Financing, Profitability, and Profit Loss Sharing: Evidence from Sharia Business Units in Indonesia

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Abstract : This study uses profit-loss sharing and stewardship theories to examine the impact of musyarakah and mudharabah financing on the net profit of Indonesian Islamic business units. Mudharabah and musyarakah finance are the study's independent variables, and net profit is its dependent variable. For the 2015–2021 period, financial reports from sharia business units registered with the Indonesian Financial Services Authority were used as secondary data in this study, which used a quantitative method. Multiple mediators, including validity testing, reliability testing, and linear regression, were used to assess the data. The study's findings show that musyarakah financing has a substantial beneficial influence on net profit as well as mudharabah financing, according to the significance test performed using partial least squares. The Central Bank and the Financial Services Authority may use this report as a criterion when deciding whether to assist Islamic banks to gain market share through profit-loss sharing financing. The Islamic banking literature is currently focused on the expansion of Islamic banks. This essay sheds light on the theory of stewardship that sharia business unit management offers in terms of the idea of interest alignment.

Keywords : Mudharabah, Musyarakah, Net Profit, Sharia Business Unit

1 Introduction

In Indonesia, Islamic banks are already beginning to demonstrate how they are present in the daily lives of their customers. One of these is the existence of the Bank Syariah Indonesia, which was officially established on February 1, 2021. The largest Islamic bank in Indonesia is called Bank Syariah Indonesia (BSI). Three Islamic banks emerged from the Association of State-Owned Banks: PT Bank BRI Syariah (BRIS), PT Bank Syariah Mandiri (BSM), and PT Bank BNI Syariah (BNIS). The government believes that this move will help the Islamic finance sector grow, endure, and benefit the overall economy [1].

To encourage Islamic banks to grow larger and more powerful so that they can compete on the world market and serve as a forum for accelerating the expansion of the Islamic market in Indonesia, one of the three Islamic banks merged into one and changed its name to Bank Syariah Indonesia. The goal of Bank Syariah Indonesia (BSI) is to grow into a sizable Islamic bank that will be 10 years old by 2025, also known as the World Sharia Bank [1].

Islamic banks show their presence in the Indonesian banking world. This happened after the ratification of the Sharia Band Law. 21/2008. According to Financial Services data, 13 Sharia Commercial Banks were established, 21 Sharia Company Units, and 167 Sharia People's Financial Services Banks [2]. As a financial institution, banks need to maintain efficiency in order to work optimally. In addition, Islamic banks must dominate Indonesia and compete with conventional banks that are thriving. This increasingly fierce competition must be with good management in order to survive compared to the banking sector. One of the factors that banks must watch out for in intense competition is financial performance [3]. Through the Indonesian economic crisis, the Islamic banking sector has demonstrated its strength [4]. Financial goods with a fundamental profit mechanism that adhere to sharia law have evolved into a variety of mudharabah, other mudharabah, and other financial products. The exchange of inexpensive loans between business owners and banks and banks [5].

Financing is an Islamic bank activity that directs money to customers in need. Financing is very beneficial for Islamic banks, customers, and the government. This financing offers the best service from other resources made by Islamic Banks. Profit is one important indicator of the success of a bank. Profit growth might be a sign that a bank's management has been successful in using its resources wisely and effectively. Compared to the typical bank, banks can have fairly high annual income growth rates. However, in the upcoming years, bank profits can decrease [6].

According to [7] A contract known as a mudharabah financing involves two parties. In this arrangement, the first party assumes the role of the capital owner and assigns a specific amount of capital to the second party, the business actor, to manage with the intention of turning a profit. Meanwhile, according to [8], Two people enter into a business partnership known as "mudharabah finance"; the first, called "shahibul maal," provides all the capital while the second, called "mudharib," acts as the management.

ICBAE 2022, August 10-11, Purwokerto, Indonesia

DOI 10.4108/eai.10-8-2022.2320884

Musyarakah financing, on the other hand, is a form of collaboration between two or more parties for a specific business, where each party contributes money, knowledge, or managerial abilities in accordance with another party's contribution, and where the profits and losses in the contract are divided in accordance with the capital portion. Including [9] The higher the level of profitability attained by the bank will be if the revenue or musyarakah financing it offers is used for the distribution of money. This is because the bank's income will rise.

