

The Effect Of Islamic Corporate Governance, Current Ratio, Total Asset Turnover And Intellectual Capital On Profitability (Study on Sharia Commercial Banks registered with the Financial Services Authority (OJK) for the 2018-2022 period)

Faisal aristama¹, Hanif², Muhammad Iqbal³, Fithriah Wardi⁴
¹²³Universitas Islam Negeri Raden Intan Lampung, Indonesia
⁴Universiti Islam Sultan Sharif Ali, Brunei Darussalam

Email: aristama664@gmail.com , hanif@radenintan.ac.id, m.iqbal@radenintan.ac.id, fitriwardi@yahoo.com

Abstract

Received: 8 January 2024

Revised: 9 February 2024

Accepted: 30 March 2024

Profitability is a measurement of the financial performance of Islamic banks, which is the company's ability which is shown through the management of the use of total assets related to the company's operational activities. The better the management of total assets, the higher the profit obtained. This study aims to analyze the effect of Islamic corporate governance, current ratio, total asset turnover and intellectual capital on profitability. The companies studied are Sharia Commercial Banks as many as 10 companies for five years with the period 2018-2022.

The method used in this study is the multiple linear regression analysis method with the help of the SPSS 23 program. Data collection techniques are carried out with documentation techniques with secondary types of data, namely in the form of financial statements of Islamic commercial bank companies registered with the Financial Services Authority for the 2018-2022 period.

The results in this study show that Islamic corporate governance has a positive effect on profitability, current ratio has a positive effect on profitability, total asset turnover has a positive effect on profitability and intellectual capital has a positive effect on profitability.

Keywords: *Islamic Corporate Governance, Current Ratio, Total Asset Turnover, Intellectual Capital, Profitabilitas.*

INTRODUCTION

The development of the Islamic banking industry in Indonesia has now increased quite rapidly and already has a place that provides considerable influence in the national banking environment. The increasingly competitive Islamic banking has led to major changes in competition, marketing, human resource management and handling of transactions between companies and customers, as well as companies and other companies. Only companies that have advantages are able to satisfy or meet consumer needs, are able to produce quality products, and *are cost effective*. This situation forces management to try to prepare, perfect or look for new strategies that make the company able to survive and thrive in competition. Therefore, the company in this case management must review the principles that have been used in order to survive and grow in increasingly fierce competition to be able to produce products and services for the community and also Islamic banking has different characteristics when compared to conventional banking, this

can be seen from the role of Islamic banks which are not only as a collector or distributor of funds, but Islamic banks also carry out various functions and objectives (Hartono, 2018).

The Islamic banking industry in Indonesia has now begun to develop with a fairly rapid increase and already has an influential place in the national banking environment. In accordance with Islamic banking statistics in 2022, there are 14 Sharia Commercial Banks (BUS), 20 Sharia Business Units (UUS), and 168 Sharia People's Financing Banks (BPRS) in Indonesia. The increase in BUS in Indonesia cannot be separated from the development of its assets.

Table 1.1

Development of Shariah Banking

Indicator	2018	2019	2020	2021	2022
Sharia Commercial Bank					
Total Aset	316.691	350.364	397.073	453.880	443.380
Number of Banks	14	14	14	14	12
Number of Offices	1.875	1.919	2.033	2.035	2.036
Shariah Venture Unit					
Total Aset	160.636	174.200	196.875	234.947	217.642
Number of Banks	20	20	20	20	21
Number of Offices	354	381	392	444	444
Shariah People's Crediting Bank					
Number of Banks	167	164	163	164	164
Number of Offices	495	617	627	659	662

Source: Financial Services Authority (OJK)

It can be seen in table 1.1 that Islamic banking has experienced significant development. In 2018, the total assets of Islamic commercial banks amounted to Rp 316,691 billion. Then it increases every year until in 2021 the total assets of Islamic commercial banks reached IDR 453.88 billion, but decreased in 2022 to IDR 443,380 billion. Similarly, the number of Sharia Commercial Bank offices continued to increase from 2018-2021 and then decreased in 2022. This indicates that public interest in using Islamic banking services has increased and decreased every year.

Seeing the rapid development of Islamic banking, the financial performance of each must be improved. Profitability (ROA) is a measurement of Islamic banks' financial performance, which is the company's ability as shown through managing the use of total assets related to the company's operational activities. The better the management of total assets, the higher the profit obtained (Dwi, 2022).

One factor that can affect profitability is *Islamic corporate governance*. *Islamic corporate governance* plays a role in dealing with various risks faced by Islamic banks in carrying out their financial intermediation activities such as credit risk, market risk, operational risk, illegal risk and reputation risk, it requires Islamic bank management to be able to manage the systems in it properly and very carefully that not only prioritizes professionals but also high integrity. In this case, the role of corporate *governance* becomes very important to be able to create good corporate governance. Implementing good governance will improve the quality of the company so that profit performance in a company becomes good (Sodiq, 2019).

Islamic corporate governance is a system run by companies transparently based on Islamic law, not only increasing accountability and added value for shareholders, but accountability to God (Mardiani et al., 2019). In addition, ICG is also a system that upholds sharia compliance which regulates the working mechanism of the Sharia Supervisory Board, the working mechanism of the Board of Directors and the application of Sharia Business Ethics, the aim is to protect all interests. A well-executed *Islamic Corporate Governance* (ICG) will keep away from agency conflicts because basically the ICG applied must be based on fulfilling responsibilities not only to fellow humans but also to Allah SWT. The proper implementation of ICG will make investors respond positively to the performance of Islamic banks which will certainly have an impact on increasing the profitability of Islamic banks (M. M Basya, t.t.).

Current ratio is the ability of a company to meet debt needs when it matures. The higher the *current ratio* means the greater the company's ability to meet short-term obligations (Supardi & Suratno, 2016). *The current ratio* states how the ability of current assets to pay in the short term. The greater the proportion between the current ratio and current debt so that the industry can pay the current debt in the company, so that this company will be able to run as much as possible. A low

current ratio can be caused by a problem, namely dissolution within the company. Meanwhile, the *current ratio* that is too large is also not good due to a lot of funds or money that is not used and can eventually have an impact on the lack of ability of agencies or organizations (Surbakti & Malau, 2020).

