


The Systematic Review of Shariah Governance in Islamic Banking System: A Meta-Synthesis Approach

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Abstract

The purpose of this systematic review is to analyze and discuss Shariah Governance in the Islamic banking system from multiple integrative studies. The following study as a meta-synthesis approach employs the ENTREQ technique based on the inductive reasoning approach synthesized selected studies for the issue of Shariah Governance in the form of secondary data. A qualitative analysis research method is used to discuss the given issue systematically. This study employs a meta-synthesis approach of 40 research papers with 4 themes - Shariah audit, Shariah risk, Shariah supervisory, and Shariah Board which are the functions of Shariah Governance. The systematic review of synthesizing finds that Shariah Governance in Islamic banking has its strengths and weaknesses in improving the stability and performance of the Islamic Banking system based on the Shariah compliance requirements. In addition, the result and discussion of the present systematic review have two sections: synthesis finding and synthesis evaluation.

Keywords: Systematic Review, Governance in Islamic Banking, Islamic Banking System, Meta-Synthesis Approach

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INTRODUCTION

In line with the development of Islamic Banking in the global financial market, one of the critical issues that have brought the attention of scholars in their scientific discussion is the practice of Shariah Governance in the Islamic Banking system. Shariah Governance in the banking sector plays a significant role to improve their financial performance. In fact, improving the financial performance of Islamic banks depends on effective Corporate Board decisions that strengthen the stability of banking sector product development in the financial marketplace for their competitive advantages. For this reason, Shariah Governance is one of the fundamental and essential factors in Islamic banking practice to govern the product and services delivered to their customer from the Islamic perspective (Zain & Zurina, 2018). On the other hand, the assessment of Shariah Governance in the banking sector cannot be limited only to meeting the customer demand for increasing profitability, other stakeholders, and public institutions, but also should be assessed to employ transparency and disclosure through Shariah principles

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As mentioned above, recent studies on the practical issue of Shariah Governance in Islamic banking have been conducted by various scholars such as Ahmad & Aziz (2015) theoretical and practical perspective of Shariah Governance; Ali (2015) regulatory framework of Shariah Governance; Bukhari (2014) the evaluation of Shariah Governance practices have been conducted previously. In fact, existing research that emphasized is contributed to the following study, but there is a gap between previous studies and the proposed study differently in terms of scientific analysis. If existing research focused mostly on statistical, empirical, and descriptive methods, the present study objectively addressed on systematic review through meta-synthesis that will integrate the previous investigations which conducted testable facts and evidence to analyze the given issue of Shariah Governance on Islamic banking practice appropriately.

This study objectively addresses the meta-synthesis approach and aims to analyze and discuss the issue of Shariah Governance practices in Islamic banking sector. Meta-synthesis is a qualitative research method that employs heuristic data analysis techniques that helpful investigation techniques to analyze multiple existing researches individually and make inferences from difference investigation results for the implication of Shariah Governance regulations in Islamic banking system. Systematic review of this study enables us to understand comprehensible Governance Boards actions on Islamic banks based on the transparent decision making shareholders that follow appropriate Shariah business expectation strategy. This study contributes to analyzing the critical issue of Shariah Governance framework implication in Islamic banking sector.

METHOD

Systematic Review

Research is an art of investigation that particularly seeks or searches for knowledge that proves the reality of valid evidence or fact-based through a scientific approach. For this reason, in any scientific research it is important to select a methodology that appropriately addresses the proposed study objective. Research methodology refers to a study design that will analyze and discuss collected data requirements. Mainly, the design of methodology in a scientific study is a framework that uses specific techniques to justify the validity of identifying research problems, solutions, and its result evaluation (John, 2014). As discussed, the main concept of all research methodology implication in any scientific study process in particular, the present study employed a meta-synthesis approach to analyze and discuss multiple selected studies within systematic review for the practical issues of Shariah Governance in Islamic banking system. A meta-synthesis research methodology is a qualitative analysis technique that is different from meta-analysis approach that will inference the result of tested facts and evidences review from previous selected research which have been conducted and emphasized for a specific issue purposefully (Nicholas & Komarova, 2019).

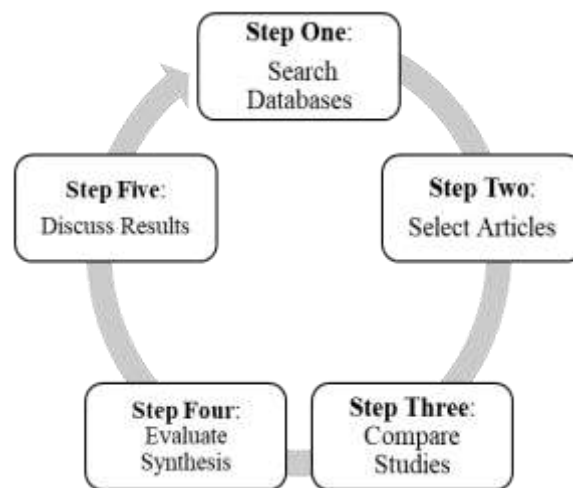
Moreover, from the above explanation it can be clearly inferred that meta-synthesis approach as a research methodologic process designed to conduct evidence-based inferences from the selective studies to evaluate a new investigation's outcome for a specific issue in particular. Contemporary social science in systematic review has different method inquiry (Tan, 2018). As stated above, the present study addressed

meta-synthesis research approach to inquire proposed issues for the practice of Shariah Governance purposefully and through meta-synthesis research as mentioned previously, qualitative analysis method used to analyze collected data analytically. In meta-synthesis various approaches can be employed such as thematic, analytic, or framework to accomplish work (Wilma & Pertiya, 2016). Based on the above statement, in this study thematic analysis within meta-synthesis will process research objectives. Qualitative analysis is designed ENTREQ (Enhancing Transparency in Reporting Synthesis Qualitative Research) technique to discuss the issue of regulatory framework implementing Corporate Governance in Islamic banking sector based on the selected studies that have been tested and conducted scientifically Also, qualitative meta – synthesis methodology is a coherent approach that enables researchers synthesize collected literature relevance based on the selecting, combining, and summarizing conclusion and outcome proposed study within an interpretive process (Elizabeth & Erwin, 2011). As mentioned, in the meta-synthesis approach, the result of research outcome should be evaluated from an integrative source of collected data that previously has been tested for the same issue which will be re-investigated purposefully.

