

Analysis of the sharia supervisory board's characteristics and intellectual capital on maqashid sharia performance at islamic commercial banks in Indonesia

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Abstract

This study aims to analyze the performance of maqashid sharia in terms of the characteristics of the Sharia Supervisory Board at Islamic Commercial Banks in Indonesia for the period 2017-2022. The independent variables studied are the characteristics of the Sharia Supervisory Board consisting of SSB size, SSB cross-membership, SSB education, SSB expertise, SSB reputation, SSB rotation, and SSB remuneration and using bank size and bank age as control variables. This study used purposive sampling method and obtained 8 Islamic Commercial Banks in Indonesia as the sample. The analysis technique used is panel data regression with e-views 12 software. In this study, the measurement of maqashid sharia performance uses two concepts, namely social requirements, and legal requirements. The results showed that SSB cross membership, SSB education, SSB remuneration affect the performance of maqashid Sharia. While SSB size, SSB expertise, SSB reputation, SSB rotation, and intellectual capital have no effect on maqashid sharia performance.

Keywords: maqashid sharia, Sharia Supervisory Board characteristics, intellectual capital, Resource Dependence Theory (RDT), Resource Based Theory (RBT)

INTRODUCTION

Currently, Islamic banking is starting to experience significant development. This is evidenced by the increasing growth of Islamic banking assets in 2022 by 15.63% (yoy) higher than that of conventional banking by 9.50% (yoy). Other developments can be seen from the performance of Financing and Third Party Funds (DPK) which increased by 20.44% (yoy) and 12.93% (yoy) respectively. Meanwhile, the market share of Islamic banking in 2022 reached 7.09% with 200 institutions consisting of 13 Islamic Commercial Banks, 20 Islamic Business Units, and 167 Islamic People's Financing Banks (ojk.go.id). However, the development of Islamic banking performance, which is seen from the growth of assets and market share, does not distinguish it from conventional banks as a profit-oriented organization (Juniarti & Jamilah, 2020). Therefore, the purpose of Islamic banks is not only to avoid usury and operate in accordance with sharia principles, but also to carry out Islamic banking operations to achieve better banking performance.

However, until now, the measurement of the performance of Islamic banks, especially Islamic Commercial Banks in Indonesia, is still carried out using conventional bank measurement tools, such as FRA (Financial Ratio Analysis), EVA (Economic Value Added), CAMELS (Capital, Assets, Management, Equity, Liability, Sensitivity), DEA (Data Envelope Analysis), and so on (Gunawan & Syafina, 2023). In fact, measuring financial performance using conventional bank financial ratios still has a weakness, namely not taking into account the cost of capital on equity in its calculations, which can ignore the interests of shareholders (Siyanto & Sumadi, 2018). Meanwhile, (Ramdhoni, 2018) found that Islamic banks in Indonesia have good performance by CAMEL, profitability, and maqasid Sharia index. These findings suggest that Islamic banks should adopt sharia-based performance measurement and finance to provide a comprehensive picture of the bank's performance. Therefore, measuring the performance of Islamic banking to directly prove the highest goal of sharia aspects needs to be done, which is not only

focused on financial ratios or profitability, but is more oriented towards the interests of stakeholders and the welfare of society (Sukardi et al., 2019).

To achieve this, several previous studies have discussed the measurement of maqashid Sharia index. First, in the research of Antonio et al. (2012) used Abu Zahrah's interpretation; educate, ensure justice, and for the public interest (maslahah) where this study categorized the concept of maslahah in three ratios, namely the ratio of refunds, the ratio of zakat, and the ratio of investment in the real sector. However, it does not include the maintenance of faith, reason, soul, offspring, and life as concepts that are inseparable from maqashid sharia. Meanwhile, Mohammed & Tarique (2015) developed the second measure, which uses Al-Ghazali's interpretation that accommodates all the preservations but is not categorized based on the level of maslahah, namely daruriyat (necessity), hajiyyat (complementary) and tahsiniyyat (decoration). Furthermore, Mergaliyev et al. (2021) developed a more consistent approach to the measurement of maqashid sharia performance as it moves the operations of Islamic banks towards the fulfillment of its form and substance. However, the research framework has not mapped these forms and substances in more detail. Then Taufik et al. (2023) developed the measurement of maqashid sharia through social and legal requirements.

