Influence of The Financial Performance of Islamic Business Units on The Benefit of Stakeholders

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Influence of The Financial Performance of Islamic Business Units on The Benefit of Stakeholders

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Abstract
Many studies are related to financial performance but only a few studies on the implementation of maslaha in Islamic banking, especially in Indonesia. This study aims to analyze the influence between financial performance and stakeholder benefits. This paper uses 20 Islamic Business Units in Indonesia with the period 2017 to 2021. The variables include financial performance (non-performing financing, return on assets, Operating Costs to Operating Income, Financing Funding Ratio) and Stakeholder Beneficence (Employees, Government, Community, Financing Consumers). This model is analyzed by linear regression with Partial Least Square (PLS) technique. The results show that financing performance affects the benefit of stakeholders, more specifically to the benefit of employees and the benefit of the community, and the government is the last party to benefit from the financial performance of UUS. This paper is a consideration for the government to pay more attention to policies that support the financial performance of UUS, so that, by providing appropriate support, the government can encourage the growth of UUS and in turn increase the benefits obtained by various parties, including the government itself.

Keywords: *Islamic Banking; Unit Business Sharia; Maslaha; Stakeholder.*

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1. Introduction

Islam as a guide to life and living includes 3 (three) main aspects, namely creed, morals and sharia. Sharia means the rule of law outlined by Allah SWT to be obeyed by a Muslim in living his life in the world. The provisions of this sharia are comprehensive and universal. The purpose of

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Sharia is to prioritize human welfare. This is reflected in As-Syatibi's view in Al-Muwafaqat: 'The laws are enacted for the benefit of man' , so it can be concluded that maslahah is the essence of the purpose of sharia (maqashid shari'ah). In simple terms, maslahah is defined as something that is good, beneficial and acceptable by common sense

One of the sharia principles in the economic field is the prohibition of usury as stated in the word of Allah in QS. Al-Baqarah (2) verses 278-279. The fulfillment of Islamic banking principles is the main thing that must be fulfilled in Islamic banking transactions. Islamic banking is a major segment of the market and services that has grown rapidly since its establishment in the mid-1970s (Mallin et al., 2014; Ibrahim, 2015;). The rapid evolution of Islamic banking (IB) encourages researchers to uncover its secrets, especially regarding its financial performance, governance, and disclosures. Some literature states that Islamic banking is different from conventional banking, not only in the transactions used, but also in the overall process and outlook. (Grassa, 2013; Nomran and Haron, 2021) (Alvira 'Aina A'yun, 2020). (Hassan & Aliyu, 2018) (Wahid, 2018)

From an ethical standpoint, Islamic banking finance can play an important role in addressing the challenges of alleviating extreme poverty and increasing shared prosperity (Bhatti and Alam, 2018). Indeed, the objectives of IB are guided by the primary objective of Islamic economics which is to achieve economic prosperity (Mohammad and Shahwan, 2013). Jusoh & Ibrahim, 2017; Mohamad et al., 2020; Sabiu & Abduh, 2021). Islamic banking as one of the instruments in the implementation of Islamic economics, apart from aiming to make a profit in running its business. Islamic banking also aims to bring together various interests, in the concept of fulfilling all these interests must refer to maqasid sharia in order to achieve maslahah (mutual welfare) in accordance with sharia principles. (Abdullah, et al, 2022) (Iqbal and Mirakhor, 2017; Tisdell and Ahmad, 2018). (Akbar, 2021) (Nasrullah, 2018)

Islamic banking implements the entire maqasid which is the overall goal of the implementation, namely the benefit of individuals, society and social welfare. If maqasid is deeply understood by individuals and society, then what happens in society should not be competing for each other to beat each other, but helping each other to achieve success (Shinkafi, 2017).

Financial performance is one of the important indicators in assessing the health and stability of the company. The financial performance of Islamic banking as measured by the positive impact on maslaha is closely related to the stakeholder approach. Good financial performance indicates that the company is able to generate adequate profits and maintain a stable financial position. This will certainly provide benefits to stakeholders, both internal and external. (Desai, 2018; Danso, 2020).Fulfilling stakeholder needs and positively contributing to the welfare of society are important factors in performance assessment.

