



Impact of Islamic CSR and Intellectual Capital on the Maqashid Syariah Index in Indonesian Sharia Banks (2018-2022)

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ABSTRACT

This study examines the impact of Islamic Corporate Social Responsibility (ICSR) and Islamic Intellectual Capital (IIC) on the Maqashid Syariah Index, using theories such as stakeholder theory, Sharia Enterprise Theory, and Resource-Based Theory. The ICSR dimensions include Funding and Investment, Product and Service, Employee, Community, Environmental, and Governance, while the IIC dimensions cover Human Capital, Structural Capital, and Customer Capital. The research aims to analyze how these dimensions influence the Maqashid Syariah Index, which measures the achievement of Islamic principles in financial institutions. The study uses a quantitative approach, analyzing secondary data from the annual reports of eight Sharia Commercial Banks in Indonesia from 2018 to 2022. The sampling was done through purposive sampling, and data analysis was conducted using multiple linear regression with SPSS Statistics 25. The results reveal that the ICSR dimensions of Products and Services, Governance, and the IIC dimension of Structural Capital have a positive and significant impact on the Maqashid Syariah Index. However, the ICSR dimensions of Funding and Investment, Employee, Community, and Environmental, as well as the IIC dimensions of Human Capital and Customer Capital, show no significant effect on the Maqashid Syariah Index. This result indicates that certain aspects of ICSR and IIC are more critical in advancing the objectives of Islamic finance according to the Maqashid Syariah framework.

1. Introduction

The presence of Islamic banks since 1991 has provided a choice for Indonesians who want to be free from interest in transactions with banks. The banking system offered by Islamic banks is different from conventional banks, namely the Islamic system in all transactions, products, and operations. This Sharia system seeks to eliminate usury, gharar, and maisir, which are considered haram by Muslims. Instead, it is to present a profit-sharing, buying and selling, and leasing system in banking products in order to attract the majority of Muslim communities in Indonesia to transact with banks.

Sharia banking in Indonesia began with the establishment of Bank Muamalat Indonesia (BMI) in 1991. In February 2021, the Government of Indonesia officially announced the merger of three Islamic banks under the auspices of SOEs. The three Islamic banks consist of BNI Syariah, BRI Syariah and Mandiri Syariah, where BNI Syariah and Mandiri Syariah merged with BRI Syariah with a new name, namely Bank Syariah Indonesia. In accordance with Islamic banking statistics data by the Financial Services Authority (OJK), Sharia Commercial Banks in Indonesia have experienced positive progress.

**Growing Number of Banks and Number of Offices
Sharia Commercial Banks in Indonesia 2018-2022**

Year	2018	2019	2020	2021	2022
Number of Banks	14	14	14	12	13
Number of Offices	1.875	1.919	2.034	2.035	2.007
Number of Assets	316.691	350.364	397.073	441.789	531.860

Source: Sharia Bank Statistics, Financial Services Authority

Table 1.1 shows that the total assets of Islamic commercial banks in 2018 amounted to Rp 316,691 billion. Then it increases every year until 2022 the total assets of Islamic commercial banks reach IDR 531,860 billion, as well as the number of Islamic commercial bank offices increases every year, only decreasing in 2022 with the number of 2,007, in the previous year with the number of 2,035.

Islamic banking is one company that pays attention to its level of performance. The method of performance measurement carried out by Islamic banking so far still takes from conventional banking that is not in accordance with sharia objectives, so an evaluation process is needed for performance measurement in Islamic banking. As Islamic financial institutions, Islamic banks must comply with applicable Sharia principles when conducting their business. So that Islamic banks must provide benefits to the community in their operational activities and maintain a balance between material and spiritual aspects.

By maintaining this balance, Islamic banks are not profit-oriented per cent but return to the original purpose of Sharia law, i.e. Maqashid Shariah, Mohammed & Taib argue that the Maqashid Shariah Index (MSI) provides more positive results in terms of assessing the performance of Islamic banks than using performance measurement tools that only look at the financial side, as used in conventional banks. Variables used to measure Maqashid Shariah, i.e. individual education (educating individuals), creating justice (establishing justice), and common interests (maslahah).

