

SHARIA MAQASHID INDEX: A COMPREHENSIVE EVALUATION OF THE PERFORMANCE OF ISLAMIC BANKS IN INDONESIA AT THE PEAK OF THE COVID-19 PANDEMIC

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Abstract

The impact of the Covid-19 pandemic has hindered activities across various sectors, including Islamic banks. For Islamic banks themselves, there are specific objectives that need to be achieved, namely maqashid syariah, which poses its own challenges for Islamic banks to achieve amidst the obstacles of the Covid-19 pandemic. In this situation, these banks are faced with the need to innovate and take steps to minimize risks while maintaining their positions amidst diverse challenges to achieve their maqashid syariah objectives. This research aims to analyze the performance of the biggest Islamic banks in Indonesia based on assets, which ranks third in the Group of Banks based on Core Capital (KBMI) during the peak of the Covid-19 pandemic, using the Sharia Maqashid Index (MSI) perspective. The research method used is a descriptive quantitative method using data from annual reports obtained from official Islamic bank websites. The Simple Additive Weighting (SAW) calculation method is used to analyze the data. The research results show an improvement in the performance of Bank Syariah Indonesia in achieving the three objectives of Maqashid Syariah from 2021 to 2022 by 0.583%.

Keywords: Sharia Maqashid, Sharia Maqashid Index (MSI), Bank Syariah Indonesia, Covid-19

Introduction

Banks in carrying out their operations are based on the results of the strategy formulation obtained from their performance evaluation. The results of achievements originating from a series of decisions and strategies implemented by the bank using various resources it has to achieve its goals can be shown through its performance report (Iswandi, 2022). Therefore, assessing financial health is a very important aspect to be carried out with the aim of analyzing the bank's ability to allocate and manage resources optimally, effectively, and efficiently to support the smooth running of its operations (Mursyid et al., 2021).

In general, the performance assessment of Islamic banks generally adopts a similar method to conventional banks, considering the close relationship between bank performance and financial aspects. Financial aspects are evaluated through the calculation of various ratios that reflect the bank's financial capabilities. Although financial measurements play an important role in evaluating bank performance, especially for conventional banks that focus on profitability, Islamic banks require a more holistic measurement. In this context, the success of Islamic banks cannot only be measured through financial aspects alone. Instead, it is necessary to measure the extent to which Islamic banks have achieved and fulfilled sustainable benefits in accordance with Islamic principles, which cannot always be measured explicitly through financial reports (Suryani & Amalia, 2022).

Financial performance in Islamic banking serves to provide an overview of the bank's ability to manage and allocate funds received from activities carried out efficiently and smoothly. Banks are an integral part of the payment and financial system, therefore, bank health is the main indicator for assessing the quality of bank management, because the level of public trust in banks is very important for the sustainability of the bank. Assessment of bank financial performance is a key factor considered by the public. Therefore, assessment of financial performance in banking is an important element and the health of the bank is a significant consideration.

The main emphasis of Islamic Banks on Maqashid Syariah orientation highlights the importance of performance assessment through Maqashid Syariah index, apart from financial and monetary dimensions. The approach that only relies on assessments based on financial and financial aspects does

not comprehensively reflect the role of Islamic banks as economic and social institutions that aim to achieve holistic justice and welfare (Muhammad & Oktavianti, 2020).

Maqashid sharia is very important because it influences the running of Islamic banking, for example in formulating Islamic economics to create good products in Islamic banking or in Islamic financial institutions. Maqashid sharia is used as a primary condition in *ijtihad* to answer various kinds of economic and financial life problems that continue to develop. Maqashid sharia plays a role as a relevant corridor as a basis for the development of Islamic banking systems, practices, and products (Nasuka & Subaidi, 2017).

