

ABSTRACT

The market share of Islamic banking is small if compared to national banks. Meanwhile, Indonesian Islamic banking has a great opportunity because it has the largest Muslim population in the world. Then the measurement of efficiency and productivity becomes very important because it encourages the growth of Islamic banking to produce better performance so as to increase market share. This research aims to determine the level of efficiency and productivity of commercial banks Sharia in Indonesia in 2016-2020.

This study measures the level of efficiency and productivity in 12 Islamic Commercial Banks in Indonesia. The period of observation in this study is from 2016 to 2020. Input variables includes total savings, fixed assets, operating costs, and profit sharing costs. While the output variable consists of murabahah financing, financing others (istishna, ijarah, qard, mudharabah, musharaka), current assets, operating income, and ROA. Efficiency measurement using the DEA (Data Envelopment Analysis) method with the assumption of CRS (Constant Return to Scale) and maximize output and productivity measurement using the Malmquist Productivity Index (MPI) analysis. To combine efficiency and productivity results, quadrant analysis will be used with microsoft excel as to tool.

The results showed that 12 Islamic Commercial Banks in 2016 has a perfect level of efficiency, but in 2017-2020 there are 4 Sharia Commercial Banks experiencing inefficiency. Meanwhile, in 2016-2020, not all Islamic Commercial Banks will experience an increase in productivity. Each period there are several Islamic Commercial Banks that experience decline. Increases and decreases in productivity are dominated by change technology (frontier shift effect). The results of quadrant analysis that overall Islamic Commercial banks were in quadrant 3 and 4.

Keywords : Efficiency, Productivity, DEA, Islamic Bank.