

# The Estimation of Sharia Values Connected to the Presentation of Sharia Banking

<sup>1</sup>Isnaini, <sup>2</sup>Reza Ronaldo, <sup>3</sup>Muchtar Anshary Hamid Labetubun, <sup>4</sup>Rizal Fahlevi, <sup>5</sup>Phong Thanh Nguyen

**ABSTRACT**--This paper presents the estimation of Sharia values connected to the presentation of Sharia banking. In respects of the wellbeing of Sharia banks, Bank Indonesia has given a Bank Indonesia Regulation (PBI) number 13/1/PBI/2011 dated January 5, 2011 concerning Assessment of Commercial Banks Health. The guideline stipulates that to gauge the presentation of Sharia banks one must utilize RGEC, which supplant CAMEL, and comprises of (1) hazard profile, (2) Good Corporate Governance, (3) Earnings, and (4) Capital. The administration intermediary utilized by CAMEL as the main subjective appraisal isn't to be utilized any longer. The stipulation of PBI number 13/1/PBI/2011 basically didn't bring progress however a decay. This is appeared from the estimation of Sharia banking execution which is progressively centered around parts of business direction alone. In the meantime, the qualities of Sharia banks should be as business, social and da'wah substances. Consequently, the job as social and da'wah element are at last unfit to be caught by RGEC or CAMEL execution estimation, not with standing the procedures and results that ought to be as per Sharia values that are additionally incapable to be estimated by RGEC and CAMEL.

**Keywords**--sharia value, sharia banking, estimation model, culture transformation.

## I. INTRODUCTION

The presentation estimation of Sharia banks as dictated by BI is progressively centered around money related angles. Coincidentally, the PBI guideline number 13/1/PBI/2011 controls the administration by giving weight through monetary execution pointers as the primary benchmark in execution appraisal. The guideline guides the board conduct to do their capacities and obligations to organize budgetary accomplishment. This is opposite with the vision and mission of Sharia values in Sharia banks which is emphasize on the procedure of benefit creation, the procedure of social jobs and the procedure of da'wah. In this way, for a presentation to be considered as successful, it isn't sufficient to see the achievement of the budgetary perspectives, yet one must be more exhaustive than that. Right now, a model for estimating Sharia banks execution in lawful points of view must be completed with a few systematic thought as follows:

---

<sup>1</sup> Universitas Medan Area, Medan, Indonesia, isn25@yahoo.co.id.

<sup>2</sup> STEBI Lampung, Indonesia, rezaronaldo@stebilampung.ac.id.

<sup>3</sup> Universitas Pattimura, Indonesia, mahlabetubun@gmail.com.

<sup>4</sup> Universitas Islam 45, Indonesia, rizal@unismabekasi.ac.id.

<sup>5</sup> Department of Project Management, Ho Chi Minh City Open University, Vietnam, phong.nt@ou.edu.vn.

In the first place, law fills in as a way to control, change or even make new practices. Law additionally assumes a job in coordinating the conduct of people, networks and associations in completing their capacities and obligations. Sociologically, law eventually controls people to materialize concrete activity as per what is stipulated by the law. A similar capacity is finished by Sharia banking laws and BI guidelines to control and direct the presentation of Sharia bank the executives as per what is stipulated in the guideline.

## **II. BUILDING EXECUTION ESTIMATION MODEL**

Building execution estimation model for Sharia banks gives new bits of knowledge and points of view to controllers with respect to elective strategies for viable execution estimation for the qualities of Sharia banks. Not exclusively does it give changes in the degree of observation yet additionally changes in controllers' attention to make enhancements to Sharia banks execution appraisal framework. The execution of a solid model for execution estimation dependent on Sharia values through lawful arrangements, both by laws and guidelines stipulated by BI gives an inexorably basic extent of guideline. The guidelines at that point straightforwardly controls conduct and even makes new practices for the board to structure and execute operational procedures that underline procedures and results dependent on Sharia standards.