The characteristic of Islamic Banks lies in the existence of an independent institution that is responsible for ensuring the conformity of products and operations with sharia principles, which is called the Sharia Supervisory Board (SSB) and Maqashid Sharia which is an objective benchmark for Islamic banks. SSB acts as an effort to prevent various risks that may be faced by Islamic banks, especially reputational risk (Prabowo & Jamal, 2017). SSB plays a very significant role in the structure of Islamic banks, reflecting the seriousness of the commitment to Islamic principles. The focus is not only on achieving material benefits, but also on achieving social welfare that distances itself from unjust acts (Ilyas, 2021). So it can be said that there is harmony between SSB which is the assurance of compliance with sharia principles and Maqashid Sharia which is part of sharia principles.

The performance evaluation of Islamic banking institutions is not only limited to the profit dimension, but also emphasizes the need to consider the dimensions of welfare and conformity with the principles of Maqashid Syariah as the ethical basis for Islamic business. The performance measurement approach using the Maqashid Syariah index includes three objective indicators, namely education (*Tahdzib Al-Fard*), enforcement of justice (*Al-'Adl*), and public interest (*Al-Mashlahah*) (Prima et al., 2022).

The importance of the Maqashid Syariah Index lies in its ability to assist Islamic banks in ensuring that the activities carried out are in accordance with Islamic law fulfill the established goals of Islamic law. This will help achieve the goals of Islamic law, namely to improve the welfare of society and ensure justice and fairness in the Islamic community (Sholichah, 2022).

The Covid-19 pandemic has had a significant impact on the economy, especially on the banking sector which acts as an intermediary institution. Mass social restrictions have caused a decline in income for the banking sector due to increased credit/financing risks and decreased operational efficiency due to the general slowdown in economic activity (Seto et al., 2022). This impact is also felt by Islamic banking, which focuses not only on profitability but also on achieving welfare. Therefore, Islamic banks face a double challenge in maintaining profitability while fulfilling their commitment to welfare goals.

This study aims to evaluate the performance of Islamic Banks in Indonesia at the peak of the Covid-19 pandemic using the Maqashid Syariah Index method, as well as to provide guidance and recommendations that support the implementation of sharia compliance in Islamic banks by the Sharia Supervisory Board (DPS).

Literature Review

Islamic banks are Islamic financial institutions that provide banking and financial product services, investments in various sectors in accordance with Islamic principles and aim to realize the social and economic growth of Muslims (Syahatah, 2009).

Islamic Bank is part of the Islamic economic order, so its commitment is to comply with the principles and ethics of religion that have been explained in the Qur'an and Hadith, among which there are some that are general such as its activities must always be based on the concept of *maslahat* and uphold the principles of justice. Because the general goal of Islamic Economics is to achieve *falah* in the world and the hereafter, the prohibition of consuming in a false way as in QS. (An-Nisa: 29), Always transact with good things QS. (Al-Baqarah: 168), Avoid things that are forbidden QS. (Al-Maidah: 90), and interact with all humans in a good way QS. (Al-Baqarah: 83). Or specific and detailed principles such as the prohibition of usury, *gharar*, *qimar* and other principles related to sharia banking products (Najib, 2017).

A general term that covers the activities of an organization during a certain period, often with reference to past cost standards or future projections, as a basis for evaluating efficiency, management accountability, and so on. This term is known as "performance" in the accounting term dictionary (2003,

215). Bank performance refers to the achievements achieved by the bank in carrying out its operations as a whole. Meanwhile, the bank's financial performance reflects the bank's financial condition in a certain period, including aspects of fund collection and distribution, so that it can assess the good and bad financial condition of the bank.

Linguistically, the concept of maqasid al-syariah can be defined as two elements, namely maqasid which indicates a gap or goal, and al-syariah which refers to the path to a water source, which can be interpreted as the path to a basic source of life (Oni Sahroni, 2019). Several previous scholars presented the definition of maqashid syari'ah as follows:

- a. Al-Imam al-Ghazali: He stated that "protection of the aims and objectives of the Shari'a is a primary prerequisite for survival, restraining factors of destruction, and encouraging the creation of well-being".
- b. Alal al-Fasi: He stated that "maqashid syariah is the main objective of syariah and the secret behind every law established by God".
- c. Al-Imam al-Syathibi: He explained that "maqashid is divided into two parts; the first relates to the intention of God as the creator of the sharia, and the second relates to the intention of the individual who is obliged to implement the sharia".

