Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah *(Journal of Islamic Economics)*
Volume 16 (2), Jul-Dec 2024
P-ISSN: 2087-135X; E-ISSN: 2407-8654
Page 379 - 402

Received: 11 September 2024
Accepted: 29 December 2024
Published: 31 December 2024

Good Corporate Governance and Sharia Banking Performance Based on *Maqaṣid Al-Sharia* in OIC Countries

Nisrina Ikhfadhillah Mulyani[1], Purbayu Budi Santosa[2], Mohamad Egi Destiartono[3]

Abstract. *The development of Islamic banking assets in OIC countries requires performance evaluation, but conventional financial ratios are still used. This study aims to explore the relationship between Good Corporate Governance variables (Board of Commissioners, Independent Commissioners, Sharia Supervisory Board, and Audit Committee) and Maqaṣid-based Sharia banking performance. Using the Maqaṣid-Based Performance Evaluation Model (MPEM), data from 22 Islamic banks in 7 OIC countries (2018-2022) with a fixed securities model were analyzed. The findings indicate that the Board of Commissioners and Independent Commissioners influence Maqaṣid-based performance, whereas the Sharia Supervisory Board and Audit Committee do not have a significant impact. The majority of banks have a low Maqaṣid performance index, indicating a reliance on conventional systems despite Sharia compliance.*

Keywords*: Good Corporate Governance; Maqaṣid Sharia; Performance; Sharia Banking*

Abstrak. *Perkembangan aset perbankan syariah di negara-negara OIC memerlukan evaluasi kinerja, namun rasio keuangan konvensional masih digunakan. Penelitian ini bertujuan untuk mengeksplorasi hubungan antara variabel tata kelola perusahaan yang baik (Dewan Komisaris, Komisaris Independen, Dewan Pengawas Syariah, dan Komite Audit) dengan kinerja perbankan syariah berbasis maqaṣid. Penelitian ini menganalisis data dari 22 bank syariah di 7 negara OIC (2018-2022) dengan model sekuritas, menggunakan Model Evaluasi Kinerja Berbasis Maqaṣid (MPEM). Temuan penelitian ini menunjukkan bahwa Dewan Komisaris dan Komisaris Independen memengaruhi kinerja berbasis maqaṣid, sementara Dewan Pengawas Syariah dan Komite Audit tidak berpengaruh. Mayoritas bank memiliki indeks kinerja maqaṣid yang rendah, yang menunjukkan masih adanya ketergantungan pada sistem konvensional meskipun sudah sesuai dengan prinsip syariah.*

Kata kunci: *Tata Kelola Perusahaan yang Baik; Maqaṣid Syariah; Performa; Perbankan Syariah*

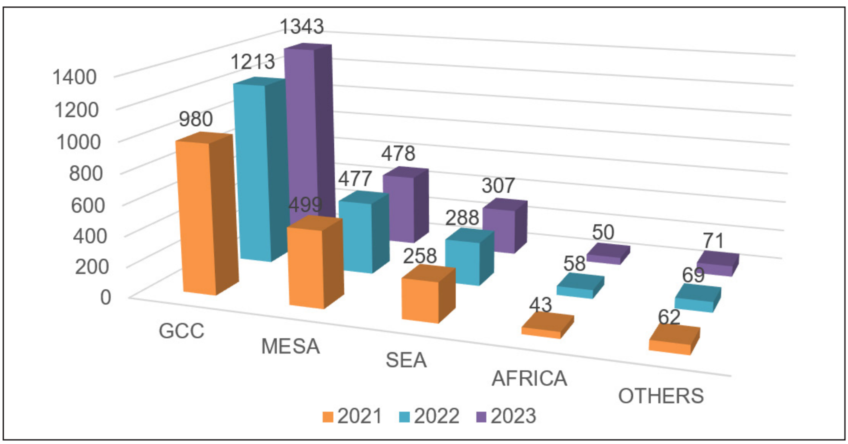
[1,2,3]Diponegoro University of Semarang, Indonesia
E-mail: [1]nisrinaikhfadhillahm@students.undip.ac.id, [2]purbayubudisantosa@lecturer.undip.ac.id, [3]megidestiartono@lecturer.undip.ac.id

Introduction

The financial services sector is crucial in driving the economy by providing financial access and managing financial risks for the community (Arifah et al., 2023). One key component of financial services is banking, which now operates under a dual-banking system, comprising both Sharia-compliant and conventional models. The key distinction between these two models lies in their profit-generation methods. Islamic banking follows a profit-sharing scheme, dividing profits based on mutual agreement (Nugraha et al., 2023), while conventional banking generates profits through interest, which is considered riba and is prohibited in Islam (Sobarna, 2021).

The presence of Islamic banking in the countries that are members of the Organization of Islamic Cooperation positively contributes to the economy. This is evidenced in the Islamic Financial Services Industry Stability Report for 2021-2022. Figure 1. shows that GCC (*Gulf Cooperation Council*) countries rank first in the development of Islamic banking assets. The next, which ranks second and third, are MESA (*Middle East and South Asia*) countries and regions in Southeast Asia (SEA). GCC countries experienced economic recovery in 2022 driven by increased revenues from soaring oil prices and various mega projects.

Figure 1. Development of Islamic Banking Regional Assets in 2021-2023



Source: Islamic Financial Services Board (2022, 2023)

The rapid growth of Islamic banking in OIC countries necessitates performance evaluation by various stakeholders, including shareholders and the government (Yulianto & Darwanto, 2023). To create resilient and reliable Islamic

DOI: https://doi.org/10.15408/aiq.v16i2.41291

banks, the implementation of Good Corporate Governance (GCG) is essential. GCG plays a crucial role in enhancing the image of Islamic banks and maintaining public trust. Rooted in Agency Theory, GCG addresses the issue of asymmetrical information between management and shareholders, emphasizing the need for a separation of powers to reduce agency s (Ardiansyah, 2014). GCG serves as a key indicator of Islamic bank performance, aligning with the principles of *Maqaṣid al-Sharia* (Andriana & Rini, 2018). It is assessed through five principles: transparency, accountability, responsibility, independence, and fairness, and is executed through the Board of Commissioners, the Independent Board of Commissioners, the Sharia Supervisory Board, and the Audit Committee.

