

ABSTRACT

Sharia banking has a great opportunity in Indonesia, considering the majority of the population is Muslims. The pandemic cannot be an impediment for banking companies to stop operating to keep the country's economy running. This can be done by boosting banking performance. BTN Syariah Bekasi is a sharia business unit of Bank Tabungan Negara located in Bekasi, West Java. To measure the performance, BTN Syariah Bekasi has a performance measurement system with calculating financial aspects. Such performance measurements are not enough to measure the overall performance of the company. So existing performance measurements do not in detail measure the achievements that have been done. Moreover, existing performance measurements do not address the aspects of sharia that become crucial as a sharia business unit of a bank. The purpose of the research was to design a performance measurement system at BTN Syariah Bekasi that is in accordance with the company's vision, mission, and strategy. Islamicity Indices is a method of measuring performance with sharia principles. This method can be used to measure the company's financial performance, but on the other hand pay attention to aspects of sharia compliance, corporate governance, and social & environment. These aspects become a discussion that needs to be expressed and achieved to measure the achievement of the company's vision, mission, and strategy without neglecting the financial aspects as a confirmation of the company's business orientation. By fulfilling these aspects, the company will be able to measure performance more comprehensively, especially in the achievements that it wants to achieve. And the fulfillment of these aspects will also meet the characteristics of sharia banks, namely focusing on business orientation, social, and da'wah. This method has two measurement indexes namely Islamicity Disclosure Index and Islamicity Performance Index. The two indices discuss performance measurements from different sides. Islamicity Disclosure Index aims to measure or uncover how well companies provide useful information to stakeholders. This includes the company's performance in complying with sharia regulations, conducting corporate governance, and how the

company responds to social & environmental activities. Islamicity Performance Index aims to measure or disclose the company's financial performance within islamic scope. This method is most appropriately used to complement existing performance measurements because it complements the lack of existing performance measurements and meets sharia values in Sharia banking. The design of performance measurement system is based on the strategic plan owned by BTN Syariah to determine measuring indicators. The results of the study were formed the design of a performance measurement system using islamicity indices method that has four indexes to measure the company's performance. Each index, critical success factor to key performance indicator has a weight determined by analytical hierarchy process (AHP). Shariah compliance index to measure sharia performance of banks with a weight of 37.92%, corporate governance index to measure the performance of companies in terms of governance with a weight of 10.93%, social & environment index to measure the performance of companies in terms of social & environment with a weight of 7.50%, and financial index to measure the financial performance of banks with a weight of 43.65%. The benefits obtained from this research can be a literature study for Sharia banking to evaluate existing performance measurements as well as design more comprehensive performance measurements. And this study can be used by researchers next as a reference problem and solution in similar cases.

Keywords— Sharia Performance Measurement, Islamicity Indices, Islamic Bank