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## THE EFFECT OF RELIGIOSITY ON THE PERFORMANCE OF ISLAMIC BANKING: A SYSTEMATIC LITERATURE REVIEW

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### Abstract

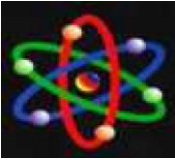
This article aims to identify and analyze some of the main references regarding the relationship between religiosity and Islamic banking performance. The research method used is a systematic literature review using the Science Direct database from Elsevier. From several stages of systematic literature review, found 127 main references from journals ranked Q1 and Q2 from Scopus. This study finds that the journal that has the most influence on research on religiosity and Islamic banking performance is the International Journal of Information Management. In addition, this study also found that only one article actually analyzed the impact of religion (religiosity) on the performance of Islamic banks, so there is an opportunity to conduct research on the topic of religiosity and Islamic banking performance in the future with different regional contexts and variable relationships.

**Keywords:** Religiosity, Islamic Bank Performance, Systematic Literature Review

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## INTRODUCTION

Religiosity is defined as the extent to which an individual is committed to the teachings of the religion he adheres to such as individual attitudes and behaviors that reflect commitment to the teachings of that religion [1]. In other words, religiosity is a commitment to follow the principles and beliefs set by God [2]. Religiosity has a personal dimension that represents the real relationship between the individual and the sacred [3]. Religiosity shows an individual's respect for the religion they profess. Religiosity affects the company's performance. The impact of religiosity on company performance is strengthened by the mediation of corporate social responsibility (CSR) [4]. From an internal perspective, companies managed by religious entrepreneurs have higher accounting performance, which is driven by access to better credit, more trust in others resulting in shareholding reform and the use of external CEOs [5]. The effect of religiosity on the performance of Islamic banks is still being debated. According to Trinugroho [6], for Islamic banking companies, religiosity is very important, it is evident that Islamic banks located in areas that have a higher level of religiosity have higher profitability and stability. Likewise, Nugroho [7], also states that religiosity greatly increases the use of Islamic banks. But Haddad [8], found that religion negatively affects the financial performance of conventional and Islamic banks. Furthermore, Demirgüç Kunt et.al. [9], found that Muslims are significantly less willing to have an account at a formal financial institution, which in turn has a negative effect on the performance of Islamic banks. Therefore, further research

is needed on how religiosity influences the performance of Islamic banking. Including research on variables that mediate and moderate the influence of religiosity on Islamic banking performance, such as culture, attitudes, self-efficacy, CSR and others.

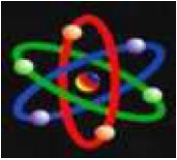
## METHOD

To carry out a systematic literature review, four steps must be used [10]. The first step is to identify the relevant study process, using the keywords religiosity and Islamic bank performance. Then perform a search process using the web knowledge-ScienceDirect citation index between 2008-2022 in the second step. Furthermore, in the third step, inclusion and exclusion criteria were carried out such as category of knowledge, type of document, research area, and title of source. The next step is to conduct a quality analysis of the primary study using citation analysis to evaluate the performance of the primary study as one of the bibliometric approaches. According to Coombes and Nicholson [11], citation analysis is very helpful for empirical investigations in various research areas which will focus on; 1) main reference characteristics, 2) citing behavior analysis, and 3) citation impact and productivity of top-cited journals. The ulema ranking is based on the number of articles published in the top journals, so it is categorized as the main rank [12].

## RESULT AND DISCUSSION

Based on methodological steps in identifying relevant study steps, this study has found 153 research articles using the keywords religiosity and/or Islamic banking performance. In this study,





Islamic banking has the same intent as Islamic banking. Using ScienceDirect.com in applying inclusion and exclusion criteria, this study uses three categories from ScienDirect.com, namely 1) Economics, Econometrics and Finance, 2) Business, Management and accounting, and 3) Social sciences. The results of these inclusion and exclusion criteria reduced the articles found from 153 to 139. Furthermore, based on the type of article documents, the relevant journal articles found were reduced from 139 to 127 articles. The findings of the systematic literature review steps are presented in Figure 1 below.