However, the measurement of the performance of Islamic banks often uses conventional financial ratios, such as CAMELS (Capital, Asset, Management, Earning, Liquidity, Sensitivity of Market Risk) and EVA (Economic Value Added) (Antonio, Sanrego, & Taufiq, 2012). The application of the ratio does not include sharia goals because it only produces *value added* (Ali & Rama, 2018). Therefore, it is necessary to have a measurement method that is not only profit-oriented but also *falah*-oriented based on *Maqaṣid al-Sharia*, such as those that compile Mohammed et al. (2008). Performance Measurement Based on *Maqaṣid al-Sharia (*PMMS) and the *Maqaṣid*-based Performance Evaluation Model (MPEM) has been developed to assess performance in line with the principles of *Maqaṣid al-Sharia*. PMMS is based on the theory of Abu Zahrah (1997), which has been widely applied in subsequent studies to measure the performance of Islamic banking (Ali & Rama, 2018). In contrast, MPEM adopts Imam Al-Ghazali's theory, focusing on the five key dimensions of *Maqaṣid al-Sharia*: preserving religion, life, intellect, lineage, and property. This theory was chosen because it has been extensively referenced by Muslim scholars in their research (Chapra, 2008; Dusuki & Mokhtar, 2010; Antonio et al., 2012; Mohammed et al., 2015).

The literature review has explored various methods and variables that demonstrate a relationship between Good Corporate Governance and Islamic banking performance based on the principles of *Maqaṣid al-Sharia*. However, reporting on the performance of *Maqaṣid al-Sharia* remains limited. Some of these studies have used *the Maqaṣid al Sharia Index* (MSI) and the Performance Measurement Method based on *Maqaṣid al-Sharia* (PMMS) formulated by Mohammed, Razaq, and Taib (Agustina & Maria, 2017; Anton, 2018; Kholid & Bachtiar, 2015; Mukhibad et al., 2020; Sulistyawati, Ati, & Santoso, 2020; Firrizqi & Rahmawati, 2021). Yulianto & Darwanto's (2023) research uses the

DOI: https://doi.org/10.15408/aiq.v16i2.41291

Maqaṣid-Based Performance Evaluation Model (MPEM) from 20 Islamic banks in 4 Southeast Asian countries. All of these studies still use research objects in the Southeast Asian region.

This study expands the scope of research on Islamic banking in the Organization of Islamic Cooperation (OIC) countries and tries to improve similar research by changing the research object, namely Islamic banking in OIC countries employing the *Maqaṣid*-Based Performance Evaluation Model (MPEM) method. This selection is strengthened by the ranking of the 10 countries with the highest Islamic bank assets in the world, which include Saudi Arabia ranked 1st, Malaysia ranked 3rd, UAE ranked 4th, Qatar ranked 5th, Bangladesh ranked 9th, and Indonesia ranked 10th (Islamic Financial Service Board, 2023).

The implementation of GCG is related to improving the image of Islamic banks, so it is crucial to do so in accordance with the *Maqaṣid al-Sharia* in measuring its performance. The application of the two variables above is believed to produce social justice and economic welfare (Rahmayani and Rahmawaty, 2017).

Literature Review

Good Corporate Governance (GCG)

The Organization for Economic Cooperation and Development (OECD, 2023) outlines four principles as indicators of exemplary Good Corporate Governance (GCG): openness, accountability, fairness, and responsibility. GCG will function effectively if its mechanisms and structures are properly managed. The GCG mechanism is designed to ensure and oversee the proper functioning of the organizational governance system (Nasrum & Akal, 2018). This mechanism includes both internal supervision (overseeing the GCG structure) and external oversight (market control). Another method of GCG supervision is transparency, often achieved through annual financial statements (Nasrum & Akal, 2018). Islamic banks typically present information through financial statements that include elements such as the Corporate Governance structure, key financial statements (Balance Sheet, Cash Flow Report, Profit and Loss Statement), and audit and compliance mechanisms.

The research by Haniffa and Hudaib (2007) and Quttainah and Almutairi (2017) developed ethics using indicators from the bank's annual report and the Ethical Identity Index (EII). In contrast, Haniffa and Hudaib (2007) used revenue management practices to express Islamic ethics within Islamic banks, finding that Islamic banks exhibited better Islamic ethics than conventional banks. They also found that Islamic banks with regular supervision by an Islamic supervisory board had better ethics than those without such supervision. Other studies, such as those by Astuti et al. (2019), Fathi et al. (2017), Hamdani and Albar (2016), Rahman and Anwar (2014a, 2014b), Suryanto and Ridwansyah (2016), Ngumar et al. (2019), and Yusuf et al. (2016), assess Islamic banks' sharia ethics based on fraud tendencies, including fraud by management and employees. Islam prohibits fraud and emphasizes trustworthiness, which leads to a paradigm where human behavior is guided by accountability to stakeholders, society, and God (Triyuwono, 2004). In this context, strong beliefs in Islamic ethics can prevent fraud (Salin, Kamaluddin, & Manan, 2011; Ahmad, 2004). This study uses fraud, particularly fraudulent financial statements, to assess ethics in Islamic banking. Implementing Good Corporate Governance is seen as a solution to prevent fraud (Eferakeya, Enaibre, & Offor, 2016; Farber, 2005; Halbouni, Obied, & Garbou, 2016; Copy, Ab Manan, Kamaluddin, & Nawawi, 2017). Farber (2005) found that companies involved in financial statement manipulation had poor corporate governance.

This research will use four elements in the structure of Good Corporate Governance, namely the Board of Commissioners, the Independent Board of Commissioners, the Sharia Supervisory Board, and the audit committee. Therefore, the hypothesis is formulated as follows:

H1: The number of members of the Board of Commissioners is related to the Performance of Sharia Banking in OIC Countries based on *Maqaṣid al-Sharia*.

H2: The proportion of members of the Independent Board of Commissioners is related to the Performance of Sharia Banking in OIC Countries based on *Maqaṣid al-Sharia*.

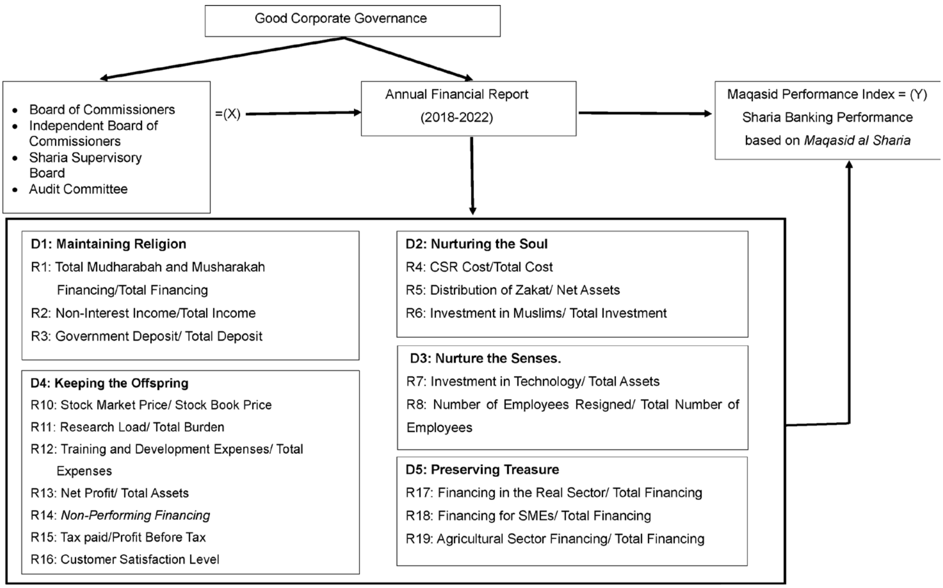
H3: The number of members of the Sharia Supervisory Board is related to the Performance of Sharia Banking in OIC Countries based on *Maqaṣid al-Sharia*.

