The Effect of the Sharia Supervisory Board the Characteristics on Maqashid Sharia Index

[1] **Meilynda Kurniasari,** [2] **Kautsar Riza Salman**

[1,2]STIE Perbanas Surabaya
email: 1, kautsar@perbanas.ac.id

Abstract

The purpose of this study is to obtain empirical evidence regarding the influence of the characteristics of the Sharia Supervisory Board on the maqashid sharia index on sharia banks in Indonesia. The variables used in this study are the characteristics of the sharia supervisory board and maqashid sharia index. The characteristics of sharia supervisory boards are the educational background of sharia supervisory boards, number of sharia supervisory board meetings, concurrent positions of sharia supervisory boards, and indicators of the number of sharia supervisory boards. The maqashid sharia index uses indicators of welfare (maal), education (tahdzib al fard), and justice ('adl). The data used are secondary data in the form of annual reports of Islamic banks in Indonesia for a 5 years period (2013-2017). The research sample of eleven Islamic banks. Data analysis technique used is Partial Least Square (PLS). The findings of the study were successful in proving the negative influence of the number and educational background of the sharia supervisory board on the maqashid sharia index

1. Introduction

The development of Islamic banking in Indonesia has doubled in the past 7 years. The growing development of Islamic banks has implications for the greater challenges that must be faced by Islamic banks, where the biggest challenge is to maintain the image and reputation in the eyes of customers in order to maintain customer trust and loyalty to Islamic banks (Falikhatun & Assegaf, 2012). In addition, the development of Islamic banks in Indonesia, triggered competition among banks. Competition does not only occur between conventional banks and Islamic banks. But it also penetrated among Islamic bank institutions as institutions that have their own privileges and market share. This situation certainly requires Islamic banks to work extra hard in improving their performance.

The performance improvement of Islamic banks is not only based on profitability and human resources, but also in the roles and responsibilities of Islamic banks as Islamic financial institutions where all activities carried out by Islamic banks are in accordance with sharia principles or based on Maqashid Sharia. Maqashid Sharia based Islamic bank performance measurement is a process to determine whether Islamic banks can achieve the goals of Islamic banks derived from Maqashid Sharia. Performance measurement has a direct relationship with its objectives, so that indicators of performance achievement will be derived from these objectives. (Hameed et al., 2004). The achievement of Maqashid Sharia can be seen from three dimensions, namely: jalb al-maslahah (attaining public interest), tahdhib al-fard (individual education), and iqamah al-adl (creation of justice), where the three factors are universal. The other words of these three dimensions are that welfare requires national banks to be able to design education and training programs with moral values so that they will be able to improve the abilities and expertise of employees. Justice where Islamic banks must ensure fairness and honesty in all transactions and business activities included in the product, all interest free activities. Islamic banking must develop social services and investment projects to improve the people's welfare.

There are still few studies that use the Islamic maqashid index as a research variable. Among those who examined the Islamic maqashid index is Deegan et al. (2002), Hossain et al. (2006), Othman et al. (2009), Sunarsih & Ferdiyansyah (2017) and Salman et al. (2018). However, these studies examine the effect of company performance as measured by company performance and the Islamic Maqashid index on the level of corporate social responsibility disclosure. The current study is different from previous studies, in that it uses the maqashid sharia index as the dependent variable.

Performance measurement in the modern era is not only measured by financial aspects, but can also be seen in non-financial aspects such as Corporate Governance, Intangible Assets, Economic Value Added, and other performance measures (Ulum, 2007). The application of good governance requires principles to be used as guidelines so that the implementation runs as desired. The principles of good governance according to the Bank Indonesia Regulation No.8/4/PBI/2006 are: Accountability, Fairness, Responsibility, Transparency, and Independency. The application of Islamic governance also requires guiding principles, while the principles of Islamic governance are: deliberation, justice ('adalah), relationship (ukhuwah), trust, accountability (mas'uliyyah), and transparency (tabligh). Islamic governance in relation to banking is a management system designed to improve compliance with legislation and ethical values that apply in general, to improve the performance of banks, and protect the interests of stakeholders. Therefore to realize this, banks through corporate governance mechanisms form a Sharia Supervisory Board (SSB). In Indonesia it is known as the Dewan Pengawas Syariah (DPS).

