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How Islamic is Islamic Banking? Developing the *Falah* Scoring

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Abstract

Queries are often raised regarding the extent to which Islamic banks are Islamic. As the biggest Muslim country in the world, it is interesting to investigate that many employees of Indonesian Islamic banks have resigned because they no longer view their banks as Islamic. Many of them join 90-thousand-strong anti-riba movement known as the xBank community. Accordingly, this study aims to investigate the Islamicity of Islamic banks from an internal perspective using mission drift and happiness theory. The study uses a mixed-method approach comprising of the Artificial Neural Networks (ANNs) technique to analyse questionnaire data, and the qualitative data originated from focused group discussions to confirm the findings from the primary data. The study concludes that Islamic banks have become un-Islamic due to the demands of regulatory policies that force them to compete with conventional banks. Consequently, the research identified a minor mission drift of only around 7%. However, the Muslim society responded very sensitively, making big noises. Thus, the findings become evidence for a need of a falah scoring development necessary to maintain the Islamicity of Islamic banking.

Keywords: *Falah Scoring, Performance Measurement, Islamic Bank, Artificial Neural Networks, Mission Drift.*

Introduction

In looking ahead to 2024, the Indonesian Islamic economic master plan compiled by the National Sharia Finance Committee in 2019 envisaged an independent, prosperous, and civilized Indonesia that had become the world's leading Islamic economic center. The plan contains measures that include expanding the scale of Islamic economics and finance, improving the country's ranking on the Global Islamic Economy Index, increasing economic independence, and enhancing the welfare index of the Indonesian people.

The first measure, expanding the scale of Islamic economics and finance, requires a fundamental strategy. Indonesia has been familiar with Islamic economics for almost 30 years, as marked by the establishment of Bank Muamalat on November 1, 1991. Up to now, however, the business scale of the Islamic finance industry has reached only 8.01% (Financial Services Authority, 2017). Specifically, this is broken down as 5.44% for Islamic banking, 4.78% for the Islamic Non-Bank Financial Industry (IKNB), and 14.49% for the Islamic capital market. Based on this data, it is intriguing to further analyze why Islamic financial institutions, both banking and non-banking, have not moved far above 5% despite operating for more than 30 years.

This slow rate of growth has a systematic impact on the level of funds collected by Zakat, Infaq, Shadaqah and Waqf (ZISWAF) institutions such as the National Amil Zakat Agency (Baznas) and the Indonesian Waqf Board (BWI). Ideally, the growth of Islamic financial institutions will improve the welfare of Muslims (Chowdhury, Akbar, & Shoyeb, 2018), which will automatically increase the amount of ZISWAF collected by BAZNAS and BWI. Aydin (2013) proposed the formulation of fundamental strategies to redefine the objectives of Islamic economics. Kahf (2006) and Kasri (2016) meanwhile proposed maslahah as a performance measure, as reported by Shinkafi and Ali (2017) in their literature review, although this did not significantly impact efforts to distinguish Islamic banking products and operations from those of conventional banks.

Aydin (2019) considered that the products and operations of Islamic banks are no different today because the proposed maqoshid shari'a index continues to rely on a financial indicator approach that follows the utility maximization paradigm in the conventional economy. Based on the above background, this research attempts to restore the fundamental paradigm of Islamic economics, particularly the achievement of Falah or happiness, as mentioned by Chapra (1979) and Chaudhry (1999), which are the main references for modern Islamic economists.

Prominent Islamic economists have also raised the criticism that Islamic banking is not considered to be fully Islamic. Siddiqi (2006) was critical of the role of sharia supervisors. This is considered to be a predominantly technical and thus micro role in terms of translating maqoshid sharia; it should however be a much bigger role and operate on a wider scale of Islamic civilization.

> *"But their role is rather technical whereas the main project from which Islamic finance branched out was civilizational, oriented as it was towards maqasid al- shariah, which has little to do with technicalities."*

Oseni, Ahmad, and Hassan (2016) were the first to use the term "fatwa shopping," which has since become a rolling issue and negatively affected the legitimacy of sharia compliance in sharia financial products. However, Bakar (2016) rejected the notion in his book *Shariah Minds in Islamic Finance*. He asserted that the issue of fatwa shopping arose only due to differences of opinion between the concepts of wealth distribution and wealth creation in Islamic economics in terms of ensuring sharia compliance in Islamic financial institutions, and that this was actually an argument for eliminating the fatwa shopping phenomenon.

