

## The Role of Islamic Intellectual Capital on Islamic Cooperative Performance in Indonesia

Rita Mutiarni\*

Faculty of Economics And Business, Brawijaya University,  
Indonesia

Ubud Salim

Brawijaya University, Indonesia

Eko Ganis Sukoharsono

Brawijaya University, Indonesia

Mintarti Rahayu

Brawijaya University, Indonesia

— *Review of* —  
**Integrative  
Business &  
Economics**  
— *Research* —

### ABSTRACT

As one of the countries with the largest Muslim population in the world, Indonesia is trying to overcome poverty by moving the community's economy through various economic institutions, one of which is sharia cooperatives. However, unfortunately, although most of the Indonesian population is Muslim, sharia cooperatives or Sharia cooperatives are less attractive to the public and have low performance compared to conventional cooperatives. Various previous studies have stated that the main problem in managing sharia cooperatives in Indonesia is the lack of intellectual capital and application of business and work ethics according to Islamic rules, known as the Islamic work ethic. This study aims to determine the effect of Islamic human capital on the performance of sharia cooperatives in Jombang Regency by mediating Islamic Social capital. This study uses a quantitative approach. The population in this study was sharia cooperatives with a sample of 60 cooperative units. Primary data were obtained from questionnaires, and secondary data were obtained from various documents about sharia cooperatives in Jombang district. The analytical tools used are multiple regression and path analysis. The results showed a direct influence of Islamic human and social capital on the performance of sharia cooperatives. Islamic human capital has also been shown to influence the implementation of Islamic social capital. Therefore, Islamic social capital can also mediate the role of Islamic human capital in the performance of sharia cooperatives.

Keywords: Islamic human capital, Islamic social capital, Islamic cooperatives' performance, Jombang.

### 1. INTRODUCTION

Indonesia is a developing country with a population of 275.3 million people. Indonesia is also well known as a developed country. Like many other developing countries, Indonesia needs to solve the problem of poverty. To overcome poverty, it needs participation from economic resources, including Small and Micro Enterprises (SMEs) as one of Indonesia's economic supporters. In Indonesia, the development of Small and Micro Enterprises (SMEs) is supervised by The Ministry of Cooperatives and Small and Micro Enterprises (SMEs).

The ministry showed that one of the supporters of Small and Micro Enterprises (SMEs) is cooperative. In 2020, the number of active cooperatives in Indonesia was 127,124, and the majority (22,464 units) were in East Java. Until now, Indonesian cooperatives have been dominated by savings and loans/savings and loans cooperatives/savings and loans units. The savings and loans business unit is a type of business that is widely run by cooperatives. In addition to being profitable, this activity is considered very helpful for its members in terms of finances and encourages enthusiasm to save. Cooperative Savings and loans business type is one of the businesses of non-bank financial institutions carried out by collecting funds and distributing them from and to members, prospective members, and other cooperatives. Statistical data shows the distribution of savings and loan cooperatives, where savings and loan cooperatives are most widely spread in Java, especially East Java, which is 16.17 percent, followed by Central Java at 13.74 percent (<https://www.bps.go.id/publikasi/2021>).

Indonesia is also well known for having an enormous moslem population worldwide. Based on Indonesia statistical bureau, in 2022, 84% of Indonesia population will be Moslem. The phenomenon that the country with many cooperatives and moslem population in the world but still many poor people raises deep concern. It does not follow the purpose of establishing cooperatives to help alleviate poverty. It is contrary to the purpose of the descent of Islam, which is to bring goodness to the whole world. It includes goodness in the economic field.

The phenomenon that exists in cooperatives in society is that their management is not optimal because of the image attached to cooperatives, namely institutions engaged in the social sector or Socio-enterprise (Thompson &Doherty, 2006; Defourny &Nyssens, 2014; Lyon & Sepulveda, 2009). With this image as a socio-enterprise, most cooperative management still uses simple and tends to be static and less innovative management to keep up with developments (Borda-Rodriguez & Vicari, 2014; Yang, Klerkx & Leeuw's, 2014).

In Indonesia, the Department of Cooperatives and Micro Enterprises (MSEs) carries out the development and supervision of cooperatives. The slow development of cooperatives, especially savings and loan businesses, shows an yearly increase.<sup>1</sup> It can be seen from the 2 (two) steps set by the government, namely: 1) business indicators and 2) financial performance (<http://umkm.depkop.go.id/>). Business indicators include 1) the number of administrators, supervisors, and members, 2) the number of savings and loans distributed, and 3) the regularity of the General Meeting. Meanwhile, financial performance was seen from the acquisition of Surplus cooperative.

Nationally, the development of cooperatives in Indonesia has increased in terms of business and financial indicators. Jombang Regency has guided cooperatives through the services of Cooperatives and Small and Micro Enterprises (SMEs). As a result, the data shows an increase in the number of fostered cooperatives. It can be seen from the increase in the number of active cooperatives, the amount of capital, business volume, and the cooperative's profit.

However, the data also shows that many cooperatives are inactive and threatened with dissolution. Some things that led to the dissolution include that the cooperative has been inactive for a long time or has not carried out business activities, and has not held a general meeting for several years. Moreover, most are sharia cooperatives (Jombang Cooperatives and Small and Micro Enterprises (SMEs) service, 2021). It is because the performance assessment of cooperatives, especially sharia cooperatives, uses financial indicators. It is inappropriate because cooperatives are business organizations with a social mission that benefits cooperative members.

---

<sup>1</sup> <https://www.bps.go.id/publication/2021>

In the Islamic concept, the success of a business cannot be judged on profit and loss. It also benefits the community. For this reason, comprehensive indicators are needed to assess the health of cooperatives. One of the indicators that can be used to assess the overall performance of cooperatives is the balanced Scorecard developed by Kaplan and Norton.

Many studies have found that the main problem in sharia cooperative management is related to the low quality of human resources, in this case, cooperative management (Ismanto, 2015; Sharia Economic Outlook, 2014). These shortcomings impact Sharia cooperatives' ability to achieve optimal performance in an increasingly digital business world. It emphasizes the importance of human resources as the main component in internal cooperatives to gain competitiveness and achieve good performance. If cooperatives have outstanding human resources, they tend to make more effective and efficient decisions for cooperatives. This result will lead to the success of the cooperative. Moreover, in the context of organizational asset management, human resources are a significant element in the intellectual capital of organizations (Drucker, 1993).

Human capital is seen as a critical element in the dimension of intellectual capital. Human resource management is essential for organizational success (Bontis, Keow, & Richardson, 2000; David & Yusoff, 2011; Dumay & Roslender, 2013; Kamukama, Ahiauzu, & Ntayi, 2010; Khalique, Shaari, Isa, & Ageel, 2011). The components in human resources are based on competence (i.e., education, professional skills, experimental knowledge, and knowledge), attitudes (i.e., motivation, leadership, patterns of behavior), and intellectual intelligence (i.e., innovation, creativity, flexibility, adaptability) as expressed by Bontis, et al., (1999); Bontis & Fitzenz, (2002), Tovstiga & Tulugurova, (2007).

