

Wadiah and Mudharabah Deposit, Management Commitment on Profit and Loss Sharing Financing

Titin Vegirawati ^{*}, Didik Susetyo ^{**}, Inten Meutia ^{***}, Lukluk Fuadah ^{****}

^{*}Accounting, IBA University
^{**}Economics, Sriwijaya University
^{***}Accounting, Sriwijaya University
^{****}Accounting, Sriwijaya University

DOI: 10.29322/IJSRP.8.5.2018.p7752

<http://dx.doi.org/10.29322/IJSRP.8.5.2018.p7752>

Abstract- The main purpose of this paper is to investigate the effect of wadiah and mudharabah third party as well as management commitment on profit and loss sharing financing. Data have been obtained from annual reports of full-fledge shariah banks and shariah business unit in conventional banks which reported their annual report from 2011 until 2016. Generalized linear model is used to analyzed the effect of the variables on profit and loss sharing financing. This model is usually used for non normal data. The research findings affirmed that three variables effected profit and loss sharing financing. Mudharabah third party and management commitment have positive effect on profit and loss sharing financing, while wadiah third party has negative effect. This paper offers useful information that reserve relevant guidelines to policymakers and practitioners for future development of profit and loss sharing financing. The paper provided fresh data and important informations relating profit and loss sharing and effected variables.

Index Term- Wadiah, Mudharabah, Management Commitment

I. INTRODUCTION

Muslims have established Islamic banks as a form of piety to Allah SWT. These banks became a solution for Muslims around the world to free from interest mechanism in banking system because the interest or riba is forbidden in Islamic law. Furthermore, Islamic banks are established not only to avoid bank interest, but also to avoid unethical practices and actively participate in achieving the goals and objectives of Islamic economics (Ahmed, & Barikzai, 2016).

Islamic banks must implement basic principles of Islamic finance. The first basic principle is risk sharing, where each participant in a transaction must share the profit or risk of loss from a transaction. Percentage of profit or loss sharing to each party has been determined in advance. The second basic principle is no exploitation. No participants in transactions should be exploited in the banks operations (Bakar and Ali, 2008). It means the operations must be interest-free (usury), contains no uncertainty (gharar) and contains no gambling elements (Rosly, 2005, Siddiqui, 2008). The third basic principle is not to fund prohibited activities according to Islamic principles (Rosly 2005; Siddiqui, 2008; Bakar and Ali, 2008).

Three basic principles of Islamic finance are served as a guide for Islamic banks in determining various financing products. Financing products are grouped into two methods: fixed mark up method and profit and loss sharing method. This classification is based on profit and risk sharing. Islamic banks tend to apply fixed mark up finance. They predetermine margin of the value of the transactions performed. The banks do not charge certain interest rates to its borrowers, but in practice interest remains a consideration to maintain the competitiveness of Islamic banks against conventional banks (Masnidar, 2009). This finance is basically acceptable in Islamic law or the shari'ah, (Khan, 1983, Hanif and Iqbal, 2010) but is similar to the debt contract feature of conventional banks (Ismail and Ahmad, 2006). Fixed marked up finance products consist of Murabahah, Salam, Istisna and Ijarah.

Profit and loss sharing finance is applied by not charging interest on the value of capital. Islamic banks will receive revenue from certain

percentage of profit earned from funded partners (Ahmed, 2008). If banks' partner get loss, they are willing to bear all losses and divided to depositor as a portion of equity ownership (Siddiqui, 2008) Financing products using this method are *mudharabah* and *musyarakah*.

Ideal Islamic banks financing products is based on profit and loss sharing (Ascarya and Yumanita, 2005, Rosly 2005, Chong and Liu, 2009, Hanif and Iqbal 2010, Saad and Razak, 2013, Azmat, Michael and Kym, 2015). Beside that, profit and loss sharing financing also has the ability to bring economic benefits by promoting the growth of the real sector (Abduh and Omar, 2012; Saad and Razak 2013). In addition, this financing also benefits Islamic banks. Jaurino and Wulandari, 2017 has conducted research on the effect of *mudharabah* financing and *musyarakah* financing on bank profitability. The results obtained by SEM-PLS analysis showed the influence of *mudharabah* financing on the profitability of sharia banks.

