

GOOD CORPORATE GOVERNANCE ANALYSIS OF THE PERFORMANCE OF MAQASHID SHARIA BANK MUAMALAT INDONESIA



Fikri Abdulloh Ahmad¹
Institut Teknologi dan Bisnis Ahmad Dahlan, Jakarta, Indonesia
fikri.progres@gmail.com

Pitri Yandri²
Institut Teknologi dan Bisnis Ahmad Dahlan, Jakarta, Indonesia
p.yandri@gmail.com

Abstract

Measuring the performance of Sharia banking using financial ratios that are currently frequently used, such as ROA, ROE, CAMELS, and so on, is considered unable to describe the true value of Sharia banking. Muhammad, Razak, and Taib developed sharia bank performance measurement based on Abu Zahra's maqashid sharia concept with 3 main objectives, namely *tahdzib alfaridi* (educating people), *iqamah al-'adl* (upholding justice), and *jalb al-maslahah* (public interest) which later called the Maqashid Syaria Index (MSI). In achieving good maqashid sharia values, of course, good corporate governance is needed. The board of directors, commissioners and also the sharia supervisory board are considered to have an important role in the supervision and direction of sharia bank policy, so they become the main instruments in implementing Good Corporate Governance (GCG). This research examines the influence of internal ownership of directors and commissioners, tenure of directors and commissioners, concurrent DPS positions, and DPS expertise on the performance of Bank Muamalat Indonesia's MSI using panel data regression. The results of this research show that the internal ownership of commissioners, the terms of office of directors and commissioners influence the MSI of Bank Muamalat Indonesia, while the internal ownership of directors, DPS expertise, and dual DPS positions do not influence the MSI of Bank Muamalat Indonesia.

Keywords: Bank Muamalat Indonesia, GCG, Maqashid Sharia Index

INTRODUCTION

Islamic banks, as a vital component of the financial industry, play an important role in stimulating a country's economic development, especially in supporting real economic expansion. This can be seen from the financial sector's ability to mobilize savings capital. In Indonesia, the first Sharia bank established was Bank Muamalat Indonesia (BMI). Founded on November 1st, 1991, Bank Muamalat Indonesia officially operated on May 1st, 1992. Different from banks in general in Indonesia at that time, Bank Muamalat as a Sharia bank carried out its operations in accordance with Islamic norms and was based on Sharia.

From 1997 to 1998 Indonesia experienced an economic crisis. This was characterized by very drastic changes, including a jump in the interest rate for Bank Indonesia Certificates (SBI) from 10.5 percent in June 1997 to 70.8 percent in July 1998. Bank Muamalat Indonesia, which at that time adhered to Sharia principles, remained unaffected by the crisis. This encourages economists and the public to pay attention to the existence of Islamic banking. As a result, the government finally issued Law Number 10 of 1998 concerning Sharia banking, which provides the opportunity to establish banks based on a profit-sharing system as a way to support the Islamic financial industry.

Being the first Sharia bank and still existing today does not mean it does not have problems. The many Sharia banks that have emerged from conventional banking through Sharia business units and developed into Sharia commercial banks also add to the competitive challenges for Bank Muamalat. The ups and downs of Bank Muamalat's journey can be seen from the balance sheet and profit and loss published in the annual report.

Based on BMI's financial data for the last 7 years (2016-2022), it shows that the profit earned did not reach 100 million. Since 2015, Bank Muamalat Indonesia has been in trouble due to a lack of capital, and shareholders are reluctant to inject funds back. Based on news released by CNBC Indonesia in 2017, the capital adequacy ratio (CAR), or BMI capital adequacy ratio fell to 11.58%. BMI's performance also continues to be eroded due to problematic financing or NPF, whose level once reached 5%. The period from 2019 to 2021 was the period with the worst operating profit values where BMI was unable to record operating profits reaching 20 billion.

In 2022, BMI's operating profit appears to have started to increase, where BMI managed to record an operating profit of 97 billion. To improve BMI's performance again, strategic steps need to be taken to compete effectively with other Sharia commercial banks. One of these steps is to improve financial performance. Improving financial performance is seen as an effort to maintain customer trust, ensuring they remain loyal and satisfied using BMI services. Improving financial performance is directly related to the overall condition of the bank.