The Systematic Review Process

Systematic review methodology is a systematic process attempted through a specific technique of analysis and discussion that consists of five steps to synthesize existing studies in a given issue. The process of step by step systematic review approach analysis has a methodological component (Anne & Marie, 2017). For example, in quantitative method analysis for analyzing collected data in the form context – based meta-synthesis employ ENTREQ technique to analyze tested facts from relevant sources (Alison & Kate, 2012). In the following section the process of systematic review of proposed issue for the present study illustrated below which can be seen clearly in the Figure 1.

Figure 1: The Process of Systematic Review Analysis



As mentioned above, systematic review is one of the qualitative research types that analyze and find evidence from collected secondary data analytically to synthesize a tested fact in a given issue. And the systematic review research has its process of reworking collected data technically in the form of analytic text-based context which are

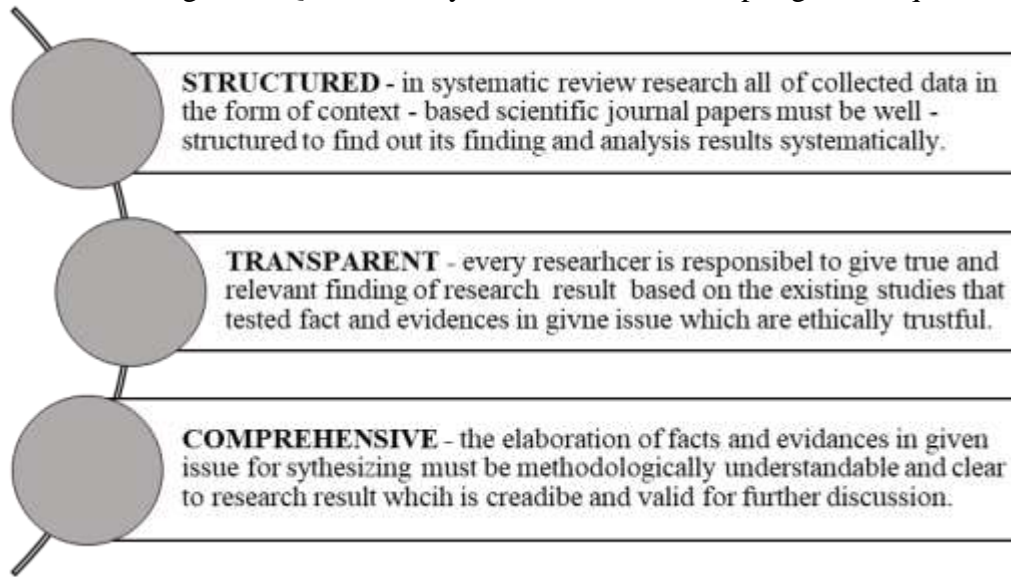
consist of searching online database, selecting article, comparing studies, evaluating synthesis, and discussing the result of proposed study following as:

- a. Step One - Search Database: The first step is searching articles from academic library databases, and in this study for the issue of Shariah Governance research the collected data are gathered from the following database including (Academy Edu, Research Gate, and Scopus Com) to find out the relevant studies for synthesis.
- b. Step Two – Select Articles: The second step is selecting articles that are relevant for proposed study. For example, in the present study as a systematic review process selected articles from academic databases considered previous or existing studies that have emphasized on specific issues of Shariah Governance in Islamic banking system. The reasons for selecting relevant articles are that the evidence or fact of research results must be relevant to research questions and objective investigation. Therefore, every selected article in this given issue as stated above is selected based on the research question formulation and objective clarification that are appropriate to enrich proposed study results in particular.
- c. Step Three - Compare Studies: The third step is comparing selected articles in terms of finding evidence based on the Shariah Governance theoretical foundation. Because the role of Shariah Governance framework in Islamic banking practice has its different functions of process. Hence, comparing selected studies in a given issue enables researchers to figure out what has been discussed by scholars specifically.
- d. Step Four - Evaluate Synthesis: The fourth step is evaluating synthesis from analyzed existing studies that have tested facts and evidence previously in terms of finding an issue that significantly affects the result study. The evaluation of synthesis for the issue of Shariah Governance on Islamic banks attempts to find out what are the strengths and weaknesses or challenges and opportunities of the governance process in Islamic banking sector that by scholars have been emphasized scientifically.
- e. Step Five - Discuss Results: The fifth step is the last one of a systematic review process which has analyzed and discussed in chapter four of present research and interpreted the result of this proposed study for the critical issue of Shariah Governance in Islamic banking system appropriately.

Review Sampling

Furthermore, in the social sciences system sampling technique for each researcher is a very important factor that should explain the reasons for selecting sample study. For this reason, one of the main criteria in the qualitative analysis method is sampling techniques that need to be processed while researching in order to find out the relevant source of investigation for discussion purposefully. According to scholar Martin (2021) selecting samples in systematic review research to synthesize tested facts and evidence has its unique tips that is different from traditional sampling qualitative analysis method. In systematic review research for evaluating synthesis result in any proposed issue - sampling technique consist of the three components such as “structured, transparent, and comprehensive” that illustrated and can be seen in Figure 2.