The law's capacity as a method for controlling conduct as depicted above will urge the executives to continue as per Sharia values. The weight factor for execution accomplishment actualized through different laws and guidelines guarantee the board to not just spotlight its approach procedure on accomplishing money related execution. Beside accomplishing budgetary execution, the board additionally centers around procedures and results on money related and non-monetary viewpoints dependent on Sharia values. Along these lines, remaking of Sharia bank execution estimation model is significant. Execution estimation models that are worked from Sharia qualities will have the option to get a handle on the procedure and result perspectives that are increasingly all encompassing and far reaching as per the job and character of Sharia banks. Not exclusively will it measure the procedure and aftereffect of the budgetary viewpoints yet in addition social and da'wah.

A solid legitimate premise can secure and ensure the privileges of Sharia bank clients and different partners. Henceforth, the law is an instrument to serve the network in accomplishing success. Islam as a dream and mission of Sharia banks sees thriving in the material perspectives as well as in mental and profound angles. Setting up laws and guidelines on the presentation of Sharia banks as per Sharia values legitimizes the guideline as an instrument to accomplish physical, mental and otherworldly prosperity. These laws and guidelines fortify Sharia banks to execute its promise to give comprehensive government assistance, which isn't restricted to money related yet in addition non-budgetary viewpoints. Procedures and aftereffects of the business, social and da'wah aspects that are as per Sharia values is one of the best approach to accomplish physical, mental and otherworldly prosperity. Execution evaluation is never again just about the execution of Sharia banks in accomplishing physical government assistance for partners yet in addition mental and profound prosperity.

## **III. CULTURE TRANSFORMATION THROUGH SHARIA BANK PERFORMANCE**

Execution estimation of Islamic banks has social transformative force. This can be clarified as follows. To start with, when inspected cautiously, Sharia bank execution estimation framework ought not be seen exclusively as a

measurement device. Along the line, this framework will turn into a culture as a personal conduct standard that is done persistently. Execution estimation devices have transformative quality in authoritative life. This framework can impact the board in dealing with the association. In the event that the Sharia bank execution estimation framework just spotlights on one measurement "the primary concern", which is the accomplishment of monetary benefit or income, at that point the administration of Sharia banks in dealing with the association and make operational choice will be oriented exclusively on most extreme benefit.

The previously mentioned is the reason for decrease all the while and result measurements in business, social and da'wah viewpoints dependent on Sharia values. This demonstrates the board may have not understand that what they been doing as such far has disregarded the Sharia standards they embraced. This is because of the administration position being feeling the squeeze by the Sharia bank execution estimation framework that was never intended to represent execution comprehensively as per Sharia standards.

#### **IV. SHARIA BASED EXECUTION EVALUATION MODEL**

Sharia based execution evaluation model is a framework dependent on Sharia values that emphasis on forms and results, in which the great and awful of Sharia banks the executives is estimated by their procedure and result. Implying that if a Sharia bank creates benefit in a specific period, the bank can't profess to have a decent presentation before the manner in which they accomplish this benefit is really as per Sharia values. This sort of execution appraisal model will legitimately change and stress the board execution to concentrate on procedures and results on parts of business, social and da'wah. Management conduct as well as for clients, investors, controllers and other outer gatherings. A procedure that gives multiplier impacts.

The estimation of Sharia banks execution dependent on Sharia values drives the executives to actualize fellowship and equity through a change of perspectives that there are no champs or failures in business exercises. Equity as a social and social direction, adds to fellowship and equity just as actualizing financial exercises with regards to Sharia banks as a middle person foundation. Sharia banks through this presentation estimation framework are required to recognize ventures that serve individuals who have abilities however don't have the funding to back the task. Subsequently, the principle direction is on business possibilities and not the measure of security they have.

At the point when confronted with the principle work as a delegate establishment between parties that have a budgetary surplus with the individuals who need financing, the soul of fraternity and equity is organized. One of approach to show this is by recognizing subsidizing dependent on target criteria, for example, possibilities and aptitudes and doesn't organize exclusively on the measure of security held by the forthcoming bank.