Mudharabah and musyarakah financing that is channeled with bank assistance to customers/managers has a major impact on the progress of the financial institution itself. The greater the allocation of financing, the better the income obtained by the financial institution, so that it is able to help return capital and earn income. With this financing, it is expected to be able to spur humans with the aim of creating institutions and being able to expand them [10]. Profit is important in ensuring the continuity of financial institutions, with the income earned, the wishes of financial institutions can be achieved [11]. Finance that is directed with the aid of financial institutions is one of the factors that affect the profitability of financial institutions, according to the concept of profitability. Profitability will rise if the degree of finance is high. Profitability can be seen as a feature to evaluate a company's overall success [12].

The concepts carried out in Islamic banking are monetary transactions in the form of saving and distributing finance that is not challenging for hobbies (loose banking), but with the idea of profit sharing [13]. To get this, Islamic banks want to reveal their profitability which is usually determined with the help of using ROA and ROE ratios. ROE can be generated from the assessment of internet income and capital, even as the largest Islamic financial institutions internet income is received from financing. The financing that is often used in Islamic banking consists of mudharabah and musyarakah financing.

Therefore, the purpose of this study was to investigate how financing through musyarakah and mudharabah affected the net profit of sharia business units. This study aims to determine how mudharabah and musyarakah affect net profit. Therefore, this study will address a number of queries, including: Does financing through musyarakah and mudharabah have an impact on net profit? How does financing for mudharabah impact net profit? How does financing through musyarakah impact net profit? The advantages of this study, among others, for researchers as a practice for more extensive research. As proof for pupils that funding through musyarakah and mudharabah has contributed to the net earnings of the Sharia Business Unit. As a guideline for the application of multiple linear regression techniques in the academic community. Benefits in the real world, as a guide to estimating the strength of the independent variable's influence over the dependent variable.

In research conducted by [14], According to the results, The study treats Sharia Business Units and Islamic Commercial Banks in an unduly generic manner. However, it has to be more clear as to what the research material will be. The study's findings then demonstrate that there are significant differences in the quality of financing between the two types of financing and that Islamic Commercial Banks and Sharia Business Units do not use the same variation for mudharabah and musyarakah funding.

So that this research will show different results, namely by focusing on one discussion, namely the sharia business unit in 2015-2021 and using the company's monthly financial statements for 84 months. This research is important to analyze because mudharabah and musyarakah financing affect Sharia Business Units in Indonesia net profit. So the research entitled "The Effect of Mudharabah Financing and Musyarakah Financing on Net Profits in Sharia Business Units", is feasible.

2 Literature Review

2.1 Net Profit

Profit is the excess of revenue over costs over the billing cycle. On the other hand, the notion of profit adopted in the current accounting structure is the difference between the value of income measured in a certain period and its costs. The amount of profit as a measure of growth is highly dependent on the accuracy of the measurement of income and costs [15].

Earnings reflect returns to holders of equity holders' equity for the period, while items in the report detail how profits were earned. Profit comes from the company's annual financial statements. Profit is an important figure in the annual financial statements for several reasons, namely as a basis for calculating taxes, a guide in setting investment policies and decisions, a basis for predicting profits and other future economic events in a business area, calculating the efficiency of a company's operations. the underlying business unit, and the basis for calculating profits. to assess the performance of a business unit [16].

2.2 Mudharabah Financing

Mudharabah finance is a joint venture between two parties where the first party supplies all the capital and the second party acts as the business manager. The first party is responsible for any losses, and the gains are split according to the terms of the agreement. The term "musyarakah finance" refers to a cooperative activity involving two or more parties in which each participant makes a financial contribution in exchange for a portion of any gains or losses. [17]claims that ijarah, murabahah lease, musharaka finance, and mudharabah financing all have a large detrimental effect on profitability. According to [18], Although Musyarakah and murabahah both significantly affect ROA while the mudharabah partial test has no impact at all.