Figure 2: Qualitative Systematic Review Sampling Technique



Data Collection

The features of meta-synthesis approach as a type of systematic review methodology in the above section, the availability of collected data sources is a very essential factor that enable researchers to explore proposed issues, enrich research questions, and evaluate its results purposefully. Present study as a meta-synthesis approach, collecting data is a progressive work that will be gathered from secondary sources in the form of literature review. Generally, in systematic review there are two types of data collection such as primary and secondary data, but in the following study as mentioned, based on the research method as a qualitative analysis considered to collect secondary data. The source of secondary data in this proposed study are scientific journals that have already been published previously and available access from academic library databases. Based on the above statement, in the following study secondary data collected from various scientific journal papers for analyzing and discussing the proposed issue of Shariah Governance in Islamic banking based on relevant evidence and facts that are tested by other scholars in their critical investigation scientifically. In addition, it is very important to note that the meta-synthesis approach requires multiple study sources to gap different research methods and design for evaluating a unique outcome in the given issue that are credible in terms of logical consequences. For this reason, data collection in the present will assess several database sources to gather integrative evidence – based on facts that specifically have been discussed in the issue of Shariah Governance theory on Islamic banks.

Data Analysis

In any scientific research study, data analysis is a process of discovering, clarifying and transforming collected data based within technique to evaluate investigation results by researchers in a given issue. Actually, in scientific studies, analysis is a specific approach that inferences facts from raw data to make specific and coherence research conclusions. As mentioned, the present study also processes its specific data analysis within qualitative meta-synthesis approach through ENTREQ technique to analyze collected data in the form of published journal papers to evaluate research synthesis results for discussing issues. Selecting studies that are relevant in a

given issue for synthesizing delivers from different research designs and methods that were previously conducted by scholars. And the structure of data analysis as a systematic review for synthesizing employed ENTREQ technique to process all of selected studies that consist of identification, screening, eligibility, and included which is discussed in the below section. Furthermore, the systematic review as one of the qualitative research method type for synthesizing evidence – based fact in given issue employs ENTREQ which the mentioned abbreviation also known (Enhancing Transparency in Reporting the Synthesis of Qualitative Research) to analyze collected data requirements from useful and suitable sources.

Moreover, in systematic review ENTREQ as a relevant approach to data analysis technique will process the raw data from pre – reviewed scientific journal papers that depend on research questions formulating to evaluate its result appropriately. Based on the above statement, in the following study secondary data collected from 40 scientific journal papers to analyze and discuss the proposed issue of Shariah Governance in Islamic banking based on relevant evidence and facts that are tested by other scholars in their emphasized investigation scientifically. As well, the meta-synthesis approach requires multiple study sources to gap different research methods and design for evaluating a unique outcome in the given issue that are credible in terms of logical consequences. The process of formulating all of 40 papers that are collected in the first manner illustrates specifically from different journals, and the structure of collected data in the form of journal papers as presented in Table 1.

Table 1: Formulating Collected Data from Published Journal Papers

No	Author/ Date	Research Paper Title and Published Journal Name	ISSN - Index
1	Rezaul K., & Samia, S. F (2020).	Shariah Audit in Islamic Financial Institutions (IFIs): A Literature Review. <i>Journal of Business & Economics</i> , 2 (4); Pp. 45 – 66.	2664 - 9942
2	Khalil, A. (2020).	The Impact of the Board of Directors and the Shariah Board on the Financial Soundness of Islamic Banks. <i>Journal of Islamic Accounting and Business Research</i> , 1 (2); Pp. 23 – 37.	2759 - 0817
3	Reza, W. P. (2019).	Critical Study of Optimizing of Islamic Corporate Governance Implementation to Achieve Company Performance. <i>Indonesian Journal of Accounting and Governance</i> , 3 (1); Pp. 1 – 32.	2579 - 7573
4	Anvarul Islam, K. M., & Bhuiyan, A. (2019).	The Theoretical Linkages between the Shariah Supervisory Board (SSB) and Stakeholder Theory in the Islamic Financial Institutes: An Empirical Review. <i>International Journal of Accounting & Finance Review</i> , 4 (2); Pp. 43 – 49.	2576 - 1285
5	Izzani, U., Ujang , S. M., & Muhamad, W. (2020).	Optimization the Role of Shariah Supervisory Board for Shariah Governance in Islamic Banking. <i>Journal of Islamic Banking and Finance</i> , 4 (1); Pp. 47 - 53.	2503 - 3077
	Zulkufly, R.,	Sharia Supervision Board, Board Independence, Risk	

