

THE IMPACT OF RELIGIOSITY ON PERCEPTIONS OF THE ROLE OF INDEPENDENT COMMISSIONERS IN THE IMPLEMENTATION OF CORPORATE GOVERNANCE IN SHARIA FINANCIAL ENTITIES IN INDONESIA

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ABSTRACT

The aim of this research is to analyze whether there is an impact of religiosity as well as understanding of Islamic accounting and finance concepts on perceptions of the role of independent commissioners in relation to corporate governance in Islamic financial entities in Indonesia. The research uses primary data by distributing questionnaires to employees in Islamic financial institutions. The results showed that religiosity had a positive and significant effect on perceptions of the role of independent commissioners in corporate governance in Islamic financial institutions, while an understanding of Islamic accounting and finance did not show a significant effect. Research has not been able to prove whether the quality of financial reports can moderate the level of understanding of Islamic accounting and finance because the data obtained from the questionnaire comes from a limited number of Islamic financial institutions.

Keywords: Religiosity, Governance, Understanding, Accounting, Sharia

INTRODUCTION

The development of Islamic financial institutions in Indonesia began with the development of PT Bank Muamalat Indonesia in 1992, which at that time was still called a profit-sharing bank (Ecip, et al, 2002). Islamic financial entities began to grow rapidly with the development of Islamic banks after the birth of the Banking Law in 1998, starting with the establishment of PT Bank Syariah Mandiri in 1999. The establishment of various sharia entities then prompted the urgency of the need for a single concept of governance within sharia entities. The concept of governance that exists in sharia entities is developed from the concept of sharia corporate governance (Lewis, 2005). Good corporate governance will certainly have an impact on good performance for the company (Murwaningsari, 2010). In sharia entities, the concept of corporate governance is different from that in conventional entities. In the concept of Islamic corporate governance, there is a concept called a decision-making process that is in accordance with sharia and supervision so that the entity's operations do not conflict with sharia concepts (Lewis, 2005). The form of an operational system that does not contradict Islamic entities with the concept of Islamic finance makes research on religiosity in Islamic financial institutions important to do.

There are several previous studies on religiosity, including research conducted by Zubairu and Sakariyau (2016) on the religious level and performance of Muslim accounting students with the research location being at International Islamic University Malaysia (IIUM). In research, the level of religiosity can be seen from an Islamic point of view, which is measured from several things, obedience to do the salat for five times a day, what is the level of religiosity of a person from a family background, and how many times to visit a place of masjid in one week. This research itself only conducts studies in terms of quantity and has not shown a significant correlation between the level of religiosity and the performance of Muslim students studying accounting in majors. In addition, there

is also research conducted by Kanaragetnam, et al (2013) which explains that countries with a high level of religiosity will show better banking performance, even in times of crisis. Although there have been many studies discussing Islamic accounting and finance as well as religiosity, as well as discussions relating to the concept of Islamic corporate governance, or Islamic corporate governance, as presented by Lewis (2005), there has not been much research discussing the relationship between the level of religiosity in relation to with corporate governance or corporate governance of sharia entities by taking into account the perception factor of the role of independent commissioners in these sharia entities.

It is necessary to pay attention to the role of the independent commissioner in the context of corporate governance because in a company this will relate to agency theory. In agency theory, an agency relationship will emerge where there are other people who are employed by one or more people where that person will provide services and will also give authority to a party called an agent. The contract referred to in this case is one or more principals assigning or involving (agents) to do business on behalf of the principals by delegating decision-making authority to the agent. In this case it is said that if the two related parties aim to maximize utility, then there will be reasons to believe that the agent will not always act in the best interests of the principals (Jensen, 1976).

Sharia accounting is basically an accounting concept that is different from conventional accounting. If in conventional accounting the concept of accounting has an understanding as accounting is the process of identifying, measuring, and communicating economic information to permit informed judgment and decisions by users of the information (A Statement Of Basic Accounting Theory, 1966) in (Kamayanti, Ari, 2016), then what is meant by the concept of sharia accounting is an accounting concept which is part of muamalah which must meet the requirements to perform servitude to Allah SWT and also in order to facilitate humans in calculating zakat. Zakat needs to be calculated properly and placing zakat as a main goal in sharia accounting is very rational (Adnan and Gaffikin, 1997). The development of sharia accounting also basically shows that accounting is not a value-free concept as much conveyed in conventional accounting concepts, a view expressed by Hendriksen and Breda in 1995 which emphasized that accounting is a collaboration of various religions in the world. This opinion adheres to the concept of positivism which emphasizes that the accounting concept is a value-free concept. The pragmatic concept is a concept in the form of an adaptation of conventional accounting concepts starting from theoretical concepts to technological forms which are then adapted to existing Islamic values. In the pragmatic concept it is said that the concept of conventional accounting still exists which can be used with some adjustments to suit Islamic values. This pragmatic version of the sharia accounting concept is then implemented in practice internationally through an institution called AAOIFI or Accounting and Auditing Organization for Islamic Financial Institutions and in Indonesia it is implemented through sharia PSAK issued by the Indonesian Institute of Accountants through the Sharia Accounting Standards Board or DSAS. Meanwhile, in the concept of sharia accounting, which is more idealistic in nature, it is seen that there is very loose accommodation in pragmatic concepts related to the implementation of sharia accounting, especially in sharia entities. Even so, in terms of muamalah fiqih, not all concepts in conventional accounting are not accepted in sharia accounting and vice versa.

