ISLAMIC BANKING PERFORMANCE AND INTERNAL SHARIA CAPITAL COLLABORATION

Irwan Thaib\textsuperscript{1}
Astrid Puspaningrum\textsuperscript{2}
Ananda Sabil Hussein\textsuperscript{3}
Sri Palupi Prabandari\textsuperscript{4}

ABSTRACT

Objective: This study examines the impact of Internal Sharia Capitals, including Organization, Operational, Infrastructure and Spiritual to Collaboration Strategy. This objective is essential to explore whether the Sharia Capital from three companies has affected the collaboration strategy after merging. Another objective of this study is to analyze the collaboration strategy as a mediator in the relationship between Innovation and Business Performance.

Research Method: This research used a quantitative method with structural equation modelling analysis. Data was collected from 300 Sharia bank executives throughout Indonesia. Data was processed using SmartPLS version 4.1.0 to analyze the hypotheses for this study.

Research Result & Discussion: This research finds that Operational Sharia Capital impacted Collaboration Strategy significantly. Innovation and Collaboration Strategy significantly affected business performance. Strategic Collaboration also mediated the relationship between Innovation Strategy and Business Performance. This study provides crucial information on the importance of Operational Sharia capital in a newly merged Islamic financial industry. It is similar to other financial industries in that the organization needs strategic innovation to improve business performance. Additionally, our study found that having behavioral operation management, called Behavioral Operation, to follow strict rules like Sharia Law will affect Collaboration and increase the opportunity to have better business performance.

Originality and Value: Sharia capital is internal capital in Islamic Financial Industry. Based on result of study and exploring previous studies about this capital, Authors can conclude that this industry need strong operational capital, Innovation and Collaboration Strategy to have impact in business performance. The other value of this study is an interesting result of new merging sharia bank need to focus on operational and ensure it comply with Sharia rules.

Keywords: Internal Sharia Capital, Strategic Innovation, Strategic Collaboration, Business Performance.

DESEMPENHO BANCÁRIO ISLÂMICO E COLABORAÇÃO DE CAPITAL INTERNO DA SHARIA

RESUMO

Objetivo: Este estudo examina o impacto das Capitais Internas da Sharia, incluindo Organização, Operacional, Infraestrutura e Estratégia Espiritual para Colaboração. Este objetivo é essencial para analisar se a Sharia Capital de três empresas afetou a estratégia de colaboração após a fusão. Outro objetivo deste estudo é analisar a estratégia de colaboração como mediadora na relação entre Inovação e Desempenho de Negócios.

\textsuperscript{1}Department of Management, Faculty of Economics and Business, University of Brawijaya, Indonesia. E-mail: Irwan.thaib.ub@gmail.com Orcid: https://orcid.org/0009-0002-1841-7122
\textsuperscript{2}Department of Management, Faculty of Economics and Business, University of Brawijaya, Indonesia. E-mail: astrid@ub.ac.id Orcid: https://orcid.org/0000-0002-7578-1919
\textsuperscript{3}Department of Management, Faculty of Economics and Business, University of Brawijaya, Indonesia. E-mail: sabil@ub.ac.id Orcid: https://orcid.org/0000-0002-4030-1073
\textsuperscript{4}Department of Management, Faculty of Economics and Business, University of Brawijaya, Indonesia. E-mail: palupi@ub.ac.id Orcid: https://orcid.org/0000-0003-4378-0054
Método de Pesquisa: Esta pesquisa usou um método quantitativo com análise de modelagem de equações estruturais. Os dados foram coletados de 300 executivos do banco Sharia em toda a Indonésia. Os dados foram processados usando o SmartPLS versão 4.1.0 para analisar as hipóteses deste estudo.

Resultado da pesquisa e discussão: Esta pesquisa conclui que o capital operacional da Sharia impactou significativamente a estratégia de colaboração. A estratégia de inovação e colaboração afetou significativamente o desempenho dos negócios. A Colaboração Estratégica também mediu a relação entre Estratégia de Inovação e Desempenho de Negócios. Este estudo forneceu informações cruciais sobre a importância do capital da Sharia operacional numa indústria financeira islâmica recentemente fundada. É semelhante a outros setores financeiros, pois a organização precisa de inovação estratégica para melhorar o desempenho dos negócios. Além disso, nosso estudo descobriu que ter gerenciamento de operações comportamentais, chamado de Operação Comportamental, para seguir regras rígidas como a Lei Sharia afetará a Colaboração e aumentará a oportunidade de ter um melhor desempenho comercial.