According to [19] mudharabah financing is the financing of all capital requirements in a business for a limited period according to the agreement. The net operating results are divided between the bank as the funder (shahibul maal) and the business manager (mudharib) according to the agreement. According to [20] In a financing agreement known as mudharabah financing, clients and Islamic banks function as shahibul maal and give 100% of the money necessary for the customers to operate their businesses.

According to [21], Murabahah, mudharabah, and ijarah have higher standards of living. Murabaha income accounted for nearly all of the growth in revenues in 2015, which climbed by 125 percentage points over the prior year. Income from the murabaha, mudharabah, and ijarah all have a significant and profitable impact on profits. Additionally, while the revenue variables from murabaha and ijarah have a positive and significant impact on wages, those from mudaraba do not. Another observation [22] examines the goods offered by Islamic financial institutions, particularly Bank Syariah Mandiri, Bank Mega Syariah, and Bank Muamalat Indonesia, as well as the use of financing (murabahah, musyarakah, and mudarabah) between 2005 and 2010. This is accomplished quantitatively by regression analysis. Observations also reveal that whereas Musyarakah has a significant impact on Gross Profit Margin, Mudharabah has a significant impact on Return on Equity (ROE), Operating Profit Margin (OPM), and Net Profit Margin (NPM) (GPM). The net income is then significantly impacted by mudharabah financing. This is demonstrated by the findings of a partial test conducted using the SPSS statistical package, which produced a t count of 3.183 and a sig value. $0.015 < 0.05$, indicating that mudharabah financing has a limited impact on net income [23]. So that leads to the following hypothesis:

H1. Mudharabah Financing Positive Effect on Net Profit

2.3 Musyarakah Financing

Musyarakah finance is the process of two or more parties working together to fulfill particular tasks. an agreement for collaboration between two or more parties for the aim of a certain business, where each party contributes money, as long as income is distributed in accordance with the agreement and losses are determined by the amount of money contributed. In order to support both emerging and established local businesses, partners pool their resources. a contract between two or more parties to operate a certain business, as part of which each partner donates money or services to a charitable organization in exchange for the profits or risks that are divided in accordance with the terms of the agreement [24] Musyarakah is typically a collaborative effort between two parties who are both individuals.

Musyarakah is a contract for cooperation between two or more parties of a certain company, wherein each party raises funds, provided that profits are divided in accordance with a contract and losses are determined by the distribution of funds. Both cash and non-monetary assets that are permitted by Islamic law are included in these funds. Partners (sharia) who jointly give funding to support certain Musyarakah businesses are one of the elements of the Musyarakah Financing package. Musyarakah business profits are proportional to the amounts placed for both new and existing firms (either in cash). The partners share more than just money [5]. Finance provided by musyarakah benefits the company's net profit. This is due to the fact that when musharaka funding increases, so does the likelihood that the bank will make a profit or net profit from it. An explanation was given based on prior research indicating musyarakah finance had a significant impact on net income with a significance value of $0.000 < 0.05$ [25] .

H2. Musyarakah Financing has a Positive Effect on Net Profit

Furthermore, according to research [3], it was found that Islam departs from the model of profit-sharing in its application. The calculation of the impact of musyarakah finance frequently starts with a predetermined sum. Profit sharing is now based on the budget given by financial institutions rather than the amount covered by PSAS Number 106 or FAS Number 4. Another observation was made through the means of [26] examining the effect of financing for the results of mudharabah and musyarakah on the profitability of Islamic business banks in Indonesia. For this analysis, the Financial Services Authority's annual monetary review of Islamic commercial banks from 2015 to 2019 was used. The SPSS 25 test showed that the profitability of Islamic banks was significantly impacted by both musyarakah and mudharabah investments. As more mudharabah financing is provided by Islamic financial institutions, however, income drops since, in contrast to musyarakah financing, mudharabah financing has a detrimental effect on profitability.