The novelty of this study is that researchers are trying to include and combine discussions about religiosity and combine it with the level of understanding of Islamic accounting and finance with corporate governance in where the combine research of both religiosity and the level of understanding concept in Islamic accounting and finance are very limited and also where in this governance the view of the role of an independent commissioner is very important. Researchers also try to combine by placing the quality of financial reports as a moderator that connects understanding of Islamic accounting and finance by including company size and institutional ownership as control variables in this study. So, the research question for this research are:

1. Is there religiosity influence in the perceptions of the role of independent commissioner in the implementation of corporate governance?
2. Do the understanding of Islamic accounting and finance concepts have an impact on perceptions of the role of independent commissioners in corporate governance?
3. Do the quality of financial reports moderates the relationship between understanding of sharia accounting and perceptions of the role of independent commissioners in corporate governance?

Literature Study

Perception of the Role of Independent Commissioners in the Implementation of Corporate Governance.

Agency theory is a relationship that occurs between parties called principals or owners and agents or parties who work in the company for the benefit of the principal (Jensen and Meckling, 1976). This relationship will occur when a party called the principal decides to employ a party called an agent in the company or institution he founded. That way there will be a difference between the owner and the agent who in this case acts as the management of the company. Company management or agents in their duties must be able to provide accountability in financial reports to investors or owners of the company. In this case, sometimes an agency problem occurs where the management is the party that knows more about the problems that occur in the company's internal compared to the investors, while on the other hand the investors or owners want a large amount of dividends as proof of the profits on the investment they make.

Banks are also institutions that act as financial intermediaries or liaisons between parties who have excess funds and those who are in a condition of deficit funds. Especially for Islamic banks, the complexity of governance issues that occur within the company becomes more complex due to several things, the first of which is the existence of standards of compliance with sharia concepts that must be complied with by Islamic banking institutions (Archer, 1998). In addition, there are also many customers who entrust their funds to Islamic banks, many because they believe that Islamic banks are banks that are run with the motive of sharia compliance in carrying out their operational activities. Based on research conducted by Chapra and Ahmed (2002) it is said that agency problems that occur in Islamic banking are not only caused by company management not running the company according to the wishes of investors but also because customers feel that the company is not run in accordance with the provisions of sharia law. In this case the role of an independent commissioner is necessary so that the company remains on the track of good corporate governance and in that way protects the interests of various parties with an interest in Islamic financial institutions (KNKG, 2004). It will also be able to help the growth of Islamic financial institutions in Indonesia. In the context of being an economic entity, the growth of Islamic financial institutions as economic entities or companies in Indonesia cannot only be based on capital (Murwaningsari, Etty & Sistya Rachmawati, 2017). That's why in terms of corporate governance in Islamic financial institutions religious factors also need to be considered.

Religiosity

Religion is basically a very important foundation in influencing attitudes and values. Religiosity is also a very holy and sacred value that will greatly affect one's thoughts, emotions, and character. Religion is a belief system and a practice of understanding related to holiness and as the most basic thing in human life, especially in terms of aspects and behavior (Asih, 2015). Such as the prohibition on drinking liquor and eating food that is forbidden in religion such as pigs, dogs and prohibited from taking and collecting assets from usury or interest on money (Asih, 2015). In addition, there is also an order to pray 5 times plus and to pay zakat, both fitrah and zakat maal or wealth. These orders and prohibitions will always exist in the lives of religious people, especially Muslims. That's why for Muslims who are religious and attach great importance to their religious life as a guide in carrying out their lives, they will not adhere to secular principles or separate their religious life from their business and social life. In the 20th and 21st centuries, more and more governments are trying to combine various Islamic concepts in governmental and social life (Esposito, undated). This also confirms that there is no pure secularism in social life, including in business. That's why in the business world there are two business concepts, namely conventional business, and sharia business. In sharia business, every business activity that we carry out must be in accordance with and not contrary to Islamic principles, be fair, and the most important thing is that there is no concept of interest in money, or usury. In the concept of corporate governance, businesses run by sharia entities certainly have different governance from conventional entity governance. Among them is accountability in sharia entities not only limited to shareholders, but also to God Almighty Allah SWT. (Tapanjeh, 2007).

