Sharia Supervisory Board: A Review and Some Finding

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This study reviews research on the Sharia Supervisory Board (SSB) role in Scopus indexed journals. This analysis uses descriptive statistical analysis based on 116 selected papers related to the Sharia Supervisory Board role from national and international journals. All samples of published journals have been published from 2010 to 2021. The export data is then processed and analyzed using the VOSviewer application program to find out the bibliometric visualization map to develop Sharia Supervisory Board role research. The results of this bibliometric mapping research show a map of the development of research in the field of Sharia Supervisory Board role. The most popular keywords are Sharia Supervisory Board, Islamic Banking, Shariah Governance, and Islamic Financial Institution. The most popular author is Alam M.K. The most popular institution is the Faculty of Economics and Management Sciences International Islamic University Malaysia. The most popular country is Malaysia. In addition, this study also finds that the role of the Sharia Supervisory Board in an Islamic Financial Institution is very urgent in ensuring sharia compliance.

Keywords: Sharia Supervisory Board role; SDGs; Bibliometrics; VOSviewer
INTRODUCTION

Islamic banking is a banking system guided by Islamic principles or Islamic law in its operation. Companies that adhere to Sharia principles in carrying out their business activities have a significant potential to attract Muslim investors and other parties interested in investing and participating in the company's economic activities. The Sharia Supervisory Board (SSB) is a critical component of the Islamic financial institutions' hierarchy. In Islamic financial institutions, the SSB has the same authority and status as the board of commissioners. The existence of SSB is critical to the supervision process since it has the authority to advise management in Sharia financial institutions on Sharia compliance. The Accounting and Auditing Organization for Islamic Financial Organizations (AAOIFI) created Governance Standard No. 1 in the Governance Standards for Islamic Financial Institutions (GSIFI), which regulates the presence of SSB in Sharia financial institutions (Meutia et al., 2019; Saeed & Saeed, 2018).

In the form of the SSB, Islamic Governance is a critical internal Corporate Governance tool for ensuring Sharia compliance, as Sharia principles and rules are embedded in it. Theoretically, effective SSB can mitigate agency conflicts and information asymmetry between insiders (management) and shareholders by providing objective and independent oversight of Sharia-compliant products and operations (Baklouti, 2022; Elamer et al., 2021).

On the other hand, the most necessary disclosure in Islamic banks' annual reports is the Sharia Supervisory Board Report (SSBR). SSBR certifies that an Islamic bank's financial products are Sharia-compliant, as the primary basis for forming Islamic banks in compliance with Islamic law's precepts. According to the State Bank of some nations' requirements, all Islamic banks must include SSBR alongside other corporate disclosures to ensure Sharia compliance. SSBR enables management to leverage impression management to project a positive image of the Islamic bank's Sharia compliance (Rafay & Farid, 2018).

Islamic Financial Institutions (IFIs) must ensure that their products and daily operations adhere to Shari'ah regulations and principles to foster client loyalty and trust. The SSB's primary role is to rigorously monitor the Shari'ah principles' implementation throughout the operations of the IFI (Nomran et al., 2017). Thus, it is critical for SSB members to completely grasp and understand Shari'ah requirements surrounding product innovation and daily business operations in order to maintain Shari'ah compliance.

This study aims to analyze the SSB role and provide an overview of scientific literature published in various global journals indexed by Scopus. To achieve this goal, this research focuses on describing indicators relevant to understanding the production and impact of research, such as keywords, authors, institutions, and countries. Next, this study visualizes the co-authorship and co-occurrence network of keywords and analyzes research trends. This research trend can be a reference for experts and researchers to recommend new directions of future research and innovations in enacting policies.

This paper is structured as follows. The second part discusses, in general, the literature review. The third part describes the methodology. The fourth section presents and reports the results and analysis. The fifth part is the paper's closing, which summarizes the main discussions and recommendations.

LITERATURE REVIEW

The SSB of a financial institution shall direct, review, and supervise its operations to ensure compliance with Islamic sharia regulations and principles. In Fiqh Muamalat, the AAOIFI (Accounting and Auditing Organization of Islamic Financial Institutions) described SSB as an independent organization or special jurist. SSB members may, however, be non-fiqh experts with knowledge in Islamic financial institutions and fiqh muamalat. 15 SSB’s role is to research and provide innovative product recommendations for the banks and sharia financial institutions it oversees. Thus, SSB serves as the initial filter prior to a product's assessment and has a fatwa granted by the national sharia board (Al Mannai & Ahmed, 2019; El Hussein, 2018).