While Bakar (2016) did not agree with the term fatwa shopping, Sencal and Asutay (2021) introduced the term delusional maslahah or *maslaha mawhuma*, as quoted from the opinion of Ramadhan al-Buti. In using delusional maslahah, the makers of fatwas are deemed to be sovereign or full rulers with regard to determining the truth. As such, we have a situation in which the development of Islamic economics is strongly influenced by capitalist economic hegemony, outlined as follows:

> *"The hegemony of the capitalist financial system over the Islamic financial sector is very strong, as the accelerated convergence offices towards conventional institutions in terms of product and services during the last decade shows. Shari'a scholars are not eligible to prevent this convergence even though they are the authority that renders 'Islamic' identity to IFIS."*

Islamic economists have also made efforts to improve the development of the Islamic finance industry from a macroeconomic perspective. Khan (2019) and Khan and Badjie (2020) developed the issue of maqoshid sharia with the Sustainable Development Goals (SDGs) and proposed a multi-perspective approach covering humanitarian and commercial motives. Adopting a more fundamental perspective, Zaman (2005) proposed Islamic economics as an economic science with a new paradigm due to its very different

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core elements. Zaman (2011) also highlighted the state of crisis within the development of Islamic economics as it was not yet considered to have become sufficiently differentiated from conventional economics in terms of its unique aspects. Zaman (2015) then went further still in proposing a redefinition of the Islamic economy, which was regarded as a solution to the current crisis.

This situation aligns with the phenomenon of mission drift in financial institutions that have a dual bottom line, such as microfinance institutions. Christen (2001) raised this issue in the context of microfinance institutions fixed on commercialization and that subordinated their social functions. Amos and Comfort (2014) even proposed a solution, namely that social enterprises can achieve a balance between commercial and social goals by understanding the cause of the basic problems. He asserted that mission drift will occur when an institution is highly dependent on its resource provider at the same time as trying to compete in an industry strongly characterized by companies with different business goals or bottom lines. Therefore, the author suggests the creation of various governance mechanisms to facilitate alignment with the goal of achieving the dual bottom line.

The state of mission drift or deviation can be related to the level of personal happiness of Islamic financial operators, as stated by Aydin (2013), who also proposed a personal happiness approach. This type of approach is considered more effective in liberating Islamic banking practices from offering hedonic consumerism products. Based on this definition of happiness, Falah, Aydin (2013) illustrated that Islamic financial institutions should operate to represent Islamic people as individuals who adhere to Islamic norms and ethics supported by a prosperous economy that upholds the values of brotherhood and justice.

The diminishing meaning of Falah in the operations of Indonesian Islamic financial institutions has given rise to the xBanking group that comprises 90,000 members, 11% of whom are former employees of Islamic banks. Against this backdrop, this research is particularly important because any slowdown in the growth of the Islamic finance industry will hinder the growth of ZISWAF institutions and the sharia ecosystem overall; thus, it has consequences in terms of impeding the government’s vision to make Indonesia the center of the world sharia economy.

Objective

Based on the strengthening public perception that Islamic banks are not Islamic and the importance of efforts to maintain the reputation of sharia in the face of the declining influence of fundamental Islamic economic values in Islamic financial institutions, this study aims to investigate the phenomenon of Islamic banks that the public suspect as being un-Islamic, from the internal perspective of managers and Islamic banking institutions.
Furthermore, the study will analyze the findings to examine the urgency of falah-based performance measures (Falah scoring) in running Islamic banks to avoid the risks associated with an un-Islamic reputation.

Literature Review

Many critical reviews have been undertaken on the operations of Islamic financial institutions, especially Islamic banks. Khan (2010) straightforwardly questioned the Islamicity of Islamic banks. His study used three main parameters to conclude that over the 30 years since they were first established, Islamic banks have not made any significant functional changes that differentiate them from conventional banks. However, experts had already been debating the Islamicity of Islamic banks for some time before Khan (2010). Zaman and Movassaghi (2002), followed by Kuran (2004) and El-Gamal (2006), warned of the need for fundamental efforts to differentiate Islamic banks from conventional banks by shifting away from profit rate-based products (murabahah) to consistently offering products centered around the sharing of

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both profits and losses (mudharabah and musharaka).

Various researchers have proposed the maslahah approach as a means of functionally distinguishing between Islamic and conventional financial institutions, by regaining a focus on the purpose of sharia, known as Maqoshid shariah. This approach features the thinking of Imam Malik, where the goal of sharia is to achieve maslahah. Dusuki and Abdullah (2007) specifically defined maslahah as an effort to gain goodness and evade damage by following the rules of Allah SWT. Imam Ghazali then built on the thoughts of Imam Malik by providing a more straightforward definition of maslahah. According to this, maslahah will be achieved if the purpose of the revelation of sharia to humans can be achieved (Chapra, 2016), particularly: (1) maintaining religion, (2) maintaining life, (3) protection of offspring, (4) protection of reason, and (5) protection of property. The Maqoshid Syariah approach thus became a substitute for the sharia-compliant approach.