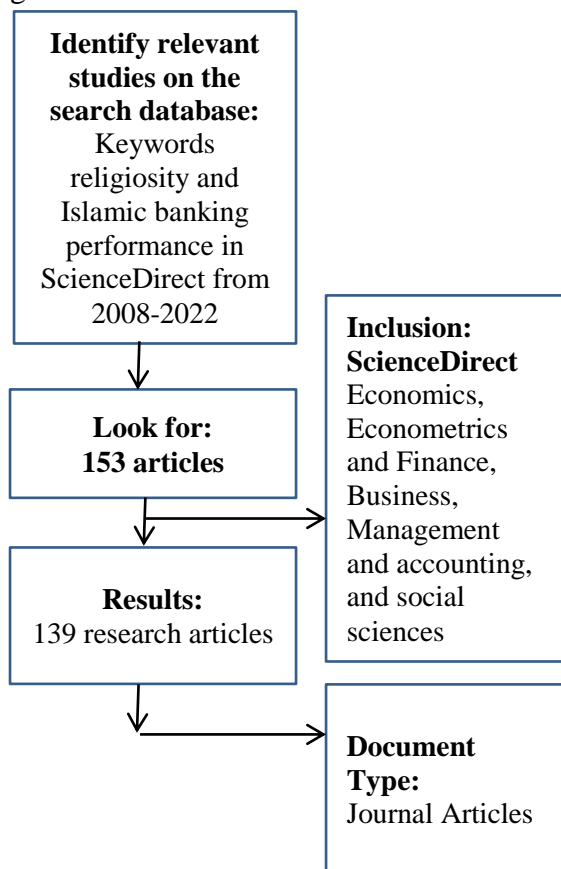
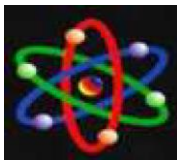


Figure 1. Steps for a Systematic Literature Review

The study also found that these 127 articles were published in 25 academic journals, as presented in table 1. During 2008 to 2022, the journal that published the most articles on religiosity and Islamic bank performance was Pacific-Basin Finance Journal, which was indexed Q1 with 9 publishing. While the journals that publish at least for the same subject and period are the Journal of Accounting and Public Policy and the International Journal of Information Management, each of which publishes 1 article. Both journals are indexed Q1.

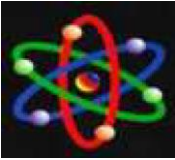
No.	Journal	Scopus Index	Number of Articles	Weight (%)	Total citation	Self citation	H index	Impact Factor 2021
1.	Pacific Basin Finance Journal	Q1	9	7,09	1.516	162	62	2,514
2.	Global Finance Journal	Q2	8	6,30	406	42	37	2,791
3.	Journal of Economic Behavior & Organization	Q1	7	5,51	1.991	190	122	1,635
4.	Journal of International Financial Markets, Institutions and Money	Q1	7	5,51	1.369	177	66	4,211
5.	Journal of Banking &	Q1	6	4,72	2.684	79	172	2,269





6.	Financ e Econo mic Modell ing	Q1	6	4,7 2	3,4 10	354	87	3,1 27											
7.	Resear ch in Interna tional Busine ss and Financ e	Q1	6	4,7 2	2,6 52	221	51	6,1 43											
8.	Journal of Busine ss Resear ch	Q1	5	3,9 4	19, 456	182 0	21 7	7,5 5											
9.	Interna tional Revie w of Econo mics & Financ e	Q2	5	3,9 4	1,6 42	99	59	2,5 22											
10.	Emergi ng Market s Revie w	Q1	5	3,9 4	879	57	57	4,0 73											
11.	Proced ia - Social and Behavi oral Scienc es (discon tinued 2016)	0	5	3,9 4	195 (20 15)	0	60	-											
12.	Journal of Behavi oral and Experim ental Financ e	Q1	5	3,9 4	143 0	69	24	3,0 53											
13.	The Quarte rly Revie w of Econo mics and Financ e	Q2	4	3,1 5			55	261 9											
14.	Journal of Financi al Stabilit y	Q1	4	3,1 5	788	92	56	3,7 27											
15.	The British Accou nting Revie w	Q1	3	2,3 6	3,0 94			72 61											
16.	Touris m Manag ement	Q1	2	1,5 7	8,7 26	333	21 6	12, 879											
17.	Europe an Manag ement Journal	Q1	2	1,5 7	1,5 46	130	10 9	6,1 10											
18.	Econo mic System s	Q2	2	1,5 7	425	4	43	2,3 10											
19.	Financ e Resear ch Letters	Q1	2	1,5 7	6,5 06	826	62	5,5 96											
20.	China Journal of Accou nting Resear ch	Q2	2	1,5 7	177	3	18	3,1 6											
21.	Proced ia Econo mics and Financ e (discon tinued 2017)		2	1,5 7															
22.	Econo mic Analys is and Policy	Q1	2	1,5 7	1,0 68	83	34	4,4 44											
23.	Borsa Istanbu l Revie w	Q2	2	1,5 7	542	21	27	4,2 88											
24.	Journal of Accou nting and Public Policy	Q1	1	0,7 9	420	21	82	2,8 15											