Human capital can improve organizational performance if synergy with other elements of intellectual capital (Bontis et al., 2010; Amrizah & Rashidah, 2013), including social capital. Cooperatives, especially Islamic cooperatives, are not pure financial institutions but also have conditions with social elements, as stated in the initial goal of establishing cooperatives, namely helping each other move forward (International Cooperative Alliance/ICA, 1895). Therefore, social capital plays an essential role in cooperatives' performance because social capital, namely relationships within the organization, corporate social responsibility, and honesty, are necessary for organizations with social characteristics such as cooperatives.

As a country with the largest Muslim population in the world, the application of Islamic teachings in daily life is commonplace. It has been applied in organizational life, including economic organizations such as cooperatives. Ethics in Islam is not only religious moral in specific actions. However, it includes all aspects of life, whether physical, spiritual, moral, or even worldly, intellectual, emotional, individual, and collective (Al-Aidaros, A. H., & Mohd Shamsudin, F. (2013). It is also realistic because it considers human abilities and lays the foundation that Allah knows the strengths and weaknesses of man. Various previous studies have shown that work ethic in Islam can increase morale, loyalty, and organizational commitment, which will lead to improved organizational performance (Yousef, 2001; Yaken, 2006; Ali & Al-Kazemi, 2007; Al-Kazemi, 2007; Aidaros et al., 2013)

The concept of work in Islam is the answer and development of modern business concepts developed by Elkington & Rowlands (1976) with a triple bottom line (TBL), namely profit for people – planet – profit (3P) and refined with spiritual elements by Sukoharsono (2010). Therefore, it is very appropriate if Islamic elements are adapted in economic and business activities, especially in Islamic business organizations, to improve their performance.

Research on intellectual capital consisting of human and social capital elements has been widely carried out. However, research on intellectual capital by adding Islamic elements, especially in non-profit organizations such as Sharia cooperatives, is still limited in number. Islam is a way of life that never separates human activity from religion. Islamic law is based

on four primary sources: the Qur'an and the Sunnah (an example given by the Prophet Muhammad). At the same time, the other two are the consensus of the scholars (Ijma') and the analogy (Qiyas). For adherents of Islam (Muslims), Islam is not only a religion but also a guide to life as a whole, as taught by the Prophet Muhammad, known as Islamic ethics (Beekun, 1997; Hashi, 2011).

## **2. LITERATURE REVIEW**

### **2.1 History of Sharia Cooperatives in Indonesia**

In Indonesia, a cooperative based on sharia or Islamic values first appeared in a business association called Syarikat Dagang Islam (SDI). H. Samanhudi founded SDI in Solo, Central Java. Its members come from Muslim traders, with batik traders.

In partnerships and trade, the modern western partnership type cooperative is now similar to the previous Islamic partnership. Furthermore, it was practiced by Muslims until the 18th century. Both forms of Islamic shirkah and modern syrah, where partnerships are formed by parties on their own accord to seek proportional and mutual benefit (mutually beneficial) based on state law. Sharia cooperatives began to develop when many people responded to the proliferation of Baitul Maal Wattamwil (BMT) in Indonesia. BMT, known for the first time in Indonesia, was BMT Bina Insan Kamil in 1992 in Jakarta.

However, the survival of BMT has problems. Based on Act Number 7 of 1992 concerning Banking, all activities in collecting public funds in the form of savings and channeling credit must be in the form of a bank (article 28). Therefore, it was a problem for BMT at the time. However, several Non-Governmental Organizations (LPSM) were created to overcome this problem, which covered Community Self-Help Groups. These LPMs include the Center for the Study and Development of Small Businesses as the initiator, the Center for Small Business Incubation, and the FES Dompot Dhuafa Republika.

Based on Republic of Indonesia Law Number 25 of 1992, the right to use a cooperative legal entity, the difference between conventional (non-sharia) cooperatives lies only in their technical operations. Sharia prohibits interest by carrying out moral ethics by observing the legal and haram principles of doing business.

### **2.2. Islamic Cooperative as a Solution to Alleviate Poverty**

The main problem of many countries in the world in the economic field is poverty alleviation. Various efforts were made by the countries concerned. However, one of the agreed-upon was that to alleviate poverty, and it was necessary to cooperate and have a strong will among the poor to help each other (Birchall and Simmons; 2007). Here is the basic principle of cooperatives. Cooperatives are formed on the principle of togetherness to solve problems, create new sources of income, increase work productivity, and increase skills and the economy, which in turn will have an impact on sustainable economic development (Wanyama et al., 2008)

Indonesia is one of the countries in the world that is still struggling to overcome poverty. Based on national survey data for March 2016, 10.86% of the population (28.1 million) were classified as poor. One of the government's efforts is to activate Micro, Small, and Medium Enterprises (MSMEs) because this type of business dominates the number of business units in Indonesia. Data from the Ministry of Cooperatives and Small and Micro Enterprises (SMEs) of the Republic of Indonesia reports that in terms of several units, MSMEs have a share of around 99.99% (62.9 million units) of the total business actors in Indonesia (2017), while large businesses are only 0, 01% or about 5400 units. Micro Enterprises absorb around 107.2 million workers (89.2%), Small Enterprises 5.7 million (4.74%), and Medium Enterprises 3.73 million (3.11%). Large enterprises absorb around 3.58 million people, about

3% of the total national workforce. MSMEs absorb around 97% of the national workforce, and large enterprises only absorb

For this government effort to be successful, synergy from various parties is needed to support the development of MSMEs in Indonesia, including support through the capital. So far, the image attached to the public regarding access to capital is that of a Bank. So is because banking institutions are considered capable of meeting the capital needs of business actors.

However, not all capital needs of entrepreneurs can be met by the banking sector (bankable). Non-bank financial institutions can exploit this gap to meet business actors' capital needs, especially MSMEs, including cooperatives.

In 2018, the number of cooperatives active in the country was 148,220, and most were in East Java (Central Statistics Agency, 2018). However, ironically, East Java is still one of Indonesia's top 10 poor provinces. It shows that the cooperative has not been able to take the existing opportunity. The market is still wide open, and there is competition in the funding sector, especially funding for the micro-business sector.

### **2.3 Islamic Work Ethic**

Islamic values in economic activities and professional management are getting more attention. Researchers and academics who study the implementation of Islamic values initially implemented in the framework of business and Islamic banking research then shifted to management and organizational behavior. Over the last ten years, research on Islamic values, culture, and law, especially in business organizations through an empirical approach, has increased dramatically, especially on the topic of ethics and Islamic values in organizational activities. One topic that has received much attention is Islamic work ethics (IWE).