Previous studies have applied maqasid sharia-based Islamic banking performance measurement. According to Ahmed (2011), maqashid Sharia criteria are divided into three, namely pseudo-Islamic (PI = 0.00-33.33), sharia compliant (SC = 33.34-66.66) and sharia based (SB-66.67). However, several studies have shown that the performance of Islamic banking in Indonesia based on the maqasid sharia index produces fluctuating performance and tends to be low. According to research by Sukardi et al. (2016) shows the results that the average performance of several Islamic commercial banks in Indonesia is still low, which is 23.13%. Meanwhile, based on Saoqi (2017)'s research, it shows that the maqashid sharia value calculation of Bank Sharia Mandiri (BSM), which is 11.14%, is lower than that of Bank Islam Malaysia Berhad (BIMB), which is 13.79%. Further research conducted by Mukhibad et al. (2020) which shows that banks in Indonesia have maqasid sharia performance that still tends to be low at 31.60%. These results are also in line with the research of Prilevi et al. (2020) which measures the maqashid performance of Islamic banks with an average of 27.55% which tends to be low.

Meanwhile, a study found several factors that can influence and improve Islamic maqashid sharia performance, including intellectual capital. It is explained in the study Fatah et al. (2022) that intellectual capital is ownership in the company of various resources such as knowledge, employee expertise, experience, and good relations with parties as part of the value creation process and is considered. to be able to achieve a competitive advantage in the company. to be able to compete based on maqashid sharia performance in Islamic banking. According to Ulum (2013) intellectual capital (iBVAIC) consists of the main components of corporate resources which include capital employed (VACA), human capital (VAHU), and structural capital (STVA). In relation to maqashid sharia, Karbaila et al. (2022) stated that intellectual capital has a significant positive effect on maqashid sharia performance. Similar results were also proven by research Prasojo et al. (2022) and Khoerunisa et al. (2023).

To optimize the use of intellectual capital in improving the performance of Islamic banks, the size and competence of SSB is needed, which is one of the main parts in Islamic banks to ensure that the activities of Islamic banks are in accordance with sharia principles (Nugraheni, 2018). According to research by Sulistyawati et al. (2020), the Sharia Supervisory Board and concurrent SSB positions have a significant positive effect on maqashid sharia performance. In addition, the number and level of education of the Sharia Supervisory Board also has a significant positive effect on maqashid Sharia performance at Islamic banks in Indonesia (Anton, 2018). Meanwhile, according to Taufik et al. (2023) states that SSB characteristics which include SSB size, SSB cross-membership, SSB expertise, SSB reputation, SSB rotation and SSB remuneration have no effect on maqashid Sharia performance in Indonesia, while SSB education has a negative effect on maqashid Sharia performance in Indonesia.

Previous research related to the characteristics of SSB and intellectual capital on maqashid sharia performance has been widely conducted but some studies still show inconsistent results. Departing from some of the above, the researcher intends to use the maqashid sharia performance measurement

method by Taufik et al. (2023) by updating the number of objects and years of research to measure the performance of Islamic banking in Indonesia. In addition, researchers will also investigate the effect of intellectual capital and SSB characteristics on maqashid sharia performance in Islamic commercial banks in Indonesia. It is expected that this research can be a source of updated information, more informative than previous research and more valid in terms of the research period to assess the performance of Islamic banking in Indonesia over the past few years, namely during 2017-2022.

LITERATUR REVIEW

Resource Dependence Theory (RDT)

Resource Dependence Theory is a theory developed by Pfeffer and Salancik regarding the dependence on "critical" and important resources affecting organizational actions and that organizational decisions and actions can be explained depending on the specific dependency situation (Nienhüser, 2017). According to resource dependency theory (RDT), the Sharia Supervisory Board (SSB) has human capital (skills, experience, and reputation) and relational capital (ability to relate to external stakeholders and link impacts with other institutions). These types of capital provide four benefits to the SSB, namely supervision, access to external entities, good communication, and legitimacy (Hillman et al., 2009).