2	International Journal of Information Management	Q1	1	0,7	10,9	880	13	18,958
Total			127	100%				

**Table 1. Identified Publications on Religiosity and Performance of Islamic Banks between 2008 and 2022**

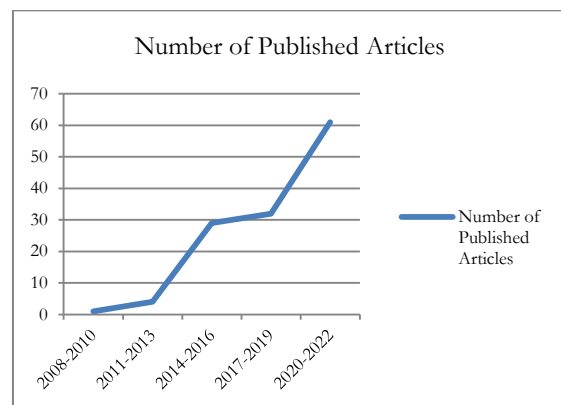
From the analyzed time period, it can be identified the number of articles published over 5 three-year periods, namely 2008-2010, 2011-2013, 2014-2016, 2017-2019, 2020-2022, as stated in table 2. Most of the articles on religiosity and The published performance of Islamic banking is in the last three-year period, with the number of publications of 61 articles. Of all the articles that have been published, only 1 article analyzes the impact of religion (religiosity) on the performance of Islamic banks, which was conducted by Ali and Azmi [13]. Then there is 1 article that analyzes the relationship between religion (religiosity) and the performance of Islamic non-banking companies [5][4].

Then other studies do not link religiosity directly with the performance of Islamic banks. For example, Abdelsalam et.al. [14] discusses the impact of religiosity on the securitization of bank assets. Abdelsalam et.al. [15] examines the impact of religiosity on the quality of banking sector earnings. Likewise, Azmat [16] examines the decline in stock prices due to the challenge of religious legitimacy from the structure of Islamic bonds. Furthermore,

Johana and Putit [17], examined the influence of Knowledge and Religiosity on Sharia Credit Card Compliance. Furthermore, the impact of religiosity on the behavior of savers in Islamic banks and conventional banks was carried out by Aysan, et.al. [18]. Likewise, there is research on the relationship between religiosity and the cost of debt [19], analysis of religion and ratio: towards a measure of liquidity of Islamic companies [20] and actors determining customer preferences: the case of deposit products in Islamic banking [21].

Period	Number of Published Articles
2008-2010	1
2011-2013	4
2014-2016	29
2017-2019	32
2020-2022	61
Total	127

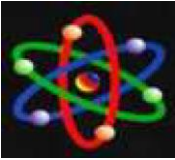
**Table 2 Publications Identified Over the Last Five Three-Year Periods in ScienceDirect**



**Figure 2 Number of Published Articles**

The published articles come from 3 subject areas, namely 1) economics, econometrics and finance, 2) business management and accounting, and 3) social sciences. Of the





three fields, most of the articles published by journals of economics, econometrics and finance are 95 articles. While the journals that publish the fewest articles are social science journals, which are 15 articles.

### Citation Analysis (Ca)

According to Coombes and Nicholson [11], a common and widely used method in bibliometrics is citation analysis. The basic assumption of this analysis is that the cited paper has an impact on the citing paper so that it can be a representative substitute for the citing paper [22]. Coombes and Nicholson [11] and Abror and Patrisia [10] stated that citation analysis will focus on 1) the main reference characteristics, which are related to the publication period and ranking of journals such as Q1, Q2, Q3 and Q4. 2) citation behavior analysis in the form of analysis of articles being quoted by other authors, and 3) article impact analysis using the 2021 journal impact factor.

Period	Number of Citations	Average Citation
2008-2010	11	3,67
2011-2013	251	83,67
2014-2016	1291	430,33
2017-2019	731	243,67
2020-2022	563	187,67
Total	2847	

Table 3 Citation Index

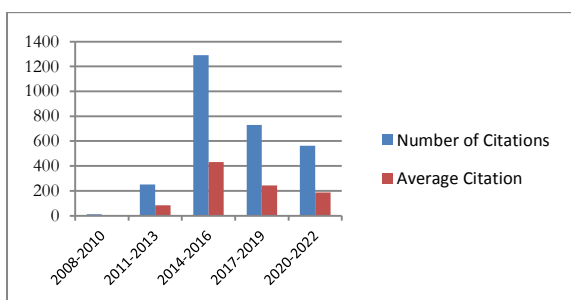


Figure 3 Citation Index

Using five three-year periods, it is known that the highest total citations occurred in the 2014-2016 period with 1291 citations (see Figure 3). In this study, it was found that 25 journals with the highest impact factor were the International Journal of Information Management with an impact factor of 18,958 and an h index of 132 (see table 1).

Unfortunately, this journal only has one article relevant to Islamic banking religiosity and performance, far fewer than the Pacific Basin Finance Journal and Global Finance Journal, which have 9 and 8 articles relevant to religiosity and Islamic banking performance, respectively.