Since their introduction, Islamic financial institutions have operated by following a sharia-compliant approach. Thus, financial institutions must comply with sharia principles by abstaining from operations that are prohibited; these include gambling transactions (maysir), speculation (gharar), interest (riba), and other harmful activities (bathil and dzalim) (Khatkhatay & Nisar, 2007). However, this initial approach means that Islamic financial institutions, in conducting their operations, observe only the technical factors of financial activities that are considered prohibited according to sharia without focusing on other non-financial impacts such as justice and welfare (Anwar, 2018). As a result, several sharia financial products approved by the National Sharia Council (DSN) were ultimately discontinued because they had a major social impact. These included Hajj bailout products, which led to very long queues of Indonesian Hajj candidates.

The reliance on a sharia-compliant approach that focused only on halal-haram led to the creation of sharia products aimed at the needs of people accustomed to using conventional banking products as the mainstream of the national financial industry. Rahmawaty (2007) criticized the use of murabahah contracts as the basis for the main product of Islamic banks, which accounts for around 75% of the total disbursed financing. Specifically, the act of not engaging in illicit/haram transactions is deemed insufficient to classify Islamic banks as sharia. They must also consider factors such as being a more humane institution by providing better conditions for their human resources, along with offering reasonable prices. In maintaining this narrow pursuit of sharia compliance, the operational motives of Islamic banks do not differ from those of conventional banks because they are strongly focused on material achievements or the rent-seeking motive (Suzuki & Uddin, 2014).

As such, a maslahah-based maqoshid sharia approach is proposed as the basis for measuring financial performance, thus rendering it possible to distinguish the purpose of Islamic financial institutions. Kahf (2006) was among the first to examine the correlation between maqashid sharia and the halal-haram approach to the operational functions of Islamic financial institutions. In contrast to the previous approach, this maqoshid sharia approach includes non-financial elements by including the five parameters mentioned above, i.e., the protection of religion, life, offspring, reason, and property. Al-Mubarak and Osmani (2010) subsequently attempted to apply this maslahah approach to the practice of Islamic banking.

Based on the popular opinion that Islamic banks are no different from conventional banks, Al-Mubarak and Osmani aimed to make suggestions using the maslahah approach. The view was that Islamic banks could be improved by adopting a more substantive approach to maqoshid sharia. The goal of this more substantive approach is that Islamic bank administrators must attempt to elaborate on the non-material impacts of the products offered to customers in addition to being based solely on the maximization of profit (Dusuki & Abozaid, 2007).

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Technically, Widarjono (2018) explained how the application of the maslahah approach is modeled into the maqashid sharia index. The non-financial aspects introduced in this index are the education parameter, which uses the education cost parameter, the equity parameter that employs the price parameter along with interest-free products, the welfare parameter, which uses the profitability ratio parameter, and the amount of company zakat issued.

Mission Drift Theory

The theory of mission drift is used to discuss the deviation of goals in institutions that have a dual bottom line, i.e., a social mission and a profit mission simultaneously, which are also known as social enterprises. Cornforth (2014) defined mission drift as a change in an organization that is moving away from its main purpose. Deviations may thus occur, not only in terms of switching from one mission to another but also in the form of an imbalance between the previously defined dual missions.

Identifying the occurrence of mission drift in an organization is challenging. Weisbrod (2004) explained that it can be caused by an excessive process of commercialization; here, the behavior of administrators changes as they come to expect incentives from profit gains. This was also the basis for Young, Kerlin, Teasdale, and Soh’s (2012) conclusion that dual-bottom-line institutions will find it very challenging to balance their social and commercial goals.Oliver (1991) offered the following two perspectives to understand how an organization can experience mission drift: (1) The resource dependency perspective, and (2) the institutional perspective.

According to the first perspective, all institutions are dependent on other institutions for resources such as capital, equipment, raw materials, and labor. As such, those institutions that are highly dependent on other organizations and actors may experience mission drift due to the relative power held by the latter to modify business processes and the behavior of their administrators. This also applies to institutions that are heavily bound by regulations issued by a regulator. In this case, the regulator has the power to penalize performance that does not comply with the standards set from its point of view (Spear, Cornforth, & Aiken, 2007).

The second perspective includes the perspective of Powell and DiMaggio (1991) and relates to the need for an institution to operate technically and economically in order to compete efficiently in the industry. This forces institutions to behave more commercially and leads to mission drift.

Happiness Theory

Imam Ghazali emphasized that the purpose of life is to achieve happiness through the four processes of (1) understanding oneself, (2) understanding God, (3) understanding real life, and (4) a true understanding of real life after the current life. Long before that, Aristotle conceived of happiness in two different forms (Hamid, 2017) – hedonic happiness (achieved through physical pleasure) and eudemonic happiness (achieved through experiences of meaning). Nietzsche was another great philosopher who talked about pleasures and happiness in life (Aydin, 2018).