Another factor that affects profitability is *total asset turnover*. According to Hasanah (2018), *total asset turnover* is a ratio that measures the intensity of the company in using its assets. The measure used for the most relevant use of assets is sales (Hasanah & Enggariyanto, 2018). *Total asset turnover* is a comparison between total sales and total assets of a company. This ratio can measure the turnover of total assets owned by the company in one period. According to Juniyanti (2019), *total asset turnover* (TATO) is a ratio that shows the efficient level of use of the company's overall assets in generating a certain sales volume. So the greater this ratio, the better, which means that assets can rotate faster and achieve profits and shows the more efficient the use of overall assets in generating sales (Juniyanti, 2019).

Total assets turnover is a benchmark for the use of assets carried out effectively or not in a company. If the TATO value is high, it means that the turnover of this ratio is accelerating so that the profit generated will increase, because it shows the efficient use of assets in increasing sales volume which has an impact on revenue and also the company's ROA value. Conversely, the company's inefficiency in using its assets only increases the company's burden because investments that do not bring profits and will have a negative impact on the value of ROA. If the total turnover of assets is slow, this indicates that the assets owned are too large compared to the ability to sell them (Khasanah, t.t.).

Some studies say another factor that affects profitability is intellectual capital, that whether or not the profitability of a company apart from tangible assets is also determined by intangible assets, namely *intellectual capital*. Intangible assets, especially *Intellectual Capital* (IC), refer to the knowledge and knowability of an organizational collectivity which includes knowledge, skills and capabilities that enable a person to act in new ways. *Intellectual Capital* (IC) can be defined as the science or thinking power possessed by employees in an intangible company so that it can provide added value to the company. *Intellectual Capital* (IC) is a determining factor for the company's success in global competition (Purnomo, 2018).

In Indonesia there are still no regulations governing the recognition, measurement and disclosure of *Intellectual Capital* (IC). In Indonesia, the *phenomenon of Intellectual Capital* (IC) began to develop, especially after the emergence of PSAK No. 19 (revised 2010) concerning intangible assets. PSAK No. 19 (revised 2010) came into effect January 1, 2011 replacing PSAK No. 19 (Revised 2000): Intangible Assets. This PSAK determines the accounting treatment of intangible

assets that are not specifically regulated in other PSAKs. This Statement governs the procedures for recognizing, measuring and disclosing intangible assets. Although it is not explicitly stated as Intellectual Capital (IC), but more or less *Intellectual Capital* (IC) has received attention. According to PSAK No. 19, intangible assets are non-monetary assets that can be identified and have no physical form and are owned for use in producing or delivering goods or services, rented to other parties, or for administrative purposes (Purnomo, 2018).

Research on *Intellectual Capital* has been widely conducted, Faradina in 2016 stated that *intellectual capital* affects the financial performance of LQ45 companies for the 2010-2014 period as measured by ROA (Faradina, 2016). This is in line with research conducted by Purnomo (Purnomo, 2018). in 2018 and Ulum (Ulum, 2013). in 2013.

Based on the above problems and the still diverse research results from previous researchers, researchers are interested in conducting research related to this in companies registered with ISSI which is then outlined in the title of this thesis, namely "**The Influence of Islamic Corporate Governance, Current Ratio, Total Asset Turnover and Intellectual Capital ON PROFITABILITY (STUDY ON SHARIA COMMERCIAL BANKS REGISTERED WITH THE FINANCIAL SERVICES AUTHORITY FOR THE PERIOD 2018-2022)**".

METHODS

A. Types of Research

This type of research uses quantitative methods associative approach. Quantitative research methods can be interpreted as research methods based on positivism, used to research certain populations or sampel, data collection using research instruments, quantitative / statistical data analysis, with the aim of testing hypotheses that have been determined (Prof. Dr. Sugiyono, 2017). Quantitative research emphasizes objective phenomena and is studied quantitatively. Maximization of objectivity of quantitative research design is carried out using numbers, statistical processing, structure and controlled experiments.

While the associative method is research that asks the relationship between two or more variables and is a test of hypotheses and theories with statistical calculations to determine whether it is accepted or rejected by explaining the relationship clausely (Prof. Dr. Sugiyono, 2017). The variables raised in this study are independent variables (X1, X2, X3, X4) and bound variables (Y). The independent variables (X) in this study are Islamic Corporate Governance, Corrent Ratio, Total Asset Turnover and Intellectual Capital, while the dependent variable (Y) is Profitability.

B. Data Sources

The data source in this study uses secondary data sources. Secondary data sources are sources that do not directly provide data to data collectors, for example through other people or

through documents (Prof. Dr. Sugiyono, 2017). The data collection method used in this study is by reviewing the documentation of daily reports and annual reports of Islamic commercial banks registered with the OJK for 2018-2022. This method is done by collecting data from the Financial Services Authority, www.ojk.co.id, and related company websites containing related information.

C. Population and Sample

Populasi

Population is a generalization area consisting of: objects / objects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Prof. Dr. Sugiyono, 2017). In this study, the population taken is 14 Sharia Banks registered with the Financial Services Authority (OJK) for the 2018-2022 period.

Sample

The sample is part of the number and characteristics possessed by the population (Prof. Dr. Sugiyono, 2017). In this study, sampling uses purposive sampling techniques, namely sampling with certain criteria and considerations can be stated as follows:

Sharia Commercial Bank registered with the Financial Services Authority (OJK) during the 2018-2022 period.

Sharia Commercial Bank that publishes complete financial statements during the 2018-2022 period.