Originalidade e valor: o capital da Sharia é capital interno na Indústria Financeira Islâmica. Com base no resultado do estudo e explorando estudos anteriores sobre este capital, os autores podem concluir que esta indústria precisa de forte capital operacional, Inovação e Estratégia de Colaboração para ter impacto no desempenho do negócio. O outro valor deste estudo é um resultado interessante da nova fusão do banco da sharia, que deve centrar-se no funcionamento e garantir o cumprimento das regras da sharia.


RENDIMIENTO DE LA BANCA ISLÁMICA Y COLABORACIÓN INTERNA CON EL CAPITAL SHARIA

RESUMEN

Objetivo: Este estudio examina el impacto de las Capitales Internas de la Sharia, incluyendo la Organización, la Infraestructura Operativa y la Estrategia de Colaboración Espiritual. Este objetivo es esencial para explorar si la Sharia Capital de tres empresas ha afectado la estrategia de colaboración después de la fusión. Otro objetivo de este estudio es analizar la estrategia de colaboración como mediador en la relación entre Innovación y Desempeño Empresarial.

Método de investigación: Esta investigación utilizó un método cuantitativo con análisis de modelado de ecuaciones estructurales. Se recopularon datos de 300 ejecutivos de bancos de la Sharia en toda Indonesia. Los datos se procesaron utilizando SmartPLS versión 4.1.0 para analizar las hipótesis para este estudio.

Resultado de la investigación y discussión: Esta investigación encuentra que el Capital Operacional de la Sharia impactó significativamente en la Estrategia de Colaboración. La Estrategia de Innovación y Colaboración afectó significativamente el desempeño del negocio. La Colaboración Estratégica también medió en la relación entre la Estrategia de Innovación y el Desempeño del Negocio. Este estudio proporciona información crucial sobre la importancia del capital de la Sharia operativa en una industria financiera islámica recientemente fusionada. Es similar a otras industrias financieras en que la organización necesita innovación estratégica para mejorar el rendimiento empresarial. Además, nuestro estudio encontró que tener una gestión de operaciones conductuales, llamada Operación Conductual, para seguir reglas estrictas como la Ley Sharia afectará la Colaboración y aumentará la oportunidad de tener un mejor rendimiento comercial.

Originalidad y valor: el capital de la Sharia es capital interno en la industria financiera islámica. Sobre la base de los resultados del estudio y la exploración de estudios anteriores sobre este capital, los autores pueden concluir que esta industria necesita un fuerte capital operativo, la innovación y la estrategia de colaboración para tener impacto en el rendimiento empresarial. El otro valor de este estudio es un resultado interesante de la necesidad de los nuevos bancos de la sharia en fusión de centrarse en las operaciones y garantizar que cumplan con las normas de la sharia.

Palabras clave: Capital Sharia Interno, Innovación Estratégica, Colaboración Estratégica, Desempeño Empresarial.
1 INTRODUCTION

Sharia is Islamic law that have been applied for more than 1400 years since the Prophet Muhammad brought it to Islamic community. This rule also related with Innovation and Collaboration, which are essential characteristic of successful modern organizations, including in the Sharia Financial industry, which has had significant growth in the last decade. Islamic finance is one of the fastest-growing financial segments in the global financial system. It has grown by an average of 17% since 2009. Sharia finance also shows a rapid development trend that will continue, mainly driven by strong economic growth in countries with large Muslim populations. Indonesia has the largest Muslim population in the world, which is a potential that Sharia banks should be able to achieve through superior business performance. Islamic banks are expected to grow optimally as a representation of one the most prominent Islamic countries in the economic sector. However, Indonesia has captured only 2% of the global Sharia market for now. Poor performance of Sharia banks will impact public trust in the Sharia-based financial system.

In the domestic market, Islamic Banking is facing several problems, such as low market share growth and issues in operational performance. Low productivity levels, both employees and outlets, impacted the market penetration by only around 3%, which is still relatively low compared to conventional banking. In 2021, the Indonesian government merged 3 State-owned Sharia banks to make the Islamic financial industry more attractive and efficient. This strategic decision was carried out to combine the advantages possessed by each of these banks in the hope of providing more complete and better services with a broader market and customer reach and a more capable capital capacity to impact competitiveness positively. However, due to the merger, Sharia Bank faced at least two challenges: Internal Capital Resources and Behavior Unification. These challenges can impact business performance. According to the resource-based view (RBV) theory, a company's internal resources can support increasing its competitiveness to improve business performance. Internal resources are closely related to RBV because a company's competitive advantage depends on its strength in creating uniqueness.