The initial concept of the modern work ethic was first initiated by Weber (1905), who introduced the Protestant work ethic (PWE) concept through the ideology of frugality, individualism, discipline, and hard work. Much research on work ethics has been conducted in the West and has focused primarily on PWE. Islamic work ethics as a concept of scientific literature was first developed by Ali et al. (1988) as a follow-up to the widespread study of Protestant Work Ethics (PWE) in the 1980s. Work ethic in the context of religion is mainly carried out in Western countries; most of this research uses the Protestant Work Ethic (PWE) based on the concept developed by Max Weber (Yousef, 2001). IWE and PWE focus on cooperation, commitment, dedication to work, and the avoidance of accumulating wealth through unethical means (Khan et al., 2013). However, in contrast to PWE, IWE places more emphasis on intentions than outcomes (Yousef, 2001). For example, the Prophet Muhammad stated that "actions are recorded according to intentions, and humans will be rewarded or punished accordingly" (Yousef, 2001).

Islam views work as a religious obligation, a form of worship to Allah, and a sincere and dedicated endeavour that encourages individuals to benefit for themselves, others, and society as a whole. Prophet Muhammad highlighted two aspects of successful work in terms of quality and quantity. The concept of an Islamic work ethic based on the Qur'an and the Sunnah of the Prophet Muhammad prioritizes: 1) honesty, 2) flexibility, 3) fairness, 4) hard work, 5) dedication to work, 6) work creativity, 7) responsibility, 8) fair reward system, 9) persistence, 10) innovation in the workplace, 11) acquisition of skills and technology for excellence and performance improvement, 12) cooperation and consultation to overcome obstacles (Mohammad et al., 2015; Kumar and Rose, 2010; Yousef, 2000).

### **2.4 Intellectual Capital**

Human resources and science have created added value and competitive advantage in modern companies. Knowledge has become a new engine in the development of a business. Companies' attention is now more focused on knowledge assets as a form of intangible assets

for competitive advantage (Islam, et al., 2021; Ittner and Larcker, 1998). Rupert (1998) states that in a knowledge-based management system, conventional capital, such as natural resources, financial resources, and other physical assets, becomes less critical than knowledge-based and technological capital. Using science and technology will be a way to use other resources efficiently and economically, giving an advantage in competing. In order for the company to continue to survive, companies must quickly change its strategy from a labor-based business to a knowledge-based business (knowledge-based business). The company can become a science-based company as the research result from Subramaniam and Youndt (2005), Reed, Lubatkin and Srinivasan (2006), Kuryanto (2008), Whiting and Miller (2008), Kang and Snell (2009), Campisini and Costa (2008).

Developing the new economy, a "new economy" controlled by information and knowledge, increases awareness and understanding of companies' intellectual capital.

Intellectual Capital (IC) is one of the approaches used in measuring and measuring knowledge assets. IC was introduced in 1969 by John Kenneth Galbraith and then further developed by Peter F. Drucker in 1993.

## **2.5. Human Capital**

Human Capital (HC) is the knowledge of an organization represented by the knowledge of its employees (Bontis et al., 2001). He argued that employees generate Intellectual Capital (IC) through their competence, attitudes, and intellectual dexterity. Competence includes skills and education, while attitudes include components of work employee behavior. Intellectual agility allows a person to change practices and think of innovative solutions to solve problems in the organization (Bontis et al., 2000; Bueno et al., 2006; Daud and Yusoff, 2011; Dumay and Roslender, 2013; Kamukama et al., 2010; Khalique et al., 2011)

The Skandia Navigator shows that Intellectual Capital is divided into 2 (two) major groups, namely internal organizational factors represented by Human Capital and external factors represented by Structural Capital. It shows that from the internal side, the human capital element is the most important compared to other elements to color organizational performance. There are several definitions of Human Capital from experts. Hudson (1993) defines human capital as a combination of genetic inheritance, education, experiences, and attitudes about life and business. Bontis (1998) describes human capital as the collective ability of companies to extract the best solutions from their respective knowledge. Bontis (1998) argues that human capital is significant because it is a strategic innovation and renewal source. The essence of human capital is intelligence. Roos et al. (1997); IADE-CIC (2003) defines human capital as a set of values, attitudes, qualifications, and skills possessed by employees that produce value for the company.

Human capital is considered the main element of intellectual capital and the most critical source of sustainable competitive advantage (Nonaka and Takeuchi, 1995; Edvinsson and Malone, 1997; Sveiby, 1997; Seleim, Ashour, and Bontis, 2004). It is nothing new. Research has proven that human resources are essential to the nation's wealth. In addition, several research results indicate that human resources investment can improve the quality of jobs and ultimately lead to economic growth. Human Capital (HC) is something unique because it is a combination of four elements: 1) genetic inheritance; 2) education; 3) experiences and 4) attitudes about life and business (Hudson, 1993).

Human Capital (HC) must be combined with relational and structural elements in the organization to create value. Human Capital (HC) consists of individual education, skills, values, and experiences. Suppose these elements are applied optimally in the company. In that case, it will have a tremendous impact because the combination of competence and employee commitment will create other positive results such as customer loyalty, productivity, and

organizational performance (Ulrich, 1998). Therefore, it would be appropriate if Bontis (1998) stated that Human Capital (HC) is a source of innovation and strategic renewal.

In order to have good quality, Human Capital (HC) in the company, the process in the human resources division must be good. It starts from the recruitment process of quality employees, managing professional intelligence (Quinn, Anderson, and Finkelstein, 1996), and making their knowledge more productive by combining Human Existing capital (HC) with other capital owned by the company in order to create value for customers. Also, employee training can increase productivity and creativity (Stovel and Bontis, 2002), resulting in satisfied and loyal clients.

Cooperatives rely on stable and long-term relationships with their clients, namely their members. Therefore, the quality of the cooperative's relationship and service with its members affects the cooperative profit. Therefore, the continuous development of human resources in cooperatives, especially cooperative managers, is necessary.