The role of the Sharia Supervisory Board (SSB) in the implementation of Islamic Governance is very important, namely as a party that supervises and ensures that an Islamic bank is in operation in accordance with sharia principles. Its members consist of experts in the field of Islamic jurisprudence who know general knowledge in the field of banking and other capabilities that are relevant to their daily tasks. The Sharia Supervisory Board in overseeing the operations of Islamic banks must refer to the Fatwa of the National Sharia Council of the Indonesian Ulema Council to ensure the suitability of bank products and services with the provisions of the fatwa Islamic banking is currently growing rapidly and is part of financial conditions in the Islamic world. However, there are two important realities to be observed in the life of Islamic Banking in Indonesia. First, Islamic banks have not reached a market share of 5 percent. Second, there is a decline in Islamic banking compliance with sharia principles. Therefore a development strategy is needed through the implementation of Islamic governance. This study is motivated by the results of previous research studies, because previous studies showed inconsistent or conflicting results, including the relationship between Islamic governance and the Maqashid Islamic Index. Studies by Muttakin & Ullah (2012), Mollah & Zaman (2015), Meilani (2015), and Endraswati (2017) provide empirical evidence that Islamic governance has a positive effect on the temporary maqashid sharia index. Kholid & Bachtiar (2015) cannot explain the relationship between Islamic governance and the maqashid sharia index. On the other hand, Endraswati (2017) also revealed that the number of Sharia supervisory board did not have a positive effect on the performance of company reports.

Given the above gaps, this study seeks to carry out the same research as the research sample in the form of Islamic banks in Indonesia for the 2013-3017 period. The study of the Islamic governace has the aim of providing empirical evidence regarding indicators that are thought to affect the maqashid sharia index. This study seeks to prove empirically the influence of Characteristics of Sharia Supervisory Board on the maqashid sharia index, with indicators consisting of number of members SSB, Double positionss of members of the SSB, SSB member meetings, Educational background of members of the SSB on maqashid sharia index. This research is also expected to be able to provide theoretical and practical contributions to Islamic banking policies in Indonesia. In addition, it is also expected to provide additional theory and literature in current maqashid sharia research. Based on gaps in previous studies and the importance of providing the same research results, This study aims to obtain empirical evidence of the influence of the characteristics of the sharia supervisory board on the maqashid sharia index.

2. Research Method

This study uses panel time dimensions, namely sharia commercial banks in Indonesia in the period 2013 to 2017. This type of research uses research design to test hypotheses, namely by testing the dependent variable, namely the performance of the Maqashid Sharia index which is influenced by Characteristics of Sharia Supervisory Board (SSB) with indicators of reflection on the number of SSB members, double positions of SSB members, number of SSB meetings, and educational background of SSB members. This research indicator refers to previous studies such as Mukhibad (2019), Endraswati (2017), Almutairi & Quttainah (2016), Mollah & Zaman (2015), Kholid & Bachtiar (2015), Muttakin & Ullah (2012), Farook et al. (2011), and Ghayad (2008).

The dependent variable of this study is the Maqashid Sharia index. The Maqashid Sharia Index can be defined as the level of the bank in achieving its objectives. The Maqashid

Sharia Index in this study took a measurement developed by Mohammed et al. (2008). According to Mohammed et al. (2008), the purpose of Islamic banks will be right if they are derived from the objectives of sharia. The steps in measuring the performance of Maqashid Sharia are as follows:

Table 1			
Operational Performance Ratio			
Concept	Dimension	Element	Performance Ratio
Education	Knowledge Progress	Education	R_1. Educational cost / total costs
		Research	R_2. Research costs / total costs
	Expertise Enhancement	Training	R_3. Training costs / total costs
	Increasing Awareness of Islamic Sharia Banks	Publication	R_4. Promotion costs / total costs
Fairness (Justice)	Fair Contract	Fair Return	R_5. Net income / total income
	Affordable services and products	An affordable price	R_6. Mudharabah & musyarakah / total financing
	Eliminating Injustice	Flower Free Products	R_7. Interest free income / total income
Welfare (Public Interest)	Profitability	Profit ratio	R_8. Net income / total assets
	Income and welfare Distribution	Individual Income	R_9. Zakat / net income
	Investment in real sector	Raio investment in the real sector	R_{10}.Total real sector investment / total assets