Based on business performance problems and the use of resources capital in previous studies, Authors found research gaps underlie the importance of conducting this research. The
The research gap is the inconsistent results of the influence of resource capital on business performance. Several studies, like Pham et al. (2019) and Teng et al. (2022), found a significant effect, while several other studies found no significant impact (Hutahayan, 2020; Olan et al., 2022).

The authors also found a gap in previous studies regarding the relationship between innovation and business performance. Many studies found that innovation impacts business performance, such as research from Hanaysha et al. (2022), Zainal (2022), Christa et al. (2020) and Chege and Wang (2020). Other results concluded that innovation does not impact performance; for example, a study from Ghasemaghaei and Calic (2020) found that data volume, which was previously proved to play a vital role in innovation in the big data era, does not play a critical role in enhancing performance. Seclen-Luna et al. (2020) also found various innovation impacts on business performance based on labor characteristics. This inconsistent result showed that there are other variables that can be explored to mediate the relationship between innovation and business performance.

The inconsistent results of previous research indicate that there are still exciting gaps for further study. To fill this gap, this research added mediating variables to the relationship between Sharia Capital and business performance, namely collaboration strategy.

## 2 LITERATURE REVIEW

### 2.1 BUSINESS PERFORMANCE

Business performance is defined as the ability of the business company to achieve its goal. In the Sharia Banking industry, the business's objective is revenue and a positive impact on the community. According to Otto et al. (2020), business performance should be measured by the customer satisfaction index. Hamzah and Shamsudin (2020) also concluded that customer satisfaction is crucial for business performance. In terms of Sharia banking, customer satisfaction means that customers can ensure that their banking follows the Shariah rules and compliance.

Market share is also one of the parameters to identify whether a business's performance is bad or good. According to Varadarajan (2020), successful companies can use market insight information to increase their market share. Varialle, et al (2022) found that organizations can improve market share if they can run their innovation strategy correctly.
Organizations should achieve financial growth to be sustained. According to Latifi et al. (2021), organizations need positive profit growth for good financial growth. Nariswari and Nugraha (2020) studied the impact of many financial parameters that should affect profit growth.

Return on Investment (ROA) is also essential to measure a company's achievement. Prieto and de Carvalho (2018) informed that a company should have a good return on investment to gain the trust of stakeholders. Setiawan and Rosa (2023) analyzed that return on investment has a crucial impact on business financial performance.

Many successful organizations showed that their achievement in return on assets impacted overall business performance. Puspitasari et al. (2021) showed that return on assets could be used to measure business performance in the Indonesian banking industry. Chalal and Bakhshi (2016) concluded that organizations should be concerned about their return on asset performance.

### 2.2 COLLABORATION STRATEGY

As a fully competitive business, Sharia banking should collaborate with various stakeholders in their business operations. Developing a collaboration plan is essential to having a proper collaboration strategy. According to Jan. et al. (2021), Sharia banking needs to have a collaboration strategy with lenders to ensure that some specific policy can be implemented. Aminah et al. (2020) concluded that the Sharia financial industry needs to collaborate in joint products to maximize customer service.

Predicting future customer needs is also important for Shariah banking. According to Kartika et al. (2020), Sharia banking needs to provide products referred to customers’ needs. Having a collaboration to predict customer needs will be advantageous for Sharia banking. Entering specific market segments is also suggested by Kartika et al. (2020), particularly for financing micro and macro market segments. Collaboration with stakeholders should be measured to understand the progress, results and opportunities for improvement.