Bank management still tends to sharia-compliant products. This phenomenon makes customers or prospective customers have no good reason to choose Islamic bank or move from conventional bank to Islamic bank. The market share of Islamic banks which is an indicator of public confidence can only reach 5.3% by the end of 2016 (Sharia Banking Statistics, 2016).

Profit and loss-sharing financing faces agency problems inherently (Sarker, 1999, Dar and Presley, 2000). Agency problems arise when there is a difference interest between two parties, principals and agents, banks and users of funds, in which each party seeks to maximize its profits. Principals and agents tend to take action for their own benefit, at the expense of the interests of others (Jensen and Meckling, 1976). Information asymmetry will arise as an agency problem. Companies using bank funds have more information about the company's operations, whereas banks have limited access to such information. Given the asymmetry of this information the bank must conduct more rigorous and costly monitoring of this financing.

Banks should prioritize the interests of stakeholders of Islamic banks. They should be aware that their stakeholders have different characteristics from the stakeholders in conventional banks. Their stakeholders keep religious values behind their business activities.

Stakeholders of Islamic banks not only want a financial profit only. Dusuki (2008) has studied on 1541 stakeholders of Islamic Banks in Malaysia. His research results affirmed that stakeholders expected Islamic banks to prioritize the promotion of Islamic values and a way of life to staff, clients and the general public in an effort to contribute to the social welfare of communities, promote

sustainable development projects and alleviate poverty.

The results of this study also explained the expectations of all stakeholders in Islamic banks in Malaysia. Judging from its expectations, the stakeholders of Islamic banks split into two groups. The first group consisted of the users of funds, depositors, employees and local communities. This group consistently expected Islamic banks to choose ideal financing in the form of profit and loss-sharing financing. The Second group consisted of bank managers, sharia supervisory boards and regulators. This group expected Islamic banks to maintain their continuity and endurance of the business so each bank can become a competitive bank. The results of this study illustrated the existence of different expectations and interests between agents with principals on Islamic banks. According to agency theory (Jensen and Meckling, 1976) these differences of interest motivate agents or bank managers to act differently from their principal interests.

Although they also face agency problems such as companies in general, Islamic banks have Islamic values that become unique identities and become unifying stakeholders in achieving business goals and worship purposes (Al-shamali et al., 2013). Stakeholder Theory explained that all of stakeholders together contribute to providing the resources they have to the selected companies to achieve common goals (Freeman, 2010). The management of a trusted company should be the protector of their interests. The attention and protection of the company on the interests of all parties must be balanced, so that no major stakeholders benefit more than other stakeholders (Donaldson et al., 1995).

Depositor is one of bank stakeholders contribute to bank through third party funds. John (2014) has examined the relationship of deposit funds as a variable determinant of bank loan volume. The results of his research on 22 conventional banks in Nigeria in the period 2006-2012 proved a significant positive effect of the volume of deposit on the volume of loans issued by banks.

Third party funds in conventional banks differ from third party funds in Islamic banks. All third party funds in a conventional bank will get the result of its deposits in the bank, ie interest. While the third party funds deposited by syariah banks from depositors are grouped into two groups, namely *wadiah* and *mudharabah* deposits.

Wadiah deposits are third party funds in the form of lodge or leave (Qaed, 2014). According to Maliki and Shafi'i sects, on a *wadiah* contract, a depositor represents certain asset preservation to others in a certain way, so that the person who entrusts the asset feels comfortable and does not

worry about the security of his assets (Afif, 2014). In an Islamic bank, on the deposited asset, the bank asks the authority to use the asset, as long as the asset is in the bank. All benefits for the use of the asset are owned by the bank. Banks provide compensation in the form of grants to depositors of wadiah (Mahbub & Shammo, 2016).

The second Islamic bank deposit is *mudharabah*. In *mudharabah* agreement depositor agree to finance banks' project or contract by sharing certain percentage of profit or loss (Hilman, 2016). Othman and Masih (2015) had studied *mudharabah* implementation in Financial Intermediation Theory framework. They observed the effect of *mudharabah* deposit on profit and loss-sharing financing at Islamic banks in Malaysia. This study used dynamic ordinary least squares (DOLS) analysis techniques, fully modified ordinary least squares (FMOLS) and generalized method of moments (GMM). The results showed that there is a positive relationship between *mudharabah* deposits on *mudharabah* and *musyarakah* financing, but not causality relationship.