The Maqashid Syariah Index (MSI) is a systematic method in measuring the performance of Islamic banking, which is based on the concept, objectives, and characteristics of Islamic banking by referring to the concept of maqashid syariah. MSI, which was developed by Mustafa Omar Mohammed, Dzuljastri Abdul Razak and Fauziyah Md Taib in a study entitled "The Performance Measures of Islamic Banking Based on the Maqashid Framework," has three main objectives, namely *Tahdhib al-Fard* (Individual Education), *Iqamah al-Adl* (Realization of Justice), and *Jalb al-Maslahah* (Community Welfare) (Mohammed et al, 2008).

The *Tahdhib al-Fard* (Individual education) achievement variable consists of four measurement ratios, namely 1) education grant/total income ratio, 2) research cost/total cost ratio, 3) training cost/total cost ratio, and 4) publicity cost/total cost ratio. The large budget allocation for these indicators reflects the attention and awareness of Islamic banks towards improving the quality of their human resources and the effective efforts of Islamic banks in conveying their goals and products to customers (Mohammed et al, 2008).

The second achievement variable, *Iqamah al-Adl* (Realization of Justice), is divided into three ratios, namely 1) profit ratio/total income or interest ratio/total income, 2) bad debt ratio/total investment, and 3) interest-free income ratio/total income. This indicator aims to ensure the continuity and suitability of Islamic banks that adhere to the principles of Islamic justice and avoid injustice. This variable allows the identification of income gaps to minimize income and wealth disparities through wise distribution of funds (Mohammed et al, 2008).

The third achievement variable, *Jalb al-Maslahah* (Community Welfare), is measured by the ratio 1) net profit/total assets, 2) zakat paid/net assets, and 3) real sector investment/total investment. This indicator is closely related to community empowerment, not only limited to the probability of Islamic banks themselves. The magnitude of the probability achieved by Islamic banks reflects their ability to transfer wealth through zakat and minimize inequality. In addition, this indicator shows empowerment by Islamic banks through investment in various real sectors of the economy, which have a direct impact on the national economy. Overall, this variable not only covers the welfare of Islamic banks themselves, but also their impact on society and the country at large (Mohammed et al, 2008).

The development of MSI is relevant because Islamic banks have different characteristics from conventional banks which generally only focus on measuring financial aspects (Fadhila & Christiana, 2020). Previous studies, conducted by Omar, Dzuljastri, and Fauziyah, showed that the use of the maqashid sharia index in measuring the performance of Islamic banks can be an effective strategic method in describing the overall performance of Islamic banks. This provides a strong basis for use as a reference in designing comprehensive Islamic banking strategies and policies.

Research Methodology

Bank Syariah Indonesia is the result of a merger between BRI Syariah, Bank Syariah Mandiri, and BNI Syariah since 2020, placing it in third position in the Bank Group based on Core Capital (KBMI) with core capital above 20 trillion rupiah. The merger process carried out during the Covid-19 pandemic

brought new challenges and opportunities for BSI (Munandar et al., 2022). Although the pandemic experienced several peak waves, especially in 2021 and 2022 due to the emergence of the Delta and Omicron variants (Rahmawati, 2022), Bank Syariah Indonesia managed to maintain its position as KBMI 3 by increasing its core capital to more than 30 trillion rupiah in 2022. Thus, researchers are interested in studying Bank Syariah Indonesia.

This study is an applied and descriptive study using a quantitative approach. The data used are secondary data from BSI's annual financial report for the period 2021-2022 downloaded from the official website of the related bank. This study applies the SAW (Simple Additive Weighting) method to evaluate the performance of Islamic commercial banks. In this method, weights are given to each criterion or reference (Mohammed & Taib, 2016).