Nietzsche was strongly critical of consumer culture, which is very hedonic as it is driven by hedonic happiness and thus solely concerned with physical pleasure. Nietzsche postulated that if humans pursue only the hedonic spirit of consumerism, they will not achieve true humanity (Ubermensch). For this reason, understanding the meaning of life is more important than mere physical satisfaction. In Islamic financial literacy, Ahmad (1986) theoretically introduced the Falah approach where the attainment of Falah from an economic perspective involves freedom from poverty and slavery by eliminating the injustices occurred in society. In line with this, Chaudhry (1999) explained that falah involves meeting basic human needs, simultaneously developing moral and material values, and distributing wealth; thus, it is not controlled by only a few people. In defining the meaning of Falah in Islamic economics, both scholars seemed to focus on the state of distress currently faced by the Ummah. This contrasts with Chapra's (2016) definition of falah as an economic achievement oriented to humanity and Islamic moral norms.

It seems that only Aydin (2013) has proposed a different definition of falah, in this case as a redefinition of the goals of Islamic economics using the happiness approach, as per Imam Ghazali, Aristotle, and Nietzsche. This was because the previous definition does not explicitly liberate Islamic banking from the practice of offering hedonic consumerism products; thus, it hinders the creation of divinely oriented humans. According to Aydin (2012), defining Falah based on the happiness approach will help in differentiating Islamic financial institutions from conventional banks through a more substantive approach.

Methodology

This study uses mixed methods to achieve its research objectives based on the following stages:

1. Perform a visual analysis using the clarity vs. intentionality matrix.
2. Conduct quantitative analysis of the questionnaire results using the Artificial Neural Networks (ANNs) model to measure the level of personal happiness of Islamic banks and the potential for mission drift of Islamic banking institutions.
3. Based on the results of the above quantitative analysis, confirm the findings using focus group discussions (FGDs) with bankers, academics, and regulators.
4. Conduct a literature review and in-depth interview on measurement models to protect Islamic banks from un-Islamic reputation risks.

Data

The study compiled a questionnaire by modifying an existing example derived from mission drift and happiness theory; this was addressed to internal parties at Islamic banks, including all employees and directors.

Mission drift refers to a loss of focus on an organization's or institution's core value along with activities that involve the allocation of resources to non-core priorities, duly upsetting the balance between value and activities (Shingadia, 2012, p.3). Therefore, mission creep or mission drift is characterized as a shift away from an intended mission in practice, whether intended or unintended, or the misalignment of the stated mission and the de facto mission of an organization (Gooding, 2012).

In the context of this study, mission drift refers to the existence of deviations or imbalances in achieving the two falah objectives, particularly the greater concentration of performance measures in the more mundane financial ratios such as profitability ratios and market share. Meanwhile, happiness theory discusses the types of happiness associated with a focus on one's achievement. The theory developed by Prof. Necati Aydin divides happiness into three parts, namely hedonic happiness, which is derived from prioritizing the fulfillment of materialistic needs; eudemonic happiness, which is concerned with adding value to oneself and sharing with others; and G-donic happiness, which is a spiritual approach based on a perception of transcendental reality by only expecting an acknowledgment from Allah SWT.

Furthermore, this study conducted FGDs and in-depth interviews with four sets of speakers. These comprised members of the Sharia Supervisory Board of an Islamic bank, Bank Indonesia as the regulator of the national banking system, Islamic bank practitioners, and an Islamic bank researcher who holds a patent for the Maslahah Performa model.

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Data Analysis Method

The data obtained from the questionnaire were processed through visual analysis using the clarity vs. intentionality matrix. The objective was to determine the level of clarity of the institution's mission and compare it with the institution's level of seriousness in carrying out its stated mission.

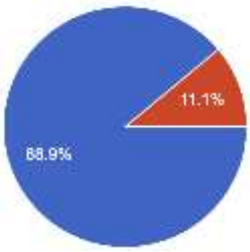
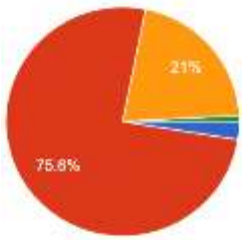
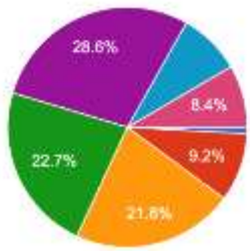
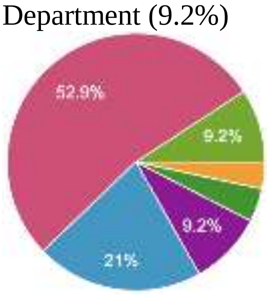
Furthermore, this research used the ANNs method to identify the factors that influence the level of clarity and intentionality and compare Sharia commercial banks (BUS) and Sharia rural credit banks (BPRS). Additionally, the results of the ANNs model were compared with the results of the content analysis derived from the FGDs.