Collaboration has been studied in many previous studies to find its impact on productivity. Many researchers proved that collaboration behaviour and culture are crucial for an organization and mediate other performance-related factors. According to Alzoubi et al. (2020), Collaboration can mediate the business strategy to the performance of the supply chain. Qureshi et al. (2023) also used Collaboration as a mediator for learning performance. Al-Omoush et al. (2020) showed that Collaboration mediates business agility.
2.3 INTERNAL SHARIA CAPITAL

The organization has capital that needs to be utilized to achieve its objectives. Similar to conventional banking, Sharia banking also has important capital, such as organization, management team, infrastructure and a specific capital called spiritual capital. According to Kim et al. (2021), organizational capital impacts the value of the firm. Mojambo et al. (2020) stated that management team characteristics affect a bank’s financial performance. Lawal and Bukar (2020) showed that Sharia has a specific infrastructure that may positively impact the performance of Sharia banking. A study by Mohd Noor et al. (2020) concluded that Sharia financial infrastructure compliances, like supervisory power, activity restrictions, and private monitoring, impact the efficiency of Islamic banks.

Jamili et al. (2022) found that internal resource sharing can improve Collaboration; Baah et al. (2021) also concluded that internal resources could affect the collaboration strategy and performance.

Based on the Sharia Capitals and Collaboration Strategy description, we have the hypotheses below.

H1a: Operational Sharia Capital has a significant effect on Strategic Collaboration
H1b: Spiritual Sharia Capital has a significant effect on Strategic Collaboration
H1c: Infrastructure Sharia Capital has a significant effect on Strategic Collaboration
H1d: Organizational Sharia Capital has a significant effect on Strategic Collaboration
H2: Collaboration Strategy has a significant effect on Business Performance

2.4 INNOVATION STRATEGY

According to Edeh et al. (2020), innovation plays an important role in increasing the organization's performance. Moradi and Jafari (2021) concluded that open innovation affected the organization's performance and proved that the organization's inertia has a negative impact on business performance. Bos-Nehles et al. (2017) concluded that innovation works behaviour that can be enhanced with best practices in human resource management systems.

Innovation should cover all business scopes, particularly the business parts directly involved with external and internal organizations. According to AlQershi2 et al. (2021), innovation should cover the product, services, marketing, and accounting systems. Chege and Wang (2020) found that innovation should be included in technology innovation. Technology will help companies compete in the modern business era, where the advantages of technology...
play a critical part. The organization also needs to explore new opportunities, such as new markets, products, and technology, as well as create a new segment in an existing market and develop high-quality products and services to capture this new market segment. Financial businesses also need to be innovative in marketing strategy; the products and services in this industry are always similar for all organizations, so innovation in marketing needs to be pushed to ensure that the company can provide a unique marketing strategy that can attract customers.

The organization needs to have an accurate information system to be innovative. Data accuracy and business intelligence system platforms, including accounting information systems, will provide insight into data and information for executing the innovation strategy. According to Hutahayan (2020), an accounting information system can support innovation strategy implementation for a company's financial performance.

Based on the above description, we can have the below hypotheses:

H3: Innovation Strategy has significant effect on Business Performance
H4: Innovation Strategy has a significant effect on Collaboration Strategy
H5: Collaboration Strategy mediated the relationship between Innovation Strategy and Business Performance

Figure 1

*Research Conceptual Framework*
3 RESEARCH METHODS

3.1 DATA COLLECTION

A sample of this research was collected by distributing a questionnaire to 300 executives of Sharia Bank, and a total of 285 respondents submitted the data or 95% of the total questionnaire distributed. The questionnaire is divided into 2 sections: the first is for collecting demographic data and the second is for collecting data on variables. The data analysis used in this research was inferential statistical analysis, namely the Partial Least Square Structural Equation Model, referred to as PLS-SEM. This analysis was operated through the Partial Least Square (PLS) software, version 4.1.0 of Smart-PLS. Simple random sampling was used in this study at the head of the office branch position level, fulfilling the minimum requirements of the sample.

The data was quantified by using 5 5-point Likert-Scale, with values 5 being strongly agree, 4 agreeing, 3 being neutral, 2 not agreeing, and 1 strongly not agreeing.

4 RESEARCH RESULT

Table 1 is the respondents' demographic data; 84.91% are men, or 242 out of the 285 (84.91%) are predominantly men. The majority of respondents are 40-50 years old (72%). 88% or 251 worked more than 2 years. The results showed that the majority of positions were Junior Managers, with 217 staff; Senior Managers had 63 (22%) respondents and Directors level 6 respondents (2%). This demographic data showed us that all participants are at the managerial level and should be able to answer the questions about Sharia Capital, Innovation Strategy, Collaboration Strategy and Business Performance.