## 2.6. Islamic Human Capital

Islamic human capital is an adaptation of human capital by incorporating Islamic elements in its implementation. Human capital is the knowledge of an organization which is represented by the knowledge of its employees, including 1) Knowledge, 2) Attitude, 3) Personal ability (Intellectual ability), 4) Skills and Expertise (Roos). et al., 1997; Bontis et al., 1999; Bontis et al., 2001)

In the concept of Islamic work ethics based on the Qur'an and the Sunnah of the Prophet Muhammad, previous researchers (Mohammad et al., 2015; Kumar and Rose, 2010; Yousef, 2000; Yousef, 2000; Siswanti and Salim, 2017; Sukoharsono, 2019) summarizes them into 1) honesty, 2) flexibility, 3) fairness, 4) hard work, 5) dedication to work, 6) work creativity, 7) responsibility, 8) fair reward system, 9) persistence, 10) innovation in the workplace, 11) acquisition of skills and technology for excellence and performance improvement, 12) collaboration and consulting to overcome barriers

In this study, Islamic Human Capital is a set of skills, expertise, attitudes, and intellectual abilities that are based on the principles of honesty, hard work, dedication to work, acting creatively, and being responsible (Mohammad et al., 2015; Kumar and Rose, 2015). 2010; Yousef, 2000; Yousef, 2000; Siswanti and Salim, 2017; Sukoharsono, EG, 2019)

## 2.7 Social Capital

Bontis (1996) stated that Human Capital (HC) would significantly impact company performance when combined with several elements of Intellectual Capital. One of the other essential elements of Intellectual Capital is Social Capital. There are several opinions from experts about social capital. Putnam (1996) consists of "features of social life (networks, norms, and beliefs) that enable participants to act together more effectively to pursue common goals." Putnam (2000) identifies two key components of the concept; binding social capital and bridging social capital. The former denotes values ascribed to social networks in a homogeneous group of people, while the second relates to social networks between socially heterogeneous groups. Fukuyama (1999) argues that it is a shared norm or value that encourages social cooperation, as represented in social relations (e.g., religious sects, village associations, and clans), and goes so far as to suggest that it is a necessary prerequisite for economic growth. Candland (2001) argues that faith is a form of social capital, and shared faith enables believers to trust each other. Cohen and Prusak (2001) state that social capital is a company asset that relates to humans, such as trust, personal networks, a sense of belonging in an organization, and shared values and behaviors that bind network members and human communities to enable cooperative action.

Cooperatives are business organizations that rely on trust in their activities. For example, it is reflected in cooperative members' trust to save their assets in the form of money in the cooperative even though there is no guarantee from the government or the deposit insurance agency. It shows that the survival of the cooperative depends on the level of trust among group members. Therefore trust is a significant business resource that can be a source of competitive advantage.

## 2.8 Islamic Social Capital

Social capital is a company's assets that involve relationships with people, such as trust, personal networks, a sense of belonging to the organization, shared values, and behaviors that bind members of networks and human communities and enable cooperative action. These include 1) organizational structure, 2) organizational relationships, and 3) interpersonal cognitive abilities (Cohen and Prusak, 2001).

In the concept of Islamic work ethics based on the Qur'an and the Sunnah of the Prophet Muhammad, previous researchers (Mohammad et al., 2015; Kumar and Rose, 2010; Yousef, 2000; Yousef, 2000; Siswanti and Salim, 2017; Sukoharsono, 2019) summarizes them into 1) honesty, 2) flexibility, 3) fairness, 4) hard work, 5) dedication to work, 6) work creativity, 7) responsibility, 8) fair reward system, 9) persistence, 10) innovation in the workplace, 11) acquisition of skills and technology for excellence and performance improvement, 12) collaboration and consulting to overcome barriers

Islamic social capital is an adaptation of social capital by incorporating Islamic elements. In this study, what is meant by Islamic social capital is company assets that involve organizational transparency and relationships between people in organizations and humans with organizations based on fair, flexible, and cooperation and consultation to overcome obstacles.

## 2.9 Balanced Score Card as Indicator of Islamic Cooperative Performance

There are several definitions of performance expressed by experts. Robertson (1998) states that performance is the level of efficiency measured by comparing the ratio between the input to output. The greater the output than the input, the greater the performance. So the meaning depends on what is seen as input and output. Roberts (2004), in his book *The Modern Firm*, states that performance is value creation. In financial terms, it is defined as the difference between the maximum amount consumers are willing to pay minus the costs of the activity.

Company performance is something that the company produces in a certain period by referring to the standards set. The company's performance should be a measurable result and describe a company's empirical conditions from various agreed sizes. A performance assessment is carried out to determine the performance that has been achieved. Thus, it can be interpreted that company performance appraisal is an assessment system regarding the implementation of a company's workability based on specific predetermined standards (Kaplan and Norton, 1996)

The purpose of performance appraisal is to motivate members of the organization to achieve goals and comply with predetermined standards of behavior to achieve the desired results. Performance appraisal is also used to suppress inappropriate behavior through feedback on the results of performance appraisals.

One widely used tool to measure company performance with a non-financial approach is the Balanced Scorecard developed by Kaplan and Norton (1996). The balanced Scorecard was first developed by Robert Kaplan, an accounting professor at Harvard University, and David Norton, a Boston consultant.

Kaplan and Norton consider traditional financial measures to be unsuitable for the demands of today's competitive environment. The Balanced Scorecard provides a series of



measures that allow management to get a quick and comprehensive view of what is going on in the business. The Balanced Score Card (BSC) is an alternative to generating a set of measures that gives top managers a quick but comprehensive view of the business (Kaplan and Norton, 1992; 1996; 2004). Kaplan and Norton stated that BSC maintains traditional financial measurement. However, financial measurement telling the story of past customer relationship events is not critical to success. Therefore, this financial measure is inadequate to guide and evaluate information age companies' journey to creating future value by investing in customers, suppliers, employees, processes, technology, and innovation. There are four perspectives on the BSC: 1) Financial perspective, 2) Customer perspective, 3) Internal Business Process Perspective, and 4) Learning and Growth Perspective.

## 2.10 Hypothesis

One of the critical causes of the low performance of Islamic cooperatives in Indonesia is cooperative managers' ability (human resources) owned by cooperatives (Ismanto, 2011; Sharia Economy Outlook, 2014). It impacts the ability of Islamic cooperatives to achieve optimal performance (Hossen & Sa'roni, 2012). In the context of organizational asset management, human capital is the main element in the organization's intellectual capital (Drucker, 1993; Bontis et al., 2000; Bueno et al., 2006; Daud and Yusoff, 2011; Dumay and Roslender, 2013; Kamukama et al., 2010; Khalique et al., 2011). It is because intellectual agility enables a person to change practices and think of innovative solutions to solve problems in organizations (Bontis et al., 2000; Bueno et al., 2006; Daud and Yusoff, 2011; Dumay and Roslender, 2013; Kamukama et al., 2010; Khalique et al., 2011)

Islamic human capital is an adaptation of the notion of human capital by incorporating Islamic elements. Islamic human capital is a set of skills and expertise, attitudes, and intellectual abilities based on honesty, hard work, dedication to work, acting creatively, and being responsible. If a Muslim has intellectual agility based on honesty, hard work, dedication to work, and acting creatively and responsibly, it will improve organizational performance/performance (Islamic cooperatives).

Based on the above premises, the first preposition in this study is:

***H1: The better Islamic human capital, the better the Islamic cooperative's performance***

Cooperatives are business organizations that rely on trust in their activities. For example, it is reflected in cooperative members' trust to save their assets in the form of money in the cooperative even though there is no guarantee from the government or the deposit insurance agency. It shows that the survival of the cooperative depends on the level of trust among group members. Therefore trust is a significant business resource that can be a source of competitive advantage (Smith et al., 2001; Ram, 1994). In the Islamic concept, maintaining trust is very important because it is trust. Suppose this trust (trust) can be appropriately maintained. In that case, mutual trust with other elements of social capital, namely relationships within the organization, corporate social responsibility, and honesty, is necessary for organizations with a social character such as cooperatives to continue to gain consumer loyalty (cooperative members). In the Intellectual capital concept, it is known as social capital.