Resource Based Theory (RBT)

Resource Based Theory or resource-based theory is a theory that refers to the resources owned by the company and the company's ability to manage and use these resources efficiently so that the company can gain a competitive advantage (Badawi, 2018). Competitive advantage can be achieved with intellectual capital (Fatah et al., 2022). According to Sutanto & Siswantaya (2019) intellectual capital is the company's ownership of various resources in the form of knowledge, employee expertise, and experience, as well as good relations with various parties as part of the process of creating value and achieving the company's competitive advantage.

Maqashid Sharia

Maqashid sharia is seen as the purpose of the fatwa and is produced to fulfill the needs and welfare of mankind. Maqashid sharia is a means to facilitate the development of society and the benefit of mankind in order to achieve human perfection in this world and the hereafter (Shinkafi & Ali, 2017). According to Monawer et al. (2022) there are five dimensions of maqashid sharia, namely the protection of religion, life, reason, wealth, and offspring.

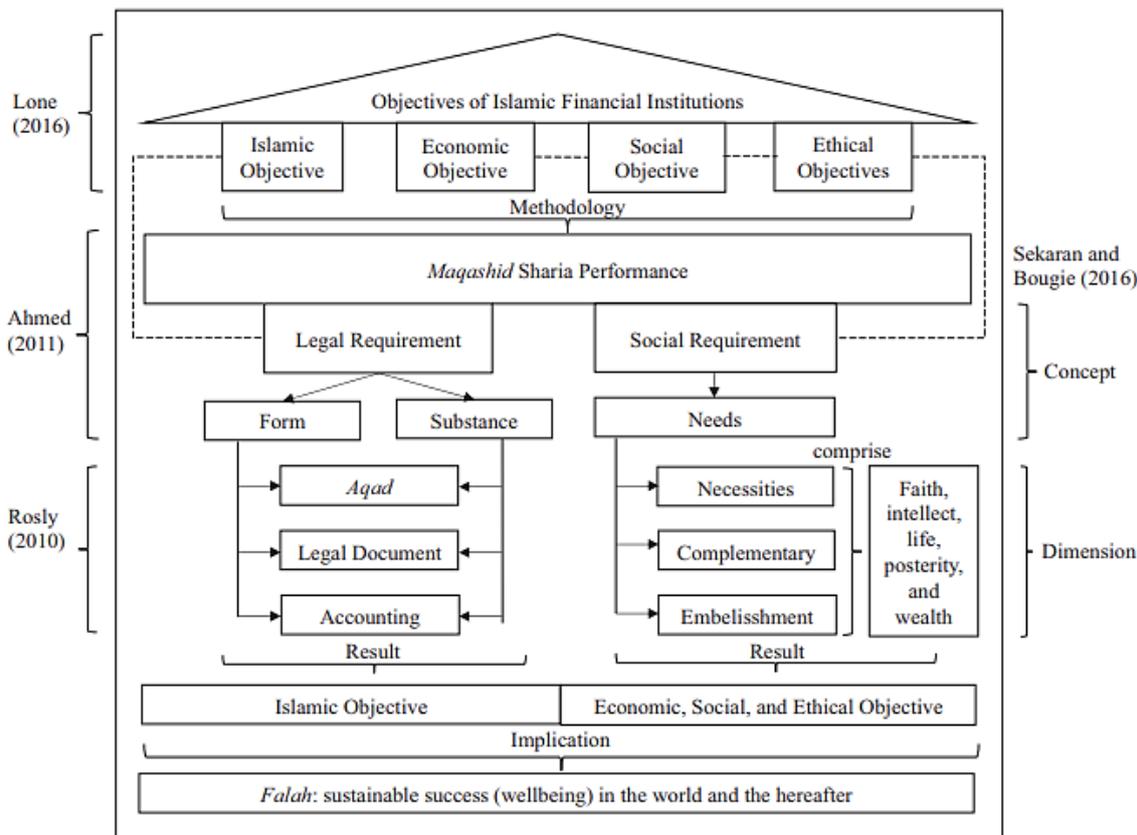


Figure 1. Maqashid Sharia Performance Framework
 Source : (Taufik et al., 2023)