However, what is currently happening is that the market and regulators still assess the performance of Islamic banks based on the growth ratio of asset value and market share value so that it is no different from conventional banks which have a profit orientation. Badreldin (2009) stated that so far, measuring performance value in Islamic banks still focuses on aspects of financial assessment taken from measurement methods usually used in evaluating the performance of conventional banks. Sharia bank performance assessment is generally limited to evaluating financial performance by utilizing indicators such as CAMELS, ROA, and so on. These methods are considered unable to fully reflect the performance of Sharia banking due to the differences in function and objectives between Sharia banking and conventional banking, as stated by Jazil and Syahrudin (2013).

In 2008, Mohammad, Taib, and Razak developed a way to measure the performance of Sharia banking using the Maqashid Syaria theoretical approach initiated by Abu Zahra. Abu Zahra's theory divides Maqashid Sharia into 3 aspects of objectives, namely: *tahdzib al-fardi* (educating people), *iqamah al-adl* (upholding justice), and also *jalb al-maslahah* (public interest). The significant growth in profits earned by Islamic financial institutions is expected to not only benefit their owners and staff, but it will also provide positive results for all stakeholders related to Islamic banking. This led to the development of an indicator known as the Maqâshid Shariah Index (MSI). The Maqasid Shariah Index (MSI) is used to assess the performance of sharia banking by identifying its Islamic elements, especially those related to *maslahah* objectives. (Mohammed, Razak, and Taib 2008).

Achieving the goals of maqâshid sharia requires the implementation of the concept of good corporate governance (GCG). With GCG, it is hoped that it will be able to increase compliance with applicable laws and ethics, improve the performance of sharia banks, and

be able to provide optimum protection to stakeholders in accordance with sharia objectives (Kholid and Bachtiar 2015). In Indonesia itself, the implementation of GCG/Good Corporate Governance has become a regulation that has been enforced since 2009 by Bank Indonesia (PBI 2009). The governance structure of Sharia banks consists of four main organs, namely, the Board of Commissioners, Directors, Sharia Supervisors (DPS), and also the GMS.

As part of the company structure, the board of commissioners has the function of supervising and providing advice to the directors and their staff regarding Sharia banking operational responsibilities. The board of directors, as an important organ of the company that manages and has responsibilities, is one of the highlights of banking performance. DPS is a board tasked with supervising Bank activities by providing advice and suggestions to the Board of Directors so that they comply with Sharia Principles (PBI, 2009). Each board has a role according to its functions, duties, and responsibilities in implementing GCG. Sharia banks in their management must refer to standards and governance guidelines that are in accordance with sharia principles to achieve *maqâshid sharia* (Jumansyah and Syafei 2013).

The three types of boards (directors, commissioners, and sharia supervisors) are very important in the structure of Sharia banks, thus motivating this research to analyze the impact of the characteristics of these three types of boards on the performance of the *maqâshid sharia* of Bank Muamalat Indonesia. In general, the research aims to analyze 4 main characteristics of the board, namely (1) the portion of share ownership by the board, (2) the board's educational background in the fields of economics and finance or *muamalah* fiqh and sharia economics, (3) multiple positions, and (4)) term of office of the board.

The characteristics of the board of directors are classified in terms of the portion of share ownership by the board, the board's educational background in the fields of economics and finance or *muamalah* fiqh and sharia economics, multiple positions, and the term of office of the board. Researchers have used financial report data since the enactment of Bank Indonesia Regulations regarding the implementation of CGC, namely 2009, until the latest GCG report, namely 2021. The novelty of this research is by using 4 measures of board characteristics, and using control variables, namely firm size, and profit growth, as well as analyzing BUS financial reports since the enactment of Bank Indonesia Regulations related to GCG, namely in 2009, until now.

RESEARCH METHOD

This research is a quantitative type where the data collection uses secondary data for all variables. This research analyzes the relationship between maqashid sharia performance variables (MSI) as the dependent variable and board characteristics as the independent variable. This research uses Bank Muamalat Indonesia's annual reports from 2009 to 2022 on the website as of 2023. The year 2009 was chosen because that year was the year when Islamic banks were required to implement and report their GCG practices. This research uses panel data regression analysis in the process of testing the influence that exists between variables.