Tabel 1

Demographic Data

<table>
<thead>
<tr>
<th>Profile</th>
<th>Item</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>84.91%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>15.09%</td>
</tr>
<tr>
<td>Age</td>
<td>30-40</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>40-50</td>
<td>72%</td>
</tr>
<tr>
<td></td>
<td>&gt;50</td>
<td>11%</td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The result of data processing was generated by Partial Least Square, which many researchers have increasingly used to explore the dependent construct's variance (Hair et al., 2018). The outer and inner models were tested to ensure the data quality for the accuracy of hypotheses testing. The outer model tests are validity and reliability tests. AVE, or Average variance Extracted, was used for convergent validity testing that can be achieved if all model variables are statistically significant. The equation of AVE is below in Table 2. All variables have AVE values greater than 0.5, so we can conclude that all variables are valid.

**Table 2**

**AVE value**

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Sharia Capital</td>
<td>0.711</td>
</tr>
<tr>
<td>Operational Sharia Capital</td>
<td>0.637</td>
</tr>
<tr>
<td>Infrastructure Sharia Capital</td>
<td>0.740</td>
</tr>
<tr>
<td>Spiritual Sharia Capital</td>
<td>0.763</td>
</tr>
<tr>
<td>Business Performance</td>
<td>0.751</td>
</tr>
<tr>
<td>Strategic Innovation</td>
<td>0.732</td>
</tr>
<tr>
<td>Strategic Collaboration</td>
<td>0.810</td>
</tr>
</tbody>
</table>

Cronbach’s Alpha and Composite reliability values were used as a parameter of Reliability testing. This reliability testing ensures that items are consistent to measure across time. Table 3 Below are the Cronbach Alpha equations and reliability composite values. All values are more than 0.6. Thus, we can confirm that all variables are reliable.

**Table 3**

**Result of Reliability Testing**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Sharia Capital</td>
<td>0.865</td>
<td>0.908</td>
<td>Reliable</td>
</tr>
<tr>
<td>Operational Sharia Capital</td>
<td>0.903</td>
<td>0.925</td>
<td>Reliable</td>
</tr>
<tr>
<td>Infrastructure Sharia Capital</td>
<td>0.825</td>
<td>0.895</td>
<td>Reliable</td>
</tr>
<tr>
<td>Spiritual Sharia Capital</td>
<td>0.923</td>
<td>0.942</td>
<td>Reliable</td>
</tr>
<tr>
<td>Business Performance</td>
<td>0.933</td>
<td>0.948</td>
<td>Reliable</td>
</tr>
<tr>
<td>Strategic Innovation</td>
<td>0.939</td>
<td>0.950</td>
<td>Reliable</td>
</tr>
<tr>
<td>Strategic Collaboration</td>
<td>0.961</td>
<td>0.968</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Prepared by Authors (2024)
The constructed test results are shown in Table 4 below. The value of T Statistics varies in each construct. Not all relationships are significant based on their value. The relationship between the Innovation Strategy and Collaboration Strategy has the biggest value. The table also showed that the smallest value is the relationship between Infrastructure Sharia Capital and Collaboration Strategy.

**Table 4**

**Path Coefficient**

| Relationship       | Original Sample (O) | Sample Mean | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|--------------------|---------------------|-------------|-----------------------------|-----------------|---------|
| CS -> BP           | 0.22                | 0.222       | 0.086                       | 2.574           | 0.010   |
| IC -> CS           | -0.059              | -0.057      | 0.066                       | 0.889           | 0.374   |
| IS -> BP           | 0.667               | 0.667       | 0.072                       | 9.235           | 0.000   |
| IS -> CS           | 0.68                | 0.683       | 0.073                       | 9.333           | 0.000   |
| OPC -> CS          | 0.188               | 0.191       | 0.077                       | 2.431           | 0.015   |
| OC -> CS           | -0.063              | -0.065      | 0.054                       | 1.159           | 0.247   |
| SC -> CS           | 0.115               | 0.113       | 0.064                       | 1.793           | 0.074   |


Based on Table 4, we can conclude the result of the hypotheses testing below.

H1a: Operational Sharia Capital have a significant effect on Collaboration Strategy

The t-statistic value for Operational Sharia Capital on Collaboration Strategy is 2.431 (p < 0.015), which is greater than 1.96, so it can be concluded that H1a is accepted. The results of this hypothesis test indicate that Operational Sharia Capital impacts Collaboration Strategy significantly.