SSB Size

A larger number of SSB members can be more intense in conducting supervision to ensure that activities are in accordance with sharia principles including the commitment of Islamic banks in carrying out their social functions (Nugraheni, 2018). A large number of SSB can consist of scholars with various experiences and skills and schools of jurisprudence which can then result in better interpretation of products and operations which ultimately results in better performance (Nomran et al., 2017). According to research by Taufik et al. (2023) and Muhammad et al. (2021) state that the size of SSB affects the performance of maqashid Sharia. Based on the results of these studies, the alternative hypothesis that can be formulated is as follows:

H1 : SSB size has a positive effect on Sharia Maqashid

SSB Cross Membership

Based on RDT, SSB who serve in different institutions at the same time have broader knowledge that can improve the performance of Islamic banks (Ramadhani and Adityawarman, 2022). In Islamic bank governance, SSB and the board of directors have an equal position. In the case of cross-membership (members of the board of directors who serve concurrently in other institutions), some experts state that it can have a positive impact in terms of supporting the knowledge and experience of SSB members to improve the performance of Islamic banks (Nomran et al., 2018). Cross membership allows SSB to provide advice to one bank to adopt strategies or products that SSBs encounter in other banks (Mukhibad et al., 2020). According to research by Karbaila et al. (2022) and Taufik et al. (2023) state that cross SSB membership has a significant positive effect on maqashid sharia performance. Based on the results of these studies, the alternative hypothesis that can be formulated is as follows:

H2 : SSB Cross Membership has a positive effect on Maqashid Sharia Performance

SSB Education

The role of SSB is related to general knowledge and knowledge-oriented function as it is related to advisory duties in sharia matters (A. S. R. Rahman & Haron, 2019). SSB members who have knowledge especially on Islamic law, economics, finance and accounting practices will enable them to know not only sharia issues but also issues related to law and economics (Rahman & Bukair, 2013). SSB members who hold doctoral degrees will clearly better understand the current implications of Islam for banks, especially with regard to CSR disclosure (Rahman & Bukair, 2013). According to research by Taufik et al. (2023) and Muhammad et al. (2021) state that SSB education affects the performance of maqashid Sharia. Based on the results of these studies, the alternative hypothesis that can be formulated is as follows:

H3 : SSB education has a positive effect on Maqashid Sharia Performance

SSB Expertise

Regarding SSB members in Islamic banks, scholars who have financial knowledge and experience are more effective in their performance compared to those who do not have these capabilities (Rahman & Bukair, 2013). Usually SSB has knowledge of muamalah fiqh to supervise and ensure that all business practices of Islamic banks are in accordance with sharia, but it would be better if they have other knowledge (Muhammad et al., 2021). According to research by Taufik et al. (2023) and Karbaila et al. (2022) state that SSB expertise has a positive effect on maqashid sharia performance in Islamic banks. Based on the results of these studies, the alternative hypothesis that can be formulated is as follows:

H4 : SSB expertise has a positive effect on Maqashid Sharia Performance

SSB Reputation

The selection of SSB members who have been involved in Islamic banking and financial sharia board institutions is preferred by Islamic financial institutions (Rahman & Bukair, 2013). In Indonesia, SSB members are selected by the IB board of directors and must obtain a recommendation from the Indonesian Ulema Council (IUC) (Nugraheni, 2018). SSB with a high reputation are expected to understand the latest implications in Islamic banking (Rahman & Bukair, 2013). Therefore, SSB members who have a good reputation can also improve the performance of Islamic banks, namely maqashid Sharia. According to Karbaila et al. (2022)'s research states that SSB reputation has a significant positive effect on maqashid sharia performance. These results are in line with research conducted by Taufik et al. (2023); Prilevi et al. (2020); and Nomran et al. (2018). This means that SSB members who have a good reputation can understand the current impact of Islamic banking because reputation is industry knowledge. Based on the results of these studies, the alternative hypothesis that can be formulated is as follows:

H5 : SSB reputation has a positive effect on Maqashid Sharia Performance

SSB Rotation

Rotation is considered a good indicator because it can bring new experienced, knowledgeable and new-minded members with higher motivation (Al-Matari & Al-Arussi, 2014). In Islamic banks, rotation of board members can be carried out for the expansion of Islamic sharia products owned by the bank (Muhammad et al., 2021). Several previous studies such as research conducted by (Muhammad et al., 2021), Taufik et al. (2023) and Nomran et al. (2018) state that SSB rotation affects maqashid sharia performance. Based on the results of these studies, the alternative hypothesis that can be formulated is as follows:

H6 : SSB rotation has a positive effect on Maqashid Sharia Performance

SSB Remuneration

SSB must ensure that the business of Islamic banks is in accordance with sharia, including funding, financing, and services (Taufik et al., 2023). Because of this great responsibility, it is only natural that the SSB is adequately compensated (Muhammad et al., 2021). Appropriate remuneration can

encourage the board to improve counseling relationships, supervision with other organizations and improve performance (Taufik et al., 2023). Based on previous research conducted by Taufik et al. (2023) and Muhammad et al. (2021) state that remuneration has a positive influence on maqashid sharia performance. Based on the results of these studies, the alternative hypothesis that can be formulated is as follows:

H7 : SSB remuneration has a positive effect on Maqashid Sharia Performance

Intellectual Capital

Intellectual capital plays an important role in improving maqashid sharia performance (Fatah et al., 2022). According to RBT, by owning, acquiring, and using strategic assets effectively, a company will gain a competitive advantage and achieve superior performance (Khoerunisa et al., 2023). Some previous studies such as Khoerunisa et al. (2023), Prasojo et al. (2022), and Karbaila et al. (2022) state that intellectual capital has a significant positive effect on maqashid sharia performance. Based on the results of these studies, the alternative hypothesis that can be formulated is as follows:

H8: Intellectual Capital has a positive effect on Maqashid Sharia Performance

RESEARCH METHODS

Data and Samples

This research uses secondary data. The data required in this study are in the form of annual reports published by Islamic Commercial Banks in Indonesia. The data sources used in this study were obtained through the OJK website which contains information on each Islamic Commercial Bank and the official website of each bank. The data collection approach used in this research uses unbalanced panel data, meaning that all existing samples are used, or the census method. However, the number of years in the Islamic banks used in this study is not the same. The observation year in this study starts from 2017 to 2022.

Table 1. Research Sample

| Description | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total |
|--|------|------|------|------|------|------|-------|
| BUS registered with OJK | 14 | 14 | 14 | 14 | 15 | 13 | 84 |
| BUS whose annual report is not available | 3 | 2 | 2 | 1 | 3 | 1 | (12) |
| BUS whose data is not available in full | 7 | 8 | 7 | 6 | 7 | 7 | (42) |
| Total Sample | | | | | | | 30 |

Variables

Table 2. Operational Definition of Variables

| No | Variables | Definition | Indicator |
|----------------------|-----------------------------|---|--|
| Dependent Variable | | | |
| 1. | Maqashid sharia performance | Maqashid Sharia is a means that facilitates the development of society and the benefit of mankind in order to achieve human perfection in this world and the hereafter (Shinkafi & Ali, 2017). According to Monawer et al. (2022) there are five dimensions of maqāshid sharia, namely the protection of religion, life, reason, wealth, and offspring. | Legal+social requirement 2 (Taufik et al., 2023) |
| Independent Variable | | | |