Dependent Variable

In this research, Bank Muamalat Indonesia's performance assessment uses the MSI measurement method developed in 2008 by Mohammed, Razak, and Taib. The Maqashid Syari'ah performance measurement process involves certain steps, which involve calculating the elements of each objective based on predetermined weights, as explained in the following table:

Table 1.
MSI Measurement Ratio

| Concept (Goal) | Dimensions | Element | Performance Ratio |
|--------------------|---|-------------------------|---|
| Educate Individual | Progress Knowledge | Education Assistance | R1. Help education/total costs |
| | | Study | R2. Research costs/total costs |
| | Skill Improvement | Training | R3. Training costs/total costs |
| | Increase Awareness of Islamic Sharia Bank | Publication | R4. Promotion costs/total costs |
| Build Justice | Fair Contracts | Fair Returns | R5. Net profit/total revenue |
| | Affordable services and products | Functional Distribution | R6. Mudharabah & musyarakah financing/total financing |
| | Remove Injustice | Flower Free Products | R7. Interest-free income/total income |

| | | | |
|-----------------|---------------------------------|------------------------------|--|
| Public Interest | Profitability | Profit Ratio | R8. Net profit/total assets |
| | Distribution Income and Welfare | Income Transfer | R9. Zakat/net assets |
| | Investment in the Real Sector | Real sector investment ratio | R10. Total real sector investment/total assets |

Table 2.

Weight of Each MSI Goal

| Objective | Goal Weight (%) | Element | Element Weight (%) |
|---------------|-----------------|-----------------------------------|--------------------|
| T1. Education | 30 | E1. Education Assistance | 24 |
| | | E2. Study | 27 |
| | | E3. Training | 26 |
| | | E4. Publication | 23 |
| | | Total | 100 |
| T2. Justice | 41 | E5. Fair Returns | 30 |
| | | E6. Functional Distribution | 32 |
| | | E7. Interest free product | 38 |
| | | Total | 100 |
| T3. Welfare | 29 | E8. Profit ratio | 33 |
| | | E9. Income Transfer | 30 |
| | | E10. Real sector investment ratio | 37 |
| | | Total | 100 |
| Total | 100 | | |

Independent Variable

The independent variables in the research are based on previous research calculations with the following details:

Table 3.
Independent Variable

| Variable | Draft | Indicator | Researcher |
|---------------------------|-----------------------------------|--|------------------------------|
| Internal Ownership | Board shares ownership in banking | The percentage of shareholding by the board of a | • Ujiyantho & Pramuka (2007) |

| | | | |
|--------------------------|--|--|--|
| | | company's share capital. | • Horváth & Spirollari (2012) |
| Skill | A board that has expertise in finance/accounting and <i>muamalah</i> fiqh | Percentage of board members who know finance/accounting and <i>muamalah</i> fiqh | • Mahmudi & Nurhayati (2014) • Matoussi & Grassa (2012) |
| Dual Position | Board members who have positions in banking or other companies. | Percentage of board members who have concurrent positions. | • Nomran, Haron, & Hassan (2018) • Young (2017) |
| Length of Service | The period of work that has been carried out and carried out by the board to understand its duties well. | The term of office of the board is measured in years | • Maulia & Januarti, (2014) • Amin & Sunarjanto (2016) • Vafeas (2003) |

Control Variables

In this study, there are two control variables used, namely company size which is symbolized by the value of total assets, and profit growth by calculating;

$$\text{Profit Growth} = \frac{\text{Operating Profit Year } t - \text{Operating Profit Year } t - 1}{\text{Operating Profit Year } t - 1}$$

Information :

Operating profit in year t : operating profit for the current year

Operating profit for year t-1 : previous year's operating profit

RESULTS AND DISCUSSION

Classical Assumption Test

The results of the normality test from research using this control variable show that the data is normal with a probability of 0.1180 where > 0.05. Meanwhile, the results of the multicollinearity test between independent variables show that all VIF values are <10, meaning they are free from multicollinearity. Testing the classic assumption of

heteroscedasticity also shows a probability value of $0.9041 > 0.05$, so it is declared to have passed the heteroscedasticity test.

Hypothesis Testing

Hypothesis testing is carried out using three methods, namely the F test, R2 test, and T-test. These three tests are analyzed using a fixed effect assumption model for testing by including control variables.

| Source | SS | df | MS | | | |
|----------|------------|----|------------|-----------------|--------|--|
| Model | .001823045 | 8 | .000227881 | Number of obs = | 14 | |
| Residual | .000273054 | 5 | .000054611 | F(8, 5) = | 4.17 | |
| Total | .002096099 | 13 | .000161238 | Prob > F = | 0.0662 | |
| | | | | R-squared = | 0.8697 | |
| | | | | Adj R-squared = | 0.6613 | |
| | | | | Root MSE = | .00739 | |