Disclosure Islamic Corporate Social Responsibility (ICSR), called the Islamic Social Reporting Index developed by Haniffa and Othman, has six dimensions, namely funding and investment, products and services, employees, community, environment and corporate governance. The ICSR program, which covers these six aspects, can shape public opinions, opinions, assessments and responses to companies that run ICSR programs in the environment around where the company stands so that it can affect the company's image. A positive corporate image is an asset because it affects customer perceptions of the company's communications and operations and will ultimately attract investors and customers towards the company.

In addition to being faced with the implementation of ICSR, Islamic banking also faces problems in managing and allocating its resources. According to Solikhah et al., business people are beginning to realize that the ability to compete does not only lie in the ownership of tangible assets but more in innovation, information systems, organizational management and human resources they have. Thus, companies change their business strategies from businesses based on labour (labour-based business) become knowledge-based business (knowledge-based business), also referred to as intangible assets (intangible assets). One of the approaches used in the evaluation and measurement of intangible assets These are intellectual Capital. Intellectual Capital is classified into 3 (three) parts, namely, human Capital, structural Capital and customer capital. Human Capital is a dimension of intellectual Capital which deals with human knowledge and experience, which will affect the value of the company by influencing other elements in the company. Structural Capital is everything produced by employees, databases, software, guidelines, organizational structure and so on. It generally deals with knowledge in infrastructure that explains variables of organizational structure, culture and technology. Customer capital is an asset that is visible from the company's reputation and consumer loyalty. Customer capital is a harmonious relationship between the company and its partners, both from reliable and qualified suppliers.

Based on the background description described above and the results of previous studies that obtained inconsistent or different results, researchers are interested in researching the

return and latest with the object of research at Sharia Commercial Banks in Indonesia. This research was conducted by taking data from the last five years, namely 2018-2022, with the title "Pengaruh Islamic Corporate Social Responsibility and Islamic Intellectual Capital Towards Maqashid Syariah Index At Sharia Commercial Banks in Indonesia in 2018-2022".

2. Literature Review

Islamic Corporate Social Responsibility

Islamic Corporate Social Responsibility is a concept of corporate social responsibility with dimensions of Islamic economics, Islamic law, Islamic ethics, and Islamic philanthropy based on Islamic values contained in the Qur'an and Hadith. Implementation of Corporate Social Responsibility in Islam detail must meet several elements that make it spirit so as to distinguish Corporate Social Responsibility in an Islamic perspective with Corporate Social Responsibility universally, i.e. Al-Adl, Al-Ihsan, Benefits and Trust.

Related to the need for disclosure of Islamic Corporate Social Responsibility In Islamic banking, then comes the Islamic Social Reporting Index (from now on referred to as ISR index). ISR is a Sharia-based corporate social performance reporting standard. This index was born and developed on the basis of reporting standards based on the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), which Haniffa later developed made five ISR Index disclosure themes, namely Funding and Investment Theme, Product and Service Theme, Employee Theme, Community Theme, and Environment Theme. Then, it was developed by Othman et al. by adding one disclosure theme, namely the theme of Corporate Governance. Each disclosure theme has sub-themes as indicators of disclosure of that theme.

Islamic Intellectual Capital

According to Ulum, *Intellectual Capital* is everything that exists in the company that can help companies compete in the market; intellectual material includes knowledge, information, experience, and *intellectual property*, which is used to achieve well-being. From an Islamic point of view, *intellectual Capital* means everything owned by the company in the form of quality human resources and technology so that it can help the company compete to achieve prosperity with business ethics and Islamic values.

According to Kuspinta, three components underlie the value of intellectual Capital, which are as follows:

- a. *Capital Employed* (CE) is an intangible asset in the form of good relationships with business partners or *stakeholders* that can be known from the company's total equity. *Capital Employed* is measured using the *value-added Capital employed* (VACA) indicator. VACA is

able to show how much *added value* is created through the company's ability to manage *Capital Employed* (Ulum).