Sharia Commercial Banks that have the data needed in research

D. Research Variables and Research Indicators

1. Dependent variable (Y)

Is a variable that is the result and is subject to influence due to the existence of an independent variable or independent variable (X). In this study, the profitability ratio used is Return On Asset (ROA). According to Cashmere, Return On Asset (ROA) is a ratio that shows the return on the amount of assets used in the company. In addition, ROA provides a better measure of company profitability because it shows the effectiveness of management in using assets to obtain revenue (Priatna, 2016). According to Harahap, Return On Assets (ROA) describes the turnover of assets measured from sales. The greater this ratio, the better and this means that assets can rotate faster and achieve profits (Priatna, 2016).

$$TWO = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Asset}} \times 100\%$$

2. Independent Variable (x)

a. Islamic Corporate Governance

Islamic Corporate Governance is corporate governance based on Islamic principles. The implementation of Islamic corporate governance in Islamic banking in Indonesia is regulated in Bank Indonesia Regulation No. 11/33/PBI/2009 concerning the implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.

For the measurement of the GGBS application index, researchers give a score of 1 (one) if the indicator in question is revealed in the annual report of Islamic banks. Meanwhile, if the indicator in question is not disclosed by Islamic banks in their annual reports, researchers give a score of 0 (zero). Thus, if Islamic banks disclose all the indicators referred to in their annual reports, then researchers will give a full score of 60 (Fajaryani & Suryani, 2018).

The formula used to determine how much the ICG index disclosure rate is:

$$\text{ICG} = \frac{\text{Jumlah Item Yang Diungkapkan}}{\text{Jumlah Skor Maksimal}} \times 100\%$$

b. Current Rati

Current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are immediately due when they are collected as a whole. The Current Ratio measures a company's ability to meet its short-term debt using its current assets (assets that will turn into cash within a year or a business cycle).

The formula used to determine how much the current ratio level is (Sinaga & Jamaluddin, 2020):

$$\text{CR} = \frac{\text{Aset Lancar}}{\text{Kewajiban Lancar}}$$

c. Total Asset Turnover

Total Asset Turnover is an activity ratio (efficiency ratio) that measures a company's ability to generate sales from its total assets by comparing net sales to average total assets. Meanwhile, the definition of Asset Turnover according to the Bank Indonesia Dictionary is a ratio to measure the ability of company assets to obtain revenue; The faster the company's assets rotate, the greater the company's revenue. In other words, this ratio shows how efficiently the company can use its assets to generate sales. This Total Asset Turnover is also often referred to as Total Asset Turnover or simply referred to as Asset Turnover (Sinaga & Jamaluddin, 2020).

The formula used to determine how big the total asset turnover rate is:

$$\text{TAT} = \frac{\text{Penjualan}}{\text{Total Asset}}$$

d. Intellectual Capital

Intellectual capital is the knowledge and abilities possessed by a social collectivity, such as an organization, intellectual community, or professional practice, and intellectual capital represents resources of high value and ability to act based on knowledge (Moeheriono, t.t.).

The formula used to determine how much intellectual capital is Structural Capital Value Added (STVA) measures the amount of structural capital (SC) needed to generate 1 dollar from VA and is an indication of how successful SC is in value creation. STVA can be calculated by the following formula:

$$STVA = \frac{SC}{VA}$$

e. Data Analysis Methods

In quantitative research, data analysis is an activity after data from all respondents or other data sources are collected. The analysis technique that will be used in this study is to use multiple linear regression analysis techniques with the help of the SPSS 23 program to obtain a comprehensive picture of the influence of the independent variable on the dependent variable. The test used in this study for model accuracy is testing on several classical assumptions, namely normality, multicollinearity, heterocodasticity and autocorrelation tests. The analysis used to discuss the effect of Islamic Corporate Governance, Corrent Ratio, Total Asset Turnover and Intellectual Capital on profitability is quantitative analysis.

1. Descriptive Statistics

The use of descriptive statistics aims to briefly describe the variables in research through sample data by not conducting analysis and making generally accepted conclusions (Sugiyono, 2008).

2. Classical Assumption Test

Before testing multiple linear regression analysis of previous research hypotheses, it is necessary to test classical assumptions on research data to be processed as follows:

a. Normality Test

A normality test is performed to test regression models of confounding or residual variables having a normal distribution or not. Tests that compare subjects with a significant level (α) 005 if the p value is $> \alpha$ then the data are normally distributed or vice versa is called the Kolmogorov Smirnov test (Ghozali, 2005).

The normality test can also be performed using Kolmogorov Smirnov's non-parametric statistical test. The hypotheses made are:

Ho : normally distributed residual variable

Ha : residual variable is not normally distributed

The basis for decision making is if the probability value > 0.05 , then Ho is accepted and Ha is rejected which means the data is normally distributed, otherwise if the probability value is < 0.05 , then Ho is rejected and Ha is accepted which means the data is abnormally distributed.

b. Multicollinearity Test

The multicollinearity test aims to determine whether or not there is a perfect relationship between independent variables in the regression model. To determine the presence or absence of multicollinearity, we can see the magnitude of the value of VIF (Variance Inflation Factor) and Tolerance (Ghozali, 2005).

View tolerance values

- If the tolerance value is greater than 0.10, it means that there is no multicollinearity of the data tested.
- If the tolerance value is smaller than 0.10, it means that there is multicollinearity of the data tested.

View the value of VIF (Variance Inflation Factor)

- If $VIF < 10$ then there is no multicollinearity of the data tested.
- If $VIF > 10$, multicollinearity occurs on the data tested.

c. Heteroscedasticity Test

The heteroscedasticity test aims to determine whether in the regression model there is an inequality of residual value variance from one observation to another. Detection of heteroscedasticity is carried out with various tests, one of which uses the Breusch-Pagan test, which is one of the heteroscedasticity tests carried out by looking at the magnitude of the significance value, if the significance value is greater than 0.05, it can be concluded that there is no similarity in residual value variance in the regression model (Ghozali, 2005).

d. The Automobile

In the autocorrelation test, we can see whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period $t-1$ (previous). The Durbin-Watson test is one of the autocorrelation tests in the regression model whether there is autocorrelation in the regression equation or not. If in testing there is a correlation, it can be called an autocorrelation problem. A good regression model is one in which autocorrelation does not occur. In order to detect the presence or absence of autocorrelation, the DW value is compared with the DW table (Ghozali, 2007). The criteria used are as follows:

- 1) If $DW < dL$ or $DW > 4 - dL$ means there is autocorrelation.
- 2) If DW lies between dU and $4 - dU$ means there is no autocorrelation.
- 3) If DW lies between dL and dU or between $4 - dU$ and $4 - dL$ then it does not produce a definite conclusion.