No	Author/ Date	Research Paper Title and Published Journal Name	ISSN - Index
6	Nurusysyifa, D. M. (2018).	Committee and Risk-taking of Islamic Banks in Malaysia. <i>International Journal of Economics and Financial Issues</i> , 8 (4); Pp. 290 - 300.	2146 - 4138
7	Rosli, A. & Markom, R. (2019).	Best Practices for Internal Shariah Governance Framework: Lessons from Malaysian Islamic Banks. <i>Asian Journal of Accounting and Governance</i> , (1) 2; Pp. 37 – 49.	2180 - 3838
8	Izzat, A. M., Ruzian, M., & Hisham, H. (2018).	The Principles of Shariah Governance in Statutory Duties of Shariah Advisory Council in Malaysian Islamic Banking System: A Way Forward. <i>International Journal of Business Marketing and Management</i> , 3 (2); Pp. 58 – 66.	2456 - 4559
9	Nawal, K, & Salma, S. A. (2013).	Comparative Analysis on AAOIFI, IFSB and BNM Shari'ah Governance Guidelines. <i>International Journal of Business and Social Science</i> , 4 (15); Pp. 220 – 227.	2766 - 7198
10	Abdullah, A. B., & Azhar, A. R. (2013).	Bank Performance and Board of Directors Attributes by Islamic Banks. <i>International Journal of Islamic and Middle Eastern Finance and Management</i> , 8 (3); Pp. 291 – 309.	1753 - 8394
11	Karim, G. (2014).	Shariah Risk and Corporate Governance of Islamic Banks. <i>Corporate Governance International Journal of Business in Society</i> , 14 (1); Pp. 86 – 103.	1472 - 0701
12	Neifar, S., & Anis, J (2020).	The Moderating Role of Shariah Supervisory on Relationship between Board Effectiveness, Transparency and Bank Performance. <i>International Journal of Ethics and Systems</i> , 4 (2); Pp. 45 – 61.	2514 - 9369
13	Amber, Q., & Qurashi, M. (2013).	Islamic Corporate Governance Practices in Pakistan. <i>Quest Journals Journal of Research in Business and Management</i> , 1(3) Pp. 01-15.	2347 - 3002
14	Malik, M. Y., & Ramli, R. (2016).	The Importance of Shariah Supervisory Board in Islamic Banking System. <i>South East Asia Journal of Contemporary Business, Economics and Law</i> , 9 (2); Pp. 25 – 31.	2289 - 1560
15	Mohammad, & Alias, A. (2016).	To Appoint Shariah Committee Member Independent Non-Executive Director Islamic Banks: Issues and Challenges. <i>International Review of Management and Marketing</i> , 6 (8); Pp. 138 – 141.	2146 - 4405
16	Kausar, A. M., Salah, J, Farjin, H (2020).	Problems of Shariah Governance Framework and Different Bodies: An Empirical Investigation of Islamic Banks in Bangladesh. <i>Journal of Asian Finance, Economics and Business</i> , 7 (3); Pp. 265 – 276.	2288 - 4645
	Nazreen,	Shariah Governance Framework of the Islamic Banks	

No	Author/ Date	Research Paper Title and Published Journal Name	ISSN - Index
17	T. C. (2015)	in Malaysia. <i>International Journal of Management Sciences and Business Research</i> , 4 (10); Pp. 44 – 63.	2226 - 8235
18	Rihab, G. (2013)	Shariah Supervisory System in Islamic Financial Institutions New Issues and Challenges: Comparative Analysis between Southeast Asia Models and GCC Models. <i>Journal of Humanomics</i> , 9 (4); Pp. 333 – 348.	0828 - 8666
19	Roghiebah, A., & Faradisi1, D. S. (2017).	The Effect of Corporate Governance on Sharia Corporate Performance in Indonesia. <i>Journal of Advances in Economics, Business and Management Research</i> , 2 (1); Pp. 65 – 86.	2733 - 4491
20	Mazhar, H. K & Alaeddin3, Z. (2018)	Are Current Shariah Governance Systems Efficient? <i>International Journal of Engineering & Technology</i> , 4 (2); Pp. 154 – 156.	1123- 6671
21	Azzam, A. K., & Arifin, M. T. (2018).	The Role of Shariah Supervisory Board on Internal Shariah Effectiveness: Evidence from Bahrain. <i>Academy of Accounting and Financial Studies Journal</i> , 22 (5); Pp. 1 – 15.	1528 - 2635
22	Noradibah, S. Z., & Zarina, S. (2018)	The Impact of Shariah Governance to Financial and Non – Financial Performance in Islamic Financial Institutions: A Literature Survey. <i>International Journal of Islamic Business</i> , 3 (2); Pp. 27 – 40.	0127 - 6621
23	Aznan, H., & Ruslan, S. (2015).	Optimal Shariah Governance Model in Islamic Finance Regulation. <i>International Journal of Education and Research</i> , 3 (4); Pp. 243 – 258.	2411 - 5681
24	Fateh, B., & Ammi, C. (2015).	Banking Governance: What's Special About Islamic Banks? <i>The Journal of Applied Business Research</i> , 31 (4); Pp. 1621 – 1630.	1630 - 1800
25	Musleh, A. A. (2019).	Performance of Islamic Banks: Do the Frequency of Shariah Supervisory Board Meetings and Independence Matter? <i>ISRA International Journal of Islamic Finance</i> , 11(2); Pp. 303 – 321.	0128 - 1976
26	Abussalam, A. T. (2014).	Corporate Governance from an Islamic Perspective: A Comparative Analysis with OECD Principles. <i>International Journal of Business Study and Research</i> , 6 (2); Pp. 21 – 23.	2664 - 9942
27	Ahmed, H. (2013)	Maqasid Shariah and Islamic Financial Product: A Framework for Assessment. <i>ISRA International Journal of Islamic Finance</i> , 3 (1); Pp.149 - 160.	2759 - 0817
28	Almutairi, A. R. (2017).	Corporate Governance: Evidence from Islamic Banks. <i>Journal of Social Responsibility</i> , 13 (3); Pp 16 - 33.	2579 - 7573
29	Amorah, S. (2018).	The Determinants of Maqasid Shariah Performance of Islamic Banks. <i>Journal of Islamic Economy and Business</i> , 11 (2); Pp. 355 – 370.	2576 - 1285