Table 2			
Weight Each Goal and Element			
Goals	Weight Goals (%)	Element	Weight Element (%)
T_1. Education	30	E1. Education assistance	24
		E2. Research	27
		E3. Training	26
		E4. Publication	23
		Total	100
T_2. Fairness (Justice)	41	E5. Fair Return	30
		E6. An affordable price	32
		E7. Flower Free Products	38
		Total	100
T_3. Welfare (Public Interest)	29	E8. Profit ratio	33
		E9. Individual Income	30
		E10. Ratio investment in the real sector	37
		Total	100
Total	100		

Population and Samples

The population used in this study are all Islamic banking companies in Indonesia. Sampling in this study using purposive sampling technique. Purposive sampling where there is a determination in sampling, so there are certain criteria in determining the sample. The criteria are as follows: (1) Islamic banking financial institutions, namely Sharia Commercial Banks registered at Bank Indonesia. (2) The Sharia Commercial Bank publishes annual financial reports in the period 2013-2017 consistently and has been published on the website of each Islamic bank. (3) Islamic banks have the required data related to the

measurement of the variables used for research during the period 2013-2017. By using purposive sampling, this study obtained 11 Islamic banks from panel data of 55 (11 x 5 years).

Technical Data Analysis

Data were analyzed using the Partial Least Square (PLS) approach through SmartPLS version 3.0, stages. Data analysis techniques include: factor analysis, validity and reliability assessment, R2 and Q2 assessment, and hypothesis testing.

3. Results and Discussions

Agency theory is used to explain the relationship between two research variables. Theory agency was first developed by (Jensen & Meckling, 1976). Agency theory explains the relationship between principal and agent. The principal is the party that gives the mandate to the agent to act on behalf of the principal, while the agent is the party given the mandate to act on behalf of the principal. This will require any action to the principal. Agency theory requires a separation between the principal and the agent, which triggers the existence of asymmetric information where the agent has better information about the organization than the principal.

Faozan (2013) defines good corporate governance as a mechanism for good organizational governance in managing organizational resources efficiently, effectively, economically or productively with the principles of openness, accountability, responsibilty, independence and fairness in order to achieve goals organization. Good organizational governance can be seen in terms of the internal mechanism of the organization or the external mechanism of the organization. The internal mechanism is more focused on how the leadership of an organization regulates the running of the organization in accordance with the above principles. Meanwhile, the external mechanism emphasizes how the organization's interactions with external parties run in harmony without ignoring the achievement of organizational goals.

Maqashid is the plural form of the word maqshud which means purpose. Understanding of sharia is all that has been determined and explained by Allah to His servants both related to maslahah, aqeedah, and law (Siddiq, 2009). Maqashid As-Sharia means the intent and purpose of Islamic law. According to the term Maqashid Sharia is identical with the term Islamic legal philosophy. So it can be concluded that Maqashid As-Sharia is the intent or purpose of Islamic law. In the opinion of experts in general that these goals are a problem for humanity.

This study shows that the initial sample of the bank before being selected based on the criteria is 13 Sharia Commercial Banks for five years. Based on predetermined criteria, there are 2 banks that have incomplete annual reports in 2013-2017. The following are the names of Sharia Commercial Banks in Indonesia which are the research subjects included in the sample criteria:

Based on data obtained from the Financial Services Authority with predetermined criteria, there are 11 Sharia Commercial Banks in Indonesia in 2013-2017 which will be sampled and processed in this study. Sample of this study are BCA Syariah, Bank Jabar Banten Syariah, BNI Syariah, Bank Syariah Mandiri (BSM), Bank Bukopin Syariah, Bank Victoria Syariah, Maybank Syariah, Bank Mega Syariah, Bank Muamalat Indonesia, Bank Panin Dubai Syariah, and BRI Syariah.

Descriptive Analysis

This study uses a descriptive statistical analysis model. Descriptive analysis will provide a description (description) of a data, including the average (mean), maximum value, minimum value, standard deviation of each data or variance which is a measure of variability; minimum and maximum values. The following are the results of descriptive calculations that are processed using SmartPLS version 3.0.