Social capital is a company's assets related to human relationships, such as trust, personal networks, a sense of belonging in the organization, shared values, and behaviors that bind members of networks and human communities and enable cooperative action. These include 1) organizational structure, 2) relationships within the organization, and 3) cognitive abilities (Cohen and Prusak, 2001).

A cooperative is a business organization with a social character. The main element of the cooperative is the management, who is also a cooperative member. So that the

stakeholders and shareholders in the cooperative are the same people, for cooperatives to develop appropriately, the abilities of cooperative managers, namely: 1) competence (namely education, professional skills, knowledge and 2) intellectual intelligence (namely innovation, creativity, flexibility, adaptability) will be able to encourage the birth of a transparent organizational environment, relationships that are both in organizations which are the main elements of social capital. It will lead to customer loyalty (cooperative members), productivity, and the organization's performance (Ulrich, 1998). In the end, the cooperative will improve the community's welfare, as mentioned by other elements of social capital, namely social responsibility to the community. It is also following the Islamic concept that business success is for the benefit of humans and for the good of all nature (Rahmatan Lil 'Alamin). From this concept, it can be concluded that businesses in Islam must also be responsible for the welfare of the environment and society. Therefore, Islamic social capital is an adaptation of social capital by incorporating Islamic elements in its implementation. Islamic social capital is a company asset that concerns the relationship between humans in organizations and humans with organizations based on fairness, flexibility, cooperation, and consultation to overcome obstacles. Suppose a Muslim can establish good relations between organizational personnel and the organization itself based on a fair attitude, able to work well together to overcome obstacles. In that case, he will be able to achieve organizational targets, ultimately improving organizational performance (Islamic cooperatives).

Based on the above premises, the third and fourth prepositions in this study are:

**H2: *The better Islamic social capital, the better the Islamic cooperative's performance***

The Skandia Navigator, developed by Edvinsson and Malone (1997), divides Intellectual capital into 2 (two) groups, namely Internal Capital represented by Human Capital and External Capital represented by Structural Capital. Furthermore, structural capital has developed into several classifications from the external side, namely Customer Capital and Organizational Capital. Organizational capital is further broken down into innovation and process capital (Edvinsson and Malone, 1997). It is still possible to continue developing into other intellectual capital elements.

Human capital also continues to grow and affects several new intellectual capital elements. Studies conducted by Bontis et al. (2010) and Gonzales et al. (2011) stated that human capital was considered a significant element of intellectual capital and an essential source of sustainable competitive advantage (Nonaka and Takeuchi, 1995; Edvinsson and Malone, 1997; Sveiby, 1997; Seleim, Ashour and Bontis, 2004). For human capital to play a leading role in improving organizational performance, it is necessary to synergize with other elements of intellectual capital (Bontis et al., 2010; Gonzales et al., 2011, Amrizah & Rashidah, 2013). Research conducted by Gonzales et al. (2011) under the title Intellectual capital and system of innovation: What matters at innovative SMEs shows that human capital has no significant effect on company performance. It is similar to the results of a study by Hashim (2015) entitled Effect of Intellectual Capital on Organizational Performance. However, human capital improves company performance when combined with other intellectual capital elements, such as social capital.

Based on the above premises, the second preposition in this study is:

**H3: *The better Islamic human capital, the better Islamic social capital***

**H4: *The better Islamic human capital mediated by Islamic social capital, the better the Islamic cooperative's performance***

### 3. METHOD

This study uses a quantitative approach. The population in this study is the Islamic Cooperative in Jombang, with as many as 67 units. Due to the limited population, the entire population was used as the research sample. So it is said that the sampling system is the census method. The data of this study were obtained from primary data and secondary data. Researchers directly obtained primary data by distributing questionnaires to respondents Islamic cooperatives in Jombang district. A questionnaire containing a series of statements with five options scale Likert, from answer very agree ( score 5) to very no agree ( score 1). Each respondent represents one cooperative they manage—secondary data obtained by researchers from various documents related to the performance of Islamic cooperatives in Jombang Regency.

The analytical tools used are multiple linear regression analysis, path analysis, and Sobel test. The independent variable used in this study is Islamic human capital (X) which consists of 4 indicators, namely 1) knowledge about cooperatives, 2) Attitude at work, 3) personal intellectual ability, and 4) Personal skills & expertise in getting the job. The moderating variable is Islamic social capital (M) which consists of four indicators, namely: 1) Cooperative management transparency, 2) social benefits of cooperatives for society, 3) Cooperative management and employees' skills to diagnose and solve problems, 4) Relationships

The dependent variable in this study is the performance of Islamic cooperatives (Y) which consists of 4 indicators, namely: 1) Financial Perspective, 2) Customer Perspective, 3) Internal business process perspective, 4) Learning and growth perspective.

Of the 67 units of analysis that have been filled in the questionnaire, only 60 respondents filled in with complete while seven Islamic cooperatives did not fill in with complete. 60 respondents were used as primary data in the study as shown in Tables 1 and 2.

Table 1: Characteristics of respondents by kind of cooperative

No	Gender	Amount	Percentage (%)
1	Baitul bad Wa Tamwil	11	18
2	Sharia Multi Funding cooperative	19	32
3	Islamic Boarding Cooperative	30	52
Total		60	100.0%

Source: Primary Data, 2022

Table 2: Characteristics of respondents based on length of work

No	Years of service	Amount	Percentage
1	< 5 years	3	6
2	5 - 10 years	19	38
3	> 10 years	28	56
Total		50	100%

Source. Primary Data, 2022

## 4. RESULTS

### A. Product of Coefficients

After obtaining the data, the calculation of data analysis was carried out using the Sobel test with the help of SPSS 20. The results are reported in the following tables:

Table 3: Coefficients in Equation 1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4,409	1,265		3,486	.001
Islamic Human Capital	,409	,110	,486	3,731	,000
Islamic Social Capital	,354	,122	,377	2,892	,004

a. Dependent Variable: Y (Islamic Coop Perform)