H4: The number of members of the Audit Committee is related to the Performance of Sharia Banking in OIC Countries based on *Maqaṣid al-Sharia*.

DOI: https://doi.org/10.15408/aiq.v16i2.41291

In summary, the conceptual framework of this research can be seen in Figure 2.

Figure 2. Conceptual Research Framework



Sharia Banking Performance with *Maqaṣid*-based Performance Evaluation Model (MPEM)

Mohammed, Razaq, and Taib (2008) explain *Maqaṣid al-Sharia* as the ultimate goal in Islam which aims at the principles of benefit, well-being, and eliminating misery. It can be concluded that *Maqaṣid al-Sharia* is the main goal to be achieved that Allah has decided for His servants. Measuring the performance of Islamic banking using *Maqaṣid al-Sharia* will have an impact on performance and operations based on the primary fundamental objective of *Maqaṣid al-Sharia*, which is to provide benefits for the people.

The *Maqaṣid*-based Performance Evaluation Model (MPEM) method is an evolution of performance measurement of Islamic banking based on Performance Measurement based on *Maqaṣid Sharia* (PMMS) (Mohammed et al., 2015). The development of MPEM and PMMS methods is relatively similar. PMMS uses the Abu Zahrah theory, while MPEM uses the Imam Al-Ghozali theory. Imam Al-Ghozali divided three levels of human *maslahah* (benefits) to build a framework of the *Maqaṣid al-Sharia* concept. The three levels include: *ad-*

DOI: https://doi.org/10.15408/aiq.v16i2.41291

dharuriyyāt, al-hajiyāt, and at-tahsiniyāt. Al-Ghazali defines *ad-dharuriyyāt* as five primary needs, namely, the maintenance of religion (*ad-din*), soul (*nafs*), mind/intellect (*al-'aql*), heredity (*nasl*), and property (*māl*). Previous literature has used these five dimensions extensively (Chapra, 2008; Dusuki and Mokhtar, 2016; Mohammed *et al*., 2015).

Table 1. Operationalization of *Al-Ghazali's Maqaṣid al-Sharia* Theory with the Interpretation of Ibn Asur

Dimension of *Maqaṣid al-Sharia*	**Interpretation of the Elements of Ibn Asur**
Maintaining Religion	Freedom of Religion
Nurturing the Soul	a) Self-esteem b) Human Rights
Preserve the Senses.	a) Propagation of Scientific Thought b) Prevention of Brain Drain
Keeping the Offspring	Family Care
Preserving Wealth	a) Social Welfare b) Reducing the Gap

Source: Mohammed et al. (2015)

Table 1 presents an interpretation of Al-Ghazali's theory, which primarily focuses on humanity. As such, it is not directly applicable to measuring the performance of Islamic banking. Consequently, Mohammed, Tarique, and Islam (2015) adopt an interpretation based on Ibn Ashur's work, supported by the operationalization of the Behavioral Science method developed by Sekaran (2006).

With the above description, the five dimensions of Al-Ghazali's *Maqaṣid al-Sharia* can be used to measure performance in Islamic banking. Its difference with Abu Zahrah's theory is explained in the next paragraph. Table 2. shows Abu Zahrah's concept as one of the approaches to measuring the performance of Islamic banking with *Maqaṣid al-Sharia*. Mohammad and Taib (2009) explain the concept of Abu Zahrah, which employs the Sekaran method with three main objectives and nine dimensions. This is what distinguishes Abu Zahra's approach from Al-Ghazali's.

http://journal.uinjkt.ac.id/index.php/iqtishad
DOI: https://doi.org/10.15408/aiq.v16i2.41291

Table 2. Operationalization of Abu Zahrah's *Maqaṣid al-Sharia* Theory

Sharia Objectives	Dimension
Educating Individuals	a) Increase Knowledge b) Adding and Improving New Abilities c) Creating Public Awareness of the Existence of Sharia Banks
Upholding Justice	a) Fair contracts b) Affordable Products and Services c) Elimination of Injustice
Creating Fame	a) Profitability b) Distribution of Wealth and Profits c) Investment in the Real Sector

Methods

This study uses a purposive sampling method with the following criteria: 1) BUS that has been operating in the OIC before 2018, 2) Sharia banking in the OIC that consistently publishes annual financial statements that have been audited for 2018-2022 in detail, 3) Data related to MPEM calculation indicators and Good Corporate Governance variables. This study uses 110 data panels consisting of 22 Islamic banks with a period of 5 years. The following list of Islamic banking is detailed in Table 3.

Table 3. Details of Sharia Banks in OIC Countries

No.	BANK NAME	CODE
	Indonesia	
1	Bank Mega Syariah	BMGS
2	Bank Victoria Syariah	BVIS
3	Bank BCA Syariah	BCAS
4	Bank KB Bukopin Syariah	KBBS
5	Bank Panin Dubai Syariah	PDBS
6	Bank Jabar Banten Syariah	BJBS
7	Bank Muamalat Indonesia	BMIS
	Malaysia	
8	Affin Islamic Bank Berhad	AFFIN
9	Bank Muamalat Malaysia Berhad	BMMS
10	OCBC Al-amin Berhad	OCBC
11	RHB Islamic Bank Berhad	RHBI
12	Am-Islamic Bank Berhad	AMBB
13	SC-Saadiq Bank Berhad	SCSB
14	Kuwait Finance House Berhad	KFHB
15	HSBC Amanah Bank	HSBC

No.	BANK NAME	CODE
	Brunei Darussalam	
16	Bank Islamic of Brunei Darussalam	BIBD
	Saudi Arabia	
17	Al Rajhi Bank	RAJHI
18	Alinma Bank	ALINMA
19	Al Jazira Bank	JAZIRA
	United Arab Emirates Units	
20	Dubai Islamic Bank	DIB
	Qatar	
21	Qatar Islamic Bank	QIB
	Bangladesh	
22	Al-Arafah Islamic Bank	DISGRACE

Source: Secondary Data Processed (2022)

This research will use the results of weighting conducted by Andriana and Rini (2018). The MPEM calculation was carried out using the Simple Additive Weighting (SAW) method (Andriana & Rini, 2018). The operationalization of the MPEM calculation is detailed in Table 4.