AAOIFI established a standard for the SSB, its composition, and associated elements like rules, reports, and so forth. According to these criteria, sharia financial institutions must be self-contained and comprised of ulama affiliated with science and Islamic law. Additionally, the SSB may comprise other professionals in the field of sharia financial institutions that have expertise in Islamic legal science related to business transactions. SSB is mandated to direct, monitor, and supervise the activities of sharia financial institutions in order to ensure compliance with sharia norms and principles (Fakhruddin et al., 2020).

To ensure that IFIs adhere to Shari'ah principles, their activities are supervised by SSB. The SSB status is embedded in every organizational structure of an IFI, which distinguishes it from a traditional financial institution. SSB is in charge of ensuring that all IFI products and activities adhere to sharia principles. The SSB is believed to ensure that IFI adheres to Islamic rules and principles (Meslier et al., 2020; Trihapsari & Harahap, 2019). The SSB comprises Sharia academics with knowledge in Islamic law and contemporary finance.
These Sharia experts enjoy a high reputation in the Muslim community, contributing to the IFI's reputation and trustworthiness among the wider public (Zahid & Khan, 2019).

The SSB is a critical component of the Islamic banking system's corporate governance structure. It is a self-governing body comprised of specialist jurists in Islamic commercial law and experts in Islamic finance. This board guarantees that the services and goods are given to customers and investors adhere to Islamic principles and regulations (Neifar et al., 2020). The high level of confidence from a stakeholder is expected to bolster the stability of Islamic banks, particularly those operating in line with sharia. Additionally, via collaboration with other universities, SSB will develop new innovative and halal items that may attract investment (Khomsatun et al., 2020).

METHODOLOGY

In the bibliometric literature, the most significant concern is building bibliometric maps. Bibliometric mapping is a research topic in the field of bibliometrics (Börner et al., 2003; Boyack et al., 2005a). Two distinct bibliometric aspects are the construction of the bibliometric map and the graphical representation of the map. Research related the effect of differences on similarity measures (Ahlgren et al., 2003), and they were tested with different mapping techniques (Boyack et al., 2005a, 2005b; Klavans & Boyack, 2006).

Most articles published in the bibliometric literature rely on simple graphical representations provided by computer programs. The graphical representation of bibliometrics has received less attention. Although there are some researchers who seriously study the problems related to graphical representation (Chen, 2003, 2006). This study uses published data in papers sourced from various scientific journals and other sources with the research theme Sharia Supervisory Board role. The search results obtained 116 articles published during the research period from 2006 to 2020.

RESULTS AND DISCUSSION

In this study, in addition to various types of documents, various published journal papers, both indexed and unlisted, are also registered as long as they have relevance to the theme of this research, namely the Sharia Supervisory Board role.

Co-Authorship Analysis

Bibliometrics is based on the calculation and statistical analysis of scientific output in articles, publications, citations, patents, and other more complex indicators. It is an essential tool in evaluating research, laboratory, scientist activities, scientific specialization, and country performance. After establishing the background for bibliometric development, the report presents the database from which the bibliometric was created and the leading indicators used.

This section will present a mapping of 116 journal publications with the theme Sharia Supervisory Board role. The results of the keyword mapping analysis become the basis for mapping together important or unique terms contained in specific articles. Mapping is a process that allows one to recognize elements of knowledge and their configuration, dynamics, interdependencies, and interactions.

Furthermore, the bibliometric results will be displayed based on the authors, organizations, and country sub-themes.

Co-authorship Authors

The VOSViewer software can find authors' bibliometric mappings on the theme of the Sharia Supervisory Board role related to Islamic economics and finance. The author, who has a more extensive form indicates that the author writes more journals on themes related to the Sharia Supervisory Board role. The author's bibliometric mapping can be seen in the image below.
Co-authorship analysis is based on the interrelationships between items determined by the number of documents co-authored by the authors. One type of co-authorship is the author's analysis unit. In this analysis, the software will process the entire literature to find a cluster description of the authors who have published their research on the theme of the Sharia Supervisory Board role.

The results of software processing will display the author's name in a yellow circle of light, also known as density visualization. The same cluster indicates related authors. The names that appear in each of these clusters indicate that they collaborated in their research. The size of the circle also indicates the number of papers written by the authors. The more glowing the yellow light circle shows, the more paper the author has written.