| | | | |
|-------------------|----------------------|---|---|
| 2. | SSB Size | The size of the sharia supervisory board is the number of members (chairman and members) of the SSB in a company (Khasanah & Amri, 2023). | Number of SSB members (Taufik et al., 2023). |
| 3. | SSB Cross Membership | Cross-membership of SSB is a situation where members of the sharia supervisory board hold the same position in more than one Islamic bank (Taufik et al., 2023) | Percentage of SSB members with cross-membership (Taufik et al., 2023). |
| 4. | SSB Education | The level of education is expected to affect the level of human knowledge. Supervising the Islamic banking industry requires knowledge such as Islamic law, economics, and financial and accounting practices (Rahman & Bukair, 2013). | Percentage of SSB members who meet educational qualifications consisting of fiqh, muamalah fiqh, and Islamic finance (Taufik et al., 2023). |
| 5. | SSB Expertise | SSB expertise contextually means SSB members who have financial or accounting knowledge in addition to Islamic law knowledge (Rahman & Bukair, 2013). | Percentage of SSB members who meet the qualifications of expertise in accounting, economics, business, and law (Taufik et al., 2023). |
| 6. | SSB Reputation | SSB reputation is where SSB members sit in the MUI because they can communicate fatwas (Taufik et al., 2023). | Percentage of SSB members who sit in institutions that issue fatwas (Taufik et al., 2023). |
| 7. | SSB Rotation | SSB rotation is an annual change of SSB members to increase experience, knowledge, and motivation (Al-Matari & Al-Arussi, 2014). | Dummy: 1 if there is a change of SSB members, other than that 0 (Taufik et al., 2023). |
| 8. | SSB Remuneration | Remuneration is a reward determined and given to members of the Board of Directors, members of the Board of Commissioners, members of the SSB, and/or Employees, both fixed and variable in cash and non-cash in accordance with their duties, authorities and responsibilities (Otoritas Jasa Keuangan, 2017). | Natural log of SSB remuneration (Taufik et al., 2023). |
| 9. | Intellectual capital | <i>Intellectual capital</i> is a variety of knowledge resources, experience and expertise of employees, a good relationship with significantly contributes to the value creation process so that it can be provide a competitive advantage for the company (Sutanto & Siswantaya, 2019) | $iBVAIC = iBVACA + iBVAHU + iBSTVA$ Where, iBVAIC = Value added intellectual capital (Karbaila et al., 2022) |
| Control Variables | | | |
| 10. | Bank size | Bank size is the scale of business owned by a bank that can affect the level of profitability of a bank (Damayanti & Mawardi, 2022). | Natural log of total assets (Taufik et al., 2023). |
| 11. | Bank age | Bank age can be interpreted as the number of years the bank has been operating (Taufik et al., 2023). | Number of years the bank has been operating (Taufik et al., 2023). |

Table 3. Maqashid Sharia Performance Measurement

| Concept | Score (a) | Dimension | Score (b) | Element | Final score (c) ^a | |
|---------------------|-----------|--------------------|-----------|---------------------------------|------------------------------|-------|
| Legal requirements | 100.00 | Aqad | 60.00 | SSB Report | 30.00 | |
| | | | | Product and activity | 30.00 | |
| | | Legal documents | 20.00 | 20.00 | Document confirmation | 20.00 |
| | | | | | <i>Zakat</i> | 10.00 |
| | | Accounting | 20.00 | Attestation of financial report | 10.00 | |
| Total | 100.00 | - | 100.00 | - | 100.00 | |
| Social requirements | 100.00 | <i>Daruriyat</i> | 70.00 | Faith | 14.00 | |
| | | | | Intellect | 14.00 | |
| | | | | Life | 14.00 | |
| | | | | Posterity | 14.00 | |
| | | | | Wealth | 14.00 | |
| | | <i>Hajjiyyat</i> | 20.00 | Faith | 5.00 | |
| | | | | Intellect | n.a | |
| | | | | Life | 5.00 | |
| | | | | Posterity | 5.00 | |
| | | | | Wealth | 5.00 | |
| | | <i>Tabsiniyyat</i> | 10.00 | Faith | 5.00 | |
| | | | | Intellect | n.a | |
| | | | | Life | n.a | |
| | | | | Posterity | n.a | |
| | | | | Wealth | 5.00 | |
| Total | 100.00 | - | 100.00 | - | 100.00 | |

Notes: ^aFinal score = $(a \times b) / 100 / \text{number of elements}$; n.a: non-observable

Source: (Taufik et al., 2023)

Regression Model

The analytical techniques used to analyze the data in this study are regression model selection, classical assumption test, model accuracy test, and hypothesis testing. Regression model selection is done by chow test, and hausman test. While the classic assumption tests used in panel data are normality, multicollinearity, and heteroscedasticity tests. The approach in this study is quantitative with secondary data sources obtained from the BUS website in Indonesia.