Table 4. Operationalization of Sharia Banking Objectives Based on MPEM Calculation (Al-Ghazali Concept) After Weighting Dimensions and Ratios

Dimensions (D)	Weight	Element (E)	Performance Ratio (R)	Weight
D1. Maintenance Religion	0,29	E1. Freedom of Religion	R1. Total Mudharabah and Musharakah Financing / Total Financing	0,32
			R2. Non-Interest Income/ Total Income	0,42
			R3. Government Deposit/ Total Deposit	0,26
			Total	**1**
D2. Soul Maintenance	0,24	E2. Maintenance of Human Self-Esteem	R4. CSR Fee/ Total Cost	0,27
			R5. Distribution of Zakat/ Net Assets	0,36
		E3. Maintenance of Rights Human Resources	R6. Investment in Muslims/ Total Investment	0,37
			Total	**1**

DOI: https://doi.org/10.15408/aiq.v16i2.41291

Dimensions (D)	Weight	Element (E)	Performance Ratio (R)	Weight
D3. Maintenance of Reason	0,2	E4. Propagation of Scientific Thought E5. Prevention of *Brain Drain*	R7. Investing in the Field Technology/ Total Assets	0,36
			R8. Number of Employees Resign/ Total Number of Employees	0,33
			R9. CSR for Education and Waqf/ Total CSR Burden	0,31
			Total	**1**
D4. Breed Maintenance	0,14	E6. Family care (*Stakeholder*)	R10. Stock Market Price/ Stock Book Price	0,12
			R11. Research Load/ Total Expense	0,17
			R12. Training and Development Expenses/ Total Expenses	0,18
			R13. Net Profit/ Total Assets	0,15
			R14. *Non-Performing Financing* / Total Financing	0,12
			R15. Tax paid/ Profit Before Tax	0,11
			R16. Customer Satisfaction Level	0,15
			Total	**1**
D5. Maintenance Possessions	0,13	E7. Welfare Community	R17. Financing in the Sector	0,37
			Real/ Total financing	
		E8. Reduction Gap	R18. Financing for SMEs/ Total Financing	0,36
			R19. Sector Financing Agriculture/ Total Financing	0,27
Total	**11**		**Total**	

Source: Mohammed et al. (2015); Andriana and Rini (2020)

The calculation of the MPEM was carried out using the Simple Additive Weighting (SAW) method. The calculation process is as follows:

$$\text{IKM (Y)} = \text{IKD1} + \text{IKD2} + \text{IKD3} + \text{IKD4} + \text{IKD5}$$

The equation of the panel data regression model in this study is formulated as follows:

$$\boxed{IKM = \alpha + \beta 1DKit + \beta 2DKIit + \beta 3DPSit + \varepsilon it}$$

Information:

SMEs = *Sharia*-based Banking Performance *Maqaṣid al-Sharia*

α = Constant

DK = Board of Commissioners

DKI = Independent Board of Commissioners

DPS = Sharia Supervisory Board

β1, β2, β3 = Regression Coefficient

i = Cross-Section

t = *Time-Series*

ε = Error Coefficient

Result and Discussion

Between 2018 and 2022, the Islamic bank with the highest average *Maqaṣid* performance index in the Organization of Islamic Cooperation (OIC) region was Bank Panin Dubai Syariah (PDBS), with a score of 17.86%. In contrast, the Islamic bank with the lowest average *Maqaṣid* al-Sharia performance index during the same period was Al-Arafah Islamic Bank (AIBL) in Bangladesh, with a score of 3.18%. Islamic banks in OIC countries are expected to see an increase in the implementation of MPEM indicators to better align with their goals based on Islamic law.

Table 5. Average Results of the *Maqaṣid al-Sharia* Index of the MPEM Method in 2018-2022

BANK	IKD1	IKD2	IKD3	IKD4	IKD5	SMEs
BMGS	0,108077	0,000520	0,001283	0,002939	0,036340	0,149159
BVIS	0,105426	0,000236	0,000035	0,008219	0,045576	0,159492
BCAS	0,078464	0,000130	0,000000	0,004379	0,049991	0,132964
KBBS	0,092995	0,000232	0,008406	0,000513	0,044185	0,146331
PDBS	0,125657	0,000334	0,007153	0,020872	0,024626	0,178642
BJBS	0,050776	0,000120	0,013685	0,007225	0,047360	0,119166
MUAMALAT-ID	0,095022	0,001066	0,020862	0,006864	0,024689	0,148503

DOI: https://doi.org/10.15408/aiq.v16i2.41291

BANK	IKD1	IKD2	IKD3	IKD4	IKD5	SMEs
AFFIN	0,062380	0,000710	0,004799	0,008099	0,022643	0,098631
MUAMALAT-MY	0,039016	0,000838	0,000588	0,003559	0,019139	0,063140
OCBC AL-AMIN	0,042585	0,000010	0,000002	0,003911	0,038849	0,085357
RHBI	0,072886	0,000896	0,000024	0,012619	0,022308	0,108733
AMISLAMIC	0,063475	0,000324	0,001848	0,003100	0,024095	0,092842
SC SAADIQ	0,099420	0,000302	0,007550	0,004284	0,027651	0,139207
KFHB	0,089433	0,000932	0,000114	0,026973	0,024898	0,142350
HSBC	0,048330	0,000000	0,000059	0,000428	0,020897	0,069714
BIBD	0,046019	0,004882	0,008616	0,004407	0,027343	0,091267
AIBL	0,025461	0,000000	0,000019	0,003866	0,002540	0,031886
RAJHI	0,120821	0,000262	0,000433	0,010076	0,008192	0,139784
ALINMA	0,021575	0,000076	0,000022	0,005938	0,019504	0,047115
JAZIRA	0,022546	0,000920	0,000000	0,007179	0,003522	0,034167
DIB	0,095988	0,003536	0,000051	0,004987	0,009195	0,113757
QIB	0,054932	0,000000	0,000250	0,005819	0,006223	0,067224

Source: Secondary Data Processed (2024)

Descriptive Statistics

Table 6. Descriptive Statistical Test Results

	SMEs	DK	DKI	DPS	KA
Mean	0,1074	5,9	0,62	3,1	3,7
Median	0,12	5,5	0,6	2	3
Maximum	0,25	14	1	6	6
Minimum	0,01	3	0	1	2
Std. Dev.	0,049346	2,510512	0,201201	1,797598	0,943836
Observations	110	110	110	110	110

Source: Secondary Data Processed (2024)

The IKM Index (Y) has an average value of 10.7246, indicating that the average ability of Islamic banks in OIC countries to maintain performance in accordance with *Maqaṣid al-Sharia* is 10.72%. The average value of the Board of Commissioners' variable (X1) is 5.9, meaning that the average number of board members in Islamic banks across OIC countries is approximately 6. The maximum value for this variable is 14, as seen in Alinma Bank, Saudi Arabia. The highest value for the independent board of commissioners' variable (X2) is 1, signifying that the highest ratio of independent commissioners to total commissioners in Islamic banks within OIC countries between 2018 and 2022 is 100%. The average number of Sharia supervisory board members is 3.1, which rounds to 3, indicating that, on average, Islamic banks in OIC countries have three Sharia Supervisory Board members. Finally, the average value for the audit committee variable is 3.7, meaning that the average audit committee size in Islamic banks across OIC countries is about four members.