- b. *Human Capital* (HC), namely intangible assets in the form of expertise and skills of the workforce that can be known through the burden of employees of a company. Human Capital itself is measured using the value-added human capital (VAHU) indicator. VAHU is able to explain how much value added is created from the workload (Ulum).
- c. *Structural Capital* (SC), namely intangible assets in the form of governance, infrastructure, information systems and technology, and corporate image that can be known through VA and HC difference data. *Structural Capital can be assessed using the Structural capital value added* (STVA) indicator. STVA can show how much contribution SC units are needed in the *Value Added* (Ulum) creation process.

Maqashid Syariah Index

Etymologically, *maqashid syariah* consists of two words, namely *article*, which is the plural form of *Maqshud*, which means purpose. Sharia means the way to water or the road to the source of life can say it. According to Efendi, quoted by Cholismi and Kiki Damayanti *Maqasyid syariah*, It is the purpose of Allah and His Messenger to formulate Islamic law. This goal can be traced in the verses of the Qur'an and the sunnah of the Prophet as the logical reason for the formulation of a law-oriented towards human benefit. *Maqashid syariah* aims to find out the goals to be achieved by the formulator in promulgating the law. This goal is one of the important factors in establishing Islamic law produced through *ijtihad*.

Maqashid Syariah Index is a method of measuring Islamic banking performance developed by Mohammed, Dzuljastri and Taif. Their research entitled "The Performance Measures of Islamic Banking Based on the Maqashid Framework" Formulated performance evaluation for Islamic banking, which refers to the concept of Islamic maqashid. Development Maqashid Syariah Index Based on the discrepancy in the use of conventional performance indicators in Islamic banking. The discrepancy is caused by the difference in objectives between conventional indicators, which focus only on financial measurements, while the objectives of Islamic banking are multi-dimensional.

Mohammed & Taib has formulated a way of evaluating banking performance based on the concept of maqashid syariah, which was initiated by Abu Zahrah and was divided into three variables, which were then used in the formula Article Index. The three variables are Tahdzib al-Fard (educating individuals), Iqamah al-Adl (establishing justice), and Maslahah (welfare). The three variables are then divided into nine dimensions and ten elements, which will be compiled into performance ratios.

3. Research Method

This study used a causal associative approach. The causal associative approach is research that aims to determine the relationship or influence between one variable and another. This study was used to determine the influence of *Islamic Corporate Social Responsibility* and *Islamic Intellectual Capital* towards the *Maqashid Syariah Index*. The type of research used in this study is quantitative. In this study, the sampling technique is *purposive sampling*. *Purposive sampling* is a sampling technique with certain considerations. Some of the considerations/criteria set in this study are as follows:

- a. Sharia Commercial Banks in Indonesia in 2018-2022.
- b. Sharia Commercial Banks publish annual *reports* starting from the 2018-2022 period.
- c. Sharia Commercial Banks that have data related to variable measurements to be studied from 2018-2022

In this study, the analysis method used was multiple regression analysis with the help of SPSS software for statistical calculations. The equation model in this study is as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8 + \beta_9X_9 + e$$

Information:

Y: *Maqashid Syariah Index*

α : Constanta

B1- B11 - Koefisien Regresi

X1: ICSR Funding and Investment Dimensions

X2: ICSR Product and Service Dimensions

X3: ICSR Employee Dimensions

X4: ICSR Community Dimension

X5: ICSR Environmental Dimensions

X6: ICSR Dimensions of Governance

X7: IIC Dimensions *Human Capital*

X8: IIC Dimensions *Structural Capital*

X9: IIC Dimensions *Customer Capital*

and: Error

4. Result

Based on the table above, the results of the statistical test t of each independent variable against the dependent variable are as follows:

- 1) The Effect of ICSR Funding and Investment Dimensions on *Maqashid Sharia Index*
According to the table of regression test results above, the ICSR variable of the Funding and Investment Dimension obtained a calculated value of 1,661 with a significant value of 0.107. Where if the calculated value $< t_{table}$ ($1.661 < 1.697$) with a significant value of > 0.05 ($0.107 > 0.05$), it can be concluded that the ICSR variable of the Funding and Investment Dimension has no effect and is not significant on *Maqashid Syariah Index*.
- 2) The Effect of ICSR Product and Service Dimensions on *Maqashid Sharia Index*
According to the table of regression test results above, the ICSR variable of the Product and Service Dimension obtained a calculated value of 2,003 with a significant value of 0.024. Where if the calculated value $> t_{table}$ ($2,003 > 1,697$) with a significant value of < 0.05 ($0.024 < 0.05$), it can be concluded that the ICSR variable Product and Service Dimension has a positive and significant effect on *Maqashid Syariah Index*.
- 3) The Effect of ICSR Employee Dimension on the *Maqashid Sharia Index*
According to the table of regression test results above, it shows that the ICSR variable Employee Dimension obtained a calculated value of 0.899 with a significant value of 0.376. Where if the calculated value $< t_{table}$ ($0.889 < 1.697$) with a significant value of > 0.05 ($0.376 > 0.05$), it can be concluded that the ICSR variable Employee Dimension has no effect and is not significant on *Maqashid Syariah Index*.
- 4) The Effect of ICSR Community Dimension on the *Maqashid Sharia Index*
According to the table of regression test results above, the Community Dimension ICSR variable obtained a calculated value of 0.088 with a significant value of 0.931. Where if the calculated value $< t_{table}$ ($0.088 < 1.697$) with a significant value of > 0.05 ($0.931 > 0.05$), then it can be concluded that the ICSR variable of the Community Dimension has no effect and is not significant on *Maqashid Syariah Index*.
- 5) The Effect of ICSR Environmental Dimension on the *Maqashid Sharia Index*
According to the table of regression test results above, the Environmental Dimension ICSR variable obtained a calculated value of 1,577 with a significant value of 0.151. Where if the calculated value $< t_{table}$ ($1.577 < 1.697$) with a significant value of > 0.05 ($0.151 > 0.05$), then it can be concluded that the Environmental Dimension ICSR variable has no effect and is not significant on *Maqashid Syariah Index*.
- 6) The Effect of ICSR Governance Dimension on the *Maqashid Sharia Index*
According to the table of regression test results above, the ICSR variable of the Governance Dimension obtained a calculated value of 2,032 with a significant value of 0.011. Where if the calculated value $> t_{table}$ ($2.032 > 1.697$) with a significant value of < 0.05

($0.011 < 0.05$), it can be concluded that the ICSR variable of the Governance Dimension has a positive and significant effect on *Maqashid Syariah Index*.

7) The Effect of IIC Human *Capital Dimension* on the *Maqashid Sharia Index*

According to the table of regression test results above the IIC Dimension variable *Human Capital* obtained a calculated value of 1.372 with a significant value of 0.180. Where if the calculated value $< t$ -table ($1.372 < 1.697$) with a significant value > 0.05 ($0.180 > 0.05$), then it can be concluded that the variable IIC Dimension *Human Capital* has no effect and is insignificant to *Maqashid Syariah Index*.

8) IIC Effect of *Structural Capital Dimension* on *Maqashid Sharia Index*

According to the table of regression test results above, the IIC Dimension variable *Structural Capital* obtained a calculated value of 5.336 with a significant value of 0.000. Where if the calculated value $> t$ -table ($5.336 > 1.697$) with a significant value of < 0.05 ($0.000 < 0.05$), then it can be concluded that the IIC variable Dimension *Structural Capital* has a positive and significant effect on *Maqashid Syariah Index*.