Pamungkas (2014) describes aspects of religiosity consisting of 3 things, namely:

1. Cognition (religious belief, religious knowledge)
2. Affect. Things relative with emotions
3. Behaviours, such as attendance at places of worship, such as mosques for Muslims, reading the holy book, the Koran for Muslims and praying.

From these aspects, the measurement of the level of religiosity can be assessed by:

1. Religious practice.
2. Religious dogmatic.
3. Religious knowledge.
4. Religious feeling.
5. Religious effect.

In research conducted by Menouar (2014) it is said that there are several general indicators in terms of Islamic religiosity, including:

Table 1. Indicators in Terms of Islamic Religiosity

Dimension	Code	Item
Belief	B1	Belief in Allah
	B2	Belief in the Quran as the unchanged revelation
	B3	Belief in the existence of Jinn, Angels etc.
Ritual	R1	Frequency of performing the ritual prayer
	R2	Pilgrimage to Mecca
	R3	Fasting during Ramadan
	R4	Celebrate major Islamic holidays, such as Eid al-Fitr and Eid al-Adha
Devotion	D1	Frequency of personal prayer to Allah
	D2	Frequency of recitation of the Basmala
Experience	E1	Feeling: Allah is close
	E2	Feeling: Allah tells you something
	E3	Feeling: Allah is rewarding you
	E4	Feeling: Allah is punishing you
Consequences	C1	Avoid drinking Khmar/Alcohol
	C2	Eating Halal Food
	C3	Avoiding shaking hands with opposite sex
	C4	Do not have sex before marriage
	C5	Do Not Listening Music
	C6	Paying Zakat

Source: Menour (2014)

Understanding of The Concept of Sharia Accounting

The accounting concept that is widely known by various groups including academics is conventional accounting. This happens because the thinking about conventional accounting concepts is associated with a paradigm that is beneficial to the owners of mere capital, or the paradigm of capitalism. Machfudz Sholihin, chairman of the DSAS of the Indonesian Institute of Accountants in his explanation in the April 16, 2017, edition of *Republika* explained that "historically conventional accounting cannot be separated from the paradigm of capitalism with the main characteristics of private ownership, capital accumulation and free competition. Conventional accounting separates religion and social life systems, including the muamalah system. In conventional accounting, religion will not be the basis of reference in the preparation of accounting standards. Due to the absence of an underlying religious concept, the development of conventional accounting places more emphasis on profit maximization or profit which is contrary to Islamic values that promote the benefit of mankind.

From this view of conventional accounting, there is an assumption that accounting is a value-free concept. This is also embraced in the concept of positive accounting theory by Scoot and Zimmerman. Since the post-1970s, there have been many questions about the concept of value-free accounting.

Triyuwono (1996) states that the similarity of concepts in accounting which emphasizes that accounting is a value-free thing starts from the notion that the practice of accounting must be uniform throughout the world. This view has been criticized for eliminating factors related to local values in it. Therefore, local values and religious spiritual values cannot be separated from the concept of accounting. This is where the thought of sharia accounting arises. Thus, the concept of sharia accounting emphasizes that what is prioritized is not only the interests of the owners of capital, but also the perpetrators who are part of the servants of Allah SWT on earth who are always subject to the provisions of Allah SWT.

The development of various Islamic financial institutions, or Islamic financial entities in Indonesia, began with the establishment of PT Bank Muamalat Indonesia in 1992, which further opened the mind about the need for an accounting standard that has its own characteristics and is in accordance with the concept of Islamic economics and finance adopted by various entities. the sharia. As a financial institution that has the characteristics and characteristics of one religion, the operation of Islamic financial institutions in their operational activities must have certain ethics and standards. The standards in Islamic financial institutions make Islamic financial institutions in their operational activities must avoid the practice of usury and money interest but focus more on the concepts of mudharaba, musharaka, murabahaha, greetings, istisna and the concept of ijara. This is expected to have an impact on the accounting concept applied to Islamic financial institutions. Where the concept of sharia accounting is expected to be widely used by these sharia financial institutions.

The important differences between the Islamic accounting concept and the conventional accounting concept are:

1. In conventional accounting, capital is divided into two, namely the existence of current assets and fixed assets. While in Islamic accounting assets are categorized as goods or stock. They are separated into property and goods to be traded.
2. The sharia concept considers that gold, silver, and other similar goods are only intermediaries in measuring and determining value or price.
3. In conventional accounting, profit is universal in the sense that profit comes from main activities and comes from transactions. Meanwhile, sharia accounting stipulates that profits must be separated from sources that are lawful or unlawful or not in accordance with sharia. Usually said to be non-halal income
4. Conventional accounting stipulates that revenue is recognized when a transaction that generates income occurs, while Islamic accounting stipulates that profit or income will exist when there is a development or change that will increase the value of goods.