#### **V. THE ESTIMATION OF SHARIA BANKS EXECUTION**

In this way, the estimation of Sharia banks execution dependent on Sharia values affects the dynamic job of each Sharia bank group in building up a beneficial society. As per the requests toward Sharia bank that salary and riches must be conveyed similarly, the appropriation fixation must not just spotlight on specific business visionaries. This is as per what is expressed by Allah in Quran 02:29 as the fundamental estimation of Sharia banks that, wellspring of salary and riches must be circulated similarly in light of the fact that all assets are blessings

from Allah for all mankind. Each monetary client has a similar chance to acquire financing dependent on business aptitudes and possibilities. Impartial monetary improvement has a positive fundamental effect on both direct business client and the earth related with the task, for example, workers, providers and networks where organizations live.

Expressed execution estimation of Sharia banks affects the disguise of Sharia moral qualities that underlie the development of the Sharia bank execution evaluation framework. These qualities are disguised in the key administration framework as a corporate culture in a personal conduct standard that happen consistently. Which means, execution evaluation of Sharia banks guide and require Sharia banks to actualize a key administration framework dependent on Sharia values. The supervisory group efficiently and deftly leads toward the accomplishment of appraisal targets of Sharia banks which simultaneously ensure the act of Sharia morals. At last, Sharia morals isn't executed distinctly as an image however as a substance and grounded in the everyday activities of the bank.

For instance, the exhibition estimation of Sharia banks drives Sharia banks to ground Sharia values through developments in the two items and generally speaking administration advancements, for example, administration the executives, advertising the board, money related administration and others. Development is a significant viewpoint to react to banking business rivalry and changes in the business condition and network conditions. Right now, is a significant advance for Sharia banks in reacting to rivalry and change. It must be noted anyway that the estimations of Sharia morals are a legitimate ramification for Sharia banks

## **VI. THE EFFECT OF EXECUTION ESTIMATION**

Another case of the effect of execution estimation in building a positive culture is the disguise of Sharia moral qualities in vital administration framework on Sharia banks straightforwardness perspectives through responsibility with regards to responsibility toward Allah and partners. Responsibility toward Allah is showed in the execution of Allah's laws practically speaking. Responsibility toward partners is showed in as a proper responsibility as fiscal reports.

The genuine social effect of actualizing Sharia bank execution estimation is the consistence of Sharia banks in conveying more extensive riches contrasted with ordinary banks. The factor of riches dispersion is included in the indicator of Sharia bank consistence with Sharia morals. The capacity of Sharia banks in conveying government assistance is one of the markers estimated in Sharia banks execution estimation. Government assistance as indicated by Islam must be circulated reasonably and straightforwardly to those out of luck. Execution estimation sets out two markers of government assistance circulation, to be specific direct members and aberrant members. Direct members are parties who cooperate and contribute legitimately with Sharia banks in both monetary and non-money related structures. Gatherings who communicate legitimately in the money related setting are investors, contributors, debitur, financing clients and others. Gatherings who associate straightforwardly in the non-money related setting are the executives, workers, government and others. Circuitous members are parties who don't interface and add to Sharia banks however are qualified for the government assistance segment. They are specifically the poor both as cash, business financing without expenses and returns, instruction, and others.

Execution estimation of Sharia banks makes the degree of riches circulation as one of the pointers to the achievement of Sharia bank execution. This riches circulation gives a lot more extensive multiplier impact when contrasted with the investor situated riches appropriation. All parts, both those legitimately and by implication identified with the bank, feel the effect of the Sharia banks government assistance. At last, the government assistance "cake" isn't just "delighted in" by investors yet additionally all parts that are connected both legitimately and in a roundabout way to Sharia banks.