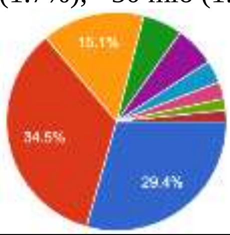
Results and Discussion

Data Description

This study obtained 119 respondents, the descriptive data for whom is shown in the following table.

Table 4.1. Descriptive Data

<table>
<tr><th>Sex</th><th>Education level</th><th>Age</th></tr>
<tr><td>Male (88.9%), Female (11.1%)

</td><td>High School (2.5%), Bachelor Degree (75.6%), Graduate (21%), Postgraduate (0.8%)

</td><td>20-25 (0.8%), 26-30 (9.2%), 31-35 (21.8%), 36-40 (22.7%), 41-45 (28.6%), 46-50 (8.4%), 51-55 (8.4%)

</td></tr>
<tr><th>Position</th><th>Time in position</th><th>Income</th></tr>
<tr><td>Head of Branch (21%), Officer (52.9%), Clerical (9 2%), Board of Directors (3.4%), Head of Division (4.2%), Head of Department (9.2%)

</td><td>0-2 years (23.5%), 3-4 years (24.4%), 5-7 years (21.8%), 8-9 years (10.9%), >10 years (19.3%)

</td><td>1-5 Million (mio) (29.4%), 6-10 mio (3.5%), 11-15 mio (15.1%), 16-20 mio (5.9%), 21-25 mio (5.9%), 26-30 mio (3.4%), 31-40 mio (2.5%), 41-50 mio (1.7%), >50 mio (1.7%)

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</table>

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Data Analysis

Matrix-Based Visual Analysis

This study compares the data results obtained based on the types of Islamic banks, particularly between BUS and BPRS. This is designed to prevent bias in understanding due to the vastly different nature of the two types of banks in terms of capital, product complexity, management quality, income level, and the form of regulations issued by the Financial Services Authority as the banking regulator in Indonesia.

The clarity and intentionality parameters were formed from each of the ten items posed in the questionnaire. The respondents gave their answers based on a six-point Likert scale, and there was agreement and disagreement among them.

The ten questions/statements put to the respondents for the clarity parameter were as follows:

X1-c. Verbal explanations of the company's mission, which includes worldly and hereafter success and happiness, are provided actively, measurably, and consistently.

X2-c. Is the deviation of the balanced worldly and hereafter falah mission a topic that is often discussed at your place of work?

X3-c. The company you work for has a vision statement, mission statement, and a special document that explicitly describes the measure of worldly and hereafter success.

X4-c. Where you work, all stakeholders know and believe in the main principles of the company's mission, the aim of which is to achieve worldly and hereafter falah.

X5-c. All stakeholders have implemented the main principles of the company's falah mission that are balanced between worldly and hereafter happiness.

X6-c. Directors, commissioners, and the sharia supervisory board always remind staff to adhere to the main principles of the company's mission, which is balanced between worldly and hereafter happiness.

X7-c. Commissioners, directors, and all staff have signed a statement accepting and implementing the main principles of the company's mission of a balance between worldly and hereafter happiness.

X8-c. The company you work for consistently and clearly communicates the company's mission that will bring worldly and hereafter happiness.

X9-c. The meetings you hold are always focused on work culture, the company's mission that leads to worldly and hereafter falah, plus its impact, which are the main concerns of the directors, commissioners, and sharia supervisory board.

X10-c. The company uses a measure to assess the achievement of the falah mission.

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Meanwhile, the following ten items were used to assess the intentionality parameter:

X1-i. At the company you work for, does every policy adopted, every structural meeting, and every employee discipline meeting reflect the seriousness of achieving the mission of worldly and hereafter success and happiness?

X2-i. Does the company you work for have a special unit that measures the level of reliability and ability of all staff in carrying out the company's mission of worldly and hereafter falah?

X3-i. Is there a special assessment of candidates for the Board of Directors, Board of Commissioners, and Sharia Supervisory Board on accepting the company's mission that has the value of worldly and hereafter happiness and prosperity?

X4-i. Compared to previous years, has there been an increase in the worldly and hereafter welfare and happiness of all staff, including the Board of Directors, Board of Commissioners, and Sharia Supervisory Board?

X5-i. Is it clearly stated that the corporate culture development plan requires regular events to be held to strengthen the company's values and mission?

X6-i. Does the company you work for consistently consider the worldly and hereafter welfare of the surrounding community and the customers it serves?

X7-i. Does the company have a success plan that actively creates future leaders who are committed to achieving the company's mission?