Performance Index (IP) is often used as a tool to assess the performance of Islamic banks. This process is often carried out using the SAW (Simple Additive Weighting) approach which is also known as the weighted sum method. The basic concept of the SAW (Simple Additive Weighting) method is to calculate the weighted sum of the performance assessments for each alternative on all criteria. The SAW (Simple Additive Weighting) method involves steps such as decision matrix normalization, weighting, aggregation, and ranking. This method focuses on calculating the weighted sum of the assessments of each objective on all criteria (Mohammed, Dzuljastri, & Taif, 2008).

In this study, a performance measurement model of Islamic banks known as Performance Measures based on Maqashid Al-Shariah (PMMS) was used. This model was developed using the Sekaran method to translate the three objectives, namely educating individuals, establishing justice, and maslahah so that they can be measured.

These three objectives are linked to 10 ratio elements through the calculation of performance indicators as follows (Mohammed et al, 2008):

Table 1. Operationalizing the Objectives of Islamic Banking

Concepts (Objectives)	Dimensions	Elements	Performance Ratios	Sources of Data
1. Educating Individual	D1. Advancement Of Knowledge	E1. Education grant	R1. Education grant/total income	Annual Report
		E2. Research	R 2. Research expense/total expense	Annual Report
	D2. Instilling new skills and improvements	E3. training	R 3. Training Expense/total expense	Annual Report
		E4. Publicity	R 4. Publicity expense/total expense	Annual Report
2. Establishing Justice	D4. Fair dealings	E5. Fair Returns	R 5. profit/ total income	Annual Report
	D5. Affordable products and services	E6. Affordable price	R 6. Bad debt/ total investment	Annual Report
	D6. Elimination of injustices	E7. Interest free product	R 7. Interest free income/ total income	Annual Report
3. Public Interest	D7. Profitability	E8. Profit ratios	R 8. Net profit/ total asset	Annual Report
	D8. Redistribution of income & wealth	E9. personal income	R 9. Zakah/ Net Income	Annual Report
	D9. Investment in vital real sector	E10. Investment ratios in real sector	R 10. Investment deposit/total deposit	Annual Report

Source: Mohammed et al, 2008

Next, continue by calculating the ratio which includes the average weighted value of the 3 objectives and 10 ratio elements:

Table 2. Average weights for the three objectives and ten Elements given by Shari'ah experts

Objectives	Average Weight (Out of 100%)	Elements	Average Weight (Out of 100%)
O1. Education (Tahdhib al-Fard)	30	E1. Education Grants/Donations	24
		E2. Research	27
		E3. Training	26
		E4. Publicity	23
		Total	100
O2. Justice (Al-'Adl)	41	E5. Fair Returns	30
		E6. Fair Price	32
		E7. Interest free product	38
		Total	100
O3. Welfare (Al-Maslahah)*	29	E8. Bank's Profit Ratios	33
		E9. Personal Income Transfers	30
		E10. Investment Ratios in real sector	37
Total	100	Total	100

Source: Mohammed et al, 2008

The results of the ratio calculation of the three objectives are then accumulated to obtain a conclusion from each Islamic bank based on the Sharia Maqashid Index. Therefore, the formula obtained can be detailed as follows:

$$[MSI = IK(1) + IK(2) + IK(3)]$$

With the caption:

MSI = Sharia Maqashid Index

IK(1) = Performance Indicator 1 (Education) IK(2) = Performance Indicator 2 (Justice) IK(3) = Performance Indicator 3 (Maslahah)

Discussion

Bank Syariah Indonesia is the result of the merger between BRI Syariah, Bank Syariah Mandiri, and BNI Syariah since 2020 which was the time of the Covid-19 pandemic, and is a sharia bank that was able to achieve and maintain its position in KBMI 3. To analyze BSI's performance at the peak of the pandemic, namely in 2021 and 2022, the MSI calculation was carried out based on BSI's annual report in 2021-2022.