Regression Result

The best regression model for the panel data used in this study was determined through three tests: the Chow, Hausman, and Lagrange tests. These three tests were conducted to determine the best regression model between the General Effects Model (CEM), Fixed Effect Model (FEM), and Random Effects Model (REM). The Chow test is used to compare the best models between CEM and FEM. If the probability value is less than 0.10, then FEM is used, and vice versa. Based on Table 6, the probability value is 0.00. So, the model chosen for this test is the Fixed Effect Model (FEM) regression model. The following are the results of the Chow test conducted in this study.

Table 7. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.377326	(21,74)	0.0000
Cross-section Chi-square	80.746382	21	0.0000

Source: Secondary Data Processed using Eviews 12

Based on the results of the panel data regression analysis of the two models, which underwent two stages of testing to identify the best model, the Fixed Effects model was chosen as the optimal model. Table 8 presents the results of the regression analysis using the Fixed Effects model.

DOI: https://doi.org/10.15408/aiq.v16i2.41291

Table 8. Results of Data Regression Panel Fixed Effect Model Method

Dependent Variable: IKM__Y_
Method: Panel Least Squares
Date: 06/27/24 Time: 18:27
Sample: 2018 2022
Periods included: 5
Cross-sections included: 22
Total panel (unbalanced) observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.127742	0.036937	3.458371	0.0009
DK__X1_	0.006806	0.003995	1.703791	0.0926
DKI__X2_	-0.072432	0.034998	-2.069623	0.0420
DPS__X3_	0.002347	0.005669	0.414097	0.6800
KA__X4_	-0.006384	0.005566	-1.146934	0.2551

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.023061	R-squared	0.728503
Mean dependent var	0.106290	Adjusted R-squared	0.636781
S.D. dependent var	0.044481	S.E. of regression	0.026808
Akaike info criterion	-4.181375	Sum squared resid	0.053180
Schwarz criterion	-3.504030	Log likelihood	235.0687
Hannan-Quinn criter.	-3.907241	F-statistic	7.942525
Durbin-Watson stat	1.638210	Prob(F-statistic)	0.000000

Source: Secondary Data Processed using Eviews 12

From Table 8. above, the regression equation of panel data formed from the fixed effect model is as follows:

$$Y = 0.127742 + 0.006806*X1 – 0.072432*X2 + 0.002347*X3 – 0.006384*X4$$

From the regression equation of the panel data above, it can be concluded as follows:

Constants (α), the regression equation of the panel data above shows a constant of 0.127742. This can be defined if all free variables are constant (considered zero), then the performance level of Islamic banking based on *Maqaṣid al-Sharia* is 0.127.

Regression Coefficient X1, the regression coefficient value for the DK variable (X1) in the panel data is 0.006806. This indicates that the number of Board of Commissioners' members has a positive relationship with the performance of Islamic banking based on *Maqaṣid al-Sharia*, with a coefficient of 0.006806.

Regression Coefficient X2, the regression coefficient value for the DKI variable (X2) in the panel data is -0.072432. This indicates that the proportion of Independent Board of Commissioners members has a negative relationship with the performance of Islamic banking based on *Maqaṣid al-Sharia*, with a coefficient of -0.072432.

Regression Coefficient X3, the regression coefficient value for the DPS variable (X3) in the panel data is 0.002347. This indicates that the number of Sharia Supervisory Board members has a positive relationship with the *Maqaṣid al-Sharia*-based performance of Islamic banking, with a coefficient of 0.002347.

Regression Coefficient X4, the regression coefficient value for the KA variable (X4) in the panel data is -0.006384. This indicates that the number of audit committee members has a negative relationship with the performance of Islamic banking based on *Maqaṣid al-Sharia*, with a coefficient of -0.006384.

Based on Table 8, the *R-squared value* of this study is 0.7285. This means that the independent variables (Board of Commissioners, Independent Board of Commissioners, Sharia Supervisory Board, and Audit Committee) have a relationship with the dependent variables of Islamic banking performance based on the *Maqaṣid al-Sharia* Performance Index. The independent variables for the 2018-2022 period collectively explain 72.8% of the variation in the dependent variable, with the remaining 28.2% accounted for by other factors outside the scope of the study.

Discussion

The Relationship of the Board of Commissioners to the Performance of Sharia Banking in the Organization of Islamic Cooperation (OIC) Countries Based on *Maqaṣid al-Sharia*

The t-test results indicate that the number of Board of Commissioners' members is related to the performance of Islamic banking in OIC countries based on *Maqaṣid al-Sharia*; thus, H1 is accepted. Board membership plays a central role in agency theory, serving as a controller of policies, managing Islamic banking operations, and aligning the interests of all banking stakeholders. This suggests that effective supervision by the board of commissioners helps reduce managerial errors, address conflicts of interest, and ensure sound strategic decision-making, all of which contribute to positive bank performance.

This aligns with the research conducted by Yulianto and Darwanto (2023), which found that the Board of Commissioners influences the performance of

Islamic banking based on *Maqaṣid al-Sharia* principles across 20 Islamic banks in four Southeast Asian countries from 2016 to 2020. The Board of Commissioners plays a crucial role in coordinating and supervising the management of Islamic banks and ensuring the effectiveness of decision-making. Aziz's research (2021) also demonstrates that the number of board members in Indonesian Islamic banks between 2013-2018 impacted their performance. This suggests that an increasing number of Board of Commissioners members can enhance the performance of Islamic banking in terms of *Maqaṣid al-Sharia*. However, a larger board may negatively affect performance if members are selected without regard to integrity and competence, leading to less effective supervision (Wantoro & Gunawan, 2020). In such cases, the supervision and decision-making processes may become inefficient, as they are not managed by experienced individuals.

The Relationship of the Independent Board of Commissioners to the Performance of Sharia Banking in the Organization of Islamic Cooperation (OIC) Countries Based on *Maqaṣid al-Sharia*

The t-test results reveal that the proportion of members of the Independent Board of Commissioners has a relationship with the performance of Islamic banking in OIC countries based on *Maqaṣid al-Sharia*. Thus, the decision to adopt the H2 research hypothesis is accepted. The role of the Board of Commissioners can be seen from the characteristics of the board, one of which is the composition of its members. The effectiveness of this supervisory function is reflected in the composition of whether the appointment of members comes from inside/outside the company. When a large percentage of Board of Commissioners members are from outside the company, their role in supervision becomes more effective due to increased independence. In this context, an independent Board of Commissioners is better equipped to monitor, oversee, and make decisions that are more focused on enhancing the performance of Islamic banking.

