication is key to

clarifying corporate policies. Overall, transparency governance benefits both the company and the broader community.

Clear responsibility is crucial for accountability in organizations, supporting integrity and individual reputation. Agency theory explains the potential conflicts of interest between principals and agents, which need to be managed. Effective accountability systems enhance GCG, even amidst challenges like corruption. Clear duties foster careful decision-making, teamwork, and employee commitment to the company's vision. Integration of responsibility in organizational structure prepares the company for future challenges, promoting organizational culture and long-term trust.

The implementation of responsible governance at Gunung Gambir Rubber Plantation emphasizes integrity, transparency, and accountability in company management. It includes the documentation and reporting of decisions, ensuring accountability to stakeholders, including the community and the environment. This builds stakeholder trust and contributes to sustainability and a positive reputation. Employee involvement in decision-making fosters an inclusive culture and encourages innovation. Adhering to financial reporting standards supports transparency and strengthens corporate social responsibility, forming a foundation for sustainable growth.

The fairness principle in governance at Gunung Gambir Rubber Plantation ensures equality in fulfilling the rights of stakeholders, including shareholders, employees, and the community. This principle ensures fair treatment through transparent decision-making and accountability. Open communication and fair profit-sharing create a harmonious environment. Adherence to fairness enhances the company's public reputation and strengthens stakeholder relationships, supporting long-term sustainability and reducing potential conflicts. Fairness serves as an ethical basis for decision-making, promoting sustainable practices and long-term value for all involved parties.

Sustainability governance at Gunung Gambir Rubber Plantation reflects the company's commitment to responsible environmental and social operations while achieving economic goals. This includes environmentally friendly agricultural practices and transparent sustainability reporting. Despite regulatory uncertainties, the company focuses on long-term environmental and societal impacts. Local community involvement in decision-making and responsible resource management is key to sustainable development goals. Sustainability principles generate long-term value and enhance the company's reputation among stakeholders.

Islamic governance at Gunung Gambir Rubber Plantation integrates ethical and moral principles from the Qur'an and Sunnah, emphasizing justice, public welfare, and brotherhood. The concept extends beyond administrative aspects to include spiritual and social values, with consultation (syura) as a core principle in collective decision-making. Accountability and transparency are essential to building public trust. The four

required traits in Islamic corporate governance—honesty (shiddiq), trustworthiness (amanah), effective communication (tabligh), and intelligence (fathanah)—strengthen local economic sustainability and enhance company reputation.

During the research on the implementation of governance in the Gunung Gambir Rubber Plantation of PTPN Nusantara 1 Regional 5 from the perspective of Islamic Economics in Kaliglagah Village, Sumberbaru District, Jember Regency, several recommendations were made to improve the management practices. These suggestions include: 1) focusing on transparent governance by forming a special team to manage Environmental, Social, and Governance (ESG) aspects and documenting operational processes; 2) ensuring accountability through transparent and structured reporting systems, involving third-party audits, and fostering a culture of accountability among employees; 3) integrating Corporate Social Responsibility (CSR) into operations and partnering with local communities for mutual benefit; 4) ensuring fairness in partnerships with farmers by creating clear and transparent agreements; 5) adopting sustainable practices such as using environmentally friendly technology and engaging local communities in sustainability programs; and 6) incorporating Islamic values like honesty (siddiq), trustworthiness (amanah), communication (tabligh), and intelligence (fathonah) into management practices to strengthen business ethics and community welfare.

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