

Effect of Intellectual Capital on Performance with Islamic Work Ethics as a Moderating Factor

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Abstract—This study aims to find out for 1) How the Effect of Intellectual Capital on Financial Performance. 2) How Intellectual Capital that implements Islamic work ethics can improve performance. This research method uses descriptive verification method. Data collection techniques used are financial documentation and questionnaires relating to Islamic Work ethics that are applied, so that research uses two quantitative and qualitative approaches. This research was conducted at Islamic Banking with observations for 3 years 2016-2018. In fulfilling the requirements of multiple regression, classical assumptions testing consisting of Normality, Herokedasticity, and t test with a significance level of 0.05 was performed. Data Processing uses IBM SPSS version 24. The results showed that Intellectual Capital had no effect on financial performance, and Islamic work ethics were related. It had not been able to strengthen the effect of intellectual capital on financial performance.

Keywords: *intellectual capital, performance and islamic work ethics*

I. INTRODUCTION

Bank according to Kasmir is a business entity that collects funds from the public in the form of deposits and channel them back to the community in the form of credit and or other forms in order to improve the lives of many people [1]. Regarding efficiency in Islamic banks, special handling of intellectual capital is needed. Regarding Human Capital, Sri Mulyani as the Minister of Finance explained that the Quality of Indonesian Human Capital must be where the HCI (*Human Capital Index*) is ranked 87 out of 157 countries with a value of 0.53. HCI will have an impact on the productivity of Human Resources experiencing problems [2]. Also added by Jusuf Wibisana explained a survey conducted by *Pricewaterhouse Coopers* (PwC) had found that as many as 82 banks operating in Indonesia both local and foreign turned out to admit they still lacked qualified human resources (HR), PwC Indonesia partner Jusuf Wibisana said, the three obstacles were regulation, competition, and human resources (HR) [3]. In line with research conducted by the *United Nations Development Program* (UNDP) that *human development index* Indonesia's is ranked 108 out of 152 countries in the world in terms of the quality of human resources.

Quality resources must have spiritual capital Islamic banks as sharia-based institutions should properly apply Islamic

values in each of their activities involving services to customers and in the work environment for employees. When Islamic work is translated by the spirit, strength, influence and knowledge generated from religion, in this case Islamic Work Ethics can strengthen the relationship of Intellectual Capital to Financial Performance [4]. Islamic Work Ethics can create productivity and performance in Islamic Banks. Research that discusses the Effects of Intellectual Capital on Financial Performance has been widely carried out. However, in this paper, we try to add Islamic Work Ethics variables which are expected to strengthen the influence of Intellectual Capital on Performance. Based on the description in the background of the research, the following problems can be formulated:

- Does Intellectual Capital Affect Performance
- How Islamic Work Ethics can moderate the Effects of Intellectual Capital on Performance

II. LITERATURE

A. *Intellectual Capital*

Intellectual Capital, is very important for sustainability and is considered the most important resource for the organization can be competitive According to intellectual capital theory, it consists of three sub-domains: human capital (HC), organizational (or structural) capital (OC), and relational capital (or customer). Intellectual capital is a resource and determinant for a company's ability to compete, economic success, and creator of corporate value [5], Chatzkel et.al., defines *intellectual capital* as the knowledge that can be transformed into value and profit. The value is attached to the ideas of employees, added value to the process and added value inherent to consumers/users [6].

B. *Islamic Work Ethics*

Sakinah Mat Zin, explains that Intellectual Capital can develop and can be rejuvenated due to the implementation of Islamic work ethics [4] Chanzanagh and Akbarnejad explained there are seven dimensions of Islamic work ethics [7] namely:

1) *Work intention*: is the intention of doing a job. Praiseworthy work in economic activities is part of good deeds, which have a major position in Islamic economics

carried out with the intention to get closer and increase faith in God. So that the above purpose of economic activity in Islam is to achieve the pleasure of Allah.