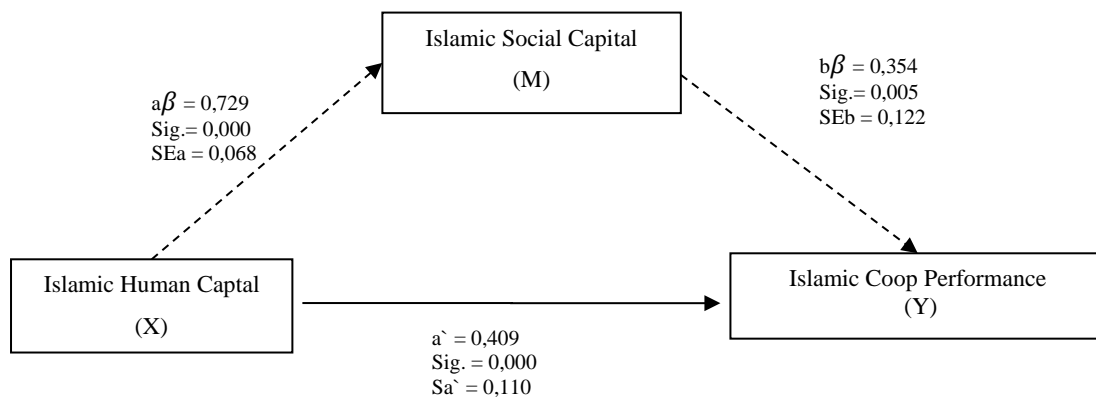
Source: Primary Data, 2022

Table 4: Coefficients in Equation 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.035	1.184		4.253	,000
Islamic Human Capital	,729	,068	,815	10,725	,000

a. Dependent Variable: M (Islamic Social Capital)

Source: Primary Data Processed, 2022



### Equality Structural

$$\text{Equation - 1: } Y = 4.409 + 0.409 X + 0.354 Z$$

$$\text{Equation - 2: } M = 5.035 + 0.729 X$$

### Sobel Test

To count the z value on the Sobel test, we used the online calculator at: [www.danielsoper.com](http://www.danielsoper.com). The results are reported in Table 5.

From the figure, it looks like the z value is 2.80086. Because the z value obtained is  $2.80086 > 1.96$  ( normal curve z value ) with a significance level of 5%, it proves that Islamic Social Capital can mediate the influence of Islamic human capital on Islamic cooperative performance.

Table 5: The z Value in Sobel test

A	0,729	B	0,354
SE <sub>A</sub>	0,068	SE <sub>B</sub>	0,122
Sobel test statistic	2.80086		
One-tailed probability	0,00254832		
Two-tailed probability	0,00509665		

Source: online calculator at: [www.danielsoper.com](http://www.danielsoper.com)

### B. Hypothesis Test

Test hypothesis on the study conducted with method compare score significance on variable free, and mediation is smaller or bigger of = 5%. The hypothesis is accepted if small or the same as 5%. Whereas if bigger than 5%, then the hypothesis is rejected. From the data analysis, the results are reported in Table 6.

Table 6: Values of and significance of variable free and variable mediation

Variable	$\beta$	Sign
<b>Effect of X, M on Y</b>		
Islamic Human Capital	0.498	0.000
Islamic Social Capital	0.354	0.004
<b>Effect of X on M</b>		
Islamic Human Capital	0.729	0.000

Source: Primary Data, 2022

From the table, one could conclude that :

1. Islamic Human capital variable has a score of 0.000 or smaller than  $\alpha=5\%$ . The score of a coefficient is 0.498 ( value positive ). Therefore, H1 can be accepted, which means that the better Islamic Human capital is, the better Islamic cooperative performance.
2. Islamic social capital variable has a score of 0.004 or smaller than  $\alpha= 5\%$ . The score of a coefficient is 0.354 ( value positive ). Therefore, H2 can be accepted, which means that the better Islamic Social capital, the better Islamic cooperative performance.
3. The table also shows that the Islamic Human capital variable has a score of 0.000 or smaller than  $\alpha = 5\%$ . Score coefficient of 0.729 ( value positive ). Therefore H3 can be accepted, which means that the better Islamic Human capital, the better Islamic Social Capital.
4. Based on the pictures obtained, the z value is  $2.80086 > 1.96$ . Therefore H4 can be accepted, which means that variable M ( Islamic Social Capital ) can mediate variable X ( Islamic Human Capital ) to variable Y ( performance of Islamic cooperatives ).

### C. R-Squared Coefficients

Table 7: R-Square Coefficient

Model	R	R Square	Adjusted R Square
1	,822 <sup>a</sup>	,676	,665

Source: Primary Data, 2022

Based on Table 7, it is known that the R-Square value is 0.676. Therefore, it can be concluded that the Islamic Human Capital variable mediated by the Islamic Social Capital variable can explain the Performance variable Islamic Cooperative with a value of 0.665 (66%). Other reasons outside the variables explain the rest studied in this study.

## 5. DISCUSSION

### A. The influence of Islamic human capital on the performance of Islamic cooperative

From the resulting study and descriptive analysis, respondents perceive that the Islamic cooperative they work with has represented the implementation of Islamic Human Capital very well. It looks at respondents who gave excellent responses or evaluations on a question related: 1) knowledge about cooperatives, 2) Attitude at work, 3) personal intellectual ability, and 4) Personal skills & expertise in getting the job. So the application of Islamic Human capital is proven to influence the performance of Islamic cooperatives. The statistical analysis showed that Islamic human capital contributes significantly to the achievement performance of Islamic cooperatives in the district Jombang.

Results study this subsequent draft of the theory by John Kenneth Galbraith ( 1969 ) and then further developed by Peter F. Drucker (1993). They state that Human resources and science have created added value and competitive advantage in modern companies. Human capital is considered the main element of intellectual capital and the most critical source of sustainable competitiveness ( Seleim, Ashour, and Bontis, 2004). It is nothing new. Results study this also support several studies before, as done by Chauhan and Bontis (2004). Stovel and Bontis (2002). Cooperatives rely on stable and long-term relationships with their clients, namely their members. Therefore, the quality of the cooperative's relationship and service with its members affects the cooperative profit. Therefore, the continuous development of human resources in cooperatives is necessary. In Islamic cooperatives, applying human capital by Islamic concept has proven to contribute to achieving Islamic cooperative performance. Results also support research conducted by Yousef (2001), Mohammad et al. (2015), Kumar and Rose (2010), Yousef (2000), Yousef (2000), Siswanti and Salim (2017), and Sukoharsono (2019)

### B. The influence of Islamic social capital on Islamic cooperative performance

From the resulting study and descriptive analysis, respondents perceive that cooperative places where they work to represent the implementation of Islamic social capital very well. This thing looks from answers to respondents who responded poorly to questions: 1) Cooperative management transparency, 2) social benefits of cooperatives for society, 3) Cooperative management and employees' skills to diagnose and solve problems, and 4) Relationships. The application of Islamic Social capital is proven to influence Islamic cooperative performance. That is proven from results analysis statistics showing that Islamic social capital contributes significantly to the achievement performance of Islamic cooperatives in the district Jombang.