3. Multiple Linear Regression Analysis Test

a. Test Coefficient of Determination (R^2)

The coefficient of determination test basically measures how far the model is able to explain the variation of the dependent variable. The value of the coefficient of determination is between zero and one. The smaller the R² value, the ability of the independent variable to explain the dependent variable is more limited (Ghozali, 2007).

b. Regression Model

Regression analysis is a test of the dependence of the dependent variable with one or more independent variables (Ghozali, 2007). This study used multiple linear regression analysis. The multiple regression model that will be formed is as follows :

$$Y = a + b_1X_1 + b_2X_2 + e$$

Information:

Y= Profitability

A= Konstanta

b₁,b₂ = cow phthisin regresi

a = Konstanta

X₁= Islamic Corporate Governance

X₂= Current Ratio

X₃= Total Asset Turnover

X₄= Intellectual capital

e = Error rate

c. Test F

The F test is used to determine the feasibility of the model in a study The regression model that we make is significant or insignificant. It can be seen by comparing F count with F table. If F counts > of the table F (H₀ is rejected and H_a is accepted) then the model is significant. Meanwhile, if F counts < F of the table, the model is said to be insignificant. The model is said to be significant if the significance of the < α and vice versa the model is said to be insignificant if the significance of the > α (Ghozali, 2007).

d. Water

The t-test or hypothesis is used to test how each independent variable influences the dependent variable. The results of the hypothesis test can be seen in the coefficient table in the significance column. If the probability of the value of t is calculated > t table or the significance < 005 then it can be said that there is an influence between the independent variable and the dependent variable. But if the probability of the value of t is calculated < t table or the significance > 005 then it can be said that there is no significant influence between the independent variable and the dependent variable (Ghozali, 2007).

RESULT AND DISCUSSIONS

A. Data Description

1. Descriptive Analysis

Descriptive statistical analysis in this study was conducted to provide an overview or descriptive data of the dependent variable in this study profitability, while the independent variables are *Islamic Corporate Governance*, *Current Ratio*, *Total Asset Turnover* and *Intellectual Capital* which is seen from the mean, minimum, maximum and standard deviation. The results of the descriptive analysis can be seen in table 4.1 below.

Table 4.1
Results of Descriptive Data Analysis

		Mi nimum	Ma ximum	ean	td. eviatio n
CG	0	0,7	1,0	,79	0,05324
R	0	0,8	7,2	,04	1,16311
EED	0	0,8	6,0	,44	2,81840
C	0	0,1	0,9	,60	0,05324
ROF	0	0,0	0,2	,11	1,69726

Sumber : *Output SPSS 23, 2023*

a. Profitability

From table 4.1 results of descriptive analysis of data, the amount of profitability of 50 observation units (data) has a minimum value of 0.01, a maximum value of 0.22, an average (mean) of 0.11 and a standard deviation of 1.69726. This shows that the lowest profitability value is 0.01 owned by PT Bank BNI Syariah and the highest value is 0.22 owned by PT Bank Aceh Syariah

b. *Islamic Corporate Governance*

From table 4.1 of the results of descriptive data analysis, the amount of *Islamic Corporate Governance* from 50 observation units (data) has a minimum value of 0.00, a maximum value of 1.00, an average (mean) of 0.7923 and a standard deviation of 0.05324. This shows that the lowest *Islamic Corporate Governance* value is 0.70 owned by PT Bank Aceh Syariah and the highest value is 1.00 owned by PT Bank Muamalat Syariah.

c. *Current Ratio*

From table 4.1 of the results of descriptive data analysis, the magnitude of *the current ratio* of 50 observation units (data) has a minimum value of 0.82, a maximum value of 7.26 average (mean) of 4.04, and a standard deviation value of 1.16311. This shows that the lowest *Current Ratio* value is 0.82 owned by PT Bank Muamalat Syariah and the highest value is 7.26 owned by PT Bank Muamalat Syariah company.

d. *Total Asset Turnover*

From table 4.1 of the results of descriptive data analysis, the total *asset turnover* of 50 observation units (data) has a minimum value of 0.86, a maximum value of 6.03 mean of 3.44 and a standard deviation of 2.81840. This shows that the lowest *Total Asset Turnover* value is 0.86 owned by PT BCA Syariah and the highest value is 6.03 owned by PT Bank Tabungan Pensiunan Nasional Syariah.

e. *Intellectual Capital*

From table 4.1 of the results of descriptive data analysis, the amount of *intellectual capital* from 50 units of observation (data) has a minimum value of 0.25, a maximum value of 0.95, an average (mean) of 0.60 and a standard deviation of 0.05324. This shows that the lowest *Intellectual Capital* value is 0.10 owned by PT Bank Syariah Bukopin and the highest value is 0.95 owned by PT Bank Tabungan Pensiunan Nasional Syariah.

2. Classical Assumption Test Results

Before analyzing the results of the resulting regression calculation, to get good regression results, a classical assumption test is carried out:

a. Normality Test

The Normality Test aims to test whether in a regression model, residual variables have a normal distribution. Testing the distribution of normal or no data there are 2 ways to detect it, namely by graph analysis and statistical tests.

Table 4.2

Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	U
N			50
Normal Parameters ^{a,b}	Mean		0,000
	Std. Dev		1,164
Most Extreme Differences	Absolute		0,063
	Positive		0,063
	Negative		-0,054
Test Statistic			0,063
Asymp. Sig. (2-tailed) ^c			0,200 ^d
a. Test distribution is Normal.			
b. Calculated from data.			