Implementation of Financial intermediation Theory in Islamic banks and in conventional banks is different. Investors and depositors in Islamic banks are not only investing for financial gain, but also to achieve the common goal of shari'ah obedience. Kholid and Bachtiar (2015) examined the influence of *mudharabah* deposit on Islamic bank *maqasid* performance. They stated that *mudharabah* deposit in Islamic banks in Indonesia have a positive effect on *maqasid* performance.

Othman and Masih's research (2015) and Kholid and Bachtiar's research (2015) focus on third-party *mudharabah* funds as a source of funds entrusted by depositors to banks for bank use in performing their intermediary functions, while wadiah deposit is not taken into account. Though third party funds Wadiah is one source of Islamic bank funds that can be used by banks without the obligation to provide results to depositors (Qaed, 2014).

Ghoniayah and Wakhidah (2012) investigated the effect of deposits on *musyarakah* financing in Islamic Commercial Bank and Sharia Business Unit (UUS) in Indonesia. By using multiple linear regression method, the researchers concluded that there is a significant positive influence of wadiah and *mudharabah* deposits on *Musyarakah* financing.

Profit and loss-sharing financing is a unique financing that is not owned by a conventional bank. However the existence of these financing risks creates reluctance of Islamic banks to run this financing. The Banks tend to concerned about customers' funds and bank profits safety. Islamic banks have to share the risk to their business

partners, but this risk has a negative impact on the earnings of banks and depositors.

The willingness of banks to implement profit and loss-sharing financing is expected only if the banks have strong management commitment. Several studies have proven the role of management commitment within the company. Management commitment has driven the company to achieve the company's goals and business success. Several researchers have studied the impact of management commitment on corporate goals. Pourkiani and Tanabandeh (2016) obtained research findings indicating a positive relationship between management commitment and service quality. Javed (2015) describes a moderate relationship between management commitment and quality management. Cooper (2006) affirms the relationship of the impact of management commitment on employee behavior. Nurhayati and Mulyani (2015) obtained the findings of management commitment and other variables have significant influence on the implementation of accounting information system.

The above studies show that high management commitment can improve the company's ability to achieve various corporate goals. A similar study was also conducted on sharia banks. Ascarya (2010) also observes management commitment as one of the variables that can encourage the improvement of profit and loss sharing. The results of his research confirmed the lack of implementation of profit financing and loss sharing in Indonesia due to the lack of management commitment to support this financing.

Based on the phenomenon of previous research and related to situational background, it is suspected that wadiah and *mudharabah* deposits as well as management commitment have a positive effect on profit and loss-sharing financing.

II. LITERATURE REVIEW

Islamic banks have specific philosophy and objectives. These banks are responsible for Allah SWT. Accountability to Allah SWT is realized by implementing Islamic values. Some research about public perception about the implementation of Islamic values have studied in Islamic Banks. Dusuki (2008) had investigated seven stakeholder groups at Bank Syariah Malaysia Berhad and Bank Muamalat Malaysia Berhad on the philosophy and objectives of sharia banks that occur in countries that use dual banking system. These stakeholder groups are users of financing facilities, depositors, branch managers, employees, sharia supervisory boards, bank regulators and local communities who have no relationship with any sharia bank. The findings of this study suggested that respondents view sharia banks as an institution that must uphold

social goals and promote Islamic values to staff, clients and the general public.

Inline with that research, Agriyanto (2015) had studied on differences of stakeholder opinion regarding the objectives of Islamic banks in Indonesia. Stakeholders selected in this study are customers, depositors, communities, bank managers, employees, regulators, and sharia supervisory board. According to public perception, Islamic banks should have greater social objectives than their commercial goals. Islamic banks should promote Islamic values and way of life to staff, clients and the general public, contribute to social welfare, reduce poverty, promote sustainable development goals rather than focus on profit-seeking only. In contrast, sharia bankers in Indonesia are employees, managers and regulators are still concerned with the commercial purpose of maximizing profits, minimizing operational costs, improving the quality of goods and services and offering products that are able to survive and competitive.