Results study this subsequent draft of the theory put forward by Bontis (2004) that Human Capital will significantly impact company performance when combined with several elements of Intellectual Capital such as social capital. Cooperatives are business organizations that rely on trust in their activities. It is reflected in cooperative members' trust to save their assets in the form of money in the cooperative even though there is no guarantee from the government or the deposit insurance agency. It shows that the survival of the cooperative depends on the level of trust among group members. Therefore trust is a significant business resource that can be a source of competitive advantage (Smith et al., 2001). In Islamic cooperatives, applying human capital by Islamic concept has proven to contribute to achieving Islamic cooperative's performance. Results also support research conducted by Yousef (2001), Mohammad et al. (2015), Kumar and Rose (2010), Yousef (2000), Yousef (2000), Siswanti and Salim (2017), and Sukoharsono (2019) about the implementation of Islamic

ethics in work and the influence of islamic human capital on islamic social capital and islamic cooperative performance.

From result analysis statistics, the application of islamic human capital is proven to contribute to Islamic social capital. Results study this following concept the theory put forward by Bontis et al. (2010) and Gonzales et al. (2011) stated that human capital was considered a significant element of intellectual capital and an essential source of sustainable competitive advantage. However, for human capital to play a leading role in improving organizational performance, it is necessary to synergize with other elements of intellectual capital ( Bontis et al., 2010; Gonzales et al., 2011, Amrizah & Rashidah, 2013). Maryam Jameelah Hashim (2015), entitled Effect of Intellectual Capital on Organizational Performance, also states that Human capital improves company performance when combined with other intellectual capital elements, such as social capital.

## **5. CONCLUSION**

The Islamic rules can significantly influence Muslims, economic development, and the organizational commitment of Muslim communities. In addition, Islamic rules can be a comprehensive and essential element in political, economic, and social systems. For organizations, Islamic rules contribute positively to organizational performance and welfare. So it can be concluded that Islamic rules derived from the Quran and Sunnah are significantly implemented in all business concepts, especially for the development and prosperity of Muslim societies and their organizations.

This study shows that Islamic ethics in organization and work can be applied to intellectual capital, which consists of human and social capital. It is something new, called Islamic intellectual capital. The implementation of Islamic human capital and Islamic social capital has proven to be able to improve the performance of Islamic cooperatives in Jombang district, East Java, Indonesia.

Sharia cooperatives are financial institutions that aim to pursue profit alone and have social values, namely as social institutions and da'wah institutions (Wediawati et al., 2018), which are oriented towards the welfare of the same stakeholders and shareholders, namely members. As a country with a Muslim majority population, the concept and application of Islamic rule have become commonplace for the community, including the application of Islamic rules in political, economic, and social system activities (Abeng, 1997). Islamic rules or ethics in work deserve to be applied because they are proven to contribute positively to organizational performance and welfare and will lead to the prosperity of the Muslim community itself (Ali and Al-Owaihah, 2008).

## **6. RESEARCH LIMITATION**

The limitation of this study lies in the location of the research, which was conducted only in Jombang district, East Java, Indonesia. The results may be different if they are carried out in other areas, even with the same research variables and objects. Therefore, this research is essential and exciting to study by collecting data in different areas and with a larger sample size.

## **ACKNOWLEDGMENTS**

This research is part of a dissertation at Brawijaya University, Indonesia, to complete the Doctoral Program in Management. The authors thank the anonymous reviewers for their thorough comments.

## REFERENCES

- [1] Abeng, T. (1997). Business ethics in Islamic context: Perspectives of a Muslim business leader. *Business Ethics Quarterly*, 7(3), 47-54.
- [2] Al-Aidaros, A. H., & Mohd Shamsudin, F. (2013). Ethics and ethical theories from an Islamic perspective. *International Journal of Islamic Thought*, 4, 1-13.
- [3] Ali, A. J., & Al-Owaihian, A. (2008). Islamic work ethic: a critical review. *Cross cultural management: An international Journal*.
- [4] Amelia, A., Ronald, R., & Sucipto, H. (2022). Social Digital sociopreneurship: Enhancement of Kartini's (Housewife) Role Using the Concept of Acceptance of Technology Innovation in Indonesia. *Review Of Integrative Business and Economics Research*, 130-142.
- [5] Amrizah, K., & Rashidah, A. R. (2013). Intellectual capital profiles: Empirical evidence of Malaysian companies Kamaluddin & Rahman. *International Review of Business Research Papers*, 9(6), 83-101.
- [6] Beekun, R. I. (1997). *Islamic business ethics* (No. 2). International Institute of Islamic Thought (IIIT).
- [7] Bontis, N. (1998). Intellectual capital: an exploratory study that develops measures and models. *Management decision*, 36(2), 63-76.
- [8] Bontis, N. (2001). Assessing knowledge assets: a review of the models used to measure intellectual capital. *International journal of management reviews*, 3(1), 41-60.
- [9] Bontis, N., & Fitz-enz, J. (2002). Intellectual capital ROI: a causal map of human capital antecedents and consequents. *Journal of Intellectual capital*.
- [10] Bontis, N., Keow, W. C. C., & Richardson, S. (2000). Intellectual capital and business performance in Malaysian industries. *Journal of intellectual capital*.
- [11] Borda-Rodriguez, A., & Vicari, S. (2014). Rural co-operative resilience: the case of Malawi. *Journal of Co-operative Organization and Management*, 2(1), 43-52.
- [12] Campisi, D., & Costa, R. (2008). A DEA-based method to enhance intellectual capital management. *Knowledge and Process Management*, 15(3), 170-183.
- [13] Candland, C. (2001). Faith as social capital: Religion and community development in Southern Asia. In *Social Capital as a Policy Resource* (pp. 129-148). Springer, Boston, MA.
- [14] C.Lim, E. (2021). Strategic Human Resource Management and Financial Performance Of Plastic Manufacturing Companies in Caloocan and Valenzuela. *Review Of Integrative Business and Economics Research*, 82 – 94
- [15] Chen, C.-L. (2022). Influencing Factors of Information Technology Adoption in Taiwan's SMEs under the Trend of Digital Transformation . *Review of Integrative Business and Economics Research*, 115-128.
- [16] Crainer, S. (1998). *The Rupert Murdoch Way*. Oxford: Capstone.
- [17] Defourny, J., & Nyssens, M. (2014). The EMES approach of social enterprise in a comparative perspective. In *Social enterprise and the third sector* (pp. 58-81). Routledge.
- [18] Drucker, P. F. (1993). The rise of the knowledge society. *The Wilson Quarterly*, 17(2), 52-72.
- [19] Dumay, J., & Roslender, R. (2013). Utilising narrative to improve the relevance of intellectual capital. *Journal of Accounting & Organizational Change*.
- [20] Fikri, A., Sudarma, M., Sukoharsono, E. G., & Purnomosidhi, B. (2010). Studi fenomenologi akuntabilitas non governmental organization. *Jurnal Akuntansi Multiparadigma*, 1(3), 409-420.