Hypotheses Development

Religiosity and Perceptions of The Role of Independent Commissioners In Corporate Governance

One of the concepts of responsibility in business is implemented through the concept of corporate governance. Religion or religious factors in business, especially in terms of accounting and finance, can have 2 functions, namely, to monitor mechanisms that occur externally and to avoid risk. Kanagaretnam, et al (2014) also stated that although religiosity can be categorized as a personal thing, the posture of an organization and the environment within it can be influenced by the religiosity within it. Research conducted by Kanagaretnam (2014) proves that a good level of religiosity will have a negative impact on increasing earnings management practices in banking. Based on the description mentioned above, the hypotheses that can be proposed in this study are:

H1: Religiosity has an influence on perceptions of the role of independent commissioners in corporate governance.

The Comprehension Concept of Islamic Accounting

The concept of governance that is widely known by various groups including academics is the concept of governance contained in conventional entities. In general, the concept of good corporate governance aims to ensure that an existing organization can run properly to achieve the goals of the organization (Tapanjeh, 2007). In the world of banking, the concept of corporate governance is usually unique and very different from the concept of corporate governance in other companies with

different sectors (Jensen & Meckling, 1976). One of the uniqueness of corporate governance in banking is that the bank must be able to maintain the trust of customers who entrust their funds to be managed by these financial institutions.

For sharia banking, the uniqueness of banking governance is also increased by the necessity to pay attention to the concept of sharia law which must also be obeyed by sharia banks. Chapra and Ahmed (2002) emphasized that depositors and investors who entrust their funds and investments in Islamic banking place compliance with this Islamic concept as the most important initial part of Islamic banking governance. In the book written by Chapra and Ahmed, it is also said that belief in the concept of sharia is the main reason for depositors to place their funds in Islamic banks. These are all implementations of Lewis (2005) who asserts that the concept of governance that exists in Islamic business and financial institutions is in addition to the implementation of conventional corporate governance which emphasizes the company's ownership structure, the structure of the board of directors and commissioners as well as company performance (Tomar, 2012) but also emphasizes the importance of compliance with sharia law, especially sharia muamalah. That's why Islamic banking around the world must also have a sharia supervisory board where the board is also overseen by scholars who have expertise in fikh muamalah Islamic law relating to the business world. In Indonesia the same thing also happens, where every sharia bank is supervised by a sharia supervisory board and the sharia supervisory board is also supervised by the national sharia board.

One of the important things in corporate governance is the existence of a board of commissioners. The characteristics of the board of commissioners both in terms of the number of board members as well as whether they are categorized as independent parties or participating as shareholders are also widely discussed. However, several studies confirm that the independence of the board of commissioners and board of directors also plays an important role in corporate governance, because it will be more effective in supervising the performance of the company (Pearce & Zahra, 1992). Meanwhile, the size of the board of commissioners also plays an important role in seeing the effectiveness of the board of commissioners' supervision. In the concept that Indonesia adheres to a two-tier system in its corporate governance structure, this effectiveness is important to note.

In corporate governance in Indonesia, research conducted by Sari et al (2014) confirms that in state-owned companies in Indonesia, the composition and structure of the company's executive board or board structure in Indonesia does not have a significant influence on the role of board of commissioners in the institution. This happens because of the role of the individuals who are on the board of commissioners, and the background of the personnel who are on the board of commissioners. In Islamic financial institutions, it is interesting to see whether the background of the board of commissioners and their ability to understand the concept of Islamic financial transactions can help improve the perception of the board of commissioners, especially those who are independent commissioners in implementing corporate governance in these sharia entities. That is what underlies the second hypothesis. in the form of:

H2: Understanding of Islamic accounting and finance concepts will have an impact on perceptions of the role of independent commissioners in corporate governance.

Quality of Financial Statements and Their Relationship With Understanding of Islamic Accounting and Finance Concepts

Regarding financial performance, Islamic financial institutions have different characteristics from those of conventional financial institutions. This happens because the characteristics of the business that exists in Islamic financial institutions is the concept of cooperation where this makes in terms of asset quality, the amount of savings owned by customers and entrusted by customers to Islamic financial institutions has the same characteristics as equity. This makes the supervision and attention given by customers to Islamic financial institutions more intensive compared to the supervision carried out by customers of conventional financial institutions (Sakti, 2017). This also makes Islamic financial institutions relatively more stable in dealing with the possibility of a financial crisis. Hasan and Dridi (2011) stated that the business model developed by Islamic financial institutions made these institutions quite capable of preparing themselves to face the crisis conditions that occurred at the end of 2008. In research conducted by Tessema et al (2017) stated that transparency in financial reports is because of the implementation of accounting standards for Islamic

financial institutions, the occurrence of information asymmetry for investors in Islamic financial institutions in the Gulf countries has decreased due to the transparency that occurs. Transparency is an important factor in corporate governance. This is what underlies the third hypothesis, namely:

H3: The quality of financial reports moderates the relationship between understanding of sharia accounting and perceptions of the role of independent commissioners in corporate governance.