Agustina and Maria (2017) found that the independent Board of Commissioners influenced the performance of Islamic banking in Indonesia from 2011-2015, based on the *Maqaṣid al-Sharia* Index (MSI). The independent Board of Commissioners plays a crucial role in fulfilling the supervisory function necessary for building Islamic banks that adhere to Good Corporate Governance principles. As a result, a higher proportion of independent Board members fosters greater independence, which in turn supports the achievement of *Maqaṣid al-Sharia* objectives in Islamic banking.

DOI: https://doi.org/10.15408/aiq.v16i2.41291

The Relationship of the Sharia Supervisory Board to the Performance of Sharia Banking in the Organization of Islamic Cooperation (OIC) Countries Based on *Maqaṣid al-Sharia*

The t-test results indicate that the number of members on the Sharia Supervisory Board does not have a significant relationship with the performance of Islamic banking in OIC countries based on *Maqaṣid al-Sharia*. Therefore, the H3 research hypothesis is rejected. A more substantial number of DPS members with strong educational backgrounds, expertise, professionalism, and good social connections can offer valuable recommendations on banking products and operations, which could positively impact the performance of Islamic banking in alignment with *Maqaṣid al-Sharia*.

The limited number of experts and experience in the banking sector often leads to the existence of dual Sharia Supervisory Boards in one or more Islamic banks. This issue is further compounded by the lack of strict regulations prohibiting dual positions for DPS members. As a result, the effectiveness and efficiency of DPS members in overseeing Islamic banking performance are reduced, leading to challenges in risk management, damage to the bank's reputation, and, more severely, liquidity risk.

These findings are supported by research conducted by Sulistiawati and Fithria (2021), which found that the Sharia Supervisory Board variables did not impact the *Maqaṣid al-Sharia* performance of 8 Islamic banks in Indonesia from 2016 to 2019. This may be due to the ineffectiveness of supervision by DPS members and the lack of qualified human resources with expertise in Islamic banking contracts and transactions. As a result, achieving effective Sharia supervision oriented toward *Maqaṣid al-Sharia* performance becomes a challenging task.

The Relationship Between the Audit Committee and the Performance of *Sharia* Banking in the Organization of Islamic Cooperation (OIC) Countries Based on *Maqaṣid al-Sharia.*

The t-test results indicate that the number of audit committee members has no significant relationship with the performance of Islamic banking in OIC countries based on *Maqaṣid* al-Sharia. Therefore, the H4 research hypothesis is rejected. This suggests that a larger audit committee does not correlate with improved Islamic banking performance. The presence of the Audit Committee primarily serves to fulfill Good Corporate Governance requirements without necessarily leading to optimal performance in supervising financial statement preparation, coordinating

DOI: https://doi.org/10.15408/aiq.v16i2.41291

with external auditors, or monitoring the internal control system. Consequently, the performance of Islamic banking has not shown significant improvement due to the audit committee's presence.

This is supported by the research of Sulistyawati et al. (2020), which found that the size of the audit committee influences *Maqaṣid al-Sharia*'s performance. The presence of the audit committee is expected to enhance the performance of the board of directors and its staff by reducing the likelihood of fraud in financial and accounting data. However, a different result was found by Agustina and Maria (2017), who discovered that the audit committee variables did not affect the performance of Islamic banking in Indonesia from 2011 to 2015, as measured by the *Maqaṣid al-Sharia* Index (MSI).

Conclusion

This study aims to analyze the relationship between the implementation of Good Corporate Governance and the performance of Islamic banking in the Organization of Islamic Cooperation (OIC) countries from 2018 to 2022, based on *Maqaṣid al-Sharia*. The elements of Good Corporate Governance examined as independent variables in this study include the board of commissioners, the independent board of commissioners, the Sharia Supervisory Board, and the audit committee. The dependent variable is the Islamic banking performance index, measured using the *Maqaṣid*-based Performance Evaluation Model (MPEM). The data for the study is derived from the annual reports of 22 Islamic banks across seven OIC countries (Indonesia, Malaysia, Brunei, Saudi Arabia, UAE, Qatar, and Bangladesh) for the period 2018-2022. The conclusions drawn from the results of this study are as follows:

The Board of Commissioners variable is related to the performance of Islamic banking in OIC countries based on *Maqaṣid al-Sharia*. Board membership plays a central role in agency theory, acting as a controller of policies, overseeing Islamic banking management, and aligning the interests of all banking stakeholders. This suggests that effective supervision by the Board of Commissioners helps reduce managerial errors, resolve conflicts of interest, and ensure sound strategic decision-making, ultimately leading to improved bank performance.

The variable of the independent Board of Commissioners is related to the performance of Islamic banking in OIC countries based on *Maqaṣid al-Sharia*. The effectiveness of the Board's supervisory function can be observed through its composition, particularly the proportion of members from inside versus outside the company. When a more significant percentage of members come from outside the company, the Board's role in supervision becomes more effective due to its increased independence. In this context, the independent Board of Commissioners plays a crucial role in monitoring, overseeing, and making focused, independent decisions, which positively influence the performance of Islamic banking.

The variables related to the Sharia Supervisory Board have no significant relationship with the performance of Islamic banking in OIC countries based on *Maqaṣid al-Sharia*. An increase in the number of Sharia Supervisory Board members has not impacted the performance of *Maqaṣid al-Sharia* in these countries. This is primarily due to the concurrent positions held by DPS members in other Islamic financial institutions, stemming from a shortage of qualified human resources. As a result, the effectiveness of the DPS in overseeing and providing recommendations to Islamic banking has been diminished. The dual role of DPS members negatively impacts the performance of *Maqaṣid al-Sharia* and risk management, potentially leading to irregularities in Islamic banking operations.

Similarly, the audit committee variables have no significant effect on the performance of Islamic banking based on *Maqaṣid al-Sharia* in OIC countries. An increase in the number of audit committee members has not improved the performance of *Maqaṣid al-Sharia* in these banks. Contributing factors include an insufficient number of audit committee members, limited involvement in financial reporting, and the more decisive influence of the *Sharia* Supervisory Board. A larger audit committee can sometimes lead to debates and delays in decision-making due to the more structured process and the increased number of members, which may ultimately hinder the committee's effectiveness.

The limitations of this study lie in the data objects and research variables. Additionally, the scarcity of similar research using the *Maqaṣid*-based Performance Evaluation Model (MPEM) as a method for assessing Islamic banking performance poses a limitation. Future research should aim to build on this study by incorporating additional independent variables of Good Corporate Governance that may influence *Maqaṣid al-Sharia*'s performance. Furthermore, expanding the sample to include data from other Islamic banks could provide more detailed and comprehensive insights.