The initial stage in calculating MSI is by calculating the average weighting of each ratio. The following are the results obtained:

Table 3. Weighting Ratio of 3 MSI Objectives

OBJECTIVE	ELEMENT	WEIGHT ELEMENT	BSI 2021	BSI 2022
			ELEMEN T RESULTS	ELEMEN T RESULTS
	<i>Education Grants/Donations</i>	24%	0.00135	0.00140

<i>TahdhibalFard</i> (Individual education)	<i>Research</i>	27%	0	0
	<i>Training</i>	26%	0	0
	<i>Publicity</i>	23%	0.00506	0.00847
	Total	100 %	0.00640	0.00987
<i>Iqamah al-Adl</i> (Manifestation of Justice)	<i>Fair Returns</i>	30%	0.06920	0.08634
	<i>Fair Price</i>	32%	0.00591	0.00500
	<i>Interest free product</i>	38%	0.32502	0.31970
	Total	100 %	0.40013	0.41104
<i>The Cause of the Problem</i> (Public welfare)	<i>Bank's Profit Ratios</i>	33%	0.00511	0.00610
	<i>Personal Income Transfers</i>	30%	0.00743	0.00751
	<i>Investment Ratios in real sector</i>	37%	0.37000	0.37000
	Total	100 %	0.38254	0.38361

Source: processed data

In the Individual Education objective (*Tahdhib al-Fard*), the Education Grants/Donations element of BSI shows an increase in the percentage of funds used from total income for employee education and human resources by 0.006%. For the Research element, both in 2021 and 2022, no funds were disbursed for research purposes.

in its financial report. While the Training element is combined with Education Grants/Donations in BSI's financial report. For Publicity, an increase in promotional spending of 0.341% is shown. So that for the Individual Education objective (*Tahdhib al-Fard*), the largest performance ratio is shown in 2022, which is 0.987%.

In the objective of Realizing Justice (*Iqamah al-Adl*), the Fair Returns element of BSI shows an increase in the percentage of profits generated by 1.714%. This means that in 2022 BSI can utilize its assets to generate optimal profits better, so that greater profits indicate a greater distribution of returns which ultimately realizes the welfare and welfare of its stakeholders in greater numbers. The Fair Price element of BSI shows a decrease of 0.091%, meaning that BSI can distribute financing properly and appropriately so that the collectibility of its customers improves over time. This ratio also shows that the level of Non-Performing Financing from BSI in 2021 and 2022 is still in accordance with the provisions of Bank Indonesia Regulation Number 6/10/PBI/2004, which is at <5%. The Interest Free Product element shows a decrease of 0.532%. This means that, of BSI's total income, the percentage of income derived from the distribution of profit-sharing/margin financing was greater in 2021. In terms of the objective of Realizing Justice (*Iqamah al-Adl*), the largest performance ratio was shown in 2022, which was 41.104%.

For the purpose of Community Welfare (*Jalb al-Maslahah*), the Bank's Profit Ratios element shows BSI's ability to optimize its assets to generate profits increased by 0.099%. For the Personal Income Transfer element, it shows the amount of zakat distribution from net income obtained by BSI has increased by 0.009%. The Investment Ratios in Real Sector element shows a consistent percentage of BSI against all its investment funds which are only distributed to the real sector. Thus, for the purpose of Community Welfare (*Jalb al-Maslahah*), the largest performance ratio of BSI was shown in 2022, which was 38.361%.

Furthermore, each of the 3 objectives of Maqashid Syariah is weighted based on the total ratio as follows:

Table 4. Weighting of MSI ratio results

OBJECTIVE	MSI	BSI 2021	BSI 2022
		MSI RESULT S	MSI RESULT S
<i>Tahdhib al- Fard</i> (Individual education)	30%	0.00192	0.0029 6
<i>Iqamah al-Adl</i> (Manifestation of Justice)	41%	0.16405	0.1685 3
<i>The Cause of the Problem</i> (Public welfare)	29%	0.11094	0.1112 5

Source: processed data

Of the three objectives, each has seen an increase in BSI's performance based on MSI. In the Individual Education (*Tahdhib al-Fard*) objective, all ratios have increased in 2022 even though the Research ratio is 0. This means that BSI pays attention to the education element of its human resources as part of achieving BSI's own objectives, but research into the development of its human resources is still nil. Although not all ratios are met, with the increase in the ratio, BSI's performance in the Individual Education (*Tahdhib al-Fard*) objective is greater in 2022.