Table 3
Descriptive Statistics

Variable	Mean	Min	Max	Stand. Dev
Characteristics of SSB				
$X_{(1.1)}$	2.382	2.000	4.000	0.522
$X_{(1.2)}$	1.018	0.000	4.000	0.556
$X_{(1.3)}$	1.545	0.000	2.000	0.566
$X_{(1.4)}$	2.055	1.000	3.000	0.585
Maqashid Sharia Index				
$Y_{(1.1)}$	0.003	0.000	0.009	0.002
$Y_{(1.2)}$	0.180	0.013	0.259	0.050
$Y_{(1.3)}$	0.094	0.037	0.145	0.015

Based on Table 3. it can be seen that overall the average number of members of the Sharia Supervisory Board is 2.38. This study has the minimum number of the Sharia Supervisory Board members of 2 people and at most 4 people. This indicates that 11 Islamic Commercial Banks in Indonesia have complied with Bank Indonesia Regulation No.6/24/PBI/2004 article 26 (1) which states that the number of the Sharia Supervisory Board members is at least 2 people and a maximum of 5 people.

Double positionss in the Sharia Supervisory Board have an average value of 1.02. This value exceeds 1. This indicates that out of 55 data used, the Sharia Supervisory Board held Double positionss according to PBI regulation No. 11/33/PBI/2009, where the Sharia Supervisory Board members may only hold Double positions as a members of the Sharia Supervisory Board as many as 2 banking institutions and 2 non-bank sharia financial institutions. The Sharia Supervisory Board members are prohibited from concurrently as a consultant in all Islamic bank. One of the Sharia Supervisory Board member is allowed to hold a position as a member of the DSN.

The average of Sharia Supervisory Board meetings is 1.55. This value is close to number 2. This indicates that the average Sharia Supervisory Board in Sharia Commercial Banks has complied with PBI No. 11/33/PBI/2009, where at least once a month or in one year at least 12 meetings are held.

The average value of the educational background variable of members of the Sharia Supervisory Board is 2.05. This value is close to number 2. This shows that the average educational background of members of the Sharia Supervisory Board has complied with Bank Indonesia Regulation No. 6/17/PBI/2004 article 28 paragraph 2 and 3 which states that the Sharia Supervisory Board members who have competence are those who have knowledge and experience in Islamic muamalah and banking or finance in general.

According to Mohammed et al. (2008), the purpose of a Sharia Bank will be appropriate if it is derived from the goal of sharia. Islamic banks is not only to maximize profits, but also to have a role in the social sector. This resulted in the measurement of the

performance of Islamic banks to be more complex. Performance measurement of Maqashid Sharia based Islamic bank is a process to determine whether Islamic banks can achieve the goals of Islamic banks derived from Maqashid Sharia.

The average of maqashid sharia index in Indonesian Islamic Commercial Banks in 2013-2017 based on Table 3. is 0.268855 with a standard deviation value of 0.71496. The minimum value of the maqashid sharia performance index for Indonesian Islamic Commercial Banks in 2013-2017 is 0.2712. The highest maqashid sharia performance index is 0.35737.

Convergent Validity

Testing for convergent validity is done by paying attention at the value of outer loading of each research indicator. This study uses rule of tumbs above 0.5 as a condition for each indicator to meet convergent validity. The outer loading test results are shown in the following description and some indicators that have a low score less than rule of tumbs 0.5 must be eliminated. Furthermore, a summary of the results of outer loading for the indicators of each variable under study is presented in the following description

Table 4
Outer Loading

No	Indicators	Outer loadings
1.	Number of SSB members ($X_{1.1}$)	0.858
2.	Double positions of SSB members ($X_{1.2}$)	0.158
3.	Number of SSB meetings ($X_{1.3}$)	-0.813
4.	Educational background of SSB members ($X_{1.4}$)	0.741
5.	Education ($Y_{1.1}$)	0.416
6.	Justice ($Y_{1.2}$)	0.896
7.	Public Interest ($Y_{1.3}$)	0.127

Based on Table 4, the results of loading factors on the Characteristics of Sharia Supervisory Board variable indicate that there are 2 (two) indicators that have low convergent validity below 0.5, namely Double positions of SSB members ($X_{1.2}$) and Sharia Supervisory Board member meetings ($X_{1.3}$). The loading factor of double positions of SSB members ($X1.2$) is 0.15. Meanwhile The loading factor Number of SSB meetings ($X_{1.3}$) is - 0.813. These two indicators must be eliminated from the measurement of variables.