This study uses a panel data regression analysis model. According to Gujarati & Porter, (2009) research using panel data should be tested with a panel data regression model. Panel data analysis consists of ordinary least squares model regression, fixed effects model, and random effects model. In this study, maqashid sharia performance is the dependent variable, *intellectual capital* and SSB characteristics are independent variables, while bank size and age are control variables. Regression formula:

$$MSP_{it} = \beta_0 + \beta_1 iB\ VAIC + \beta_2\ ssbsz_2 + \beta_3\ ssbcm_3 + \beta_4\ ssbedu_4 + \beta_5\ ssbexp_5 + \beta_6\ ssbrep_6 + \beta_7\ ssbrot_7$$

$$+ \beta_8\ ssbrem_8 + \beta_9\ bsize_9 + \beta_{10}\ bage_{10} + \alpha_{it} + \epsilon_{it}$$

Description:

MSP = *Maqashid Sharia Performance*

i = entity

t = period

α = constant

iB VAIC = intellectual capital

ssbsz = SSB size

| | |
|--------|------------------------|
| sscrm | = SSB cross membership |
| ssbedu | = SSB education |
| ssbrep | = SSB reputation |
| ssbrot | = SSB rotation |
| ssbrem | = SSB remuneration |
| bsize | = bank size |
| bage | = bank age |

RESULTS AND DISCUSSIONS

Table 3. Descriptive Statistics

| | MSP | SSBSZ | SSBCRM | SSBEDU | SSBEXP | SSBREP | SSBROT | SSBREM | IBVAIC | BSIZE | BAGE |
|--------------|----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|----------|----------|----------|
| Mean | 15.36533 | 2.266667 | 0.622333 | 0.605667 | 0.883333 | 0.577667 | 0.066667 | 20.75190 | 1.822333 | 27.48013 | 26.86667 |
| Median | 13.00500 | 2.000000 | 0.500000 | 0.500000 | 1.000000 | 0.500000 | 0.000000 | 20.53517 | 2.140000 | 28.97696 | 31.00000 |
| Maximum | 30.03000 | 4.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 | 24.01910 | 7.680000 | 32.47448 | 44.00000 |
| Minimum | 9.160000 | 2.000000 | 0.000000 | 0.000000 | 0.330000 | 0.000000 | 0.000000 | 14.70915 | - | 22.67406 | 2.000000 |
| Std. Dev. | 6.251818 | 0.583292 | 0.332438 | 0.304786 | 0.219676 | 0.260830 | 0.253708 | 1.511051 | 2.307694 | 3.515866 | 12.90478 |
| Skewness | 1.294366 | 2.039046 | -0.245788 | -0.166560 | -1.403577 | 0.474527 | 3.474396 | -1.640872 | - | - | - |
| Kurtosis | 3.498630 | 5.957268 | 2.088683 | 2.577211 | 3.186721 | 2.786627 | 13.07143 | 10.22829 | 1.551156 | 0.152462 | 0.312524 |
| Jarque-Bera | 8.687704 | 31.720345 | 1.340183 | 0.362149 | 9.893728 | 1.182791 | 187.1492 | 78.77246 | 9.906527 | 1.363629 | 2.020391 |
| Probability | 0.012986 | 0.000000 | 0.511662 | 0.834373 | 0.007106 | 0.553554 | 0.000000 | 0.000000 | 0.000000 | 0.176987 | 0.430009 |
| Sum | 460.9600 | 68.000000 | 18.67000 | 18.17000 | 26.500000 | 17.330000 | 2.000000 | 622.5570 | 54.67000 | 824.4038 | 806.0000 |
| Sum Sq. Dev. | 1133.472 | 9.866667 | 3.204937 | 2.693937 | 1.399467 | 1.972937 | 1.866667 | 66.21497 | 154.4381 | 358.4781 | 4829.467 |
| Observations | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |

Source: E-views 12 processed data (2023)

Table 4. T statistic test result

| Variable | Coefficient | Std. Error | t-Statistic | Prob |
|---------------|-------------|------------|-------------|----------|
| C | 51.673330 | 21.109020 | 2.447927 | 0.024254 |
| SSBSZ | 3.911590 | 2.716609 | 1.439880 | 0.166176 |
| SSBCRM | -9.237103 | 3.554805 | -2.598484 | 0.017642 |
| SSBEDU | -16.771122 | 4.354395 | -3.851539 | 0.001075 |
| SSBEXP | 6.609382 | 5.937880 | 1.113088 | 0.279555 |
| SSBREP | -7.367273 | 5.728213 | -1.286138 | 0.213848 |
| SSBROT | -3.940994 | 4.856287 | -0.811524 | 0.427115 |
| SSBREM | -2.961626 | 1.059618 | -2.794993 | 0.011549 |
| IBVAIC | -0.135675 | 0.470517 | -0.288353 | 0.776199 |
| BSIZE | 0.907170 | 0.434692 | 2.086927 | 0.050606 |
| BAGE | 0.230387 | 0.122801 | 1.876100 | 0.076090 |