| MSI | Coef. | Std. Err. | t | P> t | [95% Conf. Interval] | |
|---------|-----------|-----------|-------|-------|----------------------|-----------|
| BOC_OWN | 117.6207 | 42.53498 | 2.77 | 0.040 | 8.280994 | 226.9603 |
| BOC_TEN | .0309479 | .0081262 | 3.81 | 0.013 | .0100588 | .051837 |
| BOD_OWN | -.007263 | .0319236 | -0.23 | 0.829 | -.0893251 | .0747991 |
| BOD_TEN | -.0091639 | .0028021 | -3.27 | 0.022 | -.016367 | -.0019608 |
| DPS_EXP | -.021164 | .0130948 | -1.62 | 0.167 | -.0548251 | .0124972 |
| DPS_CRM | .0004795 | .0343131 | 0.01 | 0.989 | -.0877251 | .0886841 |
| SIZE | 5.90e-30 | 3.46e-30 | 1.71 | 0.149 | -2.99e-30 | 1.48e-29 |
| GROWTH | -.0012424 | .0008519 | -1.46 | 0.205 | -.0034324 | .0009476 |
| _cons | .297447 | .0246253 | 12.08 | 0.000 | .2341456 | .3607485 |

Figure 1.
Statistical Test Results

The results of the Simultaneous Significance test (F Statistical Test) in this study were found to be $F(8, 5) = 4.17$, then look for comparative values using the F-table. The following is a picture of the F-table (8, 5);

| df untuk penyebut (N2) | df untuk pembilang (N1) | | | | | | | | | | | | | | |
|------------------------|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 1 | 161 | 199 | 216 | 225 | 230 | 234 | 237 | 239 | 241 | 242 | 243 | 244 | 245 | 245 | 246 |
| 2 | 18.51 | 19.00 | 19.16 | 19.25 | 19.30 | 19.33 | 19.35 | 19.37 | 19.38 | 19.40 | 19.40 | 19.41 | 19.42 | 19.42 | 19.43 |
| 3 | 10.13 | 9.55 | 9.28 | 9.12 | 9.01 | 8.94 | 8.89 | 8.85 | 8.81 | 8.79 | 8.76 | 8.74 | 8.73 | 8.71 | 8.70 |
| 4 | 7.71 | 6.94 | 6.59 | 6.39 | 6.26 | 6.16 | 6.09 | 6.04 | 6.00 | 5.96 | 5.94 | 5.91 | 5.89 | 5.87 | 5.86 |
| 5 | 6.61 | 5.79 | 5.41 | 5.19 | 5.05 | 4.95 | 4.88 | 4.82 | 4.77 | 4.74 | 4.70 | 4.68 | 4.66 | 4.64 | 4.62 |
| 6 | 5.99 | 5.14 | 4.76 | 4.53 | 4.39 | 4.28 | 4.21 | 4.15 | 4.10 | 4.06 | 4.03 | 4.00 | 3.98 | 3.96 | 3.94 |

Figure 2.
F-Table

It is found that the F-table value is 4.82 and compared with the F-calculated value. The value obtained was $4.82 > 4.17$, meaning that the relationship between simultaneous

variables or the three variables X1 (characteristics of the board of commissioners), X2 (characteristics of the board of directors), and Based on the results of the F test, it shows that the regression model in this research can be used for predictions. The coefficient of determination test results (R²) in this study were 0.8697. The results of the partial significant test (T-test) in this study are explained as follows:

- a. There is a significant influence of the commissioner's internal ownership factor on MSI, which can be concluded from the P value found in the commissioner's internal ownership variable of 0.040, which is smaller than 0.05. In other words, hypothesis 1a is confirmed. Meanwhile, the internal ownership factor of directors does not have a significant influence on MSI. This conclusion can be drawn from the results of the P value for the internal director ownership variable which is 0.829, which is greater than 0.05. Thus, hypothesis 1b is not proven.
- b. The expertise factor of the sharia supervisory board does not have a significant effect on MSI. This can be concluded from the results of the P value of the sharia supervisory board expertise variable of $0.167 > 0.05$. Thus hypothesis 2a is not proven
- c. The factor of having multiple positions on the sharia supervisory board does not have a significant effect on MSI. This can be concluded from the results of the P value of the variable holding multiple positions on the sharia supervisory board of $0.989 > 0.05$. Thus hypothesis 3a is not proven
- d. There is a significant influence of the Board of Commissioners' tenure factor on MSI, which can be concluded from the P value for the Board of Commissioners' tenure variable of 0.013, which is greater than 0.05. In other words, hypothesis 4a is confirmed. Meanwhile, the term of office of the board of directors also has a significant influence on MSI. This conclusion can be drawn from the results of the P value for the board of directors' tenure variable which is 0.022, which is greater than 0.05. Thus, hypothesis 4b is also confirmed.