Meanwhile, the results of loading factors from the maqashid sharia index variable as the dependent variable indicate that there are 2 indicators that have low convergent validity, namely Education ($Y_{1.1}$), and Public Interest ($Y_{1.3}$). Education Indicator ($Y_{1.1}$) and Public Interest ($Y_{1.3}$) must be eliminated from the measurement of the maqashid sharia index variable, because both have a loading factor below 0.5 which is equal to 0.416 and 0.127. After eliminating the indicators that do not meet the requirements in the convergent validity test, the indicators used in measuring the variables are as follows:

Table 5
Second Outer Loading

No	Indicators	Outer loadings
1.	Number of SSB members ($X_{1.1}$)	0.858
2.	Educational background of SSB members ($X_{1.4}$)	0.741
3.	Justice ($Y_{1.2}$)	0.896

Discriminant Validity

In this study, discriminant validity testing is done by paying attention at loading and cross loading. The term of discriminant validity indicates that the variable correlation value in itself must be greater than the correlation with other variables. The table below shows the cross loading values for each indicator:

Table 6
The Results of Discriminant Validity

Variables	X	Y
Number of SSB members ($X_{1.1}$)	0.923	-0.283
Educational background of SSB members ($X_{1.4}$)	0.853	-0.208
Justice ($Y_{1.2}$)	-0.281	1.000

Based on Table 6, each indicator of the research variable has the largest cross loading value on the variable itself compared to the value on the others. It is implied that it can be stated that these indicators have good discriminant validity in preparing their respective variables.

Reliability Test

Reliability testing is done using cronbach alpha and composite reliability. Cronbach alpha and composite reliability are used to measure the reliability of reflexive measurement models. The rule of tumbs in this study for reliability testing was 0.70 as in the Hair et al. (2011). Based on the results of the reliability test obtained good results, all variables have more scores than rule of tumbs 0.70 (Table 7). Thus it can be concluded that all variables in the measurement model have good reliability.

Table 7
The Results of Reliability Test

Variabel	Composite Reliability	Cronbach alpha
IMS	1.000	1.000
Characteristics of Sharia Supervisory Board	0.739	0.882

Based on the data presented in Table 7, it can be seen that the composite reliability values of all research variables > 0.7. These results indicate that each variable has met composite reliability so that it can be concluded that the overall variable has a high level of reliability.

Based on the data presented above in Table 7, it can be seen that the cronbach alpha value of each study variable is > 0.7. Thus these results can show that each research variable has met the requirements of the Cronbach alpha value, so it can be concluded that the overall variable has a high level of reliability.

Structural Model Testing Results (Inner Model)

The main criterion for assessing the inner model is to look at the value of determination (R^2). In the previous chapter, it was explained that R^2 value of 0.75, 0.50, or 0.25 for endogenous latent variables in structural models can be described as either strong, medium,

or weak. In the current study, the results obtained are that R Square (R2) in the model where the maqashid Islamic index as the dependent variable is higher than the model where Characteristics of SSB is an independent variable. The value of R2 in the model with the maqashid sharia index variable as the dependent variable of 7.9% indicates that the model is weak so that the research model cannot explain the effect of the maqashid sharia index variable on sharia commercial banks of 7.9% while the remaining is 92 , 1% is explained by other variables outside the research model. Thus it can also be stated that there are still other variables outside the model that need to be considered with regard to the factors that influence the maqashid sharia index.

Predictive relevance (Q2) is a goodness of fit test of the structural model used. The resulting value is greater than zero (Q2> 0) which indicates that the exogenous construct has predictive relevance for the endogenous construct (Hair et al, 2011). Predictive relevance (Q2) is 0.079 or 7.9%. In accordance with the criteria of Hair et al. (2011), then this model shows that exogenous constructs have predictive relevance to endogenous constructs because they have a Q^2 value greater than zero

Hypothesis Testing Results

Testing the hypothesis of direct influence (H_1) is done by looking at the values on the path coefficients that show the parameter coefficients and T-statistic values. The research hypothesis is supported if the absolute t-statistic value is greater than 1.96 or p-value is less than 0.1 (Table 8).