DOI: https://doi.org/10.15408/aiq.v16i2.41291

References

Agustina, F., & Maria, D. (2017). Improving the Performance of Sharia Banks in Indonesia Through the Implementation of *Good Corporate Governance*. *Institute for Research, Learning Development & Community Service*, 270–283. https://d1wqtxts1xzle7.cloudfront.net/100824899/844-2159-1-PB-libre.pdf?1680922539=&response-content-disposition=inline%3B+filename%3DPeningkatan_Kinerja_Bank_Syariah_DI_Indo.pdf&Expires=1733894299&Signature=GABnBEUghgCdtPdKw2ze95pEEf7GujKjeKEXN7SG0Zoa-sL3AFu5rsG8zsJ1RnIM2c9Z6LbHmAuL7rUmWBG2aYfdKoM4ZBCVw3hPg1P1dY4IARyvHZ~6RzPjcohNLKGJorcdNUo6UOU1IiCUaJjui~wfHIoVVBBfiJYtiinR4UiO~4pn8m0Jq4lv0Nv4FiJ5riAxsB08Qw4B6VjwpC-Ojp-YIuXIV5gpFzfHKWwY0cBRrYVnhFdU2hXOJiStfli2p9YSG5k8lNPFff6rkK-g5I5qD2Zidj0sGQ-8KVWe5rmztjz1tURngdAlQd0aG-ecO6ybbmGXxHa-RobPgRkHlg__&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA

Al Arif, M. N. R., & Yati, D. (2021). Comparison of Islamic Banking Performance in Indonesia, Pakistan, and Bangladesh: Sharia Maqashid Index Approach. Share: Journal of Islamic Economics and Finance, 10(1), 1-23. http://dx.doi.org/10.22373/share.v10i1.9351

Al Ghifari, M., Handoko Hakim, H., & Yani, E. A. (2015). Analysis of Sharia Banking Performance in Indonesia and Malaysia with the Maqashid Index Approach. *Journal of Sharia Economics and Banking*, *3*(2), 2355–1755. DOI: 10.46899/jeps.v3i2.160

Ali, H., & Rama, A. (2018). Sharia Banking Performance Index in Southeast Asia based on the Maqashid Al-Syariah Concept. *Madania*, *22*(1), 33–34. http://dx.doi.org/10.29300/madania.v22i1.782

Andriana, A. V., & Rini. (2018). Sharia Banking Performance Analysis with Maqashid Based Performance Evaluation Model (MPEM). *Scientific Journal of Wahana Akuntansi*, *13*(1), 70–94. https://doi.org/10.21009/wahana.013.1.6

Anton. (2018). The Effect of *Islamic Corporate Governance Mechanism* on the Performance of Sharia Banks in Indonesia Based on the Maqashid Sharia Index. *Business*, *6*(1), 36–52.https://doi.org/10.35836/jakis.v12i1.529

Antonio, M. S., Sanrego, Y. D., & Taufiq, M. (2012). IIUM Institute of Islamic Banking and Finance ISSN. *Journal of Islamic Finance*, *1*(1), 2289–2109. https://doi.org/10.31436/jif.v1i1.2

Anwar, H. S. (2021). Contemporary Islamic Law Studies Part Two. Uad Press.

Ardiansyah, M. (2014). The shadow of agency theory in Islamic banking financing products. *Ijtihad: Journal of Islamic Law and Humanitarian Discourse*, *14*(2), 251–269. 10.18326/ijtihad.v14i2.251-269

Arifah, H., Fauzan Meidy, M. H., Surgawati, I., Rusliana, N., Nasution, F. Z., Siliwangi, U., Tasikmalaya, K., & Barat, J. (2023). The Role of the Financial Services Industry in Indonesia's Economic Development. *Journal of Economics*, *4*(1), 60–61. http://jurnal.unsil.ac.id/index.php/welfare

Bank Indonesia. (2009). *Bank Indonesia Regulation No. 11/33/PBI/2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units*.

Basuki, A. T., & Prawoto, N. (2016). Regression analysis in economic and business research.

Chapra, M. (2008). *The Islamic Vision of Development in the Light of Maqāsid Al-Sharīʻah*. https://doi.org/10.13140/RG.2.1.4188.5047

Deza, R. L. R., & Sofyani, H. (2022). Sharia Governance and Sharia Maqashid in Sharia Banking in Indonesia. *Indonesian Accounting and Business Review*, *6*(2), 11–34. https://doi.org/10.18196/rabin.v6i2.12857

Dusuki, A. wadji, & Mokhtar, S. (2010). *Critical Appraisal of Shari'ah Issues on Ownership in Asset-Based Sukuk As Implemented in the Islamic Debt Market*. https://www.iefpedia.com/english/wp-content/uploads/2011/02/B108

Faozan, A. (2013). Implementation of *Good Corporate Governance* and the Role of the Sharia Supervisory Board in Sharia Banks. *La_Riba: Journal of Islamic Economics*, *7*(1), 1– 14. https://doi.org/10.20885/lariba.vol7.iss1.art1

Febriadi, S. R. (2017). Application of Maqashid Sharia in the Field of Sharia Banking. *Amwaluna: Journal of Sharia Economics and Finance*, *1*(2), 231–245. https://doi.org/10.29313/amwaluna.v1i2.2585

Fitri, W. (2022). The Influence of the Integrity of Islamic Banking as a Financial Sector in Improving the Indonesian Economy During the Pandemic. *Journal of Legal Communication*, *8*(1), 319. https://www.kemenkeu.go.id/publikasi/siaran- pers/

Freeman, R. E., & Reed, D. L. (1983). Stockholders and Stakeholders: A New Perspective on Corporate Governance. *California Management Review*, *25*(3), 88–106. https://doi.org/10.2307/41165018

Ghasemi, A., & Zahediasl, S. (2012). Normality tests for statistical analysis: A guide for non-statisticians. *International Journal of Endocrinology and Metabolism*, *10*(2), 486–489. https://doi.org/10.5812/ijem.3505

Ghozali, I. (2016). Multivariate analysis application with IBM SPSS 23 program. Gujarati, D. N., & Porter, D. C. (2012). Fundamentals of Econometrics, 5th Edition. Jakarta: Salemba Four.