Based on the picture above, several authors collaborate in writing journals with the Sharia Supervisory Board role. The author generates many clusters in research themed Sharia Supervisory Board role. The names that appear are the authors collaborating in their research. Based on the results displayed, the author's name that emerged as the most famous writer was Alam M.K., followed by Hassan M.K. and Quttainah M.A., and so forth.

Sample paper written by Alam M.K. is entitled 'Shariah Governance Practices and Regulatory Problems of Islamic Insurance Companies in Bangladesh,' which discusses the Shariah Supervisory Board in Bangladesh. He discovered that the governance structure of Islamic insurance businesses in Bangladesh is essentially voluntary, with no formal Shariah governance framework in place. All Islamic insurance businesses in Bangladesh have their Shariah-compliant supervisory board that conducts Shariah audits and reviews. His report makes several recommendations for enhancing the Shariah governance framework for Islamic insurance. To strengthen Islamic insurance businesses' Shariah governance structure, the Bangladesh government should create legislation governing their activities and judgments. Additionally, the Insurance Development and Regulatory Authority of Bangladesh (IDRA) should strengthen its guidelines for Islamic insurance operations to ensure they adhere to Shariah principles and consider recognizing the Central Shariah Council for Islamic Insurance of Bangladesh (CSCIIB) to supervise and monitor the overall operations of Islamic insurance companies in Bangladesh (Alam et al., 2019).

**Co-authorship Organizations**

The VOSViewer software can find the bibliometric mapping of authors' organizations on the theme of the Sharia Supervisory Board role related to Islamic economics and finance. Organizations that are larger in size and lighter in color indicate that many authors come from these organizations and produce journals on themes related to the Sharia Supervisory Board role.
bibliometric mapping of the organization's origin can be seen in the image below.

Co-authorship organization is one of the units of analysis in the co-authorship analysis type, which is incidentally determined based on the number of documents co-written by the authors. This bibliometric result provides an overview of the most popular author-affiliated institutions in the literature on the Sharia Supervisory Board role theme paper; in other words, this image shows the most productive institutions in the publication of Sharia Supervisory Board role papers.

Processed software results can be shaped like bibliometrics in general, namely in colored circles with links between items if there is a connection or collaboration between the two items. In this picture of the co-authorship organization, the results used are generally in the form of density visualization. Each item of the institution's name is depicted in a yellow halo without showing the relationship between items. The bigger the glow, the higher the density and the greater the number of papers produced by authors affiliated with the institution.

Based on the analysis results using VOSviewer on journal publications with the theme of Sharia Supervisory Board role, there are many clusters if sorted by the author's home institution. The organization with the most authors in journals with the Sharia Supervisory Board role in the Faculty of Economics and Management Sciences International Islamic University Malaysia is indicated by the largest circle and the brightest color in the image above. This faculty is also known as The Kulliyyah of Economics and Management Sciences (KENMS).

Kulliyyah Ilmu Ekonomi and Management (KENMS) was one of the first two faculties established when the International Islamic University Malaysia started operating in 1983. Currently, there are four academic departments within the faculty, namely the Department of Economics, the Department of Business Administration, the Department of Accounting, and the Department of Finance.

The vision of this department is to become a leading faculty with international excellence in teaching, research, and consulting services integrating conventional economics, accounting, business, and finance, including the fields of Islamic banking and finance imbued with values and morality based on the sources of knowledge disclosed.

IIUM, which stands for International Islamic University Malaysia (IIUM), is one of the leading universities in Malaysia. The university was founded in 1983 by the Kingdom of Malaysia and was initially sponsored by eight state governments members of the Organization of the Islamic Conference.

Co-authorship Country
The VOSViewer software can also find the bibliometric mapping of countries in the Sharia Supervisory Board role theme related to Islamic economics and finance. The country's bibliometric mapping can be seen in the image below. At the same time, the thin lines in the picture indicate that the authors are interrelated. Countries that have a larger shape indicate that the country writes more journals on themes related to the Sharia Supervisory Board role.

In the type of co-authorship analysis, another unit of analysis that can be generated is co-authorship countries which show the names of the most popular countries in the publication of the Sharia Supervisory Board role theme paper. The most popular countries can be calculated either based on the number of authors from that country or the number of papers conducting studies in that country, meaning that it is calculated from the number of times the number of countries that are the object of study.