Furthermore, research [27] on for the years 2017 through 2019, Islamic Commercial Banks came to the conclusion that the test findings had a small but significant impact on the net profit of Bank Syariah Mandiri and also had a small but significant impact on the net profit of Musyarakah financing. Mudharabah and musyarakah finance both have a sizable beneficial impact on Bank Syariah Mandiri's net profit, so in general, musyarakah financing is the more attractive product than mudharabah financing because it contributes more than mudharabah financing does.

Theoretical Thinking Framework

By resolving the multiple linear regression equation for the partial and simultaneous effects of mudharabah financing data (x1) and musyarakah financing (x2) on net profit, it is possible to determine how much of an impact mudharabah and musyarakah financing have on net profit (y). The simple layout of this study is shown in the accompanying graphic.

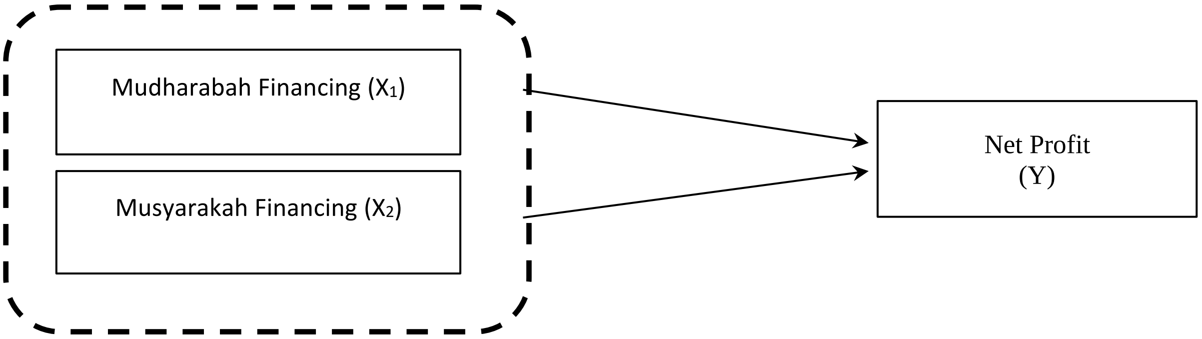

Figure 1. Chart of Theoretical Thinking Framework

Stewardship theory dan profit-loss sharing Theory

Stewardship describes the partnership between the principle, who is the owner, and the steward, who serves as the administrator. This provides a contradictory view of agency theory [28] while management theory sees managers as custodians of an organization's overall interests, agency theory sees them as agents who maximize self-interest. [29] highlighted that the stewardship role places managers as shareholders' workers. Steward acts just for his personal benefit. Due to their mutual faith in doing what is best for them, managers and clients get along well. [30] describes leadership-oriented traits based on relationships, organizational goals, and commitment to organizational goals. The foundation of the partnership is trust, with a dedication to organizational excellence and a purpose (essential) beyond profit. It has to do with Islamic banks. Mutual trust, which is strengthened by religious teachings, is the cornerstone of the relationship between Islamic banks and their clients. Islamic banks follow Islamic principles, are focused on profit and fara rather than a benchmark, and have both an interest rate-based and a performance-linked profit-sharing structure [31].

An ideal substitute for conventional interest rate-based financial systems and a full-fledged way to escape this impending impasse are the burgeoning Islamic financial services sector (IFSI). Islamic finance is primarily described by the Pofit Loss Sharing contracts as a remedy for debt-based financial illnesses and as a chance for business owners to pool resources instead of taking the risk of launching a new venture or growing an existing one.

If an Islamic financial instrument is capable of boosting the economy, it must be founded on the value of the Pofit Loss Sharing contract and funded by Islamic financial institutions and businesspeople. Share the risks and rewards associated with. IFSI reality, however, demonstrates unequivocally that commercial banks, not investment banks, predominate in this newly emerging business activity [32]. A rigorous examination of the data from different Islamic nations reveals that the theoretical discussion of Pofit Loss Sharing-style finance goes well beyond the existing data. Most of the Pofit Loss Sharing funding literature presents Musharaka as a missing link to a thriving economy and sustainable development funded by the SME sector, but the application and performance objectives of these measures. The experience of Islamic banks in various Islamic countries has reached the limits of the Pofit Loss Sharing model, and mainstream businesses are primarily based on debt-generating methods to generate fixed income, as in traditional financial systems [33].