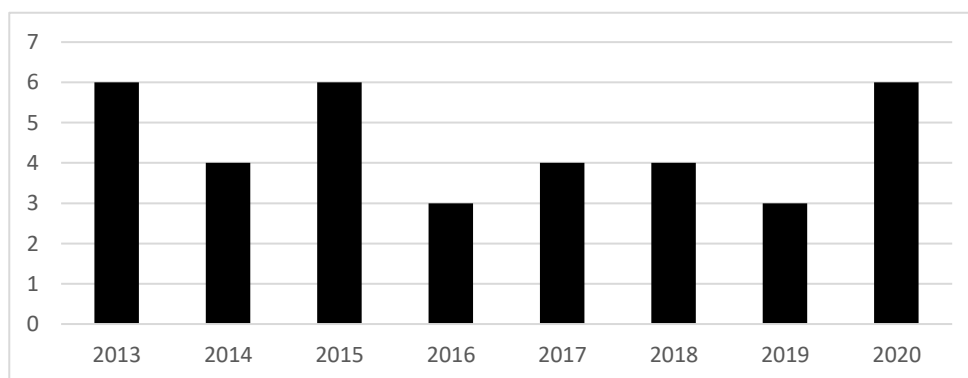
No	Author/ Date	Research Paper Title and Published Journal Name	ISSN - Index
30	Ali, R. (2015).	Analysis of the Regulatory Framework for the Sharia Governance Model of Islamic Financial Institutions in <i>Indonesia. Journal of Islamic Economics</i> , 1 (2); Pp. 3 – 15.	2503 - 3077
31	Arwani, A. (2018).	Issues and Challenges of Shariah Auditing in Islamic Financial Institution and Corporate Governance Compliance. <i>Journal of Media Research and Auditing Information</i> , 18 (2); Pp. 169 – 186.	2146 - 4138
32	Dusuki, A.W. (2016).	The Applications of Shariah Framework for Shareholders Management. <i>Journal of Corporate Ownership and Control</i> , 2 (4); Pp. 35 – 52.	2180 - 3838
33	Kareem, A. & Sabur, B. (2014).	The Framework of Maqasid Al-Shariah and Its Implication for Islamic Finance. <i>Journal of Islamic Civilisational Renewal</i> , 2 (2), Pp. 316 - 336.	2456 - 4559
34	Anwar, A.W., & Said B. (2013).	The Framework of Maqasid Shariah and Its Implication for Islamic Finance. <i>Journal of Islamic Civilisational Renewal</i> , 2 (2), Pp. 267 - 286.	2766 - 7198
35	Burhan, K., & Saleem, A. R. (2015).	Analysis of Factors Influencing the Islamic Corporate Governance Index of Islamic Banks in Asia. <i>International Journal of Humanities and Management Sciences</i> , 3 (4); Pp. 192 -197.	1753 - 8394
36	Sayeed, T., Shakir, J., (2019).	Maqasid al Shariah and Stakeholders' Wellbeing in Islamic Bank: Proposed Framework. <i>Journal of Business & Economic Review</i> : 11 (1); Pp. 83 – 102.	1472 - 0701
37	Fahimkhan , B., & Amin, C. (2015).	Banking Governance: What's Special About Islamic Banks? <i>Journal of Applied Business Research</i> , 31 (4); Pp. 121 – 134.	2514 - 9369
38	Akbar, R. H., & Muhammad, P. S. (2013).	The Institution of Hisbah: A Model of Market Supervisor in Islamic Economic System. <i>Journal of the Islamic Economic Forum for Indonesian Development</i> , 2 (1), Pp. 56 - 80.	2347 - 3002
39	Abdullah, B., & Hamza, H. (2017).	Sharia Governance in Islamic Banks: Effectiveness and Supervision Model. <i>International Journal of Islamic and Middle Eastern Finance and Management</i> , 6 (3); Pp. 226 - 237.	2289 - 1560
40	Ahmad, S. R. & Hasan, Z. (2019).	Regulatory Framework of Shariah Governance System in Malaysia, GCC Countries and the UK. <i>Kyoto Bulletin of Islamic Area Studies</i> , 9 (3); Pp. 82 – 115.	2146 - 4405

Those collected previous research papers have been published in numerous reviewed scientific journals for systematic review in a given topic for the issue of Shariah Governance theoretical framework in Islamic banking practice. In systematic review collecting existing studies from various sources such as (journal papers, text

books, and scientific monographs) unlimited, but in this study the size of collection studies limited only from published journal papers. The systematic review process one of the main requirements of collected studies from multiple sources is to summarize the period of published papers in previewed journals to indicate its numeral form statistically. For this reason, the following study also presents the result of statistical collected studies that consists of the 2013 – 2020 period which consider all of 40 journal papers that showed on (Table 1) for the issue of Shariah Governance in Islamic banking have been conducted by numerous scholars which are illustrated in Figure 3.

Likewise, from the 40 journal papers divided in ten years period from 2013 – 2020, and the most one is on 2013, 2018, and 2019 that consists of 9 papers each other, and 3 – 6 papers belongs to 2014 – 2017, and 7 - 6 papers is 2015 - 2016 and the last one which is the most published papers collected in 2020 in average that presented in above figure to find out its descriptive statistical characteristic review.