X8-i. Most employees at the company you work for will resign when they learn that the organization prioritizes success and happiness in this life rather than success and happiness in the hereafter.

X9-i. Would you say you are unwilling to be placed in a position that you think will not align with your mission of achieving worldly and hereafter success and happiness?

X10-i. If you were to abruptly leave your job at this company, would you no longer consider the mission of worldly and hereafter success and happiness?

Figure 4.1 displays the employees' assessment of the clarity of the mission of sharia-based institutions in carrying out their operations that must be balanced in achieving worldly and hereafter happiness. In this case, the internal parties of Islamic banks generally deliver a value of 4.69 or fall into the high category. Interestingly, the internal parties at BPRS gave a higher rating than those of BUS, with a score of 5.2 (very high) compared to 4.5 (high). This shows that banks with low levels of capital, low product complexity, and lower nominal operating expenses achieve a much greater level of clarity in the balance of their mission of worldly and hereafter happiness.

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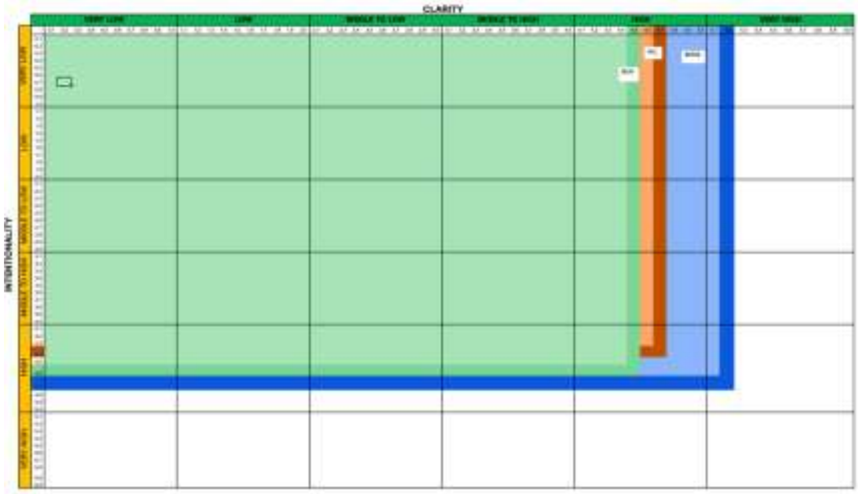

Figure 4.1. Clarity vs. Intentionality Matrix

Furthermore, the results from the questionnaire show that the value of the intentionality parameter, or the efforts of the Islamic bank institution as a whole to achieve a balance between the worldly and hereafter mission, is lower than the value for the clarity parameter, at 4.37 versus 4.69. For this parameter, it is also interesting to note that while both the intentionality and clarity values for BUS fall within the same high category, the BUS intentionality value is higher (4.6 versus 4.5). The same does not occur in the case of BPRS, however, where the intentionality value is 4.7 (in the high category) and the clarity value is 5.2 (very high category).

Table 4.2. Value of Clarity and Intentionality Parameters

ITEM	ALL	BUS	BPRS
CLARITY	4,69	4,5	5,2
INTENTIONALITY	4,37	4,6	4,7

Importance Rate Analysis

In seeking to identify the factors that determine the value of the clarity and intentionality parameters, this study uses the ANNs architecture method [10-13-4] with the parameters detailed as follows:

Table 4.3. Parameters used in the ANNs Method

Parameter	Value
ID	13
Architecture	[10-13-4]
# of Weights	199
Fitness	4,75
Train Error	0,768293
Validation Error	0,631579
Test Error	0,789474
AIC	-83,257957
Correlation	n/a
R-Squared	n/a
Stop Reason	All iterations dc

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Figure 4.2 illustrates the factors that affect the values of the clarity and intentionality parameters. The three main factors that determine the value of the clarity parameter in Islamic banks are X5-c, X10-c, and X8-c. In contrast, the three main factors determining the intentionality parameter are X2-i, X3-i, and X7-i.

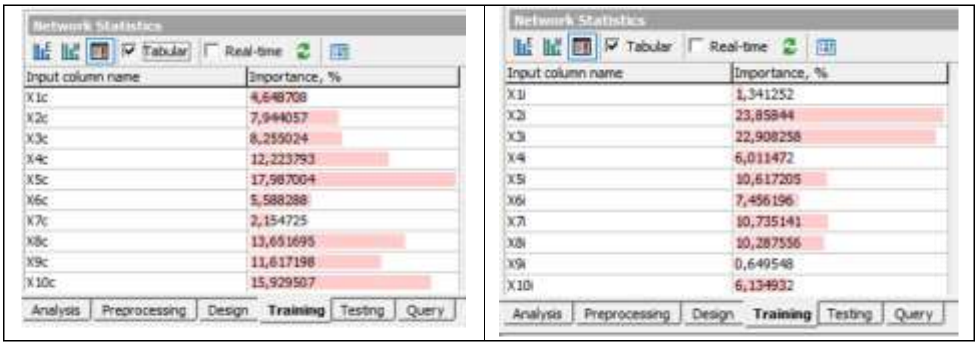

Figure 4.2. Importance Rate (%)