Ahmed and Barikzai (2016) conducted a study of employee perceptions on five Islamic banks in Pakistan against the achievement of three main objectives. These goals consisted of religious objectives, social goals and economic goals. The results show that Islamic banks in Pakistan have different characteristics than conventional banks. Respondents of this study also stated that as interest-free banks, Islamic banks can also play a role to provide services to the community. Islamic banks are also considered to be financial institutions that have ethical norms. As one of financial institutions, these Islamic banks are accountable to God and their community, and have the task of being transparent in all their activities. Prior researches show that Islamic banks should prioritize religious objectives and social goals that economics goals.

Ascarya (2010) conducted a study on the factors that led to the lack of PLS financing in the Sharia Bank. This research uses Analytic Method Network Process (ANP) is to understand and imagine the problem thoroughly. Researchers describe the problem and disseminate questionnaires and in-depth interviews to academics and practitioners of sharia banks. After obtaining the answer, the researcher evaluates and measures the pair-wise comparison model and then synthesizes the problem to find a solution. The results show that the lack of profit and loss-sharing financing is due to two aspects, namely internal and external aspects. The internal aspect relates to the lack of information technology, standard operating procedures and management commitments. While external aspects that also lead to this lack of financing are lack of government commitment and legislator support and low trust and widespread public understanding of these financing.

Ascarya research result (2010) is the answer that clarified the results of research Dusuki (2008) and Agriyanto (2015). Managers tend to avoid profit and loss-sharing financing and prefer fixed-based marked up method financing. Some of the reasons of choosing this financing are the awareness of the lack of syariah bank information technology and standard operating procedures to support the monitoring borrower activities.

Using quantitative data, (Bahari, 2009) conducted a study of changes in the structure of Islamic bank products in Malaysia. The results show that in the period 2006 to 2009, financing is still dominated by debt-based financing. On the contrary, profit and loss-sharing financing is still a minority financing that is less than 10% of total financing.

In Pakistan, Farooq & Ahmed (2013) also conducted research on musharaka financing. The researchers conducted a survey on Islamic bank employees in the second level position and above. Researchers also conducted a survey of lecturers teaching Islamic Banking and Islamic finance courses. In addition, to complement the results of its research, annual report data and quarterly reports are also used. The results show that some of the factors that cause the musharaka financing to grow slowly are the lack of interest in management of this financing. The bank's management also have no sufficient expertise to support financing with a partnership contract like musharaka. In addition, customer characteristics also do not fully support this financing. The low commitment, honesty and expertise make this financing difficult to develop. This financing requires honest, expert and high customer commitment, so that both the banking objectives and the customer's objectives can be achieved. Another factor that does not support the growth of this financing is the low level of government support for this financing.

Musharaka financing is an interesting financing to be studied. Abdalla Ahmed, (2008) conducted a study of the factors that hindered the distribution of musharaka financing in Islamic banks in Sudan. Researchers collected survey data from investment department employees at 9 sharia banks in Sudan. The results show that banker deficiencies who understand the selection, evaluation and favorable project management are a significant cause for the lack of musharaka financing.

John (2014) has studied the effect of third party fund volumes on the behavior of bank loans. Researchers used data from 22 banks operating in Nigeria. Data obtained from the annual report in the period after the consolidation from 2006 to 2012. The analysis technique used is regression analysis. The result of the research shows that there is a significant positive correlation between variable of

third party fund volume to loan volume at selected bank. The greater the amount of third party funds deposited by the depositors, the greater the amount of loans disbursed by the bank to the users of the funds.

Amelia and Fauziah (2017) studied some variables effected mudharabah financing. The variables are third party funds, capital adequacy ratio, inflation, exchange rate and profit sharing. The data used in this study are monthly time series data from June 2009 to June 2015. The results of data analysis with multiple linear regression model shows that third party funds and exchange rate have a positive effect on mudharabah financing, while the capital adequacy ratio variable has negative effect on this dependent variable. In contrast, inflation and profit-sharing variables did not affect mudharabah financing.

In Malaysia, Othman and Masih (2015) not only examined mudharabah financing, but also examined the musharaka financing. Researchers investigated the linkage of third-party funds to mudharabah and musyarakah at Bank Syariah in Malaysia. Appropriate analytical techniques used are dynamic ordinary least squares (DOLS), fully modified ordinary least squares (FMOLS) and generalized method of moments (GMM) systems for estimation and causality analysis. The data used are monthly panel data from January 2010 until January 2015. The result of cointegration and causality panel stated that total investment of deposit did not affect mudharabah and musyarakah financing offered by sharia bank. The results tended to indicate a long-term and short-term positive relationship between the total investment of deposit with mudharabah and musyarakah financing, but not a causal relationship.