Sumber : *Output SPSS 23, 2023*

Based on the results of the normality test in table 4.2 using the Kolmogorov-Smirnov One Sample method, it shows that the residual value of the dependent variable and the independent variable at the number of samples of 50 is 0.200. Thus the data is already normally distributed. This is indicated by the significance value of the regression residual more than the significance of 0.05 or in other words $0.200 > 0.05$ so that regression models can be used for hypothesis testing.

b. Multicollinearity Test

Multicollinearity tests are needed to determine whether there are similarities between independent variables in a model. The results of this research multicollinearity test are as follows:

Table 4.3
Multicolonearity Test Results

VARIABLE	Collinearity Statistics	
	Tolerance	VIF
X1_ICG	0,987	1,013
X2_CR	0,991	1,009
X3_TAT	0,996	1,004
X4_IC	0,820	1,220

Sumber : *output* SPSS, data diolah

Based on the results of the multicollinearity test in table 4.3 shows that there are no symptoms of multicollinearity in each independent variable. This can be seen from the tolerance value of > 0.1 and the value of VIF < 10 , which means that the regression model does not contain multicollinearity and the regression model is feasible to use.

c. Heteroscedasticity Test

The heteroscedasticity test aims to test whether there is an inequality of variance from the residuals of one observation to another observation in the regression model. The results of heteroscedasticity testing in this regression equation can be seen in table 4.4

Table 4.4

Heteroscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	4,993	,436		11,3	,001
ICG	-0,154	,054	-0,359	-2,883	,006

CR	0, 003	,003	0,12 0	0 ,967	,338
D EED	- 0,052	,065	- 0,100	- 0,802	,426
IC	0, 002	,002	- 0,110	0 ,866	,228

Sumber : *Output SPSS 23, 2023*

The results of the heteroscedasticity test (Glejser test) in table 4.4 show that in the 3 (three) variables used in this study there was not one statistically significant independent variable affecting the dependent variable of the absolute residual value (*abs_res*). This can be seen from the significant probability above the confidence level of 0.05. Therefore, it can be concluded that the regression model does not contain heteroscedasticity.

d. The Automobile

Autocorrelation Test aims to test whether in a linear regression model there is a correlation between confounding errors in a certain period with errors in previous periods. The results of this research autocorrelation test are as follows.

Table 4.5

Autocorrelation Test Results

Model Summary ^b					
Model	R	Adjusted R Square	Ad R Square	Std. Error of the Estimate	D urbin- Watson
1	,878 ^a	,771	0,759	1,195	1,894
a. Predictors: (Constant), IC_X4, TAT_X3, CR_X2, ICG_X1					
b. Dependent Variable: PROF_Y					

Source : SPSS output, data processed by author (2023)

Based on Table 6 above, it can be seen that Durbin Watson's value of 1.894 shows that the DW value is between DU and (4-DU), which is $1.2848 < 1.894 < (4-1.7209)$ which means that the results show no autocorrelation in this study.

3. Multiple Linear Regression

Multiple linear regression analysis is used to determine the effect of *Islamic Corporate Governance, Current Ratio, Total Asset Turnover* and *Intellectual Capital* on Profitability. Multiple linear regression analysis in this study used the help of SPSS 23. The requirement for performing multiple linear regression analysis is that the data must be normally distributed. The data must first meet the requirements of the classical assumption test. The results of multiple linear regression analysis in this study can be seen in table 4.6 below:

Table 4.6
Multiple Linear Rregression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7,431	,394		-3,104	,003
ICG	1,182	,089	0,852	13,237	,000
CR	0,011	,005	0,151	2,354	,022
TAT	0,138	,108	0,082	2,277	,007
IC	1,084	,076	0,453	9,341	,009

Source : SPSS 23 output , data processed by author 2023

Based on the results of regression analysis as in table 4.6, the regression model equation is obtained as follows:

$$\text{PROF} = 7,431 + 1,182\text{ICG} + 0,011\text{CR} + 0,138\text{TAT} + 1,084\text{IC} + e$$

4. Hypothesis Testing Results

The statistical analysis in this study is regression analysis. Regression tests, especially t tests and F tests, are strongly influenced by residual values that follow the normal distribution, so that if this assumption deviates from the normal distribution, it will cause statistical tests to be invalid.

a. F Test (Simultaneous)

Test f is used to examine the effect of the independent variables *Islamic Corporate Governance, Current Ratio, Total Asset Turnover and Intellectual Capital* together on the dependent variable profitability.

Table 4.7
F TEST (Simultaneous)

Variable	Coefficient	t-Statistics	Significance
<i>(Constant)</i>	7,431	-3,104	,003
ICG	1,182	13,237	,000
CR	0,011	2,354	,022
DEED	0,138	2,277	,007
IC	1,084	9,341	,009
<i>R-squared</i>		0,771	
<i>Adjusted R-square</i>		0,759	
F-statistics		62,866	
Significance (F static)		0,000	

Source : SPSS output, data processed by author (2023)

Based on table 4.7 above, it is known that the F-count value obtained is 62,866 with a significance value of 0.000. F values based on the table, $F\text{-table} = k-1 ; n - k = 3 ; 35 = 2.87$. Therefore the value of $F\text{-count} > F\text{-table}$ with a significance value smaller than 0.05, it can be concluded that independent *Islamic Corporate Governance, Current Ratio, Total Asset Turnover and Intellectual Capital* simultaneously have a significant effect on profitability.

b. Uji statisticians

The statistical test t can explain how far the influence of an individual independent variable in explaining the variation of the dependent variable. Testing of regression results can be done using a t test at a confidence degree of 95% or $\alpha = 5\%$. Regression coefficient is used to determine whether or not there is an influence of *Islamic Corporate Governance, Current Ratio, Total Asset Turnover* and *Intellectual Capital* on Profitability. The following is a table of statistical test results t.

Table 4. 8
Partial Test Results T

Variable	Coefficient	t-Statistics	Significance
(Constant)	7,431	-3,104	0,003
ICG	1,1827	13,23	0,000
CR	0,011	2,354	0,022
DEED	0,138	2,277	0,007
IC	1,084	9,341	0,009
<i>R-squared</i>		0,771	
<i>Adjusted R-square</i>		0,759	
F-statistics		62,866	
Significance (F static)		0,000	

Source : SPSS output, data processed by author (2023)

1) *Islamic Corporate Governance* Variables on Profitability

Based on the partial test results t in table 4.7 the effect of *Islamic Corporate Governance* on profitability obtained t_{count} of 13.237, while t_{table} at the level of significance 0.05 amounted to 2.00172. It can be concluded that $13.237 > 2.00172$ which means that H_0 is rejected and H_1 is

accepted. Thus, Islamic *Corporate Governance* has a positive influence on profitability in Islamic commercial banks registered with OJK 2018-2022.