Table 8
The Results of Hypothesis Testing

Hipothesis	Original Sample	T statistic	p values
H_1	-0.281	2.583	0.010

It showz absolute t-statistic values of 2,583 greater than 1.96 or P values of 0.010 less than 0.05. This means that H_1 is accepted. The inner weight coefficient value of -0.281 shows that Characteristics of Sharia Supervisory Board (X) has a negative effect on the maqashid sharia index.

Discussion

In Bank Indonesia Regulation No. 11/33 / PBI / 2009, the Sharia Supervisory Board (SSB) has the duty and responsibility to provide advice to the Directors and supervise the activities of the Bank in accordance with Sharia Principles. SSB in this study uses the characteristics of the number of SSB and SSB educational backgrounds. A Sharia supervisory board that has better knowledge and experience shows that SSB has a reputation that will encourage improvements in the oversight function. This concept is supported by Mutakin and Ullah (2012) who find that the greater number of DPS members is proportional to the better performance of the board because the board has high experience and expertise and extensive social networks. The more SSB members will increase the level of compliance of Islamic banks. Different findings were obtained by Usamah (2010), Kholid & Bachtiar (2015), Mukhibad (2019) who failed to prove the effect of the number of members of the sharia supervisory board on the Islamic maqashid index.

The results of the analysis carried out using Smart PLS show that Characteristics of Sharia Supervisory Board has negative effect on the maqashid sharia index directly. This can

be seen from the t-statistic value which is greater than 1.96 which is equal to 2.583. In other words, Islamic governance which reveals the role of the Sharia Supervisory Board more broadly has an impact on the governance of sharia banking, but with the linkage of the Sharia Supervisory Board which is so great that the maqashid sharia index is getting lower. The results of the study stated that the characteristics of the SSB had a negative effect on the Maqashid Sharia Index. However, the results indicate findings that are with previous studies. The higher the reputation of SSB members results in monitoring becoming weaker, because SSB cannot carry out its functions properly due to the overwhelming busyness of the members. Other findings in this study are to show that a small number of SSB members who have sufficient experience and knowledge are able to do positive things through better supervision so as to lead to a better level of Islamic sharia compliance. Supervision that is carried out properly will reduce agency problems conducted by Islamic bank management, so that the maqashid index in Islamic banks will be better.

4. Conclusion

An important finding is that the characteristics of the sharia supervisory board (SSB) negatively affect the maqashid sharia index. This finding is very interesting because it turns out that the number of council members is too much ineffective in improving the performance of sharia maqashid. Likewise, the higher the reputation of the board members actually results in low maqashid performance, because the reputation is identical with the busyness of the members of the board so that it is not effective in monitoring. the limitation of this study is that there is still a small influence between the independent variables on the dependent variable, so it requires additional other variables in testing the performance of maqashid sharia. In addition, from collecting data it is obtained that the data relating to the Islamic maqashid index in Islamic banks is incomplete in the annual report. Another study finding is that education and training costs are not separated in the income statement and other comprehensive income. Future studies can add other indicators to measure the characteristics of the sharia supervisory board, and other variables such as the amount of financing. Future studies can also increase the observation period, because the longer the observation interval, the greater the chance of getting better research results.

References

Almutairi, A. R. and Quttainah, M. A. (2016). Corporate Governance : Evidence from Islamic Banks. *Soc. Responsib. J.*, 13(3): 601–624. https://doi.org/10.1007/s10997-016-9360-6

Deegan, C., Rankin, M., & Tobin J. (2002). An Examination of the Corporate Social and Environmental Disclosures of BHP from 1983-1997: A Test of Legitimacy Theory. *Accounting, Auditing and Accountability Journal, 15*(3), 312 - 343. http://dx.doi.org/10.1108/09513570210435861

Endraswati, H. (2017). *Struktur Islamic Corporate Governance dan Kualitas Pengungkapan Laporan Keuangan Pada Bank Syariah di Indonesia: Perspektif Governance dan Finance.* LP2M-Press IAIN Salatiga, Salatiga.

Falikhatun & Assegaf, Y. U. (2012). Bank Syariah di Indonesia: Ketaatan Pada Prinsip-Prinsip Syariah dan Kesehatan Finansial. *Proceedings of Conference in Business, Accounting and Management, 1*(1): 245-254.