9) The Effect of IIC Customer *Capital Dimension* on the *Maqashid Sharia Index*

According to the table of regression test results above the IIC Dimension variable *Customer Capital* obtained a calculated value of 0.130 with a significant value of 0.898. Where if the calculated value $< t$ -table ($0.130 < 1.697$) with a significant value > 0.05 ($0.898 > 0.05$), then it can be concluded that the IIC Dimension variable *Customer Capital* has no effect and is insignificant to *Maqashid Syariah Index*.

5. Discussion

The Influence of Islamic Corporate Social Responsibility on the *Maqashid Syariah Index*

The more ICSR disclosure items, the better the financial performance. In the long run, it will have an impact on the higher level of welfare of investors, employees, and *stakeholders*. Appropriate when viewed from the principle of theory *stakeholder*, which states that the company must provide benefits to all stakeholders and can be responsible by conveying information from its business activities properly. As stated in the Qur'an Surah An-Nahl verse 90:

"Verily Allah commands (you) to do justice and do good, to give help to relatives, and He forbids (to do) evil deeds, evil and enmity. He taught you so that you might learn lessons." (Q.S An-Nahl [16]: 90)

In addition to being responsible to important stakeholders, the company must also give its main responsibility to Allah SWT in order to achieve success in business and welfare both

for the company and for the surrounding environment, as expressed in the principles of *Sharia enterprise theory*. In addition, if *Islamic Corporate Social Responsibility* is Able to run effectively, the benefits are not only felt by the company but also by the community, government, and the environment. Because in its implementation, disclosure of *Islamic Corporate Social Responsibility* is directly in contact with the wider community.

Application *sharia enterprise theory* Islamic banks not only focus on achieving profits but also consider their position to provide welfare to the community. However, full attention has not been given by Islamic banks in Indonesia to *Islamic Corporate Social Responsibility*. The contributing factor is that there are no standards and guidelines that require Islamic banks to disclose their ICSR activities. ICSR accounting in Islamic banks does not yet have specific standards in terms of reporting and disclosure, so Islamic banks report their ICSR activities voluntarily according to their needs. Every expenditure they use for social activities is only recorded simply without any form of a special report. No standards for disclosure of *Islamic Corporate Social Responsibility*. Disclosure of *Islamic Corporate Social Responsibility* cannot influence the performance of Islamic banks in Indonesia.

a. The Effect of ICSR Funding and Investment Dimensions on *Maqashid Sharia Index*

Based on Table 4.9 above, the ICSR variable of the Funding and Investment Dimension has no effect and is not significant on *Maqashid Syariah Index*. The implementation of ICSR dimensions of funding and investment Because Islamic commercial banks have not fully carried out. By the *annual report* published by each Islamic Commercial Bank in 2018-2022, it is known that ICSR indicators of funding and investment dimensions, such as policies for late payment of receivables and write-offs of bad debts and statements of corporate value, many Islamic commercial banks do not carry out these indicators. The dimensions of funding and investment are incomplete, so the information is provided to *stakeholders*. Therefore, what makes ICSR the dimension of funding and investment does not have a significant effect on the *Maqashid Syariah Index*.

b. The Effect of ICSR Product and Service Dimensions on the *Maqashid Sharia Index*

Based on Table 4.9 above, the ICSR variable of the Product and Service Dimension has a positive and significant effect on the *Maqashid Syariah Index*. This principle is because the company has implemented all indicators of the ICSR dimensions of products and services well, such as the company's products offered, being environmentally friendly and ensuring safety and quality, are also clearly halal. In addition, if the company can provide good service, then customer satisfaction will be fulfilled so that it can improve company performance based on the *Maqashid Syariah index*.