Source: E-views 12 processed data (2023)

Based on the results of the statistical T test in table 3, it proves that the significance level of the SSB size variable is $0.166176 > 0.05$, meaning that the SSB size does not affect the performance of maqashid Sharia so that this study does not support H1. The results of this study are in line with the research of Sulistyawati et al. (2020), that SSB size has a positive effect on maqashid sharia performance at Islamic commercial banks in Indonesia. However, this study contradicts the results of research by Taufik et al. (2023), Rahman & Haron (2019), and Yulianto & Darwanto (2023) that SSB size has no effect on the maqashid performance of Islamic banks in Indonesia.

The effect of SSB cross membership has a significance value of $0.017642 < 0.05$, meaning that cross-membership of SSB affects the maqashid performance of Islamic banks in Indonesia so that this

research supports H2. This study supports Sulistyawati et al. (2020) and Rahman & Haron (2019) which state that cross-membership of SSB affects the performance of maqashid Sharia. However, this research contradicts Taufik et al. (2023) and Safitri & Mukhibad (2020) that cross SSB membership has no effect on the maqashid performance of Islamic banks in Indonesia.

The effect of SSB education has a significance value of $0.001075 < 0.05$, meaning that SSB education affects the maqashid sharia performance of Islamic banks in Indonesia so that this study supports H3. SSB who have a higher level of education will have broader knowledge to provide input for the improvement of Islamic bank performance. This research is in line with Taufik et al. (2023) which states that SSB education affects the maqashid sharia performance of Malaysian banks. However, this research is not in line with Safitri & Mukhibad (2020), Yulianto & Darwanto (2023), and Rahman & Haron (2019) that SSB education has no effect on maqashid Sharia performance.

The effect of SSB expertise has a significance value of $0.279555 > 0.05$, meaning that SSB expertise does not affect the performance of maqashid sharia so that this research is in line with H4. SSB expertise is needed to support the ability of SSB in determining policies. The results of this study contradict Rahman & Haron (2019) and Taufik et al. (2023) which state that SSB expertise has no effect on maqashid Sharia performance.

The effect of SSB reputation has a significant value of $0.213848 > 0.05$, meaning that SSB rotation has no effects the performance of maqashid Sharia so that the results of this study contradict H5. This research is not in line with Rahman & Haron (2019) and Taufik et al. (2023) that SSB rotation has no effect on maqashid sharia performance.

The effect of SSB rotation has a significance value of $0.427115 > 0.05$, meaning that SSB rotation has no effects on maqashid Sharia performance so that the results of this study contradict H6. This research is in line with Rahman & Haron (2019) and Taufik et al. (2023) that SSB rotation has no effect on maqashid Sharia performance.

The effect of SSB remuneration has a significance value of $0.011549 < 0.05$, meaning that SSB remuneration has effect on maqashid sharia performance so that the results of this study support H7. The results of this study contradict Taufik et al. (2023) that SSB remuneration has no effect on maqashid sharia performance.

The effect of intellectual capital has a significant value of $0.776199 > 0.05$, meaning that intellectual capital has no effect on maqashid sharia performance so that the results of this study contradict H8. The results of this study are in line with Ramadhan et al. (2018) that intellectual capital has no effect on maqashid sharia performance. However, this research contradicts Prasojito et al. (2022) and Karbaila et al. (2022) that intellectual capital affects the performance of maqashid sharia.

CONCLUSIONS

Based on the results of data analysis and discussion that has been carried out in this study, then it can be concluded that partially variable SSB cross membership, SSB education, SSB remuneration has affect the performance of maqashid sharia at a significance level of 0.05. While SSB size, SSB expertise, SSB reputation, SSB rotation, and intellectual capital have no effect on maqashid sharia performance. This research still has shortcomings, namely not many samples that can be analyzed.

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