ABSTRACT

This study aims to examine the effect of Good Corporate Governance on the maqasid sharia performance of Islamic Commercial Banks in Indonesia. This study uses five independent variables, namely size, cross membership, reputation of Sharia Supervisory Board (SSB), size of the Board of Directors and Independent Commissioners. The maqasid sharia performance as the dependent variable of this study is measured by the MPEM Index (Maqasid Based Performance Evaluation Model) using the TSAW (The Simple Additive Weighting) method. In addition, the control variables in this study consist of the size and age of Islamic banks.

The population of this study is Islamic Commercial Banks listed on the Otoritas Jasa Keuangan (OJK) in 2016-2020. The number of samples were obtained 12 islamic banks using purposive sampling method. The analytical method used in this study is multiple linear regression.

The findings from this study indicate that the SSB size, SSB cross membership, and the size of the Board of Directors have a significant positive effect on the maqasid sharia performance. Meanwhile, SSB reputation and Independent Commissioners has no significant effect on the maqasid sharia performance.

Keywords: Maqasid Sharia Performance, Good Corporate Governance, Size, Cross Membership, Reputation, Sharia Supervisory Board, Board of Directors, Independent Commissioner, Islamic Bank.