Figure 3: The Statistic of Collected Journal Papers 2013 – 2020 Periods



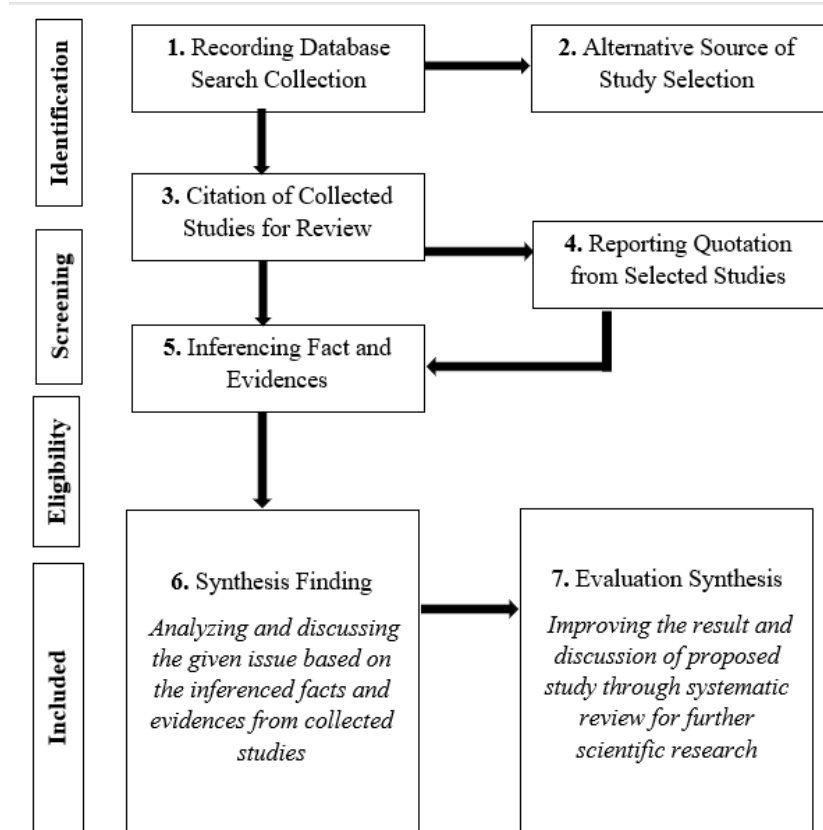
ENTREQ Assessment

Through meta-synthesis research as mentioned qualitative analysis method used to analyze collected data from multiple study sources systematically and based on the above statement in this study synthesis findings has been designed within ENTREQ which is mean as stated (Enhancing Transparency in Reporting Synthesis Qualitative Research) assessment techniques to present the results of synthesis finding study in the given issue of Shariah Governance that are illustrated in Figure 4.

Figur 4 clearly illustrates the process of synthesizing ENTREQ assessment to analyze, find and evaluate the result of proposed issues from collected studies. As well, the main aspect of systematic review through ENTREQ technique is to synthesize the new findings that inference facts from previous studies which are conducted scientifically. Likewise, the first step of searching articles from network academic libraries that collected from the following databases such as (Academy Edu, Research Gate, and Scopus Com); and while processing systematic review 40 journal papers published as stated in above (Table 1) from the following databases considered specifically that have emphasized the issue of Shariah Governance in Islamic banking

system. The reason for selecting relevant articles is that the evidence or fact of research results must be relevant to research questions. Thus, every selected article in this given issue was designed early and assessed based on the research question formulation that is appropriately enabled to enrich the result of study.

Figure 4: The Structure of ENTREQ Assessment Synthesis Process



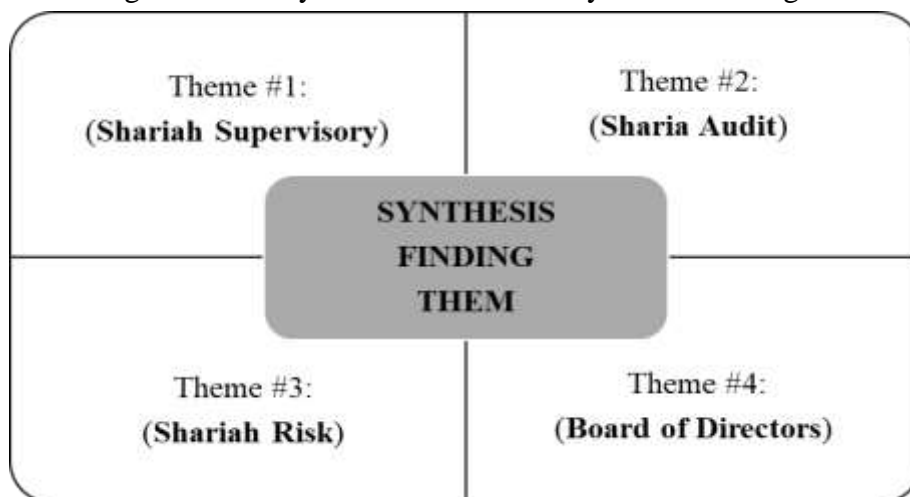
RESULT AND DISCUSSION

Synthesis Finding

Based on the above statement, present synthesizing findings from selected studies in given issue divided into four themes including (Shariah Supervisory, Shariah Audit, Shariah Risk, and Board of Directors) that belongs to the functions of Shariah Governance implementation on Islamic banks which are scientifically have been conducted and discovered to figure out the role and rules of governing banking sector from an Islamic perspective. As detailed above, the present study is different from existing research and this study objectively addressed on meta-synthesis approach that to analyze and discuss the issue of Shariah Governance practices in Islamic banking sector will evaluate its findings with the evidence that previously by many studies in this field have been conducted and emphasized. Indeed, the functions of Shariah Governance practice in Islamic banking through the AAOIFI and IFSB regulations is more than four functions that have 7 guidelines to be implemented in IFI's, but the following study review is limited only in the four of Shariah Governance, doe to the previous selected studies discussed these functions, and for this reason, the below

(Figure 5) represents the final findings synthesis within reviewed and inference evidences systematically.