## VII. CONCLUSION

Up until now, execution estimation of Sharia banks is as yet ruled by regular budgetary execution pointers. The suggestion is that numerous partners experience issues in estimating the advantages of Sharia banking presence, particularly in da'wah and social capacities. This is on the grounds that Sharia banks have altogether different accomplishment in their presentation contrasted with customary banks. Of course, the achievement of Sharia banking will be totally different from ordinary banking. On the off chance that customary estimation is utilized as a benchmark in Sharia banking, thusly, wrong examination will result between Sharia banking and regular financial execution. In this way, banking framework gets unimportant and wrong to analyze straightforwardly. The estimation of Sharia values connected to the presentation of Sharia banking won't have the option to be utilized as a benchmark with customary banking. This is identified with the respectable goal of the destinations and foundation of Sharia banking, specifically to give better network life by applying the standards. Subsequently, it is important to create execution estimation as per Sharia values inalienable in Sharia banks.

## REFERENCES

1. Cahya, B. T., Nuruddin, A., & Ikhsan, A. (2017). Islamic Social Reporting: From the Perspectives of Corporate Governance Strength, Media Exposure and the Characteristics of Sharia Based Companies in Indonesia and its Impact On Firm Value. *IOSR Journal Of Humanities And Social Science (IOSR-JHSS)* Volume, 22, 71-78.
2. Mwamba, J. W. M., Hammoudeh, S., & Gupta, R. (2014). Financial tail risks and the shapes of the extreme value distribution: A comparison between conventional and sharia-compliant stock indexes. University of Pretoria Department of Economics Working Paper Series, (201480).
3. Abdurahim, A., Triyuwono, I., Mulawarman, A. D., & Achsin, M. (2016). Aminullah: Revealing the Spiritual values in sharia Transaction. *International Journal of Management and Administrative Sciences (IJMAS)*, 4(1), 65-73.
4. Rosenberg, P., & Choufany, H. M. (2009). Spiritual lodging—The Sharia-compliant hotel concept. *HVS Global Hospitality Services—Dubai*.
5. Suharsono, J., & Candra, S. (2013). Murabaha in Sharia Added Value, an Effort to Increase Probolinggo Shallot Farmers' Economic Scale and Spirituality. Available at SSRN 2596062.
6. HT, H. A., Aziz, R. M., & Sagantha, F. (2018). The Efficiency Analysis of Sharia Banking with DEA and Islamic Value. *KnE Social Sciences*, 516-537.
7. Cahyani, P. D., & Utami, R. F. (2018). Implementation of Sharia Value and Marketing on Customer Satisfaction in Local Sharia Development Bank of Jateng. *International Journal of Islamic Business and Economics (IJIBEC)*, 2(2), 137-145.

8. Effendi, J., Thiarany, U., & Nursyamsiah, T. (2017). Factors influencing non-performing financing (NPF) at sharia banking. *Walisongo: Jurnal Penelitian Sosial Keagamaan*, 25(1), 109-120.
9. Buchdadi, A. D., Arafat, M. Y., & Utamingtyas, T. H. (2010). The Comparison of Value at Risk on Sharia Based Stock and Non-Sharia Based Stock (Case study on Indonesia Capital Market during. Rapid City, South Dakota September 30–October 3, 2010).
10. Widarjono, A. (2018). Maqasid Sharia Index, Banking Risk and Performance Cases in Indonesian Islamic Banks. *Asian Economic and Financial Review*, 8(9), 1175-1184.
11. Sadalia, I., Kautsar, M. H., Irawati, N., & Muda, I. (2018). Analysis of the efficiency performance of Sharia and conventional banks using stochastic frontier analysis. *Banks & bank systems*, (13, Iss. 2), 27-38.
12. Naz, I., Shah, S. M. A., & Kutan, A. M. (2017). Do managers of sharia-compliant firms have distinctive financial styles? *Journal of International Financial Markets, Institutions and Money*, 46, 174-187.
13. Suryawati, B. N., & Unsun-Nidhal, L. (2018). Value at Risk as a Measurement of Market Risk in Emerging Sharia Market: A Comparative Study Between Indexes in Indonesian Stock Exchange. *KnE Social Sciences*, 94-108.