The Influence of Internal Board Ownership on the Performance of Maqashid Bank Muamalat

This internal ownership is closely related to the principle of Independence in GCG. Objective decision-making can be achieved provided there is an independent attitude from business actors. Independence itself is defined as avoiding domination/pressure by any party to be free from the influence of the interests of certain individuals or groups, free from the interests of other parties (conflict of interest), and free from all influence or pressure (KNKG, 2006; GGBS, 2011).

The results of hypothesis testing with control variables prove that the commissioner's internal ownership of Bank Muamalat's maqashid performance has a significant influence, while the director's internal ownership variable on Bank Muamalat's maqashid performance does not show a significant influence.

The research results that the board of commissioners' share ownership has a positive influence on bank performance are in line with research by Horváth & Spirollari (2012) on 136 companies in the US which revealed that internal ownership has a positive influence on company performance. This internal ownership can provide a strong incentive mechanism to increase share prices. Tjeleni's (2013) research also reveals that managerial ownership, which is proxied by share ownership by commissioners, has a positive influence on the company's debt policy. Wijethilake, Ekanayake, & Perera (2015) found that board share ownership in a company has a positive impact on company performance because there is a sense of ownership of the company, thereby increasing interest in company growth.

Research by Abidin, Kamal, & Jusoff, (2009) reveals that internal ownership of the board of directors does not affect company performance in Malaysia. He revealed that insignificant ownership by the board of directors could mean that the directors were not motivated by equity interests in the company. This is also in line with research by Widagdo & Chariri (2014) which reveals that there is no significant influence of directors' share ownership on company performance, namely EPS (Earnings Per Share) does not have a significant influence.

This phenomenon may occur because of the paternalistic system that exists in Indonesia, namely the desire of controlling shareholders to take part in decision-making. This behavior will make decision-making slow and inflexible because the main shareholders try to supervise and influence management in making decisions. After all, management has a small percentage of share ownership. This can also be understood because the board of commissioners has a much larger portion of share ownership than the directors. Commissioners in the 2021 and 2022 periods own up to 5% more shares, while directors' share ownership does not reach 1%, only 0.02%.

The Influence of Sharia Supervisory Board Expertise on the Performance of Maqashid Bank Muamalat

The results of hypothesis testing prove that DPS expertise on Bank Muamalat's maqashid performance does not have a significant influence. These results are in line with research by Fakhruddin & Abdullah Jusoh (2018) which found that there was no significant relationship between DPS skill and Shariah Compliance. Research by Luthan and Mazelfi (2023) also found that DPS educational background does not influence risk-taking in Sharia banking. Sutapa and Hanafi (2019) also found that DPS expertise does not affect Islamic Social Reporting (ISR).

There is a perception that DPS are generally not subjected to the same tests of their credibility and integrity as other financial professionals such as lawyers, accountants, and bankers who are regulated by their professional bodies and compelled by specific professional ethics. Indeed, most DPS members in Sharia banking are Islamic scholars, and only a few of them have accounting, banking, economics, and financial expertise so they have limited knowledge and exposure to Sharia principles and product knowledge (Andriana & Muhamad, 2015). Most DPS have a lack of experience in banking which affects their ability to issue well-informed decisions about financial products and activities.

High capabilities and competencies are needed by Islamic banks which also carry out activities like banking in general, and from time to time they need to be dynamic in adapting to changes. Therefore, managing Islamic banking requires employees who are qualified in education and competent accompanied by good morals. Sometimes, very specialized and

technical knowledge is required to manage a banking business. One method that can be used by Islamic banks to achieve this goal is to organize education and training programs for their staff (Prasetyowati & Handoko, 2016).

Concurrent Positions of the Sharia Supervisory Board on the Performance of the Sharia Banking Maqashid

The results of the hypothesis analysis show that the use of multiple positions on the Sharia Supervisory Board (DPS) does not have a significant influence on the performance of Maqashid Bank Muamalat. These results are in line with previous research by Ardian & Adityawarman (2015), which also confirmed that there was no significant relationship between dual DPS positions and disclosure of DPS reports. Apart from that, research conducted by Billah and Fianto in 2021 also did not find a significant influence between the dual positions of the Sharia Supervisory Board (DPS) and the performance of Sharia Banks, as measured by the return on assets (ROA) profitability ratio.