Kholid and Bachtiar (2015) conducted research on the influence of temporary syirkah funds and good corporate governance on the performance of Islamic Banking in Indonesia. The study was conducted on all sharia commercial banks in Indonesia. The sample is selected using purposive sampling method with criteria has published annual report and financial report between year 2010 and 2013. Another criterion is sample research have published report of good corporate governance in the same period. The results obtained by using multiple regression method, showed the syirkah fund variable have a positive effect on maqasid performance.

Various problems that may be faced by banks in implementing profit-based profit and loss sharing can be ignored if sharia banks have strong management commitment. Several studies have proven the strength of management commitment can drive the company to achieve the business goals of the company. Keramati and Azadeh (2007) have conducted research on the importance of

management commitment in achieving the success of knowledge management. Knowledge can be an experience, a concept, a value or a belief that enhances an individual's ability to take effective action. Measurement of management commitment is done through strategic planning, communication and training. By using semi-structured interviews, the results of this study show that management commitment influences the success of knowledge management, while compensation, reward and performance appraisal are weaker than other measures of management commitment.

Tzempelikos (2015) conducted a study aimed at testing the role of management commitment to management involvement and key management accounts. The first key management account under study is the relational quality consisting of satisfaction, trust and commitment. While the second key management account is a financial performance consisting of sales value, profitability, market share, and ROI. Data from 304 suppliers were collected through interviews using a structured questionnaire. By using structural equation Modeling as hypothesis testing tool, researcher find some research result, that is management commitment influence management involvement. Management involvement mediates the effect of management commitment on relational quality and relational quality affects the company's financial performance.

Another study about top management commitment has been conducted by Babakus et al. (2003). They investigated top management commitment through front-line employee perceptions of the services provided by management at banks in Turkey. The research model is derived from attitude theory. Researchers choose training, authority and rewards as an indicator of the variable of top management commitment. By using questionnaires in data collection, researchers obtained some research findings. Management commitment significantly affects organizational commitment and job satisfaction. Through organizational commitment management commitment influences company performance.

Furthermore top management commitments can also be measured by quality promotion by top management, policy quality as an integral part of the group, quality policy communications to members, objectives and processes, and resource allocation aimed at evaluating quality improvement, and hierarchical formation of committees to ensure improvement of quality services. Caroline, Harriet and Anne (2016) studied influence of top management commitment to the success of small and medium enterprises by using those indicators. The results show the commitment to ensure all

efforts are directed to the orientation of quality and consumer orientation.

III. METHOD

Research object of this paper is thirteen full fledged Islamic banks and twenty one Sharia Business Units in Indonesia. This research observed the effect of wadiah deposit, mudharabah deposit, and management commitment on profit and loss sharing financing.

Types and data sources

The data required for this study are secondary data derived from Indonesian Banking Statistics issued by the Otoritas Jasa Keuangan, the annual report of all fullfledge Islamic Banks and annual reports of conventional banks that have Sharia Business Units. Data collection techniques used in this study is documentation of annual reports documents of sharia commercial banks and conventional banks. Researcher have determined only Islamic banks and sharia business units have published annual reports from 2011 to 2016 selected to this study. So there are nine fullfledge Islamic banks and sixteen shari'a business unit which became research sample. The data obtained on each related banking website.

wadiah and mudharabah deposit variables are indicated by the amount of wadiah and mudharabah deposits at the end of the year, while profit and loss-sharing financing variables are shown by the amount of mudharabah financing and musyarakah financing at the end of the year. The variable of management commitment is indicated by management communication and training conducted by company management reported in its annual report.

The analytical technique used is ordinary least square. The linear regression model has some basic assumptions that must be met to produce the best estimation of the BLUE (Best Linear unbiased estimator). According to Gauss Markov Theory, OLS estimators are said to be BLUE if they have the following properties (Gujarati and Porter, 2013):

1. Being linear, is a linear function of a random variable.
2. Un-biased, where the average value or value of expectations equal to the actual value.
3. have minimum variance of all groups of linear and unbiased estimators called efficient estimators.