3 Method

3.1 Sample and research variable

The research approach used can be interpreted as a positive philosophical method and is a quantitative method that can be used to survey a particular population or sample [34]. Apply secondary data and related description levels. It is quantitative because it is numerical data that is processed by calculation. In academia, research results are a means of education. This is true because it uses a mathematical multiple linear regression equation that is applied to find the relationship between two variables. Secondary data, because it is based on data that can be accessed at www.ojk.go.id. Additionally, the associative explanation level, which looks at how the independent variable affects the dependent variable. In this study, net profit is the dependent/dependent variable (y) and mudharabah financing (x1) and musyarakah financing (x2) are the independent/independent variables (x).

All mudharabah, musyarakah finance, and net profit are included in the study's population according to Indonesian Islamic Banking Statistics. The study's sample includes net profit, musyarakah finance, and mudharabah value at each month-end closing from 2015 to 2021 which consists of 84 data. The research data is secondary data collected from Indonesian Islamic Banking Statistics from 2015 to 2021. Indonesian Islamic Banking Statistics is downloaded from the ojk.go.id website.

In order to determine how the independent and dependent variables interacted in this investigation, multivariate linear regression was performed. Regression analysis is a statistical method for analyzing data that examines the relationship between a system's independent variable (Y) and dependent variable (X1, X2, etc.) [35]. proving if two or more independent variables XI, X2, or X3 have a functional or causal impact on the dependent variable Y The least squares approach is used to calculate the values of b0, b1, and b2 in the usual form of a multiple linear regression equation with the independent variables x1, x2, and the dependent variable y, as well as the constant b0 and the coefficients b1 and b2.

3.2 Data analysis and mediation effect test

The multimediator route analysis model was used to examine the data. A partial least squares significance level of 0.10 was used to test the bootstrap hypothesis. In this study, the impact of mediation is indirect. There are two potential middle impacts. They are full and partial intermediaries [36] means that when there is no longer a link between the independent and dependent variables, the inclusion of parametric variables results in total mediation. This indicates that comprehensive mediation does not involve direct intervention. Second, partial mediation indicates that both the independent variable and dependent variable have a direct relationship. and dependent variable as well as a significant association between the mediator and dependent variable.

Descriptive Statistical Data Analysis Method

When analyzing data, descriptive statistics are used to summarize or describe the facts collected without attempting to make any broad conclusions or generalizations [37].

Partial Least Square (PLS)

PLS is a different strategy that switches from a covariance-based SEM strategy to a variance-based strategy [38]. According to [39] When certain data issues arise, such as limited survey sample sizes, missing data (missing values), and multicollinearity, PLS is intended to resolve multiple regression.

Validity test

The research instrument's capacity to measure what it was intended to measure was evaluated using a validity test. A multicollinearity test was run to see how closely the indicators were related. Using the VIF value to determine whether the formative indicators are multicollinear. The indicator has multicollinearity when the VIF value is between 5 and 10.

The table below provides an overview of the formative measurement model's rule-of-thumb evaluation:

Table 1. Summary of the Rule Of Thumb Evaluation of Formative Measurement Models

Validity test	Rule of Thumbs
Multicollinearity	VIF <10 atau <5 Tolerance > 0.10 atau 0,20

Reliability Test

A reliability test evaluates the sense of measurement’s internal consistency. When making measures, a measuring sense is said to be reliable if it is accurate, consistent, and accurate. By examining the composite reliability value based on the indicator block that assesses the construct, the reliability test is conducted. If composite reliability is more than 0, the results will provide a satisfactory value. 7. Analysis of Structural Models (Inner Model)

Coefficient of Determination Test

Starting with the R-Squares value for each endogenous latent variable, one can evaluate the structural example using PLS and the Path Coefficient. The predictive power based on the structural example is then calculated from there. R-Square values can be changed to show whether the endogenous latent variable is significantly impacted by the exclusive external latent variable.