This study also includes questions that measure the respondents' level of happiness based on their economic behavior. From Table 4.4, we see that 8% of the respondents from BUS have a hedonic level of happiness compared with 42% at the eudemonic level and 51% at the G-donic level. On the other hand, among the BPRS respondents, 2% are at the hedonic level of happiness, 32% at the eudemonic level, and 61% at the G-donic level.

Table 4.4. Level of Happiness

HAPPINESS TYPE	ALL	BUS	% BUS	BPRS	% BPRS
HEDONIC	9	7	8%	2	7%
EUDOMONIC	48	39	42%	9	32%
G-DONIC	64	47	51%	17	61%

Furthermore, by using the ANNs method, this study analyzes the correlation between the respondents' type of happiness behavior and its correlation with education, position, length of work, and income factors. The results, based on the [4,1,5] architecture for hedonic, [4,1,3] for eudemonic, and [4,1,3] for G-donic, are shown in Table 4.5.

Table 4.5. Importance Ratings of Happiness Parameters

HAPPINESS TYPE	HEDONIC		EUDOMONIC		GOD DONIC	
FACTORS	BUS	BPRS	BUS	BPRS	BUS	BPRS
EDUCATION	19,22	22,11	84,69	17,62	0,03	30,97
CARRIER	48,99	62,53	1,76	2,46	7,92	30,76
LENGTH OF WORK	9,71	7,66	7,36	72,46	57,50	36,41
INCOME	22,06	7,66	6,18	7,44	34,53	1,85

For the level of hedonic happiness, the respondents from BUS and BPRS cited the same factor as being the most influential, specifically the carrier. For eudemonic happiness, level of education was the most influential factor among the respondents from BUS. In contrast, for the respondents from BPRS, eudemonic happiness was most strongly influenced by the length of the work period. Lastly, for the level of G-

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donic happiness, all of the respondents, from both BUS and BPRS, cited the length of work period as the most influential factor.

Discussion

The robust criticism of Sharia financial institutions, especially Islamic banks, delivered by Islamic economists such as Siddiqi (2006), Oseni et al. (2016), Sencal and Asutay (2021), Khan (2019), and Khan and Badjie (2020) should be corroborated by internal parties from Islamic banks. This is especially true for criticism from the general public, including the xBanking group, where 11% of the 90,000 members are individuals from Islamic banks who no longer believe in the sharia where they worked.

The results from the clarity versus intentionality matrix revealed that the internal parties of Islamic banks, both BUS and BPRS, consider a balanced mission of worldly and the hereafter falah to have been well stated, thus placing it in the high category, and also well implemented, as reflected in the high score on the intentionality parameter.

Even so, the potential for mission drift remains, as shown by the 7% gap between the clarity score (4.69) and the intentionality score (4.37). This relatively large gap may be caused by the policies of Islamic banks, which are no different from those of conventional banks.

This was confirmed by the results of the in-depth interviews and FGDs with Islamic bank supervisors, who stated that the fatwas issued by the DSN are very industry-driven. Examples of such fatwas include DSN-MUI fatwa no. 105/DSN-MUI/X/2016 concerning Guaranteed Return on Financing Capital of Mudharabah, Musyarakah, and Wakalah Bil Istitsmar, where the owner of capital (shohibul mal or Islamic bank) may not request a guarantee that the administrator will return the capital, except by his/her own free will. Financing customers who sit below the level of shohibul amal will experience unspecified coercion. The nature of the fatwa, which tends to be industry-driven, will allow for the occurrence of delusional maslahah, as noted by Sencal and Asutay (2021).

The fact that the preparation of this fatwa is industry-driven aligns with the research of Oseni et al. (2016), Oseni (2017), and Faisal (2019). These authors asserted that fatwa shopping is a practice commonly applied by Islamic financial institutions to secure sharia legality in the suite of products.

Weisbrod (2004) explained that mission drift occurs due to the excessive commercialization process. Here, then, the phenomenon of delusional maslahah has the potential to increase the occurrence of mission drift in Islamic banks in the future.

It is possible to prevent such a scenario by observing the factors that Islamic banks can use to increase their clarity and intentionality scores in parallel; in this way, the difference in scores between the two parameters becomes smaller.