In this study, the countries listed and emerged from the processed software are based on the number of authors from that country. Based on the co-authorship country above, the results shown are network visualization in the form of a circle. Furthermore, if there is a collaboration between one country and another, each item will be related and colored based on its cluster division.

Based on the analysis results using VOSviewer on journal publications with the theme of Sharia Supervisory Board role, there are three color clusters if sorted by the countries that produced the journal. Based on the results of an analysis using VOSviewer on journal publications with the theme of Sharia Supervisory Board role, the country that produces the most journals on the theme of Sharia Supervisory Board role is Malaysia in the green circle, indicating that in the development of literature, its most significant role is by publishing papers in large quantities and collaborating with many countries.

Among the papers published by affiliated journals in Malaysia, case studies using Malaysia and authors from Malaysia, namely the paper entitled 'Bank Performance and Shari'ah Supervisory Board Attributes of Islamic Banks: Does Bank Size Matter?', this paper was written by Naji Mansour Nomrana, Razali Haronb, and Rusni Hassan and published by the Journal of Islamic Finance, IIUM Institute of Islamic Banking and Finance. The authors' objective is to present new empirical data on whether the size of the bank affects the influence of Shariah Supervisory Board (SSB) characteristics on Islamic Banks' (IBs') performance. Six SSB features were used as explanatory factors, including the following: (size, cross-membership, educational qualification, reputation, experience, and change in the composition).

They discovered that when the entire sample is analyzed, four SSB features (size, cross-membership, educational qualification, and composition change) had a substantial effect on the performance of IFI. However, the
authors note that the findings alter when the sample is broken into two subsamples, significant and small banks. Four SSB features (size, cross-membership, reputation, and experience) are critical in boosting the performance of large IBs. In contrast, only two (reputation and experience) are significant in enhancing the performance of small IBs. This demonstrates that the effect of SSB features on performance is more concentrated on large IBs than on small banks (Nomran et al., 2017).

**Co-occurrence Analysis**

Furthermore, the bibliometric results will be displayed based on the sub-theme, namely all keywords.

**Co-occurrence All Key Word**

VOSViewer can also find a bibliometric mapping of the most used keywords in the Sharia Supervisory Board role theme related to Islamic economics and finance. Keywords that have a larger form indicate that the word is used more in journals related to the Sharia Supervisory Board role. The bibliometric mapping of the keywords used can be seen in the image below.

In addition to co-authorship, VOSviewer software can display bibliometric results with co-occurrence analysis. This type of analysis is carried out based on item relatedness determined based on the number of documents that appear together. So that in the results of the co-occurrence image with the analysis unit of all keywords, all the words used in each paper will be analyzed by software to classify the level of occurrence then, the relationship between words to the division of word grouping clusters.

The purpose of network visualization is to provide an overview of the relationship between one keyword and another based on the level of occurrence. The figure is a form of network visualization that displays images in specific frames (either circles or rectangles) and is colored based on their clusters. It will appear which keywords are used the most and which exist but are not yet widespread.

The results in the co-occurrence of all keywords figures are the same as the previous figure.

Based on the analysis results using VOSviewer on keywords themed Sharia Supervisory Board role, many clusters are interrelated with other keywords. Keywords that have the same color indicate a very close relationship. The most widely used keywords in journals with the Sharia Supervisory Board role are the word itself (Sharia Supervisory Board) and Islamic Banking, which are pretty significant and related to other words. Other popular keywords are Shariah Governance and Islamic Financial Institution.

Among the research that directly mentions these four words is a paper entitled 'Corporate governance, SSB strength and the use of internal audit function by Islamic banks: Evidence from Sudan.' The authors' objective is to determine the effect of various corporate Governance (CG) methods and Sharia Supervisory Board (SSB)
strength on Islamic banks' voluntary usage of internal audit functions (IAF). They discovered that Islamic banks more typically employ IAF with a greater CG disclosure level (CGD) and a strong SSB. The findings then revealed that the audit committee and IAF are likely utilized interchangeably; additionally, they indicated a negative correlation between the level of Unrestricted Investment Account Holders' (UIAH) ownership and IAF utilization. However, the authors stated that this study's results revealed no effect of the strength of the board of directors on the usage of IAF.