Islamic banks in Indonesia consist of 3 types of banks, namely Islamic commercial banks, Islamic business units and Islamic people's credit banks. (OJK, 2021) In plain sight, the development of Islamic business units, the development of Islamic banks in Indonesia can be seen from the growth in the number of Islamic banks themselves. In a press release reported that until 2020 there were 12 BUS, UUS amounted to 22 banks, BPRS 163 banks and an office network of 2,950.

Developments also occurred in the number of offices, the number of employees and total assets. The total assets of the sharia business unit have always increased from 2016 to 2020 in a row are 102,230, 136,154, 160,154, 174,200, 196,875 (in billions of rupiah). However, when viewed in terms of its financial performance, the Islamic business unit experienced fluctuations in terms of Return On Asset (ROA, Financing to Deposit Ratio (FDR) and Operating Costs to Revenue (BOPO) decreased, from 2016 to 2020. Meanwhile, Non Performing Financing (NPF) has increased.

The financial performance that has been generated by the sharia business unit based on measuring the level of profitability, liquidity efficiency, solvency and assets of the sharia Business Unit and the application of sharia in its operations and products should provide benefits to stakeholders. (Syaputra, 2014) (Ishak, 2019). Because it is in accordance with the rules of fiqh that every sharia rule brings benefits.

In measuring the performance of Islamic banking, the research methodology used is based on the maqashid sharia index (Alhammadi, 2022), (Hudaefi, 2019), (Akbar, 2022) (Rahman, 2017) (Ahsan, 2022) (Mukhlisin, 2021) (Antonio, 2014) (Amaroh, 2018) (Antonio, 2020) (Cakhyaneu, 2018), . The maqashid sharia index can provide an overview of the extent to which business practices fulfill the objectives of sharia, but it does not provide information on the impact of business practices on material well-being, even though economic aspects and material well-being still have a central role. This not only reflects the responsibility of Islamic banking towards stakeholders as a whole, but also maintains economic stability which emphasizes the importance of property ownership and its distribution as a means of achieving maslaha (Puspitaningrum, 2021).

Previous research conducted by (Mawardi, 2014) focused on the effect of financing on business performance, social performance, and benefit in Baitul Maal Wa Tamwil (BMT) in East Java. The study found that BMT business performance has a significant effect at a = 5% on the benefit with a positive coefficient, which means that an increase in business performance will increase the benefit of BMT. Research (Oktavia, 2017), found that the financial performance of Islamic Commercial Banks has a significant and positive impact on the benefit of stakeholders. While this research specializes in the analysis of Islamic Business Units in Indonesia.

Regarding the actualization of previous research on maslaha in Islamic finance, many have done it, namely (Cebeci, 2012; Choudhury et al., 2019; Hudaefi & Badeges, 2021; Yumna, 2019). With the development of these studies, the concept of maslaha in Islamic banking was formed. However, each study still focuses on literature review. In recent years, the development of Islamic banks has experienced significant growth. This can be seen in the development of Islamic banking performance below:

Table 1
Development of Financial Performance of Islamic Public Unit

Financial Performance	2016	2017	2018	2019	2020
ROA	1.77%	2.47%	2.24%	2.04%	1.81%
NPF	3.49%	2.11%	2.15%	2.90%	3.01%
FDR	96.70%	99.39%	103.22%	101.93%	96.01%
BOPO	82.85%	74.15%	75.38%	78.01%	78.96%

Source: Sharia Banking Statistics, December 2020

Based table 1 above shows that financial performance as measured by Return On Asset (ROA, Financing to Deposit Ratio (FDR) and Operating Costs to Income (BOPO) has decreased, while Non Performing Financing (NPF) has increased. The financial performance that has been produced by the Sharia Business Unit (UUS) is based on the level of measurement of Profitability, Efficiency, Liquidity, Solvency and Assets.

Islamic banking is developed as a financial business institution that carries out business activities in line with the basic principles in Islamic economics. The objectives of Islamic economics for Islamic banking that have been explained above that Islamic banks are not only focused on commercial objectives which are reflected in the achievement of maximum profits, but the objectives of Islamic banks must also consider their role in providing broad welfare for the community, one of these roles is to achieve maqashid sharia. Even though sharia bank in indonesia Established since 1992. With implementation fiqh and sharia guideline, sharia banks should have financial performance

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that provides benefits for stakeholders (Jusoh & Ibrahim, 2017; Mohamad et al., 2020; Sabiu & Abduh, 2021).