III. Result and Discussion

Research results of this study described three independent variables and one dependent variable. The amount of wadiah deposits ranges from 3 billion rupiahs to 9,511 rupiahs. While the amount of mudharabah deposit ranges from 109 billion

rupiahs to 60.831 billion rupiahs. Data on the amount of mudharabah financing communication and training showing management commitment ranged from 2 to 101 times. The last variable is profit and loss sharing financing variable. The amount of this financing ranged from 1 billion rupiahs to 22,066 billion rupiahs.

The results of this study also shows the relationship between independent variables and dependent variable. Two of the three independent variables consisting of mudharabah deposits and management commitments have a significant effect on profit and loss sharing financing. while the wadiah deposit does not affect this financing.

V. Conclusion

Based on the background, problem formulation, hypothesis development and related theories and data analysis results that have been discussed in the previous chapters then the conclusions of this study are as follows:

Wadiah, mudarabah deposit and management commitment have positive and significant influence simultaneously to profit and loss sharing financing. This shows the greater the wadiah deposit and mudharabah deposits, and management commitment, the more profit and loss sharing financing is channeled by sharia banks and sharia business units. This indicates that all syariah bank sharia bankers and sharia business unit contributed to the bank to become the ideal bank. Partially, management commitment, mudharabah deposit and capital provide significant and real contribution to banks to channel profit and loss-sharing financing.

All stakeholders in sharia commercial banks and Islamic business units play a role to contribute to increasing the ideal Islamic finance channeling, namely profit and loss-sharing financing.

References

- [1] Abdalla Ahmed, G. (2008). The implication of using profit and loss sharing modes of finance in the banking system, with a particular reference to equity participation (partnership) method in Sudan. *Humanomics*, 24(3), 182–206. <https://doi.org/10.1108/08288660810899359>
- [2] Afif, M. (2014). Tabungan: Implementasi Akad Wadi'ah atau Qadr? (Kajian Praktik Wadi'ah di Perbankan Indonesia. *Jurnal Hukum Islam*, 12(2), 251–264.
- [3] Ahmed, G. A. (2008). The implication of using profit and loss sharing modes of finance in the banking system , with a particular reference to equity participation (partnership) method in Sudan. *Humanomics*, 24(3), 182–206. <https://doi.org/10.1108/08288660810899359>
- [4] Ahmed, H. I., Akbar, S., & Barikzai, K. (2016). Objectives of Islamic Finance achieved by Islamic