2) Variable *Current Ratio* to Profitability

Based on the results of the partial test t in table 4.7, the effect of the *Current Ratio* on profitability obtained t_{count} of 2.354 while t_{table} at the level of significance 0.05 amounted to 2.00172. It can be concluded that $2.354 > 2.00172$ which means that t_{H0} is rejected and H2 is accepted. Thus, the *Current Ratio* has a positive influence on profitability in Islamic commercial banks registered with OJK 2018-2022.

3). Variable *Total Asset Turnover* to Profitability

Based on the partial test results t in table 4.7, the effect of *Total Asset Turnover* on profitability obtained t_{count} of 2.277 while t_{table} at the significance level of 0.05 is 2.00172. It can be concluded that $2.277 > 2.00172$ which means that t_{H0} is accepted and H3 is rejected. Thus, *Total Asset Turnover* has a positive influence on profitability in Islamic commercial banks registered with OJK 2018-2022.

4). *Intellectual Capital* Variables to Profitability

Based on the results of the partial test t in table 4.7, the effect of *Total Asset Turnover* on profitability obtained $t_{calculated}$ at 9.341. It can be concluded that $9.341 > 2.00172$ which means that t_{H0} is accepted and H3 is rejected. Thus, *Intellectual Capital* has a positive influence on profitability in Islamic commercial banks registered with OJK 2018-2022.

c. Coefficient of Determination (*Adjusted R²*)

The coefficient of determination (*Adjusted R²*) is used to measure the goodness of the regression equation, that is, it gives a presentation of the total variation in the dependent variable described by all independent variables. A small R2 value means that the ability of the independent variables is very limited in explaining the dependent variable. A value close to one means that the independent variables almost provide the full information needed to predict dependent variation. The results of the coefficient of determination test can be seen in the following table:

Table 4.9

Results of the Coefficient of Determination

Variable	Coefficient	t-Statistics	Significance
(Constant)	7,431	3,104	0,003

ICG	1,182 ⁷	13,23	0,000
CR	0,011	2,354	0,022
DEED	0,138	2,277	0,007
IC	1,084	9,341	0,009
<i>R-squared</i>		0,771	
<i>Adjusted R-square</i>		0,759	
F-statistics		62,86 ⁶	
Significance (F static)		0,000	

Source : SPSS output, data processed by author (2023)

From the output data above, the value of *the Adjusted R Square* is 0.759, which means that the influence of *Islamic Corporate Governance, Current Ratio, Total Asset Turnover and Intellectual Capital* on profitability is 75.9%, while the remaining 25.1% is explained by other variables that are not included in this research model.

DISCUSSIONS

This research was conducted to determine the effect of Islamic Corporate Governance, Current Ratio, Total Asset Turnover and Intellectual Capital on profitability at Sharia Commercial Banks registered with OJK for the 2018-2022 period. The following is a discussion of the results obtained during the study.

1. The Effect of Islamic Corporate Governance on Profitability

From the results of the study, it is known that the Islamic corporate governance variable has a calculated *t* value of 13,237 > *t* table of 2.00172 and a significance level smaller than the predetermined significance level of 0.000 < 0.05 so that it can be concluded that Islamic corporate governance has a partial positive effect on profitability in companies listed in Sharia commercial banks registered with OJK for the period 2018-2022 which means H1 which states that Islamic corporate governance has a positive effect on profitability are accepted.

The results of this study show that Islamic corporate governance can maintain business continuity both profitability and growth, so that the more consistent in implementing Islamic corporate governance, the higher the financial performance provided, so that the profits generated will increase.

Islamic Corporate Governance is a good corporate governance system and in accordance with applicable Islamic law, has many benefits for company development because the principles of ICG itself are transparency, accountability, responsibility, independence, equality, fairness and openness that are needed by the company (Hartono, 2018).

This is in accordance with stakeholder theory which indicates that the company is not an entity that only operates for its own interests, but must provide benefits and benefits to all its stakeholders (shareholders, creditors, consumers, suppliers, government, society, analysts, and other parties). So that companies must be able to convey information on their business activities properly as a form of their accountability.

This is supported by research conducted by Nova Rini showing Islamic corporate governance has a positive effect on profitability. The more consistent in implementing Islamic Corporate Governance, the higher the financial performance provided, so that the profits generated will increase (Rini, 2015).

2. The Effect of Current Ratio on Profitability

From the results of the study, it is known that the current ratio variable obtained a calculated t value of $2.354 > t_{table}$ of 2.00172 with a significance level smaller than the predetermined significance level of $0.022 < 0.05$ so that it can be concluded that the current ratio has a partial positive effect on tax avoidance in companies listed in Sharia commercial banks registered with OJK for the 2018-2022 period, which means H2 which states that the current ratio has a positive effect on profitability is acceptable.

The results of this study show that positive changes occur in the company in the amount of current assets or lancer debt will affect the increase in company profits, so that an increase in the current ratio or high and low current ratio value affects the company's profitability.

Current Ratio is showing the ability of a company to meet financial obligations that must be fulfilled immediately, or the company's ability to meet financial obligations at the time of billing. The higher the Current Ratio means providing a good indication of collateral for short-term creditors which means that at any time the company has the ability to pay off its short-term financial obligations (Fatimah et al., 2021).

This is in line with the agency's theory of the current ratio is that if the current ratio is high for management, it indicates the ability to pay off debt, but resulting in low profitability and low profits. So investors are not interested in investing their capital which makes stock prices low and returns decrease.

The results of research conducted by Suyanto and Supramono show that the current ratio of manufacturing companies has a positive influence on profitability (Supramono, 2021).