**FINDING**

As the body responsible for supervising the implementation of fatwas and decisions made by the National Sharia Council, the SSB is an independent Sharia authority and economist charged with the responsibility of directing, monitoring, reviewing, and ensuring that Islamic financial institutions adhere to Sharia rules. The SSB, as an internal advisor to Islamic financial institutions, performs a holistic function of Sharia compliance related to economic and social performance. Additionally, SSB serves as an independent group of legal experts in fiqh al muamalat (Islamic business law) (Meutia et al., 2019). Establishing the SSB is critical for instilling public confidence in the integrity of IFI operations, as it serves as a mechanism to ensure that IFI management and operations adhere to Islamic principles when formulating policies and strategies (Aribi et al., 2019).

The SSB shall be capable and competent to supervise sharia-compliant financial institutions. SSB should be empowered to supervise the management, application, and execution of covenants in troubled situations so that SSB's sharia review is not limited to Islamic Banking products but may also include the operational and management of IFI in order to ensure sharia compliance. Because the primary characteristic of a sharia financial institution is the comprehensive and consistent application of sharia principles, strengthening the SSB's role is necessary to maintain sharia values (Trihapsari & Harahap, 2019). According to certain studies, increasing the size of the SSB improves the performance of IFI. They emphasized the critical role of small SSBs in enhancing IFI performance compared to large boards. They confirm that the SSB size of an IFI should be between three and six. More precisely, the optimal size of an SSB appears to be five (Nomran & Haron, 2020).

According to several studies, Islamic banks appear to be financially more robust and more stable in countries with a hybrid of sharia and civil law than in democratic ones. Sharia law may increase people's confidence and public trust, influencing the SSB's and stakeholders' decisions. Certain countries where Islamic banks operate have distinct political systems. A democratic country requires the SSB to ensure adherence to sharia. In terms of the legal sharia law system, conformity with sharia can be protected at the very least by a system of sanctions against a country. Thus, when a country adopts a legal sharia law system, the SSB's role can be enhanced, strengthening the influence of Islamic banks' soundness (Khomsatun et al., 2020; Mukhibad, 2019).

Islamic banks need SSB members to provide opinions on Sharia concerns, rules, and decisions about modern banking, practices, and the delivery of fatwas on contemporary issues requested by the management. Additionally, they can design Sharia governance (SG) rules and guidelines and execute them, authorize and develop new products, observe and monitor banking functions, detect and address problems, and assure Sharia principles and compliance. Members of the SSB perform roles and functions that include monitoring and reviewing overall banking activities and functions; reviewing products, services, and contracts; developing Sharia-compliant guidelines; ensuring Sharia principles and compliance; providing opinions on existing Sharia-compliant practices; and finally, delivering Sharia resolutions on the overall functions (Alam et al., 2021).

The SSB plays a critical role in implementing Islamic Governance, specifically as a third party that oversees and verifies that an Islamic bank operates in compliance with sharia principles. Its members are Islamic law experts with a working knowledge of banking and other talents necessary to their everyday activities (Salman & Kurniasari, 2020). SSB independence is critical to the success of Sharia supervision, and failure to preserve independence may demonstrate to clients that IFI is Sharia non-compliant, resulting in increased deposit withdrawals and investment cancellations and a negative impact on performance (Alsartawi, 2019). Additionally, as part of their responsibility to ensure Sharia compliance, SSB members may promote the use of effective Governance (Sulub et al., 2020).

**CONCLUSION**

This research aims to find out the extent of the development of the Sharia Supervisory Board role theme in the scientific literature. The results show that there have been several publications of this theme paper in the last few years, from 2006 to 2020. There have been 116 studies equipped with Scopus indexed Digital-Object-Identifiers that have been published.

Visualization of bibliometric mapping shows that the development map of the Sharia Supervisory Board role is divided into co-authorship and co-occurrence types, with the most popular author in the results of this bibliometric research being Alam M.K., followed by...
Hassan M.K. and Quttainah M.A. Then the most popular institution is the Faculty of Economics and Management Sciences International Islamic University Malaysia or also known as The Kulliyyah of Economics and Management Sciences (KENMS). Meanwhile, in co-occurrence, the most popular keywords are four keywords, namely Sharia Supervisory Board, Islamic Banking, Shariah Governance, and Islamic Financial Institution.

The findings of this study highlight the significance of the role of the Shariah Compliance Board for Islamic Financial Institutions in ensuring the institution's sharia compliance from a variety of perspectives, with the potential to have long-term implications for increasing public trust and interest in using IFI products and services in the future.

REFERENCES