- Banks. *Al-Adwa*, 45(31), 45–65.
- [5] Al-shamali, F. A., Sharif, A., & Irani, Z. (2013). Islamic Banking Reinterpretation of The Stakeholder Theory. *Arabian Journal of Business and Management Review*, 3(2), 63–72.
- [6] Ascarya, & Yumanita, D. (2005). Mencari solusi rendahnya pembiayaan bagi hasil di perbankan syariah indonesia. *Buletin Ekonomi Moneter Dan Perbankan*, juni, 7–43.
- [7] Babakus, E., Yavas, U., Karatepe, O. M., & Avci, T. (2003). The Effect of Management Commitment to Service Quality on Employees' Affective and Performance Outcomes. *Journal of the Academy of Marketing Science*, 31(3), 272–286. <https://doi.org/10.1177/0092070303253525>
- [8] Bahari, Z. (2009). The Changes of Product Structure in Islamic Banking : Case Study of Malaysia. *Conference on Islamic Perspectives on Management and Finance*, (July), 1–8.
- [9] Caroline, N., Harriet, K., & Anne, N. (2016). Top Management Commitment for Successful Small and Medium-Enterprises (SMEs): A Hoax or A Reality? *European Scientific Journal*, 12(4), 259–268. <https://doi.org/10.19044/esj.2016.v12n4p259>
- [10] Chong, S., & Liu, M. (2009). Islamic banking : Interest-free or interest-based? ☆. *Pacific-Basin Finance Journal*, 17(1), 125–144. <https://doi.org/10.1016/j.pacfin.2007.12.003>
- [11] Dar, H. a. & Presley, J. R. (2000). Lack of Profit Loss Sharing in Islamic Banking : Management and Control Imbalances. *International Journal of Islamic Financial Services*, 2, 9–12. Retrieved from <http://www.iefpedia.com/english/wp-content/uploads/2009/09/Lack-of-Profit-Loss-Sharing-in-Islamic-Banking-Management-and-Control-Imbalances.pdf>
- [12] Donaldson, T., Preston, L. E., Donaldson, T., & Preston, L. E. E. E. (1995). THEORY THE STAKEHOLDER OF THE CONCEPTS , EVIDENCE , CORPORATION : AND IMPLICATIONS. *Academy of Management Review*, 20(1), 65–91.
- [13] Dusuki, A. W. (2008). Understanding the objectives of Islamic banking : a survey of stakeholders ' perspectives. *International Journal of Islamic and Middle Eastern Finance and Management*, 1(2), 132–148. <https://doi.org/10.1108/17538390810880982>
- [14] Ghoniyah, N., & Wakhidah, N. (2012). Pembiayaan Musyarakah Dari Sisi Penawaran Pada Perbankan Syariah di Indonesia. *Dharma Ekonomi*, 36, 1–20.
- [15] Hanif, M., & Iqbal, Ab. M. (2010). Islamic Financing and Business Framework : A Survey. *European Journal of Social Sciences*, 15(4), 1–18.
- [16] Hilman, I. (2016). The Factor Affecting Mudharabah Deposits of Sharia Banking in Indonesia. *International Journal of Bussiness and Management Invention*, 5(8), 56–66. [https://doi.org/10.21511/bbs.11\(3\).2016.03](https://doi.org/10.21511/bbs.11(3).2016.03)
- [17] Ismail, A. G. b., & Ahmad, I. b. (2006). Does the Islamic financial system design matter? *Humanomics*, 22(1), 5–16.
- [18] Jaurino, & Wulandari, R. (2017). The Effect of Mudharabah and Musyarakah on The Profitability of Islamic Banks. In *3rd Parahyangan International Accounting & Business Conference* (pp. 69–84). Bandung.
- [19] Jensen, M. C., & Meckling, W. H. (1976). Theory of The Firm: Managerial Behavior, Agency Cost and Ownership Structure. *Journal of Financial Economics*, 3, 305–360.
- [20] John, A. O. (2014). Effect of Deposit Volume on Banks ' Lending Behaviour in the Nigerian Post-Consolidation Era. *International Journal of Innovation and Scientific Research*, 4(1), 21–25.
- [21] Khan, S. R. (1983). *Profit and Loss Sharing: An Economic Analysis Of An Islamic Financial System*. The University of Michigan.
- [22] Mahbub, M., & Shammo, A. M. (2016). Does "Wadi'ah" Follow Islamic Principles in Islamic Banks? *IOSR Journal of Business and Management*, 4(6), 39–45. <https://doi.org/10.9790/487X-1806043945>
- [23] Masnidar. (2009). Cost-Plus Financing dalam Pembiayaan Murabahah Bank Syariah di Jambi. *Innovatio*, 8(2), 349–374.
- [24] Othman, A. N., & Masih, M. (2015). *Do profit and loss sharing (PLS) deposits also affect PLS financing? Evidence from Malaysia based on DOLS, FMOLS and system GMM techniques*. Kuala Lumpur.
- [25] Pourkiani, M., & Tanabandeh, M. (2016). Explaining the relationship between management commitment to service quality , job satisfaction , and organizational performance in the staff of Islamic Republic of Iran ' s Custom. *International Journal of Humanities and Cultural Studies*, 101–115.
- [26] Rosly, S. A. (2005). Islamic Banking : Doing Things Right and Doing Right Things. *Malaysian Journal of Economic Studies*, 42(1/2), 31–40.
- [27] Saad, N. M., & Razak, D. A. (2013). Towards An Application of Musharakah Mutanaqisah Principle In Islamic Microfinance, 14(2), 221–234.
- [28] Sarker, A. A. (1999). Islamic Business Contracts, Agency Problem and The Theory of The Islamic Firm. *International Journal of Islamic Financial Services*, 1(2).
- [29] Studies, C. B., & Indonesia, B. (2008). THE LACK OF PROFIT-AND-LOSS SHARING FINANCING IN INDONESIA ' S ISLAMIC BANKS : REVISITED, 1–15.
- [30] Tzempelikos, N. (2015). Top Management Commitment and Involvement and Their Link to Key Account. *Journal of Business & Industrial Marketing*, 30(1), 32–44. <https://doi.org/10.1108/JBIM-12-2012-0238>