SUMMARY

HADI PURNOMO. The Corporate Governance Model Based on Capital Intellectual of Sharia Banking. Supervised by ARYA HADI DHARMAWAN, AIDA VITAYALA HUBEIS, and IRFAN SYAUQI BEIK.

In line with the rapid growth and development of Islamic banking, the risks faced by sharia banks are also increasing. Therefore, sharia banks must be managed and runned very carefully by management who not only have to be professional, but also have high integrity. The corporate governance system becomes very important for sharia banking and requires special arrangements. Without effective corporate governance, sharia banks will find it difficult to strengthen positions, expand networks, and show better performance. Thus, it is a must for sharia banking industry to use all measures related to the implementation of good corporate governance (GCG).

It has long been known that good corporate governance has a positive influence on company performance. Well-managed companies become more credible, it has a good image and get lower interest than companies whose governance is worse. Sharia banks will be difficult to compete with local and regional banks that are constantly changing without having a good corporate governance system. The rapid growth and increasing presence of Islamic Financial Institutions (IFI’s) globally raises the idea of how the implementation of corporate governance in IFI’s has different characteristics with the system and model of corporate governance with conventional financial institutions.

Competition in the Islamic banking industry in the knowledge-based economy era is getting tighter. In conditions of very tight and dynamic competition, in addition to implementing good governance, banks must also have the competence to manage intangible assets, namely intellectual capital they have. The banking industry must be able to overcome changes and take optimum advantage of intangible sources to improve competitive performance and profits.

This study aims to: (1) Analyze the characteristics and formulate Islamic banking typologies based on the implementation of corporate governance and intellectual capital of Islamic banking in Indonesia today; (2) Analyze problematic situations and formulate proposals to improve the implementation of corporate governance and the conditions of intellectual capital of sharia banking in Indonesia today, and (3) Design a model for strengthening intellectual capital-based corporate governance in accordance with the characteristics of Islamic banking in Indonesia.

This study uses two stages of analysis. The first phase analysis aims to look at the characteristics of the implementation of corporate governance and the condition of intellectual capital as well as to create a typology of sharia commercial banks (SCB) in Indonesia based on the implementation of governance and intellectual capital conditions. The first phase analysis uses multiple regression analysis to see the effect of GCG implementation and intellectual capital conditions on the performance of Sharia Commercial Banks. The second stage analysis is situational analysis, to find out the current problematic situation of the implementation of sharia banking governance. Situational analysis uses descriptive data analysis derived from questionnaire answers, open questions and in-depth
The analytical tool used in modeling is soft system methodology (SSM) which includes rich picture, root definition and purposeful activity model (PAM).

The results of regression analysis show that Sharia Commercial Banks in Indonesia have three characteristics related to the implementation of corporate governance and conditions of intellectual capital: (1) The condition of intellectual capital of Sharia Commercial Banks has a significant influence on SCB performance; (2) The implementation of corporate governance does not have a significant influence on the performance of SCB, and (3) Simultaneously governance and intellectual capital have a significant influence on the performance of Sharia Commercial Banks.

Furthermore, based on Anthony Giddens's structuration approach regarding the existence of a duality relationship between agency and structure, this study builds the typology of sharia commercial banks based on the application of corporate governance. The typology built is called iB-ASQ ™ (Islamic Bank-Agency Structure Quadrant). The typology divides the type of governance implementation into four quadrants: (1) Quadrant I which is [agency high; structure high]; (2) Quadrant II, namely [agency low; structure high]; (3) Quadrant III, namely [agency high; structure low], and (4) Quadrant III, namely [agency low; structure low].

Situational analysis of the problems of the implementation of corporate governance and the conditions of intellectual capital of Islamic banking in Indonesia provides five important features including: (1) Sharia banking needs to develop sharia governance framework model (SGF-Model) that is in accordance with the situation and conditions of the sharia banking industry in Indonesia; (2) Sharia banking needs to optimize intellectual capital in the sharia banking industry; (3) Sharia banking needs to strengthen the main duties and functions of the Sharia Supervisory Board (DPS) so that it can carry out a strategic role in the corporate governance system; (4) Sharia banking must increase the activity of corporate social responsibility (CSR), and (5) Moral and ethical principles are absolutely used as a precondition for the implementation of iB-SGF™.

Based on the conceptualization of the idea to strengthen the implementation of a more comprehensive corporate governance, the sharia governance framework model was built to be called the iB-GF™ Model (iB-Governance Framework Model). The initial focus of developing the iB-GF™ model is the development of personal governance (PG) into good personal governance (GPG) which is used as a basis for creating good corporate governance (GCG). The main idea of the development concept of the iB-GF™ model is to introduce elements of intellectual capital (IC) which function as binding factors in the operations of corporate governance.

**Keywords:** iB-Agency Structure Quadrant™; iB-Governance Framework Model™; intellectual capital; soft system methodology; typology of sharia commercial bank.