This study fills the gap in the relationship between Islamic banking financial performance and stakeholder benefit in several ways. First, this study extends the research results of (Mawardi, 2014) and Oktavia, 2016), which investigate the effect of financial performance on stakeholder benefit. Second, previous research ((Cebeci, 2012; Choudhury et al., 2019; Hudaefi & Badeges, 2021; Yumna, 2019)) is limited to literature review, so this study uses quantitative methods in measuring company performance and stakeholder benefit. Third, previous studies used the maqashid sharia index as the basis for determining sharia objectives. Whereas in this study, using maslaha as a practical implementation of maqashid sharia. Because of that we assumed suspected that financial performance affects the benefit of *stakeholders* at Sharia Banks in Indonesia.

2. Literature Review

Islam has three main aspects which include faith (belief), morals (morality), and sharia (Islamic law). The function of the sharia aspect is very important in guiding the lives of Muslims. Sharia functions as a source of information provided by God through the Quran and the sunnah of the Prophet Muhammad. These two sources are recognized as truth by Islam, because they come directly from God.

The second function of sharia is to provide control over human behavior so that they avoid harmful actions. The ultimate goal of sharia is to achieve benefit, both in this world and in the hereafter. The principles of sharia and the laws contained therein aim to ensure the welfare and benefit of humanity as a whole.

In the economic context, the application of sharia has a significant impact, especially in financial institutions such as Islamic banks. Islamic banks follow sharia laws and principles, such as the prohibition of usury (interest), the principle of profit sharing, (Grassa, 2013; Nomran and Haron, 2021) (Alvira 'Aina A'yun, 2020). (Hassan & Aliyu, 2018) (Wahid, 2018). This makes the performance of Islamic banks in line with the goal of greater benefit. (Ulina,2020). These benefits are not only limited to the owners of Islamic banks, but also extend to all stakeholders of Islamic banks, including managers, executives, employees, government, and society.

The achievement of profitability, risk, and intermediation functions arising from the implementation of certain business activities is often defined as performance. Performance is the real result that has been achieved by an individual, organization, institution, or company as a result of a series of activities. Performance measurement reflects the accumulation of a number of decisions taken continuously by management (Helfert, 1997).

The importance of providing an accurate picture of work performance emphasizes the need for careful performance appraisal. Performance appraisals must be able to provide a true picture of work achievement. To achieve this, the appraisal system needs to have clear performance standards and a strong link to the activity being appraised. The system should also be practical and use measurement methods that are reliable in the context of the assessment.

Various methods are used in an effort to assess company performance. One common approach is to analyze the cumulative financial and economic impact of various decisions taken, and compare them with comparative measurement references. Such an assessment involves analyzing the financial statements presented by the company. Financial statements are tools that present information about the results of a company's investments, operations, and financing on a regular basis, and therefore, financial statement analysis can be used to assess performance and forecast future achievements (Helfert, 1997).

Several ratios can be used to measure the financial performance of banks, including:

1. Profitability Ratios: The profitability ratio indicates the bank's ability to increase profits through various sources and existing businesses. This reflects the extent of business efficiency and profitability that has been achieved by the bank (Sawir, 2018). One of the commonly used profitability ratios is Return On Assets (ROA), which measures how much profit is generated by the bank in comparison with its total assets. The higher the ROA value, the greater the profit achieved by the bank and the better the asset management.
2. Operating Efficiency Ratio (REO)/BOPO: BOPO (Operating Expenses to Operating Income) is used to measure the efficiency of a company. (Sawir, 2018) This ratio shows how many percent of operating income must be spent on operating costs. The lower the BOPO, the more efficient the company is in managing its operating costs.
3. Liquidity Ratio: One way to measure liquidity is to use the Financing to Deposit Ratio (FDR).(Sawir, 2018) This ratio compares the total financing provided by the bank with the total third party funds received. FDR illustrates the extent to which banks rely on third party funds to finance their activities. The higher the FDR, the lower the liquidity of the bank, because most of the funds used come from third parties.
4. Risk Measurement Ratio: One form of risk in banking activities is credit risk. The Non-Performing Financing (NPF) ratio is used to measure this credit risk. (Sawir, 2018) This ratio calculates the proportion of non-current (bad) financing in comparison to the total financing provided by the bank. The lower the NPF value, the lower the credit risk faced by the bank, indicating better financing portfolio quality.