METHODS

Population and Sample

This research itself was conducted using a combination of primary data and secondary data where the primary data in this study were obtained in several ways. Primary data obtained by using a questionnaire. The questionnaire distributed was carried out to determine the level of understanding of the level of religiosity of employees who work in Islamic financial institutions and is also equipped with questions about how employees perceive corporate governance where they work and what is the role of independent commissioners in realizing corporate governance. Given the specifics of what this research is trying to explore, the population taken in this study is employees who are in the corporate secretary division who work in sharia entities. The corporate secretary was chosen considering that they are the party that most frequently interacts with the management of the company, including in this case the board of commissioners. The questionnaire distributed in this study was 80 questionnaires which were distributed to 4 large Islamic banks. Of these, only about 42 questionnaires were returned.

Research Model

The model in this study can be seen in Figure 1, as follows:

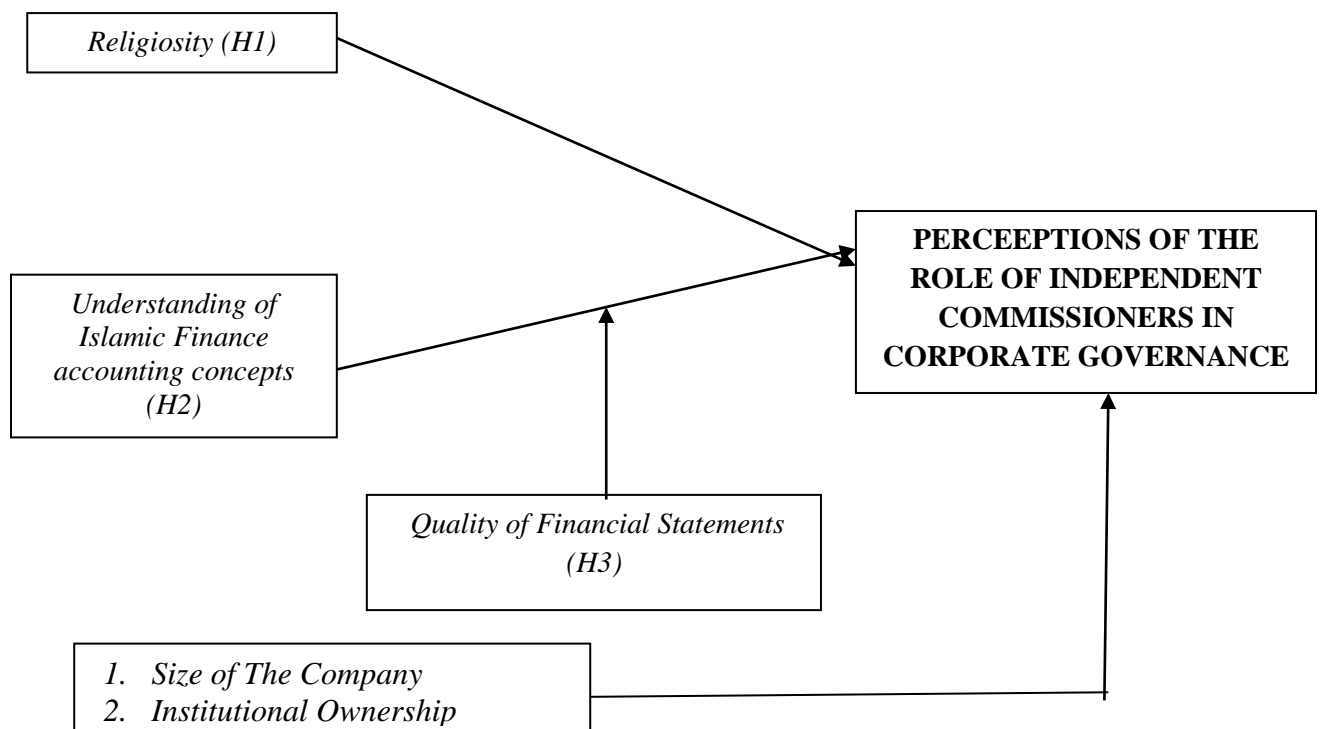


Figure 1. Research Model

Variable and Measurement

The measure of the level and understanding of religiosity will be carried out using a combination of research conducted by Zubairu and Sakariyau (2016), where in religiosity the questions raised are

questions related to the pillars of Islam and belief in Allah SubhanahuWaTaala and also complemented by research conducted by Menour (2014) with the following results:

Table 2. Indicators in Terms of Islamic Religiosity

Dimension	Code	Item
Belief	B1	Belief in Allah
	B2	Belief in the Quran as the unchanged revelation
	B3	Belief in the existence of Jinn, Angels etc.
Ritual	R1	Frequency of performing the ritual prayer
	R2	The Hajj
	R3	Fasting during Ramadan
	R4	Celebrate major Islamic holidays, such as Eid al-Fitr and Eid al-Adha
Devotion	D1	Frequency of personal prayer to Allah
	D2	Frequency of recitation of the Basmala
Experience	E1	Feeling: Allah is close
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	E4	Feeling: Allah is punishing you
Consequences	C1	Avoid drinking Khmar/Alcohol
	C2	Eating Halal Food
	C3	Avoiding shaking hands with opposite sex
	C4	Do not have sex before marriage
	C5	Do Not Listen to Music
	C6	Pay Zakat

Source: Menour (2014)

While the question regarding how the perception of the role of independent commissioners in corporate governance issues was developed by researchers related to the limited literature in this regard.

Questionnaires related to religiosity and perceptions of the role of independent commissioners in corporate governance use a Likert scale with 5 options ranging from strongly disagree to strongly agree. Regarding the specifics of the respondents who specifically came from the company secretariat division, the questionnaires were only distributed at the head office of each entity in Jakarta. This was done considering the time constraints faced by researchers.

In addition to primary data, this research also uses secondary data. The secondary data taken is related to corporate governance in sharia entities and related to the amount of third-party funds from customers in sharia entities. Secondary data is obtained from annual reports and corporate governance reports originating from sharia entities where data related to the quality of financial reports is also sought.

The dependent variable used in this study is the perception of the independent commissioner's role in corporate governance.

Independent variables are variables that cause or influence the dependent variable. As for the independent variables used in this study are:

1. Level of Religiosity

The level of religiosity in this study was measured by indicators adopted from Zubairu and Sakariyau's research in 2016. Then it was also followed by research conducted by Menour (2014) which discussed Islamic religiosity. With these 2 sources, the researcher tries to build a questionnaire that discusses Islamic religiosity.

2. Understanding of Islamic accounting and finance

For the independent variable that discusses the understanding of Islamic accounting and finance, the researcher sees that there is no literature that discusses the level of understanding of Islamic accounting and finance, so for the measurement the researcher tries to build his own measurement by using open-ended questions and included in the questionnaire. For those who answered, they got a score of 1, assuming they understood the questions given and for

those who did not answer they got a score of 0 assuming they did not understand the questions given.

ANALYSIS

Instrument Test

In this study, researchers used SmartPLS for data processing purposes. Because researchers have difficulty with the fact that only 4 Islamic banks are willing to fill out questionnaires for staff at the company secretariat, the first step taken is to test the validity of the data, by means of conducting modeling tests. From the results it was found that several indicators had a loading factor < 0.60 , which indicated that it was an invalid indicator for measuring the construct and therefore had to be removed from the study. After deleting the indicators from the invalid variables in the diagram above, all indicators that have a loading factor > 0.60 mean that all indicators are valid indicators to measure the construct, with results that can be seen in the table below:

Table 3. Indicators in Terms of Islamic Religiosity

	<i>Understanding of Islamic Accounting and Finance (X2)</i>	<i>Perception of Corporate Governance (Y)</i>	<i>Religiosity (X1)</i>
<i>PKP01</i>		0.977	
<i>PKP02</i>		0.781	
<i>PKP03</i>		0.983	
<i>PKP04</i>		0.978	
<i>PKP05</i>		0.973	
<i>PKS03</i>	0.918		
<i>PKS04</i>	0.972		
<i>PKS05</i>	0.976		
<i>RLG03</i>			0.659
<i>RLG04</i>			0.715
<i>RLG07</i>			0.669
<i>RLG08</i>			0.663
<i>RLG14</i>			0.727
<i>RLG15</i>			0.763
<i>RLG16</i>			0.782
<i>RLG17</i>			0.657
<i>RLG24</i>			0.744

Source: Author

Furthermore, the researcher conducted a test to see whether a condition occurred which is called data reliability. Reliability testing is carried out to see whether there has been accuracy, consistency and how precise the instrument is in measuring a construct (Ghozali, Imam et al, 2014). That way tests are carried out to see the reliability of the data and also the model.