3. The Effect of Total Asset Turnover on Profitability

From the results of the study, it is known that the variable total asset turnover obtained a calculated t value of $2.354 > t_{table}$ of 2.00172 with a significance level smaller than the predetermined significance level of $0.022 < 0.05$ so that it can be concluded that total asset turnover has a partial positive effect on profitability in companies listed in Sharia commercial banks registered with OJK for the 2018-2022 period, which means H2 which states that total asset turnover has a positive effect on profitability can be accepted.

The results of this study show that the higher the total asset turnover tends to increase the company's profitability. Because the company's activities are inseparable from the use of company assets in generating sales. High sales provide an opportunity for companies to use assets more efficiently and will result in high profitability as well.

Total Asset Turnover is an activity ratio (efficiency ratio) that measures a company's ability to generate sales from its total assets by comparing net sales to average total assets. Total Asset Turnover shows how efficiently a company can use its assets to generate sales. This Total Asset Turnover is also often referred to as Total Asset Turnover or simply referred to as Asset Turnover (Siddi, 2021).

This is in line with the agency's theory, namely if the company is good, stakeholders consisting of creditors, suppliers, and investors will see the extent to which the company can generate profits from sales and total company assets. With good company performance, it will also increase the value of the company. Companies that have high profitability and manage to book profits that continue to increase will show that the company is performing well, which will create a positive response to shareholders and make the company's stock price increase. The results of this study are in line with Salma, Ati and Santi that total asset turnover affects profitability (Mustika et al., 2021).

4. The Effect of Intellectual Capital on Profitability

From the results of the study, it is known that the intellectual capital variable obtained a calculated t value of $9.341 > t_{table}$ of 2.00172 with a significance level smaller than the predetermined significance level of $0.05 < 0.05$ so that it can be concluded that intellectual capital has a partial positive effect on profitability in companies registered with Islamic commercial banks registered with OJK for the period 2018-2022 which means H_2 which states that intellectual has a positive effect on profitability can be accepted.

Intellectual capital is the knowledge and abilities possessed by a social collectivity, such as an organization, intellectual community, or professional practice, and intellectual capital represents resources of high value and ability to act based on knowledge (Moehariono, t.t.).

The results of this study show that with the use of intellectual capital, companies must be able to process and maximize the use of resources owned efficiently and effectively, so as to increase company profits. The better the company in utilizing its intellectual capital, the company can increase the company's profitability level and investor confidence level.

This is in line with the stakeholder theory of intellectual capital is that stakeholders have an interest in influencing management in the process of utilizing all the potential possessed by the organization. Because only with good and maximum management of all this potential will the organization be able to create added value for the company. The results of research conducted by Habibah and Riharjo show that intellectual capital has a positive influence on profitability (Habibah & Riharjo, 2016).

5. Pengaruh Islamic Corporate Governance, Current Ratio, Total Asset Turnover Dan Intellectual Capital Terhadap Profitabilitas

Based on the results of data analysis, a calculated F value of $62.866 > F_{table}$ of 2.77 was obtained with a significance level smaller than the predetermined significance level of $0.000 < 0.05$. This shows that Islamic corporate governance, current ratio, total asset turnover and intellectual capital simultaneously have a positive effect on profitability in Islamic commercial banks registered with the OJK for the 2018-2022 period, this is due to Islamic corporate governance, current ratio, total asset turnover and intellectual capital will increase and affect the profitability or profit of the company.

Islamic Corporate Governance is a good corporate governance system and in accordance with applicable Islamic law, has many benefits for company development because the principles of ICG itself are transparency, accountability, accountability, independence, equality, fairness and openness that are needed by the company (Prabowo, 2018).

Current Ratio is showing the ability of a company to meet financial obligations that must be fulfilled immediately, or the company's ability to meet financial obligations at the time of billing. The higher the Current Ratio means providing a good indication of collateral for short-term creditors which means that at any time the company has the ability to pay off its short-term financial obligations (Fatimah et al., 2021).

Total Asset Turnover is an activity ratio (efficiency ratio) that measures a company's ability to generate sales from its total assets by comparing net sales to average total assets. Total Asset Turnover shows how efficiently a company can use its assets to generate sales. This Total Asset Turnover is also often referred to as Total Asset Turnover or simply referred to as Asset Turnover (Siddi, 2021).

Intellectual capital is the knowledge and abilities possessed by a social collectivity, such as an organization, intellectual community, or professional practice, and intellectual capital represents resources of high value and ability to act based on knowledge (Moeheriono, t.t.). Based on the explanation above, it can be concluded that Islamic corporate governance, current ratio, total asset turnover and intellectual capital simultaneously affect the profitability of Islamic commercial banks registered with the OJK for the 2018-2022 period.

CONCLUSION

This study was conducted to determine the influence of Islamic corporate governance, current ratio, total asset turnover and intellectual capital on profitability in Islamic commercial banks registered with OJK for the 2018-2022 period. The data in this study is secondary data processed using software SPSS 23 with multiple linear regression method, then the researcher draws the following conclusions:

1. Islamic Corporate Governance has a positive effect on profitability in Islamic commercial banks registered with the OJK for the 2018-2022 period. The results of this study show that Islamic corporate governance can maintain business continuity both profitability and growth, so that the more consistent in implementing Islamic corporate governance, the higher the financial performance provided, so that the profits generated will increase.
2. The Current Ratio has a positive effect on profitability in Islamic commercial banks registered with the OJK for the 2018-2022 period. The results of this study show that positive changes occur in the company in the amount of current assets or lancer debt will affect the increase in company profits, so that an increase in the current ratio or high and low current ratio value affects the company's profitability.

3. Total Asset Turnover has a positive effect on profitability in Islamic commercial banks registered with OJK for the 2018-2022 period. The results of this study show that the higher the total asset turnover tends to increase the company's profitability. Because the company's activities are inseparable from the use of company assets in generating sales. High sales provide an opportunity for companies to use assets more efficiently and will result in high profitability as well.
4. Intellectual Capital has a positive effect on profitability in Islamic commercial banks registered with the OJK for the 2018-2022 period. The results of this study show that with the use of intellectual capital, companies must be able to process and maximize the use of resources owned efficiently and effectively, so as to increase company profits. The better the company in utilizing its intellectual capital, the company can increase the company's profitability level and investor confidence level.
5. The results showed that Islamic corporate governance, current ratio, total asset turnover and intellectual capital simultaneously affect profitability.