c. The Effect of ICSR Employee Dimension on the *Maqashid Sharia Index*

Table 4.9 above shows that the ICSR variable of the Employee Dimension has no effect and is not significant on the *Maqashid Syariah Index*. This principle is because many Islamic commercial banks have not maximally implemented the ICSR indicator of employee dimensions. Several indicators have been implemented by Islamic commercial banks, such as indicators of the nature of work (working hours, holidays, other benefits), indicators of employee education and training, indicators of equal rights between men and women, indicators of employee health and safety, indicators of the work environment, indicators of Giving appreciation, awards, and promotions for outstanding employees, indicators of Muslim employees are allowed to perform compulsory prayers at prayer times and fasting at the time of Ramadan. Muslim employees are allowed to perform compulsory prayers at prayer times and fast during Ramadan, and indicators of adequate worship facilities for employees. However, there are still many Islamic commercial banks that have not implemented some employee dimension indicators, such as employee involvement indicators and employee indicators from special groups (physically disabled employees). It makes the ICSR dimension of employees to be influential. *Maqashid Syariah Index*.

d. The Effect of ICSR Community Dimension on the *Maqashid Sharia Index*

Table 4.9 above shows that the ICSR variable of the Community Dimension has no effect and is not significant on the *Maqashid Syariah Index*. This finding makes Islamic commercial banks have not maximally implemented the indicators of the ICSR community dimension. Several Islamic commercial banks have implemented ICSR indicators for the community dimension, such as indicators of almsgiving, donations or donations, indicators of waqf, indicators of benevolent funds, indicators of improving the quality of life of the community and indicators of charitable activities. However, there are still many Islamic commercial banks that have not implemented several indicators of the community dimension, such as indicators of granting scholarships, empowering work of school/college graduates, indicators of concern for children and indicators of sponsoring health, entertainment, sports, culture, education, and religious activities. This is why the ICSR dimension of society does not have a significant effect on the *Maqashid Syariah Index*.

e. The Effect of ICSR Environmental Dimension on the *Maqashid Sharia Index*

Table 4.9 above shows the ICSR variable Environmental Dimension has no effect and is not significant on *Maqashid Syariah Index*. This finding means Islamic commercial banks have not maximally implemented the indicators of the ICSR environmental

dimension. Several Islamic commercial banks have implemented these environmental dimension indicators, such as environmental conservation indicators, environmental pollution indicators and environmentally friendly product indicators. However, there are still many Islamic commercial banks that have not implemented several environmental dimension indicators such as endangered animal protection indicators, environmental education indicators, environmental award/certification indicators and environmental management system indicators. This is why the ICSR environmental dimension does not have a significant effect on the *Maqashid Syariah Index*.

f. The Effect of ICSR Governance Dimension on the *Maqashid Sharia Index*

According to Table 4.9 above, the ICSR variable of the Governance Dimension has a positive and significant effect on the *Maqashid Syariah Index*. This finding means Islamic commercial banks have maximally implemented the indicators from the ICSR governance dimension. Among them are indicators of governance dimensions that have been implemented, such as indicators of Sharia compliance status, indicators of share ownership structure, indicators of Sharia supervisory board structure, indicators of disclosure of monopolistic practices or not and indicators of anti-money laundering, anti-corruption policies, *whistleblowing system*, and other anti-deviation policies.

This result corresponds to the principle of the theory of *stakeholder*, which states that the company must be able to be responsible by conveying information from its business activities properly. If implemented properly, the company will be able to operate properly with the aim of realizing mutual benefit. Good corporate governance is believed to be able to protect and anticipate problems in corporate governance that can cause high and adverse risks so that the company's performance will be better.

The Influence of *Islamic Intellectual Capital* on the *Maqashid Sharia Index*

Basically, the higher the iB-VAIC™ score of the BUS, the *Maqashid Syariah Index* is also getting better. This data shows that BUS, which has managed its intellectual Capital well, is also able to improve performance based on Sharia objectives, namely the *Maqashid Syariah Index*. *Resource-based view theory* Explains that the source of the company's sustainable competitive advantage is resources that include all assets, competencies, organizational processes, organizational uniqueness, information, knowledge and others controlled by the company to be able to implement strategies to be achieved effectively and efficiently. The resources owned by the company are important to be used in achieving competitive advantage so that it will have an impact on the company's profits.