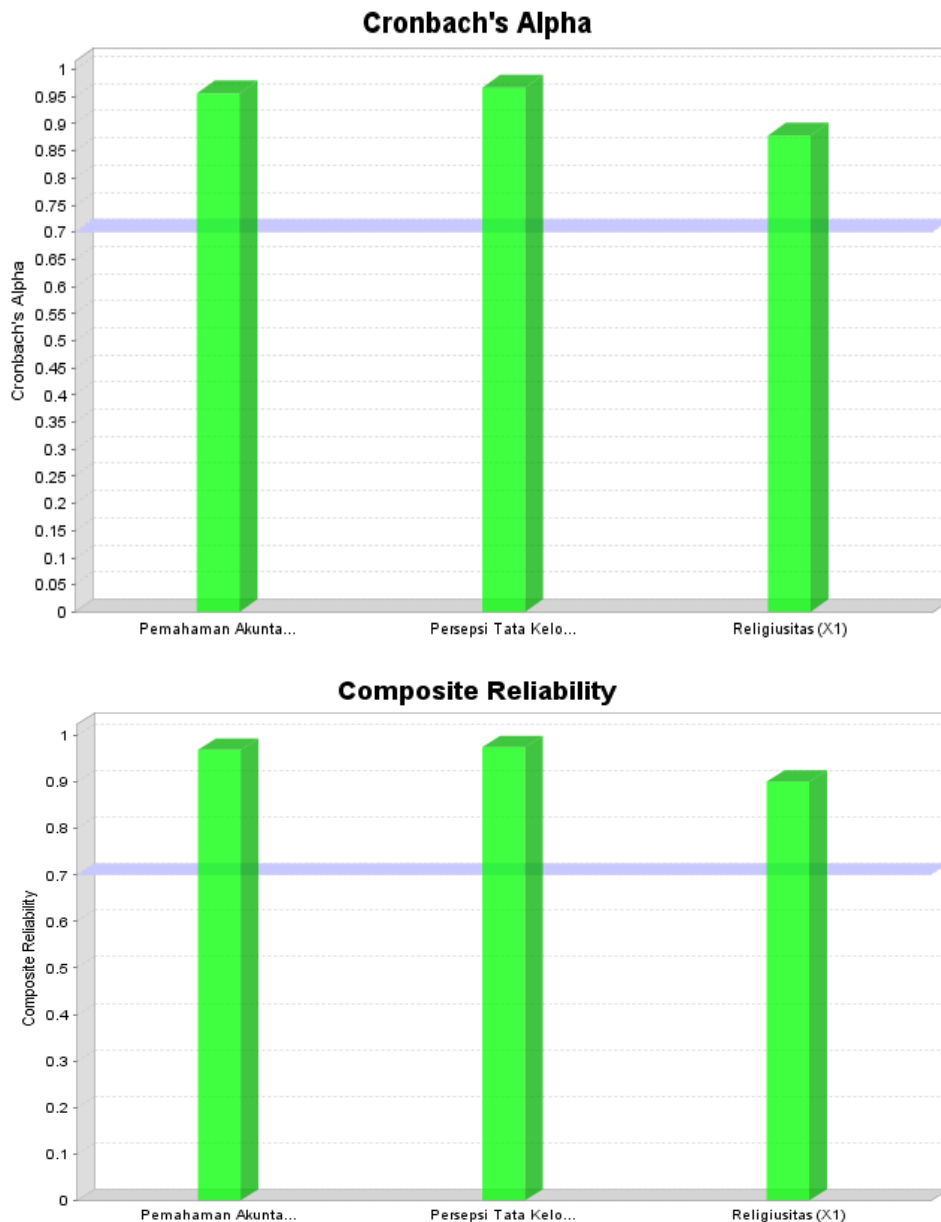


Figure 2. Composite Reliability

Table 4. Construct Reliability dan Validity

	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
<i>Understanding of Islamic Accounting and Finance (X2)</i>	0.956	0.969	0.913
<i>Perception of Corporate Governance (Y)</i>	0.966	0.975	0.887
<i>Religiosity (X1)</i>	0.878	0.901	0.504

Source: Author

In the table above it can be seen that the value of Cronbach alpha and Construct Reliability for each variable is > 0.70 , and the Average Variance Extracted (AVE) value is > 0.50 . This means that all the constructs in this study are reliable.

Results from Hypotheses Test

The next step is to test the hypotheses raised in this study. The test is carried out by conducting a t-test. The t-test is carried out to see whether the independent variables partially affect the dependent variable. The hypothesis taken is:

H0: The religiosity variable has no significant effect on perceptions of the role of independent commissioners in corporate governance.

H1: The religiosity variable has a significant effect on perceptions of the role of independent commissioners in corporate governance.