Maslahah is a term derived from the word "shalaha," which means good. It means "benefit" or "freedom from harm". According to AlMubarak and Osmani, maslahah literally means benefit, welfare, or advantage. Al-Ghazali argues that the essence of maslahah is maintaining the objectives of Shara' in determining the law, which is based on the texts of Shara'. The principle of "Where there is benefit, there is Allah's sharia, and where there is Allah's sharia, there is benefit" has been recognized in the principles of fiqh and ushul fiqh.

In another view divides maqashid shariah into three categories: tahdzib al-fardu (individual education), Iqomat al-adl (justice), and maslahah (benefit/welfare). This concept has become a measurement to evaluate the performance of Islamic banking. According to (Oktavia,2016) stakeholder benefits include:

1. Benefit to the Owner

The benefit for the owner is the benefit that can be received by the owner of the Islamic bank, the benefit received by the owner in the form of profit earned by the Islamic bank will be compared with the capital owned by the Islamic bank, so it can be formulated as follows:

Owner = Net Profit/Capital

2. Employee Benefits

Employee benefits are benefits that can be received by all employees of Islamic Banks, the benefits received by employees are employee expenses for one year compared to the total assets of Islamic banks as of December 31, so the formula is as follows:

Employee = (Personnel expenses /Total Assets) x 100%

3.Government Benefits

The benefit of the government is the benefit that will be received by the government by looking at the amount of tax paid by Syriah Bank to the government for one year and will be compared with the total financing of Islamic banks in the same period, so it can be formulated as follows:

Government = (Taxes/Total Financing) x 100%

4. Community Benefit,

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Community benefit is the benefit that will be received by the community from Islamic banks, by looking at the comparison of the growth amount of zakat and benevolent funds issued by Islamic banks in the current year and will be compared with the growth of zakat and benevolent funds in the previous year, so it can be seen in the formula below:
Society = (Nt- Nt-1)/ (Nt-1x 100%)
Description:
Nt : zakat and benevolence funds distributed in year t
Nt-1 : zakat and benevolent funds distributed in year (t-1)
5.Consumer benefit of financing
The benefit of financing consumers is the benefit received by consumers who do financing at Islamic banks, by looking at the amount of financing growth channeled by Islamic banks and then compared to the previous year's financing, so the formula is:
Society = (Pt- Pt-1)/(Pt-1x 100%)
Description:
Pt : Total financing in year-t
Pt-1 : Total financing in year (t-1)

Stakeholder theory, which focuses on the view that companies have stakeholders rather than just shareholders, is reinforced by views such as (Kurniawan, 2013), and (Khabibah and Mutmainah, 2013). Stakeholders are individuals, human groups, or communities that have a relationship and interest in the company. Companies are considered part of the social structure of society, and as a result, have a responsibility to provide benefits to their stakeholders. In this study, the concept of stakeholder theory is reflected through the financial performance of the Sharia Business Unit, which has a positive impact on its stakeholders.

3. Methodology

Data Type and Source

This study uses secondary data in the form of panel data, combining cross section of Islamic Business Units and data series for six years (2017-2021). The original data is ratio data, but is converted into interval data to avoid confusion and support the formation of formative indicators on latent variables.

Population and Sample

The population in this study were all Sharia Business Units (UUS) in Indonesia registered with the Financial Services Authority (OJK), which amounted to 20 UUS until September 2022. Sampling in research using purposive sampling method, where the determination of the sample is based on certain considerations (Anshori and Iswati, 2009: 105). The sample criteria used in this study are as follows:. 1) Sharia Business Units (UUS) that operate nationally in Indonesia and 2) UUS that publishes annual financial reports during the 2017-2021 period. Based on the sample criteria that have been determined above, there are 20 UUS that meet the sample criteria in this study.

Operational Definition of Variables

Referring to the problem formulation and hypothesis of this study, there is one exogenous variable, namely financial performance with four indicators, namely ROA, BOPO, NPF, and FDR and one endogenous variable, namely stakeholder benefit with five indicators, namely: owners, employees, government, society and consumers. These variables can be described as follows:

Tabel 1. Variable Operational Table

Variables	Indicator	Size
Exogenous Financial Performance	*Return On Asset* (ROA)	$\frac{Laba\ Bersih}{Total\ Aset}$
	Operating Expenses to Operating Income (BOPO)	$\frac{Biaya\ Operasional}{Pendapatan\ Operasional}$
	Non Performing Financing (NPF)	$\frac{Biaya\ Tidak\ Lancar}{Total\ Pembiayaan}$
	FDR	$\frac{Total\ Pembiayaan}{Total\ Dana\ Pihak\ Ketiga}$
Endogenous Stakeholder Benefit	Employees	$\frac{Beban\ Kepegawaian}{Total\ Ase}$
	Government	$\frac{Jumlah\ Pajak}{Total\ Pembiayaan}$
	Community	$Pertumbuhan\ Jumlah\ Zakat$
	Consumer Financing	Growth in the amount of financing

Data Analysis Technique

The analytical technique used in this research is Partial Least Square (PLS). The reasons for choosing PLS include: its ability to connect latent variables, adaptability to the possibility of data that is not multivariate normally distributed, and suitable for samples that are not too large. PLS is a powerful analysis method, does not rely on many assumptions such as multivariate normal distribution, and can use indicators with various scales. The sample in this study can be 30 to 100 cases. The formal PLS model describes the latent variable as a linear aggregate of its indicators, with the estimated weights for the latent variable score components dependent on the inner and outer model specifications.

The steps of PLS analysis with the smartPLS (Partial Least Square) program are as follows:

1.Designing the inner model, which describes the relationship of latent variables based on substantive theory. This model involves exogenous latent variables (financial performance) and endogenous variables (stakeholder benefit), embodied in Figure below:

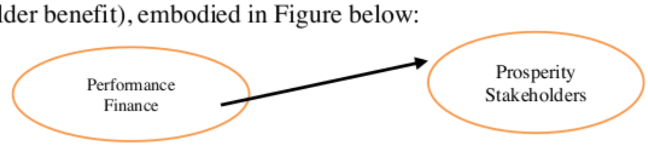

Figure 1 Inner Model

The model can be presented in the equation Y = f(X),

X as a stakeholder benefit and

Y as financial performance

2. Measurement Model (outer model), is the way in which each indicator block is related in the analysis. In this context, the outer model for latent variables uses formative indicators. This was chosen because it fulfills assumptions, such as the direction of causality from indicators to constructs, the assumption that indicators are uncorrelated (no need for internal consistency tests or Cronbach

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alpha), and the consequences on the meaning of the construct if one indicator is removed. Measurement error is placed at the construct level (zeta), the construct has surplus meaning, and the scale score does not reflect the construct.

3. Constructing a path diagram. The results of designing the inner model and outer model are expressed in the form of a path diagram. The figure below is a path diagram:

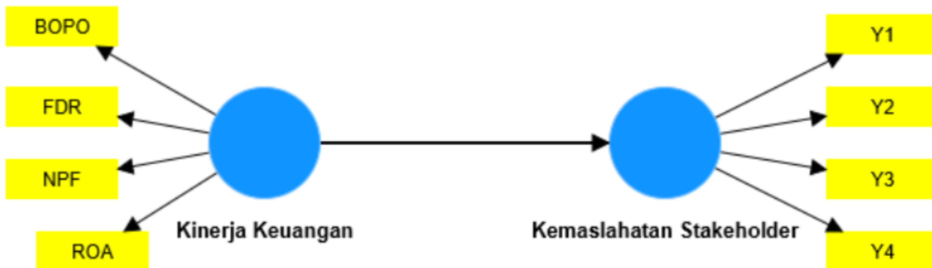

Figure II Path Diagram

4.Outer model evaluation, involving reliability and validity testing. In the formative model, the reliability of formative constructs does not need to be tested. Validity is assessed from the regression coefficient value (outer weight) and its significance, considered valid if the t-statistic of the estimated coefficient on the outer weight is significant at $\alpha = 0.05$. Multicollinearity test is required in formative constructs to avoid multicoll data, and in this study, correlation analysis using Ms. Excel 2010 was used to test for multicoll. Data is considered multicollinear if the correlation coefficient is more than 0.8.

5. Testing the structural model (inner model). Evaluation of the structural model involves R-square for the dependent construct, Stone-Geisser Q-square test for predictive relevance, and t-test and significance of the structural path parameter coefficients. R-square is used to assess the effect of independent latent variables on dependent latent variables substantively.A Q-square value of more than 0 indicates the predictive relevance of the model. The Q-square formula is as follows

Q2 = 1 - (1-R21) (1-R22) .... (1-R2p)...............(1).

This study uses a significance level (α) of 0.05, and if the t-statistic> t-table (with df n = 100), then the hypothesis is accepted (Ghozali, 2008: 26, 28).