According to [40], The sample’s sensitivity to changes in the dependent variable is gauged by the coefficient of determination (R2). The coefficient of determination’s value ranges from 0 to 1. If, however, the number is near to 1, it indicates that the independent variable almost entirely fulfills the criteria for predicting the dependent variable. A low R2 value means that the independent variable’s capacity to shed light on the variance of the dependent variable is severely limited. All independent factors concurrently and strongly affect the dependent variable.

Statistic test

According to [40], Due to the dependent variable's incomplete definition, the t-difference test is performed to determine how much each independent variable influenced the outcome of the study. The following criteria were used to make decisions in the t-test:

a. If the significance probability value exceeds 0.05, the hypothesis is proven false. If the independent variable has no discernible impact on the dependent variable, the hypothesis is invalidated. The hypothesis is accepted if the significance probability value is less than 0.05. The assertion that the independent variable strongly influences the dependent variable cannot be refuted.

b. Comparing the tcount and ttable values. The hypothesis is accepted if the value of tcount exceeds the value of ttable.

4 Findings

4.1 Descriptive statistics

The amount of data (n), the sample size utilized in this study, the highest, lowest, average, and standard deviation are all displayed using descriptive statistics (standard deviation)[41].

Table 2. Output Results

Variabel	N	Mean	Median	Minimum	Maximum	Std. Dev
Mudharabah	84	421.071	407.000	52.000	960.000	240.887
Musyarakah	84	211.347	4.996	1.054	992.000	309.556
Profitabilitas	84	175.517	2.501	1.003	914.000	279.069

Source: PLS 3.0 2021 Output Results

Based on the results of the table above, the interpretation is as follows:

1. In the Sharia Business Unit, the independent variable, Mudharabah Financing, ranges in value from 52,000 to 960,000 with an average of 421,071 and a standard deviation of 240,887.
2. In the Sharia Business Unit, the independent variable known as Musyarakah finance has a minimum value of 1,054, a maximum value of 992,000, an average value of 211,347, and a standard deviation of 309,556.
3. In the Sharia Business Unit, the dependent variable, net profit, ranges from 1,003 to 914,000, averages 175,517, and has a standard deviation of 279,069 points.

From the statement above, it can be seen that the average mudharabah is greater than musyarakah, this shows that the value of profit sharing in Indonesia is based on mudharabah, so mudharabah financing has a high use value in sharia business units.

4.2 Partial Least Square (PLS) Analysis

Table 3. Validity Test (Collinearity Statistic VIF)

	VIF
Mudharabah Financing	**1.000**
Musyarakah Financing	**1.000**
Net Profit	**1.000**

Table Validity Test (Collinearity Statistic VIF)

The multicollinearity test is used to ascertain how closely related the indicators are to one another. Using the VIF value to determine whether the formative indicator is multicollinear. The indicator has multicollinearity when the VIF value is between 5 and 10. The table indicates that the VIF value of 1,000 indicates that the value is less than 5, ensuring that there is no multicollinearity in the data.

Table 4. Reliability Test (Composite reability)

	Composite Reability
Mudharabah Financing	**1.000**
Musyarakah Financing	**1.000**
Net Profit	**1.000**

Table Reliability Test (Composite reability)

The table above shows that the composite reliability value of each variable is worth 1,000 which shows a value of more than 0,7.

Structural Model Evaluation Results (Inner Model)

Table 5. Table. R Square

	R Square	R Square Adjusted
Net Profit	**0.361**	**0.345**

Table R Square

According to the preceding table, the model's R2 value is 0.361, which is considered to be reasonable. The profitability variable is influenced by the Mudharabah finance variable, Musyarakah, and 36.1 percent of other variables outside of this study model, according to the R-Square values in the table, which yield a value of 0.361. has an impact on profitability.