Component management *Islamic Intellectual Capital* A good Islamic banking can create added value for him. Based on the added value owned by Islamic banking, investors will also

provide added value to Islamic banks through higher investment activities so as to improve Islamic banking performance. Management of *Islamic Intellectual Capital*, An efficient one with the right strategy and policy, will optimize performance at Islamic banks. In accordance with the word of Allah Almighty in Surah Al-Mujadalah, verse 11:

"O believers! When it is said to you, "Give space in the assemblies," then be spacious. Surely Allah will give space for you. And when it is said, "Stand ye up," then stand up, surely Allah will elevate (the degree of) believers among you and those who are given some degree of knowledge. And Allah is careful what you do." (Q.S Al-Mujadalah [58]: 11)

In Tafsir Ibn Kathir, the above verse mentions that Allah Almighty speaks as well as educates His servants who believe and command them to do good to each other in the council. Then, it was also explained that Allah SWT will elevate the status of people who believe and have knowledge. In other words, humans will be glorious before Allah SWT if they have knowledge obtained in the right way. Therefore, *Islamic Intellectual Capital* will be very important, especially for a company, in increasing the value of its company.

The Effect of IIC Human *Capital Dimension* on the *Maqashid Sharia Index*

Based on table 4.9 above shows the IIC Dimension variable *Human Capital* has no effect and is insignificant to the *Maqashid Syariah Index*. The results of this study are not in line with previous research conducted by Mohammad Iqbal Bagus Ramadhan et al., who stated that IIC Dimensions of *Human Capital* have a positive effect on the *Maqashid Syariah Index*. In line with research conducted by Yusro Rahma and Atiqah, who stated that IIC Dimensions *Human Capital* negatively affect the *Maqashid Syariah Index*.

Human Capital refers to the value of human resources contained in the company, including skills, knowledge, abilities, attitudes (*attitude*), competence, and quality of company employees, as well as good mechanisms that support and motivate employee performance, such as training and development of employee welfare. This finding is in line with one of the performance measures, *maqashid syariah*, i.e. about *Tahdhib al-Fard* (educating individuals) by developing knowledge.

Based on the rejected hypothesis, the results of this study are caused by Islamic banking companies in Indonesia para *human capital* or human resources in Islamic banking have not been maximally managed and developed human resources *competition* to improve performance *maqashid syariah*. Banking companies are still more focused on improving short-term financial performance (*return*).

The *absence* of influence can be due to less productive employees. *Islamic intellectual Capital* One of its components is *human Capital* as measured by employee load. A high employee

load is not a guarantee that the productivity of the workforce is also high. The increase in employee burden without being accompanied by an increase in high work productivity makes *Islamic Intellectual Capital*, as measured by *human Capital*, not affect performance as measured by *maqashid syariah*.

IIC Effect of *Structural Capital Dimension* on *Maqashid Sharia Index*

Based on table 4.9 above shows the IIC Dimension variable *Structural Capital* has a positive and significant effect on the *Maqashid Syariah Index*. The results of this study are in line with previous research conducted by Afni Eliana Saragih, which stated that IIC Dimensions *Structural Capital* has a Positive and significant effect on company performance. However, it is different from the results of research conducted by M. Sienly Veronica et al who stated that IIC Dimensions *Structural Capital* does not affect the company's performance.

Based on the accepted hypothesis, the results of this study indicate that Structural Capital (SC) influences the Performance of Maqashid Syariah. This finding is due to every implementation and management activity. Structural Capital Such an organizational system, intellectual property, technology or banking system does not simply refer to legitimate acts of banking that seek to create sheer corporate value and management. Structural Capital It is different from conventional banking, whose orientation is to attract customers to get profit and has a high value in the eyes of stakeholders. Although most Islamic banking in Indonesia is the result of the Straits Chinese conventional banking, the managerial practices of Islamic banking have not been adopted from conventional banking. Thus, if SC management, such as transaction systems or procedures, no longer uses the same system as conventional banks or in accordance with the sharia order, it will improve performance maqashid syariah his. If the company has possible structural Capital such as: planning, organizing, strategies, procedures, systems and other assets, maximized properly will improve Islamic banking performance based on maqashid syariah.