Figure 5: The Systematic Review of Synthesis Finding Themes



Theme 1 - Shariah Supervisory

In Islamic banking system the role of the Shariah Supervisory Board (SSB) has the key engine role and responsibility that access all of financial transactions and business banking activities based on the Shariah compliance requirements that interconnects to the Shariah Governance process. As stated, an effective Shariah advisory requires the high quality of knowledge experts who are professionally skilful and capable to perform their duties in accordance with standard regulations. Ideally, the participation of Shariah experts in an effective corporate governance subject with the following principles such as independence, competence, condensability, consistency, trust, and ethically trustworthy disclosure to report the results of their expertise to the Board of Directors for governing assessment. Practically, as the function of Shariah Supervisory Board (SSB) formulated by IFI’s standardization including AAOIFI and IFSB guidelines, Shariah experts represent multiple tasks for legality of financial mode of contracts that Islamic banks in business operations delivers for their depositors and customers which is must be effective and efficient in terms compliance assessment based on the Shariah experts approvement. Despite formulated SSB standard regulations, the current practice of Islamic banks practice by the synthesis findings indicated that there are many shortcomings in SSB performance roles in terms of their independence and effect of influence on Shariah Governance processes which is not effective and sufficient. For this reason, there is critical suggestion in existing studies that there is a need for improving SSB standard function in Shariah Governance to be reformed.

Them 2 - Shariah Audit

The internal control system on Islamic banks is very crucial that will be processed by the Shariah Audit to assess all banking levels of operation including law, regulation, guideline, policy, and performance to strengthen the stability of an effective Shariah Governance in practice. Thus, the finding of the synthesis while systematic review of previous studies clearly indicated Shariah Audit is the main functional process of Shariah Governance which is influenced by the Board of Directors (BOD) with Shariah

Supervisory Board (SSB) has an integral role of maintaining duty and tasks must be accessed professionally. Because the Shariah Audit function requires very reasonable assessment from audit experts that have effective relevancy to the Sharia compliance principles for strengthening the reality of financial accounting standard. Therefore, building and nurturing the professional experts of Shariah Audit for Islamic banks has a very fundamental impact in their stability performance to protect all financial transactions from fraud and illegal elements of action. Moreover, one of the very important factors that has been found from selected studies in this issue is the need for a high-skilled and well-trained Shariah Audit committee in Islamic banking sector to understand the reality of the financial model of transactions based on Shariah compliance. Due to function of Sharia Audit is not only limited to financial accounting control system, but an effective audit control assessment also vital role in terms of Islamic banking cost operation reduction, Shariah risk management mitigation, and protecting from internal fraud that improve the financial performance of Islamic banks effectively, and will be accessible for the BOD to promote Shariah Governance processes.

Them 3 - Shariah Risk

One of the functional relations of the Shariah Governance process on Islamic banks has a root of proper strategic consideration which is identifying Shariah risk management for the Board of Directors to improve corporate decision effectively. Certainly, for the Islamic banks practically there are multiple risk management factors, but specifically Shariah risk in relation to Shariah Governance has important factors that must be considered while developing corporate business. As detailed, Shariah risk concept is defined as loss of damage that has internal failure and lack of operational process that cause the Board of Directors responsibility while making their corporate decision making to assess the Islamic banks financial performance based on the rules and regulation that are relevant to Shariah requirements. Hence, to prevent loss, it is the responsibility of BOD while performing recognized duty and task to identify and mitigate Shariah risk strategically. As stated above, to enrich Shariah Governance properly, the managerial system of corporate financial performance in relation to asses Shariah risk policy responsible to robust internal factors of operation systematic control that must be coordinated with Shariah Supervisory Board and Board of Directors to reduce the loss of non – compliance issues in terms for strengthening Islamic banks stability. The functions of Shariah risk management which consist of organizing, planning, leading, and monitoring require internal and external control of operation to evaluate an effective method to develop the sufficiency of Shariah Governance process based on the ethical transparency reporting that minimize the risk of loss financial performance. For Islamic banks Shariah risk management aims to preserve the assets of business banks and protect them from losses. Therefore, the success of Islamic banking is primarily related to their administrative ability to control Shariah risk, because risks cannot be eliminated, but the main possibilities of their impact can be mitigated by developing appropriate alternatives as Islamic banking sector practices it based on the Shariah compliance requirements.

Them 4 - Board of Directors

In the field of corporate business management culture especially for effective Shariah Governance functions in Islamic banking practice the vital role of the Board of Directors has a very fundamental role of an effective responsibility that needs high quality of leadership style to lead the corporate banking sector in a competitive global financial marketplace. For this reason, the role of the Board of Directors for an effective Shariah Governance practice have really critical issues of misleading Islamic banking that lack from existing study review synthesizing. To be clear, the role of BOD for managing an effective Shariah Governance which is recognized by IFI's guidelines that are obvious, but the more critical point that mostly by previous studies emphasized which is the passive behavior of Board of Directors to resolve the problem of risk sharing and delivering profit and loss modes of financing that make distinguish Islamic banks from conventional banking sector in real sector. Indeed, the issue of ineffective Shariah Governance for the lack Islamic banks in terms of PLS is very complicated, but the inference fact and evidence from selected studies in the given indicate that the responsibility Board of Directors is more than expected presented criticism for the future of Islamic banking reformation. In fact, the present BOD policy for an effective Shariah Governance functions on Islamic banks practice needs a transformation change to rethink to a very sufficient corporate culture that will strengthen the stability of IFI efficiently. Specifically, as synthesized in the given issue the BOD for promoting Shariah Governance to execute their duty and responsibility in good quality of leadership style from an Islamic perspective. In Shariah Governance process, the duty's Board of Directors has established a special internal system that is reviewed annually, according to which it defines in detail the duties, powers and responsibilities of the Board, including to develop strategies, policies, plans and procedures that will achieve Islamic bank's objective, maximize the rights of their shareholders, establishing the necessary procedures to ensure that all shareholders to obtain their rights and be treated in a manner achieve justice and equality without discrimination.