Table 3. T-Test Result

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>	<i>Significance</i>
<i>Understanding of Islamic Accounting and Finance (X2) - > Perception of the Role of Independent Commissioners in Corporate Governance (Y)</i>	-0.192	-0.150	0.083	2.312	0.021	Significant
<i>Religiosity (X1) -> Perception of the Role of Independent Commissioners in Corporate Governance (Y)</i>	0.402	0.524	0.188	2.136	0.034	Significant

Source: Author

The t-test was conducted to test whether the independent variables in this study, namely religiosity and understanding of Islamic accounting and finance partially have a significant effect on the dependent variable, namely perceptions of the role of independent commissioners in the implementation of corporate governance in Islamic financial institutions. Table 2 above shows that the value of t stat = 2.136 > 1.96 so that H0 is rejected, and H1 is also accepted, which means that the religiosity variable has a positive and significant effect on variable Y, namely the perception of the role of the independent commissioner in implementing corporate governance in Islamic financial institutions. The higher X1, the higher Y. And vice versa. This is done based based on decision-making, namely:

If the probability (prob value) > 0.05 or - t table < t value < t table, then H0 is not rejected.

If the probability (prob value) < 0.05 or t value < - t table or t value > t table, then H0 is rejected. (t table for alpha=0.05 is 1.96 and t table for alpha = 0.10 is 1.65)

For the variable understanding of Islamic accounting and finance concepts, in the same way in table 2 it shows the figure that the level of understanding of Islamic accounting and finance has a negative and significant effect on perceptions of the role of independent commissioners in corporate governance in Islamic financial institutions. This shows that H1 is rejected and H0 is accepted. This happens because the t value is in position = 2.312 > 1.96, where the higher the level of understanding of Islamic accounting and finance, the lower the level of perception of the role of independent commissioners in corporate governance in Islamic financial institutions.

Discussion

From the results of the hypothesis testing, it can be seen that the first hypothesis which states that the level of religiosity on perceptions of the role of independent commissioners in corporate governance in Islamic financial institutions turns out to provide significant evidence. This is evidence obtained to strengthen the research conducted by Zubairu and Sakariyau (2016) and Menoar (2014) which seeks to provide a breakthrough that the aspect of religiosity can be an influencing factor in the world of business and also in the world of education. If the research conducted by Zubairu and Sakariyau has not yielded satisfactory results if it is only based on statistical analysis, and instead only yields results showing that the level of religiosity has a significant effect on accounting students at IIUM through an observational research approach, then the results obtained in this study can provide reinforcement of the results of research conducted previously.

The second hypothesis relates to the level of understanding of the concept of Islamic accounting and finance, but in this study, it has not been proven. This can happen due to several factors, one of which is that there are not many studies linking the concept of understanding accounting and finance, especially sharia accounting and corporate governance, in this case the perception of the role of independent commissioners in corporate governance in Islamic financial institutions. Whereas indeed financial reports provided and issued by institutions, in this case Islamic financial institutions, if they comply with existing accounting standards, are expected to increase transparency in these financial institutions and reduce information asymmetry that may occur in these financial institutions. However, unfortunately this research has not been able to prove whether the level of understanding of Islamic accounting and finance concepts which is expected to reduce this information asymmetry will have an impact on perceptions of the role of independent commissioners in corporate governance in Islamic financial institutions.

What makes this research incomplete is that due to time constraints, researchers cannot process data for moderating variables related to the quality of financial reports due to the lack of the number of banks sampled in this study. By trying to combine primary data and secondary data researchers can only perform data processing for hypotheses that use primary data, namely aspects of religiosity and also understanding of Islamic accounting and finance concepts.

CONCLUSIONS

From the results of this study, two hypotheses were obtained, based on the tests carried out. The first is that the religious aspect is a significant factor and influences perceptions of the role of independent commissioners in corporate governance in Islamic financial institutions. These results were obtained and concluded from the questionnaire that was given and distributed by researchers to employees in Islamic financial institutions, especially employees who work in the corporate secretary department in Islamic financial institutions. This can happen because religiosity in Islamic financial institutions can be a factor that cannot be ignored, considering that Islamic financial institutions are institutions that operate with the concept of Islamic sharia and must comply with carrying out business operations and corporate governance in accordance with the concept of Islamic sharia (Archer, 1998). Moreover, Islamic financial institutions have relatively different functions and products from conventional financial institutions (Sakti, et al, 2017).

While for the second hypothesis related to the level of understanding of Islamic accounting and finance with perceptions of the role of independent commissioners in corporate governance in Islamic financial institutions, this has yet to be proven. This is an effort made by researchers to make this research different from other studies. However, apparently the results of research by processing data from questionnaires still cannot prove that there is a relationship between the level of understanding of Islamic accounting and finance and perceptions of the role of independent commissioners in corporate governance in Islamic financial institutions. The contribution and also implication of this research are that the independent commissioner in the sharia financial entities should be concerned about the concept of religiosity before doing their responsibility in the sharia financial institutions.

This study only draws conclusions from the primary data that has been obtained, and still needs to be further elaborated by adding primary data which will ultimately have an impact on the usefulness of the secondary data obtained and can use additional secondary data and a longer

sampling time. It is hoped that in this way the moderating and control variables in this study can be processed and produce more comprehensive conclusions.

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