Hoerunisa, N., Karbaila, F. Z. T., Pratama, B. C., Annisa, S. R. D., & Ismail, A. F. (2023). The Influence of the Audit Committee and Intellectual Capital on the Performance of Maqashid Syariah. Derivative: Journal of Management, 17(1), 50-63.10.24127/jm.v17i1.886

IFSB. (2023). *Islamic Financial Services Board*. www.ifsb.org

Ilyas, R. (2021). The Role of the Sharia Supervisory Board in Sharia Banking. *DID (Banking Journal Sharia)*, *2*(1), 42–53. https://doi.org/10.46367/jps.v2i1.295

Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure. *Journal of Financial Economics*, *3*, 305–360. https://doi.org/10.1016/0304-405X (76)90026-X

Khan, I., & Zahid, S. N. (2020). The impact of Shari'ah and corporate governance on Islamic banks performance: evidence from Asia. International Journal of Islamic and Middle Eastern Finance and Management, 13(3), 483-501. https://doi.org/10.1108/IMEFM-01-2019-0003

Kharisma, A., & Agustina, L. (2015). The Influence of Corporate Governance Mechanism and Company Size on Profit Equalization Practices. *Accounting Analysis Journal*, *4*(2), 1–10. http://journal.unnes.ac.id/sju/index.php/aaj

Kholid, M. N., & Bachtiar, A. (2015). Good corporate governance and performance of *Maqaṣid* sharia of Islamic banks in Indonesia. *Indonesian Journal of Accounting & Auditing*, *19*(2), 126–136. https://doi.org/10.20885/jaai.vol19.iss2.art4

Kighir, A. E., Omar, N. H., & Mohamed, N. (2015). Corporate cash flow and dividends smoothing: a panel data analysis at Bursa Malaysia. Journal of Financial Reporting and Accounting, 13(1), 2-19. https://doi.org/10.1108/JFRA-09-2013-0072

Marheni, & Emawati, L. (2022). Islamic Corporate Governance, Islamic Social Reporting and Sharia Maqashid in Sharia Banks in Indonesia. *Scientific Journal of Islamic Economics*, *8*(1), 146–153. https://doi.org/10.29040/jiei.v8i1.4267

Meilani, S. E. R. (2015). *The Relationship of the Implementation of Sharia Good Business Governance to the Islamic Financial Performance Index of Sharia Banks in Indonesia*. http://hdl.handle.net/11617/6084

Mohammed, M. O., Razak, D. A., & Taib, F. M. (2008). *The Performance Measures of Islamic Banking Based on the Maqaṣid Framework 1*. http://www.atimes.com/atimes/Global_Economy/FH20Dj02.html

Mohammed, M. O., Tarique, K. M., & Islam, R. (2015). Measuring the performance of Islamic banks using maqāṣid-based model. *Intellectual Discourse*, *23*, 401– 424. https://doi.org/10.31436/id.v23i0.692

Mukhibad, H., Rochmatullah, M. R., Warsina, W., Rahmawati, R., & Setiawan, D. (2020). Islamic corporate governance and performance based on *Maqaṣid* sharia index– study in Indonesia. *Journal of Business Strategy*, *24*(2), 114–126. https://doi.org/10.20885/jsb.vol24.iss2.art2

Mutia, E., & Musfirah, N. (2017). The Maqashid Shariah Index Approach as a Measurement of Islamic Banking Performance in Southeast Asia. *Journal of Accounting and Finance Indonesia*, *14*(2),181–201. https://doi.org/10.21002/jaki.2017.10

Nasrum, M., & Akal, A. T. U. (2018). *Corporate Governance (Concepts, Theories, and Applications in Several Asian Countries).* 10.31227/osf.io/zpfnx

Nugraha, D., Maghfira Anderin, R., Erfani, T., Fithriya, T., Muthohharoh, M., & Economics Study Program, M. (2023). Analysis of the Role of Dual Banking System in the Perspective of Sharia Economics. *Scientific Journal of Islamic Economics*, *9*(01), 1315–1321. https://doi.org/10.29040/jiei.v9i1.7360

Paryadi. (2021). Maqashid Sharia: Definition and Opinion of Ulama. *Cross- Border*, *4*(2), 201–216.

Putriana, A., Riduan Abdillah, M., Anjaswari, G., & Fitriyani, Y. (2024). Islamic Corporate Governance and Financial Statement Fraud in Sharia Banks in Indonesia: Content Analysis. *Journal of Business Economics, Management and Accounting (Jebma), 04*(01), 428–429. 10.47709/jebma.v4i1.3591

Rama, A. (2015). Descriptive Analysis of the Development of Islamic Banking in Southeast Asia. *The Journal of Tauhidinomics*, *1*(02), 105–128. https://www.researchgate.net/publication/309634383

Sarwoko, H. (2017, April). Agency Theoryperspectivein Implementation Of Corporate Governance. In Proceedings of The 2th International Multidisciplinary Conference 2016 (Vol. 1, No. 1). https://jurnal.umj.ac.id/index.php/IMC/article/view/1167/1061

Sekaran, U. (2006). *Research methods fot business. A skill building approach*. John Wiley and Sons.

Shrestha, N. (2020). Detecting multicollinearity in regression analysis. American Journal of Applied Mathematics and Statistics, 8(2), 39-42. DOI:10.12691/ajams-8-2-1

Sobarna, N. (2021). Eco-Iqtishodi analyzes the differences between Islamic banking and conventional banking. *Scientific Journal of Sharia Economics and Finance*, *3*(1), 53. https://doi.org/10.32670/ecoiqtishodi.v3i1.665

Srairi, S. (2015). Corporate governance, disclosure practices and performance of Islamic banks in GCC countries. Journal of Islamic Finance, 4(2). https://doi.org/10.31436/jif.v4i2.88

Sugiyono, D. (2013). Educational research methods are quantitative, qualitative and R&D approaches.

Sulistyawati, A. I., Ati, H., & Santoso, A. (2020). Analyze the Factors Influencing the Performance of Maqashid Syariah Sharia Banks in Indonesia. *Scientific Journal of Islamic Economics*, *6*(2), 142. https://doi.org/10.29040/jiei.v6i2.986

Syukron, A. (2015). Good Corporate Governance at Bank Sharia. Eksyar: Journal of Sharia Economics & Islamic Business, 2(1), 148-173. https://ejournal.staimta.ac.id/index.php/eksyar/article/view/76/81

Triyuwono, I. (2011). Raising "others" for the formulation of sharia added value. *Journal of Multiparadigm Accounting*, *2*(2), 186–200.

Wardoyo, D. U., Rahmadani, R., & Hanggoro, P. T. (2022). *Good Corporate Governance* in the Perspective of Agency Theory. *Ecoma: Journal of Economics, Management, Accounting*, *1*(1), 39–40. https://doi.org/10.56799/ekoma.v1i1.25

Widarjono, A. (2009). Econometrics: Introduction and Application Equipped with Eviews Application. Yogyakarta, Indonesia: Econisia Publishers.

Yulianto, M. D., & Darwanto, D. (2023). *Good Corporate Governance* and Performance of Maqashid Sharia in Southeast Asian Sharia Banking. *Al-Tijary*, *9*(1), 35– 51. https://doi.org/10.21093/at.v8i2.5981

DOI: https://doi.org/10.15408/aiq.v16i2.41291