4. Results And Discussion

Results

In the PLS technique, there are two tests, namely the *measurement (outer) model* and the *structural (inner) model*. Finally, hypothesis testing. The processing model is shown in Figure 1 below:

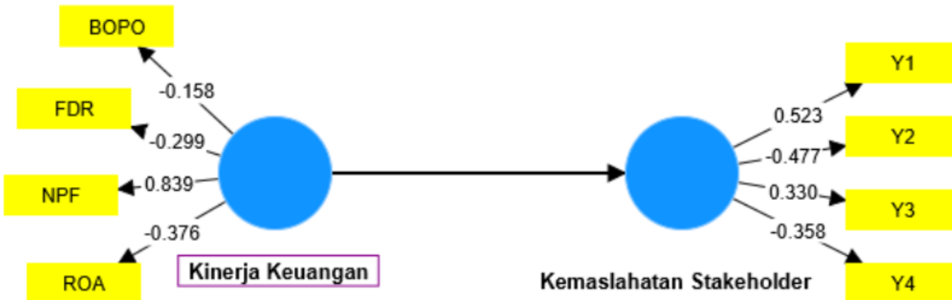

Figure III Coefficient and Model Results

4.1 Outer Model Measurement

This test is conducted to test the reliability and validity of the instrument used. In formative constructs, it is assumed that there is no relationship between indicators, so the internal consistency reliability measure (*Cronbach alpha) is* not needed to test the reliability of formative constructs. However, in the form of formative constructs, the data should not have *multicollinearity*. So in this study it is necessary to test for multicollinearity. Multicollinearity testing in this study used Ms Excel 2016. The assumption of multicollinearity occurs if the correlation value is more than 0.8. Based on the results of multicollinearity testing on exogenous and endogenous variables, the correlation value between latent variables <0.8. This means that there is no interconnection between variables perfectly. These results are shown in table 2 and table 3 below:

Table 2. Correlation Test of Exogenous Variables

	ROA	*BOPO*	*NPF*	*FDR*
ROA	1			
BOPO	-0,19212	1		
NPF	-0,10179	0,108674	1	
FDR	0,680487	-0,13619	0,224069	1

Table 3. Endogenous Variable Correlation Test

	Y1	*Y2*	*Y3*	*Y4*
K. Employee	1			
K. Government	-0,09922	1		
K. Society	-0,00454	-0,04581	1	
K. Consumer	-0,37074	0,098055	-0,11941	1

In addition to multicollinearity testing, the next test is the validity test. The validity test uses the value of the *outer weight*. In validity testing, indicators are said to be valid if the t stat value> t table with a significance of $\alpha = 5\%$. Based on the results of validity testing, the dominant weight value between indicators is the NPF value (X_3) of 0.839 and employee benefits (Y_1) of 0.523. Thus, the NPF indicator is a valid indicator forming the financial performance construct variable.

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Furthermore, the Y_1 indicator is a valid indicator as a shaper of stakeholder benefit construct variables. These results can be seen in the table below:

Table 4. ***Outer Weights***

	Financial Performance	**Stakeholder Benefit**
BOPO	-0.158	
FDR	-0.299	
NPF	0.839	
ROA	-0.376	
K. Employee		0.523
K. Government		-0.477
K. Society		0.330
K. Consumer		-0.358

4.2 Inner Model Measurement

The structural model (*inner model* or *measurement model*) is evaluated using R-square for the dependent construct, *Stone-Geisser Q-square test* for *predictive relevance* and t-test and significance of the structural path parameter coefficients.

4.2.1 *R-Square*

Table 5. ***R-Square***

	R-Square	**R-Square adjusted**
Stakeholder Benefit	0.081	0.072

Based on the *R-Square* table, that financial performance on stakeholder benefits has an R-Sqaure of 0.0081. This means that 8.1% of stakeholder benefits are explained by the financial performance variable.