Then based on the country of publication, most of the articles were published in the Netherlands, covering 54.33% of the total articles, followed by the United States 11.81% and the United Kingdom 10.24%. The rest are published in other countries (see table 4 and figure 4).

Country	Number of Published Articles	Percentage of Published Articles
Netherlands	69	54,33
United States	15	11,81
United Kingdom	13	10,24
China	2	1,57
Turkey	2	1,57
Other	26	20,47

Table 4 Countries Where Articles Are Published



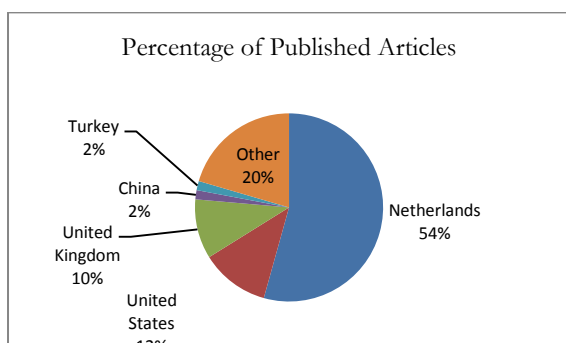
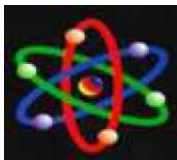


Figure 4 Countries Where Articles Are Published

Furthermore, the findings of this article also reveal the top 11 researchers who have published articles on religiosity and Islamic banking performance. The researcher who publishes the most articles on religiosity and Islamic banking performance is M. Kabir Hasan with 7 articles. However, the researcher who has Total Link Strength is Marwa Elnahass with Total Link Strength is 5. Most of these researchers are from Europe, namely 4 people from England, 2 people from France and 1 person from Australia. The rest came from Asia and America, including Indonesia (see table 5).

Rank	Author	Current Affiliation	Number of Article	Total Link Strength
1	Hassan, M. Kabir	Department of Economics and Finance, University of New Orleans, New Orleans, LA 70148, United States	7	3
2	Azmat, Saad	Lahore University of Management Sciences	6	4
3	Elnahass, Marwa	Newcastle Business School	5	5
4	Abdelsalam, Omneya	Durham University Business School	4	3
5	Tarazi,	the University	4	2

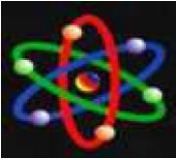
6	Amine of Limoges (France)	Deakin University	3	4
7	Azad, A.S.M. Soheli	Universitas Sebelas Maret	3	2
8	Risfandy, Tastaftyan	Newcastle Business School, Northumbria University	3	2
9	Salama, Aly	Nottingham University Business School	3	3
10	Bitar, Mohammad	Rennes School of Business, Department of Finance and Accounting, France	3	0
11	Alexakis, Christos	Abu Dhabi University	3	0

Table 5 Top Researchers on Research of Religiosity and Islamic Banking Performance between the Years 2008-2022.

## CONCLUSION

This study has identified 127 journal articles on religiosity and Islamic banking performance which have been classified into three classes, and four rankings from Scopus journal rankings. The majority of all the articles that have been identified are indexed Q1 and only a few are indexed Q2. This systematic literature review method is very helpful in obtaining higher quality results and using scientific methods in literature review [10], so that reliable, efficient and comprehensive literature coverage on religiosity and Islamic banking performance can be achieved in this study. Compared to traditional literature reviews, the use of SLR is more objective because it uses a reliable and replicable literature review method [10], so of course this study is more objective as well.





This study has identified several articles that examine the relationship between religiosity and Islamic banking performance, but only one article analyzes the impact of religion (religiosity) on Islamic bank performance [13]. In general, researchers write articles that do not directly link religiosity with Islamic banking performance, for example Abdelsalam et.al. [14], Abdelsalam et.al. [15], Azmat [16], Johana and Putit [17], and Aysan, et.al. [18]. Thus, research on the relationship between religiosity and Islamic banking performance is still limited, so there are opportunities to conduct research on this topic in the future. Based on the impact factor, this study found that the most influential journal in publishing research on religiosity and Islamic banking performance is the International Journal of Information Management. This study has several limitations, such as the description of the data during the short data collection period, so that it only covers the data collection period. In addition, the research focused on Scopus journal ranking articles from the ScienceDirect database only. Therefore, it is recommended for future research to also use other databases such as Web of Science, Ebsco, Proquest and Google Scholar.

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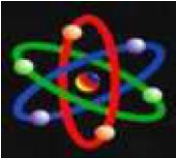
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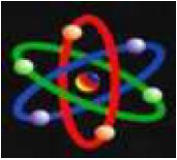






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