Table 6. Path Coefficient

	Original Sample (O)	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**
Mudharabah Financing	-0.420	-0.415	0.075	5.862	0.000
Musyarakah Financing	0.356	0.361	0.105	3.397	0.001

Table Path Coefficient

In the PLS, it is proposed that simulation be used to test each relationship's statistical significance. The technique bootstraps the sample in this instance. The goal of bootstrap testing is to reduce the issue of anomalous research data. The following are test results using the PLS analysis's bootstrapping:

1. Validation of Hypothesis 1 (Effect of Mudharabah Financing on Net Profit)

The correlation between the Mudharabah variable and the other variables has a path coefficient value of -0.420, a significance probability value of 0.05, and a t-value of 5.862 according to the results of the hypothesis test. This number exceeds t table 1.989. These findings support the first hypothesis, according to which Mudharabah has a favorable impact on Net Profit, that Mudharabah has a favorable impact on Net Profit. As a result, Hypothesis 1 is confirmed.

The good earnings in the mudharabah financing scheme, which employs the loss-sharing principle such that the profits acquired depend on the success of the customer, have an impact on net profit. Therefore, Islamic banks show that it is impossible to discern between mudharabah funding and net profits. This is connected to the concept of a shared mudharabah finance model, where the bank owns all of the stock and manages both the financing and the profit margin for the company. The bank makes a full return on its investment in terms of profit, but there is a significant danger of loss for the company.

2. Testing Hypothesis 2 (Effect of Musyarakah financing on Net Profit)

According to the findings of the hypothesis test, the path coefficient value is 0.704, the significance probability is 0.05, and the t-value is 2.526. This figure exceeds the 1,989 in the t table. This finding supports the second hypothesis, according to which Musyarakah financing affects net profit, that Musyarakah significantly and favorably affects net profit. As a result, Hypothesis 2 is confirmed.

The findings of this study have validated earlier studies [42] entitled The Impact of Mudharabah and Musyarakah Financing on Bank BCA Syariah's Net Profit from 2018 to 2020 The hypothesis is accepted as a result of the tests' findings, which indicate that Musharaka financing significantly boosts net profit. Musyarakah finance carries a lower risk because each partner shares in the potential loss. Because each participant will partake in capital participation and loss coverage in the case of a loss, the risk assumed by the bank is higher. Therefore, higher musharaka income can boost total profitability.

5 Conclusion

This study examines the impact of musyarakah and mudharabah financing on net profit in sharia business units from 2015 to 2021. While musyarakah financing is a form of cooperation between two or more parties for a particular business, mudharabah financing is a contract between two parties in which the first party acts as the owner of capital and entrusts a certain amount of capital to be managed by the second party, who is the business actor. where each party contributes funds and expertise or managerial by mutual agreement and where the profits and losses in the business are shared equally. The amount of mudharabah and musyarakah income, which is the study's independent variable, has an effect on net profit. With better management of those two financing forms, there is a rise in the quantity of profit-sharing income from musyarakah and mudharabah financing.

The findings of this study's hypothesis testing revealed that mudharabah financing greatly boosted net profit. Therefore, Islamic banks show that it is impossible to discern between mudharabah funding and net profits. This relates to the idea of a common mudharabah financial model, where the bank owns all of the stock and manages both the financing and the profit margin for the company. A bigger musyarakah income can therefore lead to increased total assets because musyarakah financing has such a positive impact on net profit.

In order to draw valid conclusions from this study and offer a variety of consequences, the analytical model's specification is crucial. For the creation of a body of literature on Islamic finance, this research is first documented. Second, this analysis demonstrates that market share is what drives Islamic economic growth and that profit-sharing loan optimization serves as a middleman. In order to encourage Islamic financial institutions to diversify their product offerings and enhance services through financial technology, central banks and financial services regulators may find it useful to be aware of this. Small samples are supported by the partial least squares approach, a statistical tool. In order to further enhance the marketing concept presented in this study, additional research will be needed, using statistical tools using parametric approaches and maximum likelihood. Furthermore, only market share and concentration serve to indicate the qualities that increase selling power. To cap it off, you must include attributes for additional research. The study also anticipates that in five to ten years there will be a substantial body of literature on marketing for Islamic financial institutions, enticing academics, professionals, decision-makers, and the business community to read it again.

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