4.2.2 *Stone-Geisser Q-square test*

The *Stone-Geisser Q-Square Test* is used to measure the value of observations generated by the model and its parameter estimates. A *Q-Square* value of more than zero indicates that the model has a *predictive structure* model. Based on the calculation results, the Q-Square value is 0.923271. This means that this model has a good predictive relevance and structural model value. With the following calculations:

$$Q^2 = 1\text{-}(1\text{-}R\ )^2$$

$$Q = 1\text{-}(1\text{-}(0.081\ )^2$$

$$Q = 0{,}923271$$

4.3 Hypothesis Test

The t test in this study uses α = 5% or by comparing the value of t stat> t table. If t stat> t table, then financial performance has a significant effect on stakeholder benefits. The t-Table value obtained based on the *degree of freedom* (df) value with the number n = 120 is 0.67654 at the 5% significance level. The t-statistic value is obtained based on table 5 *Path Coefficient* below:

Table 6. *Path Coefficient*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statisties [O/STEDEV]	P value
Financial Performance -> Stakeholder Welfare	0.285	0.280	0.075	3.786	0.000

Based on the table above, it appears that the relationship between financial performance and stakeholder benefit parameter estimation value is 0.285. Because the t-statistic is greater than 0.676, it is concluded that the financial performance of UUS has a significant effect on stakeholder benefit.

Discussion

This study aims to prove the hypothesis whether the financial performance of Islamic business units has a significant effect on stakeholder benefit. After testing, it can be seen that there is an influence between the financial performance of the Islamic Business Unit (UUS) on the benefit of stakeholders. With the assumption of ignoring other variables, an increase in financial performance by one unit will increase welfare by 0.285 which indicates that there is a positive relationship between financial performance and stakeholder benefit. This means that the financial performance of UUS is not enjoyed by the government in this study, it is only one of the welfare indicators. The results of this study corroborate the findings of (Nafik,2009) and (Mooduto,2006) in Islamic banking. Ryandono proved that the business performance of Islamic banks in Indonesia has a positive influence on IMF benefits as measured by employee welfare. Suyanto proved that the better performance of Islamic banks has an impact on the welfare of employees and the welfare of the people associated with Islamic banks. (Mooduto,2006) proves that the performance of Islamic banks provides benefits as measured by the resilience of Islamic banks. This study measures the benefits of UUS from the value of benefits received by all UUS stakeholders, namely owners, executives, employees, government, and society. Of the five stakeholders, if viewed more deeply, the dominant indicators in measuring the benefits of UUS, are employee benefits (0.52), community benefits (0.33), benefits for financing consumers (-0.35) and benefits for the government (-0.47).

This is very interesting, because the government is the last party to benefit from the last to benefit from improving the performance of UUS. In the view of Islam, the government is the holder of Allah's mandate to carry out collective tasks in realizing welfare and justice. The government has an important task in realizing the overall objectives of Islamic economics. As is well known, the goal of Islamic economics is to achieve falah which is realized through the optimization of maslahah. Therefore, as the bearer of the mandate of Allah subhanahu wa ta ala and the community, the general purpose of the government's role is to create benefits for the entire community.

This research is in line with research conducted by (Oktavia, 2016), the results of his research show that the financial performance of the sharia business unit (UUS) has a significant effect on stakeholder benefit. The results of this study support the findings of (Mawardi,2014) that the performance of BMT businesses in East Java has a positive and significant impact on stakeholder benefit. Similarly, with research by (Mawardi, 2014), the results of his research show that the IMF's business performance has a positive influence on the welfare of the IMF in Indonesia. Islamic Business Unit Banks need to increase their attention to the benefit of the community, because of the five indicators, the benefit received by the community is the smallest. This can be done by improving

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the quality of services for receiving and distributing zakat funds and benevolent funds. With improved services, it will also increase the distribution of zakat funds and benevolent funds.

5. Conclusion

This study shows that the financial performance of Islamic Business Units has a positive effect on stakeholder benefits. This indicates that an increase in the financial performance of the Islamic Business Unit will increase stakeholder benefit. The most dominant indicator forming the latent variable of financial performance based on the weigth value is NPF, while the last indicator forming the latent variable of stakeholder benefit is the government which indicates that it is the government that benefits from the last to benefit from an increase in UUS performance. The limitation of this research is uses sharia business units. It does not describe sharia banks as a whole. Future research uses all sharia banks included sharia commercial banks, sharia business units and BPRS. Besides that. future research can add exogenous latent variables other than financial performance in order to better describe the real benefit, because benefit has a very broad component. In addition, it can also add indicators to each latent variable.

Author contribution statement

Raja Ria Yusnita performed writing-original draft and copcetualization, and analyzed the result. Eka Nuraini Rachmawati performed writing reviewing and editing, conceplization. Asdelina Ritonga, data collected. All authors contributed to the discussion of the result in this manuscript.

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