EVALUATION SYNTHESIS

The aim of this proposed study based on the meta-synthesis approach was to find evidence that appropriately complies with the strengths and weaknesses of Shariah Governance practice that affected on Islamic banking performance. Because, the synthesis findings of the following study indicates that the process of implication Shariah Governance in Islamic banking system has its unique strengths and weaknesses that need be discussed and find out how does the development of an effective Shariah Governance involves on Islamic banks practice based on the Maqasid Shariah and Shariah compliance requirements in particular. As mentioned, from the result of synthesizing selected studies that have been emphasized by numerous scholars critically it can be understood that Shariah Governance practice despite robust growth of Islamic banks in the global financial market as an alternative banking sector in contrast to conventional banks has various challenges that must be resolved.

Accordingly, for the resolving of Shariah Governance implication in Islamic banks there are two points that must be considered, first, the different opinion of Islamic financial scholars in terms of theoretical framework Shariah Governance improving and the second one is practice factors of Shariah Governance rules and regulation in Islamic banks that formulated by AAOIFI and IFSB to regulate the effectiveness financial institutions based Sharia principles. And from the following claim it can synthesized

that Shariah Governance complicated issue has two aspect which one is theoretical and the other one is practical aspects that are have different factorial analysis but the same in terms of completing each other for clear understanding the challenges and opportunities of Islamic banks performance and productivity that depends on an effective Shariah Governance functions in reality. As mentioned, from a theoretical perspective for developing an effective Shariah Governance model Muslim scholar as usual have different claims and arguments to develop a relevant Shariah Governance theoretical framework that is stable for strengthening the stability of Islamic banks to be more productive and competitive in global financial marketplace. For this reason, several scholars including (Chapra, 2002; Mirakhor, 2011; Mansoor, 2007, Davud, 2007; Ahmad, 2012; Furqan, 2006; Choudhury, 2004; and Askari, 2008) have been analyzed and discussed theorizing Shariah Governance to fulfill the promotion Islamic banks growth in real sector to achieve Maqasid Shariah enlightenment. As discussed in the second chapter, from the critical scholars more specifically the four models of Shariah Governance theorizing designed such as Tawhid Shura, Maqasid Shariah, Stakeholder Relation, and Hisbah System – Based modeling developed to be implemented on Islamic banks.

But from a practical aspect, the reality of Shariah Governance implication rules and regulations which are recognized by international financial institutions authority on Islamic banking business operation are very different as reviewed from numerous studies that synthesized for understanding the critical issue of Shariah Governance challenges and opportunities in practice. As mentioned, there are the main three factors that while reviewing selected studies that discovered which are the issue of improving the quality of ethical values, Shariah Supervisory roles and achieving Maqasid Shariah that is expected from the Board of Shariah Governance Directors in Islamic banking system.

To be clear, Shariah Governance has a fundamental core of functions that play a vital role to improve the financial performance of Islamic bank efficiency, while from the result of previous research papers it can be concluded that Board of Islamic banks Directors did not properly perform their regulatory duties based on the Shariah compliance requirements. For example, the practical function of Shariah Supervisory Committee in terms of influencing on relationship Board of Director while making decision in practice is not relevant to the Shariah principles that require rule – based rights that should be recognized and make responsible the Board of Directors to work and cooperate with Shariah Advisory togetherness. The present role of Shariah Advisory function and performance is only expertise the financial transactions contract legally, but from an Islamic perspective, Shariah Supervisory has greater role of involvement to join Board of Directors and collaboratively perform their requirement duty not only an employee, due to this type style of managerial leadership weaken the independent role of Shariah Advisory to work as an expert and perform the tasks.

CONCLUSION

To sum up, the present study proposed to review systematically the issue of Shariah Governance on Islamic banks purposefully and based on the systematic review of published journal papers in a given issue which synthesized and evaluated the result and discussion following study appropriately. Furthermore, the result and discussion of research from selected studies synthesizing facts and evidence have found that the Shariah Governance framework in Islamic banking system has its unique strengths and

weaknesses which concluded to find the potential of Shariah Governance functions as analyzed and discussed finally. The systematic review of synthesizing has found that Shariah Governance in Islamic banking has its strengths and weaknesses to improve the stability and performance of Islamic banking system based on the Shariah compliance requirements. In addition, the result and discussion of present systematic review have two sections such as synthesis finding and evaluation synthesis that while reviewing selected existing studies is designed to discuss the issue of Shariah Governance development in particular. As a result, based on the above comparing theoretical and practical aspects of Shariah Governance functions in Islamic banking, there is a huge gap between theory and practice to develop the stability of Islamic banks performance. For this reason, the present study within synthesis finding fact and factorial analysis of strengths and weakness has concluded that the present Shariah Governance need improvement for promoting the financial growth of Islamic banks in contrast to conventional banks in real sector and fulfill the need of customer's transaction in accordance to the Shariah rules and principles. Because the result and discussion of systematic review selected studies in this given issue indicated that Islamic banks without an effective Shariah Governance model are not able and capable to strengthen their competitive advantages and achieve Maqasid Shariah values ethically.

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