For the purpose of Realizing Justice (*Iqamah al-Adl*), the larger ratio is dominated in 2021, namely the Fair Price and Interest Free Products ratios, while in 2022 the percentage increase only occurred in the Fair Returns ratio. This means that in carrying out its function as a shariabased intermediary institution that avoids harm and injustice, BSI has attempted to optimize its financing distribution to generate profits while maintaining its NPF ratio so that it remains in accordance with standards. So that BSI's performance in the purpose of Realizing Justice (*Iqamah al-Adl*) is greater in 2022.

In the objective of Community Welfare (*Jalb al-Maslahah*), the profit ratio has increased along with the ratio of zakat distribution and illustrates BSI's commitment to channeling financing to the real sector. This is a form of BSI's contribution in providing a positive impact and empowerment efforts to the community and economy in real terms, not only personal gain, which can ultimately bring benefits in aggregate. So that BSI's performance in the objective of Community Welfare (*Jalb al-Maslahah*) is greater in 2022.

Table 5. Sharia Maqashid Index BSI 2021-2022

YEAR	Sharia Maqashid Index
2021	0.27691
2022	0.28274

Source: processed data

From the calculation results, the overall accumulation for BSI's performance based on MSI, a comprehensive picture of BSI's performance is obtained from both financial and non-financial aspects, namely in 2021 it was 27.691% and in 2022 it was 28.274%. These results show BSI's ability to improve its performance even during the peak of Covid-19 and still be able to optimize its performance in improving the achievement of the three objectives of Maqashid Syariah.

It is important to note that in the Individual Education (*Tahdhib al-Fard*) objective, BSI, as an entity operating in accordance with sharia principles, increasingly emphasizes the need to use human resources who have knowledge and skills relevant to the sharia banking sector. The existence of appropriate human resources is not only important to ensure compliance with sharia principles, but is also closely related to the performance and achievement of the goals of the sharia bank itself. With adequate

human resources, communication regarding products and services to customers will be more effective (Sari & Amri, 2018). Therefore, improving the quality of human resources is crucial in the operation of sharia banks and plays a role as a determining factor in their success.

The Purpose of Realizing Justice (*Iqamah al-Adl*) illustrates the importance of the aspect of justice within the framework of sharia principles, especially in the context of social interaction, as occurs in the sharia banking sector. The existence of sharia banks should be a real representation of justice as a response to the conventional system that focuses solely on profit and is often trapped in capitalism (Solihin et al., 2019). This justice is crucial, considering that banks are a vital element in the economic structure of society. Therefore, efforts to realize justice by BSI are reflected through the implementation of a profit-sharing/margin system in accordance with sharia principles in the distribution of funds. However, it is still necessary to pay attention to the level of non-halal products offered, especially considering the increase from 2021 to 2022. This is important because Islamic banks should be consistent in implementing their sharia principles and emphasize halal products. Halal products not only have spiritual significance, but also as a guarantee of eliminating factors that can cause losses or burden one party through the principle of mutual responsibility and transparent cooperation through partnerships.

In achieving the goal of Community Welfare (*Jalb al-Maslahah*), BSI has shown an increase in its efforts from 2021 to 2022. Achieving welfare is the main focus for Islamic banking institutions as financial intermediary entities. In principle, the profits obtained by Islamic banks must be in line with efforts to channel funds to the community through zakat and financing the real sector that is closely related to the interests of the community (Amalia, 2020). The purpose of this welfare is not only individualistic or limited to a handful of parties, but encompasses the whole. Thus, the profits pursued by Islamic banks are not aimed at increasing economic disparities between various levels of society, but to encourage equal opportunities as a whole.

Therefore, BSI needs to continue to improve its performance in managing its assets in order to create greater profits to be distributed through zakat and expand the provision of financing to Micro, Small, and Medium Enterprises (MSMEs). As is known, MSMEs have an important role in the economic growth of a country, but often still need support in terms of capital. Thus, the contribution of Islamic banks to MSMEs not only helps in the development of the sector, but also indirectly plays a role in driving national economic growth as a whole.