A study conducted by Muda in 2017 also verified that holding multiple positions does not have a significant influence on the disclosure of Islamic social reports. Regarding the issue of confidentiality and conflict of interest, this is because some Sharia Supervisory Boards serving in some institutions will have privileged access to confidential information relating to Islamic banks, and this could have a negative impact if they disclose it to their competitors.

Another reason that causes this is a clear division of authority and duties: Sometimes, even though there are multiple positions, Islamic banks can have a clear structure in the division of authority and duties between DPS members. This allows them to remain effective in carrying out supervision, even though they have responsibilities at other banks or financial institutions.

The competence and dedication of DPS members are also believed to influence this. Even though someone has multiple positions, the success of the DPS depends on the competence, knowledge, and commitment of the DPS member. If DPS members have sufficient knowledge, high involvement, and dedication to their duties, DPS performance may remain optimal.

Board Term of Office on the Performance of Maqashid Bank Muamalat

The test results with control variables prove that there is a significant influence between the term of office of commissioners and directors on the performance value of maqashid Sharia of Bank Muamalat Indonesia. The variable of the term of office of commissioners has a significant positive impact, while the variable of the term of office of the board of directors has a significant negative relationship.

The findings from this test are the same as the results of research by Susanti, Saputra, and Harini (2018), which shows that the duration of a commissioner's term of office has a positive and significant influence on the profitability of banking companies listed on the Indonesia Stock Exchange. The results of this research confirm that the longer the term of office of members of the board of commissioners, the greater the banking company's ability to achieve profits. The reason behind this is that the longer the tenure of board members, the better opportunity they have to understand the characteristics and routines of management and other internal entities. This has a positive impact on the effectiveness of supervision, which can ultimately improve company performance.

The term of office of directors is considered to have a significant negative effect on Bank Muamalat's performance based on the results of research that has been conducted. This is in line with research by Widiyaya and Peny (2020) which proves that the term of office of the board of directors has a negative effect on the capital structure of companies listed on the Indonesia Stock Exchange. Puspitosari (2019) also found indications of a negative influence between the period of directorship on the quality of a company's financial reports. Bravo, and Reguera, (2017) in their research stated that the longer the term of office of the main director in a company, it can affect the quality of financial reports, because directors who have served for a long time feel that they have memorized the flow of operations and characteristics of the business, so they only provide supervision to only certain points and not comprehensively.

Vafeas (2003) also argues that boards with long tenures may become closer to managers and as a result reduce their independence in supervision, and their duties may be compromised. This will result in decreasing company performance in the long term.

CONCLUSION

The following thesis is written to analyze the influence of board characteristics on the performance of Bank Muamalat Indonesia's maqashid Sharia, with size and profit growth as controlling variables. Looking at the results of testing several hypotheses raised, it can be concluded as follows:

1. The test results prove that the internal ownership of the commissioners has a significant influence on the performance of MSI Bank Muamalat, while the internal ownership of the directors does not have a significant influence. This conclusion can be explained because the board of commissioners has a much larger portion of share ownership than the directors. Commissioners in the 2021 and 2022 periods own up to 5% more shares, while directors' share ownership does not reach 1%, only 0.02%
2. The test results prove that there is no effect between DPS expertise on Bank Muamalat's MSI performance. Most DPS have insufficient experience in banking, finance, and accounting which affects their ability to issue well-informed decisions about financial products and activities.
3. Looking at the results of hypothesis testing shows that there is no significant influence between the dual positions of the Sharia supervisory board (DPS) on the performance of Bank Muamalat's MSI. Multiple positions can create a conflict of interest between companies, but multiple positions do not cause losses for the company
4. The test results prove that there is an influence between the impact of the term of office of the board of commissioners and directors on the performance value of the Maqashid Syariah Index (MSI) of Bank Muamalat Indonesia. The variable term of office of the board of commissioners has a positive effect on MSI Bank Muamalat. A longer term of office of the board of Commissioners proves that the Board is more experienced, competent, and committed to overseeing the company's performance. The term of office of the board of directors has a negative effect on the performance of MSI Bank Muamalat. The long-term office of directors makes their relationship with managers closer, thereby allowing directors' reduced independence in their supervision and development duties to be compromised.

This research has various limitations, namely the method of measuring performance that is currently used does not provide clear guidelines regarding the level of good and bad performance in the context of Maqashid Sharia for Islamic banks. Measurements regarding the performance of sharia banking maqashid also need to experience continued development.

Future research can examine other Sharia banking to get a more comprehensive picture of the condition of Sharia banking in Indonesia. Future research can also use other performance measures such as ROA and others

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