The three factors that are least influential in determining the value of the clarity parameter in Islamic banks are X7-c, X1-c, and X2-c. This demonstrates the need for Islamic banks to produce a written agreement by which they accept and execute the main principles of the company's balanced falah mission between the worldly and the hereafter. In addition, stronger verbal explanations are required to better express the company's falah mission. Such explanations can also elucidate the factors that lead to deviations in the falah mission of the Islamic bank.

In contrast, the three factors with the least influence on the intentionality parameter are X9-i, X1-i, and X4-i. Based on this, if faced with the potential for an imbalance in falah in certain positions, Islamic banks should develop a special program that opens communication between employees and owners. In addition, Islamic banks should construct KPIs that specifically assess whether every policy decision also considers the balance of falah. This is confirmed by the low X4-1 factor, whereby the item of increasing the worldly and hereafter falah welfare for all employees was not clearly measurable. This illustrates Young et al.'s (2012) prediction concerning the difficulty that institutions with a dual bottom line face and thus encompasses Islamic banks, which are required to have social and commercial missions.

Another factor behind the growing phenomenon of mission drift is the role of regulators in viewing the management of Islamic banks. Based on the results of the in-depth interviews, it is evident that the regulator does not use falah considerations in regulating Islamic banking. As banking entities, Islamic banks are viewed the same as conventional banks; thus, in its regulation, Bank Indonesia targets only three things:

1. Islamic banking maintains a stable performance.
2. Islamic banking is / remains resistant to crisis.
3. Islamic banking can mitigate risks.

Therefore, the regulator focuses solely on the operations of Islamic banks in terms of the benefits they deliver for the general public; it does not encourage Islamic banks to operate differently from conventional banks as they are only required to provide the best service to the community.

At the same time, the regulator will not provide any directions for technical policy. The policies taken by the regulator are fundamental. Consider the case of a financial institution that implements a technical policy to improve performance. Here, the policy may only be implemented individually, not across the whole financial institution, unless it has been approved by the DPR (House of Representatives) and the government through the enactment of a law.

This can lead to increased mission drift in Islamic banks since they are obliged to compete in an industry replete with competitors that have different missions, as Oliver (1991) explained. Oliver approached this situation from both the resource dependency and institutional perspectives. Based on the former, almost all Islamic banks in Indonesia are highly dependent on conventional banks in terms of capital ownership. Thus, as controlling shareholders, conventional banks maintain strong control of Islamic banks in determining their principal KPIs. In addition, the honesty of the mission, as opposed to mission drift, applies when the regulator provides the same policies and rules for Islamic banks. As a result, the regulator will carry out the same actions and performance assessments that, from the regulator's point of view, do not necessarily match the set size (Spear et al., 2007).

Furthermore, the two above-mentioned aspects can be analyzed through a second perspective by following the approach used by Powell and DiMaggio (1991). Here, Islamic banks are granted the same position and types of rules as conventional banks; thus, Islamic banks must operate technically and economically to compete efficiently in the industry. This forces Islamic banks to behave more commercially and leads to mission drift.

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Regarding the data on the happiness level of Islamic bank administrators, G-donic happiness was rated more highly than either the hedonic or eudemonic levels. This provides hope that Islamic banks are managed by people who have a vision of the hereafter in pursuit of worldly happiness; thus, it is expected to further clarify the function of falah in conducting Islamic bank operations in the future.

This accords with the opinion of Aydin (2013), who proposed a falah approach to redefining the goals of Islamic economics. By using a firm and straightforward definition of falah, Islamic banks can separate themselves from Islamic banking practices that encourage hedonic consumerism, which hinders the creation of divinely oriented humans. Furthermore, a straightforward and firm falah approach will differentiate Sharia financial institutions from conventional banks through a more substantive approach.

Conclusion

Sharia financial institutions should be concerned about and alert to the concept of mission drift. Islamic banking is perceived to be susceptible to mission drift because the maqoshid Syariah approach focuses more heavily on maslahah, which is not always in accordance with falah. Ultimately, Islamic banks are more concerned with a main bottom line that is centered on profit as opposed to the optimal situation of a bottom line that is rooted in the banks' social function, i.e., zakat, infaq, and alms as the main drivers of the business. Mersland and Strøm (2010) and Armendáriz and Szafarz (2011) identified a shift from a social to a commercial mission in financial institutions.

Recommendations

To prevent any further expansion of the potential for mission drift in Islamic banks, it is necessary to strengthen maslahah to avoid delusional maslahah. The true meaning of maslahah is the achievement of a balance between worldly and the hereafter welfare, as measured using the falah indicator. The indicators that may be used originate from verses in the Qur'an that reveal clear characteristics of the inhabitants of heaven. Thus, Sharia financial institutions must embed a strengthening of falah as their main foundation if they are to avoid deviating from the main mission of establishing these institutions. Consequently, the findings become evidence for a falah scoring development necessity to maintain the Islamic of Islamic banking.

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