Conclusion

BSI's performance in the three objectives of Maqashid Syariah, namely Individual Education, Realization of Justice, and Community Welfare has increased from 2021 to 2022 despite the Covid-19 pandemic. Overall, BSI's Maqashid Syariah Index increased from 27.691% in 2021 to 28.274% in 2022, demonstrating BSI's ability to improve its performance during the pandemic. To continue to improve performance, BSI needs to place more emphasis on improving the quality of human resources, ensuring justice through a profit-sharing system that

in accordance with sharia, and expanding financing for MSMEs and the real sector to achieve welfare goals. BSI performance evaluation using the Maqashid Syariah Index can assess overall performance based on sharia principles, not only financial aspects.

Recommendations and Suggestions

Based on the researcher's findings in the Comprehensive Evaluation of the Performance of Islamic Banks in Indonesia at the Peak of the Covid-19 Pandemic. The researcher provides several recommendations and suggestions to Indonesian Islamic Banks to improve their performance, as follows:

1. A comprehensive and detailed analysis of the financial and non-financial aspects of each Maqashid Syariah objective is conducted to optimize BSI's performance.
2. Improving the quality of human resources in supporting BSI operations through relevant education programs and regular training is very important, as well as encouraging innovation through research. Ensuring that the workforce has the knowledge and skills that are in accordance with BSI's needs through periodic selection and assessment.
3. Improving asset management performance to achieve higher profitability by involving the implementation of comprehensive risk management and optimizing asset utilization by allocating

financing or investment to the real sector, MSMEs, and distributing income through zakat and Qardh al-Hasan financing as part of BSI's contribution to community empowerment. It is also important for BSI to maintain the prevention of unproductive assets through comprehensive risk analysis and prevention strategies.

4. Reducing the offering of non-halal products by focusing on education and increasing customer awareness to encourage consumption of halal products through communication, socialization, and persuasion strategies that are in accordance with the needs and characteristics of customers and the general public

Recommendations for the Islamic banking industry:

1. The study by Mohammed suggests the use of a method of measuring Islamic banking performance that integrates the principles of maqashid sharia, which includes non-profit values and the objectives of Islamic banks as a whole. The measurement of Islamic bank performance does not only pay attention to profits like conventional banks, but also considers social and human resource aspects. The performance of BSI in this case is a research sample that is evaluated in accordance with the principles of maqashid sharia to ensure compliance with the objectives of maqashid sharia. These findings provide a strong basis for the development of comprehensive policies and strategies in the Islamic banking sector, especially BSI.
2. Sharia Maqashid Index (MSI) shows that the implementation of maqashid sharia can be an important alternative strategy in measuring the performance of Islamic banking in Indonesia, and can be used as a basis for designing holistic and comprehensive policies. This study provides valuable insights for stakeholders, regulators, and the Islamic banking industry to understand the performance of Islamic banks based on the Sharia Maqashid Index which can be used as a basis for policy making or new innovations.
3. Overall, the Islamic banking industry can apply the findings of this study to develop strategies and design innovations to optimize the achievement of maqashid sharia goals in the future.

Recommendations for further researchers:

1. Further research is expected to deepen the understanding of the performance of Islamic financial institutions by adding research samples using MSI to obtain a more complete and relative picture of their performance achievements and to be able to compare and analyze with a wider and more diverse scope. Further researchers can develop this research framework by considering the inclusion of additional variables that have the potential to influence the performance results of Islamic financial institutions during the pandemic period or certain periods, so that provide more comprehensive and detailed insights into the dynamics occurring in that context.
2. Analyzing factors that influence the achievement of maqashid sharia, such as bank size, strategy, socialization, and HR competency, measuring the social and economic impact of zakat programs and real financing distributed by sharia banks and analyzing customer perceptions and preferences towards the achievement of maqashid sharia by sharia banks.

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