The results of this study show that the total cost or investment of infrastructure and operating system activities carried out by the company is able to provide value added against performance needs maqashid syariah. This finding means the company focuses on meeting the needs for the company's internal development effectively and efficiently. With the creation of good internal conditions, it is expected to create value-added, which is also high for the company in the future so that the sustainability of Islamic banking companies can be maintained.

The Effect of IIC Customer *Capital Dimension* on the *Maqashid Sharia Index*

Based on table 4.9 above shows the IIC Dimension variable *Customer Capital* has no effect and is insignificant to the *Maqashid Syariah Index*. The results of this study are not in line with previous research conducted by Adelia Nur Hapsari, which stated that *Value Added Capital Employed* (VACA) has a significant effect on *Profitability* proxied by *Return On Asset* (ROA). However, in line with the results of research conducted by Yusro Rahma and Atiqah, which stated that *Islamic Banking Value Added of Capital Employed* (IBVACA) does not affect *Maqashid Syariah's Performance*.

Sharia-based bank performance measurement *Maqasid Shariah* It is a process to determine whether Islamic banks can achieve the objectives of Islamic banks derived from *Maqasid Shariah*. Performance measurement has a direct relationship with its objectives, so performance achievement indicators will be derived from these objectives. Mohammed, Razak and Taib use classifications according to Abu Zaharah: *Tahdhib al-Fard* (educating individuals), *Iqamah Al-adl* (enforcing justice), and *Jaib al-Maslahah* (improving well-being).

As we know, IBVACA itself is measured from total revenue minus operating expenses and non-operating expenses, except employee expenses, which are divided by *Capital employed*. It means that IBVACA does not affect *Maqashid Syariah*. This conclusion means the operational routine of Islamic banking in Indonesia is not far from the operational routine of conventional banking; as we know, Islamic banking in Indonesia is the result of the role of conventional banking, so the managerial practices in Islamic banking itself refer to conventional banking practices. This finding indicates an indication of *Shariah labelling*. Those used are only oriented towards the creation of sharia value without understanding the substance of the *maqashid syariah*. If we look at the practice, the operational activities of Islamic banking and conventional banking are not much different. The difference between Islamic banking and conventional banking only lies in the Islamic banking product itself.

6. Conclusion

Islamic banks in Indonesia have not given full attention to Islamic Corporate Social Responsibility. The causal factor is the absence of standards and guidelines that require Islamic banks to disclose their ICSR activities. ICSR accounting in Islamic banks does not yet have specific standards in terms of reporting and reporting, so Islamic banks report their ICSR activities voluntarily according to their needs. Every expense they use for social activities is only recorded simply without any special form of report. The absence of Islamic Corporate Social Responsibility disclosure standards This discloses Islamic Corporate Social Responsibility is unable to affect the performance of Islamic banks in Indonesia.

ICSR variables Funding and Investment Dimensions do not have an effect and are not significant to the Maqashid Syariah Index. This is because the implementation of ICSR funding and investment dimensions has not been fully carried out by Islamic commercial banks ICSR variables Product and Service Dimensions have a positive and significant effect on the Maqashid Syariah Index.

The ICSR Employee Dimension variable has no effect. It is not significant to the Maqashid Syariah Index, the ICSR Community Dimension variable has no effect and is not significant to the Maqashid Syariah Index, ICSR Environmental Dimension variable has no effect and is not significant to the Maqashid Syariah Index, ICSR Governance Dimension variable has a positive and significant effect to the Maqashid Syariah Index.

The IIC Human Capital Dimension variable has no effect and is not significant to the Maqashid Syariah Index. The IIC Structural Capital Dimension variable has a positive and significant effect on the Maqashid Syariah Index. The IIC Customer Capital Dimension variable has no effect and is not significant to the Maqashid Syariah Index.

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