REFERENCES

- Dwi, N. (2022). The influence of Islamic Corporate Governance, Intellectual Capital and Sharia Compliance on the profitability of Islamic Commercial Banks.
- Fajaryani, N. L. G. S., & Suryani, E. (2018). Capital structure, liquidity, and company size to the company's financial performance. *Journal of Contemporary Accounting Research*, 10(2), 74–79. <https://doi.org/10.23969/jrak.v10i2.1370>
- Faradina, I. (2016). The influence of intellectual capital and intellectual capital disclosure on the company's financial performance.
- Fatimah, A., Nurlaila, S., & siddi, P. (2021). The Effect of Company Size, Profitability, Leverage, Capital Intensity and Liquidity on Tax Avoidance in Food and Beverage Companies Listed on the IDX in 2015-2019. *Journal of Ecombis Review*, 1, 112.
- Ghozali, I. (2005). *Structural equation modeling: Theory, concepts, & applications with the Lisrel 8.54 program*. Diponegoro University Publishing Board.
- Ghozali, I. (2007). *Multivariate Analysis Application with IMB SPSS Program*. Diponegoro University Publishing Board.
- Habibah, B. N., & Riharjo, I. B. (2016). The influence of intellectual capital on financial performance in manufacturing companies. 5.
- Hartono, N. (2018). Analysis of the Influence of Islamic Corporate Governance (ICG) and Intellectual Capital (IC) on Maqashid Syariah Index (MSI) on Islamic Banking in Indonesia. *Al-Amwal : Journal of Sharia Economics and Banking*, 10(2), 259. <https://doi.org/10.24235/amwal.v10i2.3249>
- Hasanah, A., & Enggaryanto, D. (2018). Analysis of factors affecting Return on Assets in manufacturing companies listed on the Indonesia Stock Exchange. *Journal of Applied Managerial Accounting*, 2(1), 15–25. <https://doi.org/10.30871/jama.v2i1.658>
- Juniyanti, A. (2019). ANALYSIS OF FACTORS AFFECTING PROFITABILITY WITH PROFIT GROWTH AS A MODERATION VARIABLE (Empirical Study on Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2013-2017). *Journal of Industrial and Computational Statistics*, 4(1), 1–14.

- Khasanah, A. N. (t.t.). The Influence of Intellectual Capital and Islamicity Performance Index on Islamic Banking Financial Performance in Indonesia, *Nominal, Barometer of Accounting and Management Research* 5, no. 1 (October 29, 2016), <https://doi.org/10.21831/nominal.v5i1.11473>.
- M. M Basya. (t.t.). *The International Journal of Applied Business Tijab. The International Journal of Applied Business Tijab*.
- Mardiani, L., Yadiati, W., & Jaenudin, E. (2019). Islamic Corporate Governance and Financial Performance of Sharia Business Unit (UUS) for the 2013-2017 period. *Journal of Accounting : Scientific Review of Accounting (JAK)*, 6(2), 128. <https://doi.org/10.30656/jak.v6i2.1411>
- Moehersono. (t.t.). *Competency-Based Performance Measurement*. Eagle Press.
- Mustika, S., Sumiati, A., & Susanti, S. (2021). The Effect of Leverage, Sales Growth, and Company Size on Profitability. *Journal of Accounting*, 2, 533.
- Prabowo, M. S. (2018). GoodCorpotare Governance (GCG) in Islamic Perception. *Qistic Scientific Journal of Legal Sciences*, 11(2), 268.
- Priatna, H. (2016). Measurement of company performance by profitability ratio. 7, 44–53.
- Prof. Dr. Sugiyono. (2017). *Quantitative and qualitative research methods and R&D*. in Alfabeta, CV (April number).
- Purnomo, L. I. (2018). The influence of intellectual capital on profitability in service industry companies in the property and real estate sectors on the Indonesia Stock Exchange in 2011 –2015. *Indonesian Journal of Sustainable Accounting*, 1(1), 83. <https://doi.org/10.32493/jabi.v1i1.y2018.p83-107>
- Rini, N. (2015). Implementation of Islamic Corporate Governance (ICG) in Islamic banking in Indonesia. *The International Journal Of Applied Business*, 2, 32–33.
- Siddi, P. (2021). The Effect of Compeny Size, Profitability, Leverage, Capital Intensity and Activity on Tex Avoidance in Food and Beverage Companies Listed on the IDX in 2015-2019. *Journal of Ecombis Review*, 1, 112.
- Sinaga, O., & Jamaluddin. (2020). The effect of current ratio (cr), total asset turn over (tattoo), and company size on the profitability (Roa) of manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange for the 2014-2018 period.
- Sodiq, A. (2019). Implementation of Islamic Corporate Governance: A Case Study in BMT NUsantara UMAT MANDIRI Kalidawir Tulungagung. *TIJAB (The International Journal of Applied Business)*, 1(2), 106. <https://doi.org/10.20473/tijab.v1.i2.2017.106-112>
- Sugiyono. (2008). *Quantitative, qualitative and R&D research methods* (Cet. 6). Alfabeta.
- Supardi, H., & Suratno, H. (2016). The effect of current ratio, debt to asset ratio, total asset turnover and inflation on return on assets. *Scientific Journal of Accounting Faculty of Economics*, 2 (Year), 16–27.
- Supramono, S. (2021). The Effect of Leverage, and Liquidity on Profitability. *Indonesian Journal of Sustainable Accounting*.
- Surbakti, S. A. B., & Malau, Y. N. (2020). Effect of Current Ratio, Net Profit Margin and Debt. *JIMEA : MEA Scientific Journal (Management, Economics, and Accounting)*, 4(3), 981–997.
- Ulum, I. (2013). Intellectual Capital Performance Measurement Model with IB-Vaic in Islamic Banking. *INFERENCE*, 7(1), 185. <https://doi.org/10.18326/infl3.v7i1.185-206>