H1b: Spiritual Sharia Capital have a significant effect on Collaboration Strategy

The t-statistic value for Spiritual Sharia Capital on Collaboration Strategy is 1.793(p < 0.074), which is less than 1.96, so it can be concluded that H1b is rejected. The results of this hypothesis test indicate that the Collaboration Strategy does not affect the Spiritual Sharia Capital.

H1c: Infrastructure Sharia Capital have a significant effect on Collaboration Strategy

The t-statistic value for Infrastructure Sharia Capital on Collaboration Strategy is 0.889(p < 0.374), which is lower than 1.96, so it can be concluded that H1c is not accepted. The results of this hypothesis test indicate that Infrastructure Sharia Capital has not affected the Collaboration Strategy.

H1d: Organizational Sharia Capital have a significant effect on Collaboration Strategy
The t-statistic value for Organizational Sharia Capital on Collaboration Strategy is 1.159 (p < 0.247), which is less than 1.96, so it can be concluded that H1d is rejected. The results of this hypothesis test indicate that the higher Organizational Sharia Capital has no impact on the Collaboration Strategy.

H2: Collaboration Strategy has a significant effect on Business Performance

The t-statistic value for Collaboration Strategy on Business Performance is 2.574 (p < 0.010), which is greater than the required test criteria, namely 1.96, so it can be concluded that H2 is accepted. The results of this hypothesis test indicate that collaboration Strategy significantly impacts business performance.

H3: Innovation Strategy has a significant effect on Business Performance.

The t-statistic value for Innovation Strategy on business performance is 9.235 (p < 0.000), which is greater than the required test criteria, namely 1.96, so it can be concluded that H3 is accepted. The results of this hypothesis test indicate that Innovation Strategy significantly impacts business performance.

H4: Innovation Strategy has a significant effect on Collaboration Strategy.

The t-statistic value for Innovation Strategy on business performance is 9.333 (p < 0.000), which is greater than the required test criteria, namely 1.96, so it can be concluded that H4 is accepted. The results of this hypothesis test indicate that the Innovation Strategy significantly impacts the Collaboration Strategy.

Table 5 showed the construct test for indirect effect and based on data processed result below hypotheses can be concluded.

<table>
<thead>
<tr>
<th>Table 5</th>
<th>Total Indirect Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Sample (O)</td>
</tr>
<tr>
<td>IS -&gt; BP</td>
<td>0.15</td>
</tr>
<tr>
<td>IS -&gt; CS</td>
<td></td>
</tr>
</tbody>
</table>

Note. Collaboration Strategy = CS, Innovation Strategy = IS, Business Performance = BP
Source: Prepared by Authors (2024)

H5: Collaboration Strategy mediated the relationship between Innovation Strategy and Business Performance

The t-statistic value is 2.921 (p < 0.004), which is greater than the required test criteria, namely 1.96, so it can be concluded that H5 is accepted. The results of this hypothesis test
indicate that Collaboration Strategy mediated the relationship between Innovation Strategy and business performance.

5 DISCUSSION AND CONCLUSION

This research aims to analyze the influence of Internal Sharia, innovation strategies and collaboration strategies as a mediating variable on business performance. This section will describe the findings and theoretical and practical implications. This section also presents limitations and recommendations for further research.

Based on the empirical result, Operation Sharia Capital and Innovation affected Business Performance directly and indirectly through the Collaboration Strategy. Organization, Infrastructure, and Spiritual Sharia capitals have no effect on Collaboration Performance and also on Business Performance through collaboration strategy mediation. Furthermore, Operational is a dominant factor in Sharia capital. This finding showed that Sharia capital is similar to conventional banks' collaboration strategy and business performance, which need proper operations to achieve the organization's goal. Sharia banks also need to ensure compliance with Sharia rules to be trusted by customers and other stakeholders. A strategic collaboration plan is the dominant factor in collaboration strategy, showing that it is crucial to have a proper plan for Collaboration between stakeholders.

6 LIMITATION OF STUDY

Firstly, Sharia is an Islamic rule and should be the same for all Islamic countries, but practically, there may be different implementations in each country, so this study only focused on Sharia implementation in Indonesia. Secondly, this research focuses on Internal resources; further research can use other external variables, like the government's Sharia-related law and other external stakeholders.

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