Faozan, A. (2013). Implementasi Good Corporate Governance dan Peran Dewan Pengawas Syariah di Bank Syariah. *La_Riba: Jurnal Ekonomi Islam*, *7*(1): 1-14. https://doi.org/10.20885/lariba.vol7.iss1.art1

Farook, S., Hassan, M. K. and Lanis, R. (2011). Determinants of corporate social responsibility disclosure : the case of Islamic banks. *J. Islam. Account. Bus. Res.*, *2*(2): 114–141. https://doi.org/10.1108/17590811111170539

Ghayad, R. (2008). Corporate Governance and The Global Performance of Islamic Banks," *Humanomics*, 24(3): 207–216. HYPERLINK "https://doi.org/10.1108/08288660810899368" \o "DOI: https://doi.org/10.1108/08288660810899368" https://doi.org/10.1108/08288660810899368

Hossain, M. A., Islam, K. S., & Andrew, J. (2006). Corporate Social and Environment Disclosure in Developing Countries: Evidence from Bangladesh. *Proceedings of the Asian Pacific Conference on International Accounting Issues*. Hawaii.

Jensen, M., & Meckling, W. (1976). Theory of The Firm: Managerial Behavior, Agency Cost and Ownership Structure. *Journal of Financial Economics*, *3*(4): 305-360. (HYPERLINK "https://doi.org/10.1016/0304-405X(76)90026-X" \t "_blank" \o "Persistent link using digital object identifier" https://doi.org/10.1016/0304-405X(76)90026-X)

Kholid, M. N., & Bachtiar, A. (2015). Good Corporate Governance dan Kinerja Maqashid Syariah Bank Syariah di Indonesia. *Jurnal Akuntansi & Auditing Indonesia, 19*(2)*:* 126-136. (HYPERLINK "https://doi.org/10.20885/jaai.vol19.iss2.art4" https://doi.org/10.20885/jaai.vol19.iss2.art4)

Meilani, S. E. R. (2015). Hubungan Penerapan Good Governance Business Syariah Terhadap Islamicity Financial Performance Index Bank Syariah di Indonesia. *Seminar Nasional dan The 2nd Call for Syariah Paper*, 184-195.

Mollah, S., & Zaman, M. (2015). Shari'Ah Supervision, Corporate Governance and Performance: Conventional vs. Islamic Banks. *Journal of Banking and Finance, Forthcoming*, Vol.58: 418-435. HYPERLINK "https://doi.org/10.1016/j.jbankfin.2015.04.030" \t "_blank" \o "Persistent link using digital object identifier" https://doi.org/10.1016/j.jbankfin.2015.04.030

Mukhibad, H. (2019). The Role of Sharia Supervisory Boards in Meeting Maqasid Syariah - Study on Islamic Banks in Indonesia. *European Journal of Islamic Finance, 13*: 1-9.

Muttakin, M. B., & Ullah, M. S. (2012). Corporate Governanceand Bank Performance: Evidence From Bangladesh. *Corporate Board: Role, Duties L Composition/ Volume 8, Issue 1, 2012*. https://doi.org/10.22495/cbv8i1art5

Othman, R., Thani, A. Md., & Ghani, E. K. (2009). Determinants of Islamic Social Reporting Among Top Shariah-Approved Companies in Bursa Malaysia. *Research Journal of International Studies, 12*(12), 4-20.

Salman, K. R., Anshori, M., & Tjaraka, H. (2018). New Evidence on the Direct and Indirect Influence of the Maqashid Sharia Index on The Islamic Social Reporting Index. *International Journal of Research Science & Management, 5*(8): 165-173. https://doi.org/10.5281/zenodo.1405433

Siddiq, G. (2009). Teori Maqasid Syariah dalam Hukum Islam. *Universitas Islam Sultan agung*, Vol. XLIV, No. 188.

Sunarsih, U., & Ferdiyansyah. (2017). Determinants of the Islamic Social Reporting Disclosure. *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah (Journal of Islamic Economics), 9*(1): 69-80. https://doi.org/10.15408/aiq.v9i1.3771

Ulum, I. (2007). *Pengaruh Intellectual Capital terhadap Kinerja Keuangan Perusahaan Perbankan di Indonesia.* Masters Thesis, Program Pascasarjana Universitas Diponegoro, Semarang.

Usamah. (2010). Peran Kompetensi dan Model Pengorganisasian Dewan Pengawas Syariah terhadap Pembiayaan berbasis Bagi Hasil pada Bank Umum Syariah di Indonesia.