- [21] Fukuyama, M. A., & Sevig, T. D. (1999). *Integrating spirituality into multicultural counseling* (Vol. 13). Sage Publications.
- [22] Hashi, A. A. (2011). Islamic ethics: An outline of its principles and scope. *Revelation and Science, 1*(03).
- [23] Islam, T., Ahmed, I., Usman, A., & Ali, M. (2021). Abusive supervision and knowledge hiding: the moderating roles of future orientation and Islamic work ethics. *Management Research Review*.
- [24] Ismanto, K. (2015). Pengelolaan Baitul Maal pada Baitul Maal Wa Tamwil (BMT) di Kota Pekalongan. *Jurnal Penelitian, 12*(1), 24-38.
- [25] Ittner, C. D., & Larcker, D. F. (1998). Innovations in performance measurement: Trends and research implications. *Journal of management accounting research, 10*, 205.
- [26] Kamukama, N., Ahiauzu, A., & Ntayi, J. M. (2010). Intellectual capital and performance: testing interaction effects. *Journal of intellectual capital*.
- [27] Kang, S. C., & Snell, S. A. (2009). Intellectual capital architectures and ambidextrous learning: a framework for human resource management. *Journal of management studies, 46*(1), 65-92.
- [28] Kaplan, R. S., & Norton, D. P. (2007). Balanced scorecard. In *Das summa summarum des management* (pp. 137-148). Gabler.
- [29] Khalique, M., Isa, A. H. B. M., & Nassir Shaari, J. A. (2011). Challenges for Pakistani SMEs in a knowledge-based economy. *Indus Journal of Management & Social Sciences, 5*(2).
- [30] Khalique, M., Isa, A. H. B. M., Nassir Shaari, J. A., & Ageel, A. (2011). Challenges faced by the small and medium enterprises (SMEs) in Malaysia: An intellectual capital perspective. *International Journal of current research, 3*(6), 398.
- [31] Kumar, N., & Rose, R. C. (2010). Examining the link between Islamic work ethic and innovation capability. *Journal of management development*.
- [32] Kuryanto, B., & Syafruddin, M. (2008). Pengaruh modal intelektual terhadap kinerja perusahaan.
- [33] Lyon, F., & Sepulveda, L. (2009). Mapping social enterprises: past approaches, challenges and future directions. *Social Enterprise Journal*.
- [34] MacCann, C., Roberts, R. D., Matthews, G., & Zeidner, M. (2004). Consensus scoring and empirical option weighting of performance-based emotional intelligence (EI) tests. *Personality and individual differences, 36*(3), 645-662.
- [35] Mohammad, J., Quoquab, F., Rahman, N. M. N. A., & Idris, F. (2015). Organisational citizenship behaviour in the Islamic financial sector: does Islamic work ethic make sense?. *International Journal of Business Governance and Ethics, 10*(1), 1-27.
- [36] Nonaka, I., & Takeuchi, H. (1995). The Knowledge Creating. *New York, 304*.
- [37] Outlook, S. E. (2014). Masyarakat Ekonomi Syariah. *Kuningan Jakarta Selatan*.
- [38] Prusak, L., & Cohen, D. (2001). How to invest in social capital. *Harvard business review, 79*(6), 86-97.
- [39] Putnam, R. D. (1996). The strange disappearance of civic America. *Policy: A Journal of Public Policy and Ideas, 12*(1), 3-15.
- [40] Putnam, R. D. (2000). *Bowling alone: The collapse and revival of American community*. Simon and schuster.
- [41] Quinn, J. B., Anderson, P., & Finkelstein, S. (1996). Leveraging intellect. *Academy of Management Perspectives, 10*(3), 7-27.
- [42] Reed, K. K. (2000). *The dynamics of intellectual capital*. University of Connecticut.
- [43] Reed, K. K., Lubatkin, M., & Srinivasan, N. (2006). Proposing and testing an intellectual capital-based view of the firm. *Journal of management studies, 43*(4), 867-893.

- [44] Seleim, A., Ashour, A., & Bontis, N. (2004). Intellectual capital in Egyptian software firms. *The Learning Organization*.
- [45] Sharabati, A. A. A., Jawad, S. N., & Bontis, N. (2010). Intellectual capital and business performance in the pharmaceutical sector of Jordan. *Management decision*, 48(1), 105-131.
- [46] Siswanti, I., Salim, U., Sukoharsono, E., & Aisjah, S. (2017). Sustainable business of Islamic bank through on the Islamic corporate Governance and Islamic financial performance. *Journal of Finance and Banking Review*, 2(2), 15-20.
- [47] Stovel, M., & Bontis, N. (2002). Voluntary turnover: knowledge management–friend or foe?. *Journal of intellectual Capital*.
- [48] Subramaniam, M., & Youndt, M. A. (2005). The influence of intellectual capital on the types of innovative capabilities. *Academy of Management journal*, 48(3), 450-463.
- [49] Sukoharsono, E. G. (2019). Sustaining a sustainability report by modifying triple bottom line to pentaple bottom line: an imaginary research dialogue. *The International Journal of Accounting and Business Society*, 27(1), 119-127.
- [50] Suryanarayana, A. (2022). Perceived HRM Practices and Organizational Commitment in Nepali Banking Sector: Mediating Role of Person-Organization Fit. *Review of Integrative Business and Economic Research*, 1-29.
- [51] Thompson, J., & Doherty, B. (2006). The diverse world of social enterprise: A collection of social enterprise stories. *International journal of social economics*, 33(5/6), 361-375.
- [52] Tovstiga, G., & Tulugurova, E. (2007). Intellectual capital practices and performance in Russian enterprises. *Journal of Intellectual Capital*.
- [53] Tufail, S., & Khan, J. (2013). Impact of working capital management on profitability of textile sector of Pakistan. *İşletme Araştırmaları Dergisi*, 5(2), 32-56.
- [54] Ulrich, D. (1998). Intellectual capital= competence x commitment. *MIT Sloan Management Review*, 39(2), 15.
- [55] Weber, M. (1905). *Religionssoziologie* (pp. 37-38). Berlin.
- [56] Wediawati, B., Effendi, N., Herwany, A., & Masyita, D. (2018). Sustainability of Islamic microfinance in Indonesia: A holistic approach. *Academy of Strategic Management Journal*, 17(3), 1-14.
- [57] Whiting, R. H., & Miller, J. C. (2008). Voluntary disclosure of intellectual capital in New Zealand annual reports and the “hidden value”. *Journal of Human Resource Costing & Accounting*.
- [58] Yang, H., Klerkx, L., & Leeuwis, C. (2014). Functions and limitations of farmer cooperatives as innovation intermediaries: Findings from China. *Agricultural Systems*, 127, 115-125.
- [59] Zakaria, S., Yusoff, W. F. W., & Madun, R. H. R. (2011). Entrepreneurship Education in Malaysia: Nurturing entrepreneurial interest amongst students. *Journal of Modern Accounting and Auditing*, 7(6), 615.