2) *Trusteeship*: Trust (Amanah) is a suggestion for Muslims to have large social capital in socio-economic relations. It is important to mention that Islam encourages Muslims to trust not only in economic activities but also in all aspects of life.

3) *Work type*: Observations of the increasing number of Muslims in the Arabian peninsula made the region one of the centers of business at that time and economic activities undertaken were trade, and in Islam, trade (business) was the most blessing activity. The many types of work require Muslims to choose according to their capacity and not to conflict with Islamic law.

4) *Work for Islamic Ummah*: Observations of the increasing adherence of Islam to the Arabian peninsula made the region one of the centers of business at that time and the economic activity undertaken was trade, and in Islam, trade (business) was the most enduring activity. The many types of work require Muslims to choose according to their capacity and not to conflict with Islamic law.

5) *Justice and fairness*: Truth and justice in Islamic economics provide prosperity for all people. Islam strictly forbids the collection of wealth through bad or unlawful roads. Justice applied will make the relationship between Muslims stronger and eliminate distance or social class differences.

6) *Cooperation and collaboration*: In Islam, people are encouraged to help each other and cooperate, especially in economic activities and this is recognized as one of the characteristics of pious people. Mutual help and cooperation in work will help improve teamwork and can support increased productivity in the company.

7) *Work as the only source of ownership*: Work is the only way in the wealth distribution system in Islam, and every Muslim will get wealth from the results of his work. Based on Islamic teachings, every Muslim must work to earn a living and people who live like parasites for others are strongly discouraged.

The work ethic of Islam is translated by the spirit, strength, influence, and knowledge generated from religion. Islamic Work Ethics So that this creates productivity to create performance in Banking.

C. Performance

Company performance is the state of the company during a certain period of time, which is a result or achievement that is influenced by the company's operational activities in utilizing the resources owned. *Return On Equity* according to Kasmir is a ratio to measure net income after tax with own capital [1].

III. METHOD

Independent variable measurement is intellectual capital using *Value Added Intellectual Coefficient (VAIC™)*. The

following is an explanation of each component in the calculation of the VAIC™ method:

$$VAIC^{TM} = VACA + VAHU + STVA$$

TABLE I. TABLE OF OPERATIONALIZATION OF VARIABLE

Variables	Sub Variables	Indicator	Scale
Intellectual Capital	Human Capital Structure Capital Structure Relational	VAHU VACA STVA	Ratio
Financial Performance	Return on Equity	Net Profit after Tax Equity Shares	Ratio
Islamic ethics	Work Work Intention Trust Work Type Work for the Islamic ummah Justice and fairness Cooperation and Collaboration Work as the only source of Ownership		Ordinal

A. Population and Research Sample

According to Sugiyono defines population as follows: "Population is the area generalization consisting of: objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions" [6]. By using purposive sampling method, the research sample data is obtained as follows:

TABLE II. LIST OF RESEARCH SAMPLES

No	Bank Name
1	Bank Muamalat Indonesia
2	BRI Syariah Syariah
3	Bank Bank BNI
4	Syariah Mandiri Syariah Mandiri
5	Bank Bank Panin Syariah
6	Bank Mega Syariah
7	BCA Syariah Syariah

B. Data Analysis Techniques

The analysis techniques used in this research is to use Moderated Regression Analysis (MRA), to test three variables, namely the independent variable intellectual capital (HCE, SCE, CEE), the dependent variable is financial performance and the moderating variable is Islamic Work Ethics. Thus, the simple regression equation in this study is as follows:

$$Y = \alpha + \beta 1X + \beta 2X * Z1 + \epsilon$$

Keterangan :

Y = Kinerja Perusahaan

α = Konstanta

β 1-β 2 = Koefisien regresi variabel independen

X = Intellectual capital

Z = Etika Kerja Islam

ε = error

C. Hypothesis Testing Design

1) *Simultaneous test (F test)*: F test is a test of the regression coefficients simultaneously.. According Sugiyono (2014: 257) is formulated as follows:

$$F = \frac{R^2 / K}{(1 - R^2) / (n - k - 1)}$$

Description:

- R^2 = coefficient of determination
- k = Number of independent variables
- n = Number of data members or cases

2) *Partial test (T-test) T*: Test (t-test) tests the partial regression coefficient, this test is carried out to determine the significance of the partial role between the independent variables on the dependent variable by assuming that the other independent variables are considered constant. According to Sugiyono, using the formula [6]:

$$t = \frac{r \sqrt{n - 2}}{\sqrt{1 - r^2}}$$

Information:

- t = Distribution t
- r = Partial correlation coefficient

r^2 = coefficient of determination

n = number of data

3) *The coefficient of determination (R2)*: The coefficient of determination is testing to see how much closeness influence variable independent to a variable.

$$Kd = r^2 \times 100\%$$

Description:

- Kd = coefficient of determination
- r^2 = correlation coefficient squared

IV. RESULTS AND DISCUSSION

A. Research Results

1) *Descriptive statistics intellectual capital*: Value Added is strongly influenced by the efficiency of Human capital (HCE) and Capital Structure (SCE). Another relationship from Value Added is Capital Employee (CEE). CEE is an indicator of Value Added created by a unit of physical and financial assets. In full, the link between Value Added and Human Capital (HCE), Capital Structure (SCE) and Capital Employee (CEE) is presented below.

TABLE III. INTELLECTUAL CAPITAL HUMAN CAPITAL (HCE)

Efficiency Intellectual Capital Human Capital (HCE)			
	2016	2017	2018
Mean	Rp0.05147725378-	Rp0,18798662	Rp4,35351241
Std. Deviation	Rp1,00431360323	Rp1,01833882	1,56441934E + 00
Minimum	-Rp0,96218117468	-Rp1,09842180	-1,4002834041
Maximum	Rp1,78236984784	Rp1,98568090	3,5337509058
N	21	21	21

The next relationship is VA and HCE showing the Intellectual Capital efficiency of human capital to create value-

added commercial banks, the highest efficiency value obtained in 2018.

TABLE IV. EFFICIENCY INTELLECTUAL CAPITAL CAPITAL STRUCTURE (SCE)

Efficiency Intellectual Capital Structure Capital (SCE)			
	2016	2017	2018
Mean	-Rp4.792.504.320.458	-Rp4.607.882.447.426	Rp3.473.839.352.763
Std. Deviation	1,54027696E + 12	1,9844240537E + 12	1,2019307666E + 12
Minimum	-Rp4,027,214,000,000	-4,825,770,000,000	-761,511,000,000,000
Maximum	Rp1,161,955,988,258	1,576,362,000,000	3,041,996,000. 000,000
N	21	21	21

The next relationship is SCE, which shows the contribution of the Intellectual Capital Structure to Value added.

TABLE V. EMPLOYEE CAPITAL INTELLECTUAL CAPITAL EFFICIENCY (CEE)

Employee Capital Intellectual Capital Efficiency (CEE)			
	2016	2017	2018
Mean	-Rp2.1582730	Rp0.012083	Rp2.3620373
Std.Deviation	Rp0.4414687	Rp0.172562	Rp0.7466197
Minimum	-Rp1.2963740	-Rp0.282003	-Rp0.2984434
Maximum	Rp0.3940443	Rp0.413525	Rp2.5115160
N	21	21	21

Ulum, assumes that if one unit of CE produces a greater return than other companies, it means the company is better at

utilizing CE [8]. Thus, better use of CE is part of Intellectual Capital.

TABLE VI. INTELLECTUAL CAPITAL

	Efficiency Capital VAIC		
	2016	2017	2018
<i>Mean</i>	-Rp23	-9,933156	Rp7,46156
<i>Std. Deviation</i>	Rp0,5419367	6,489645	Rp3,09969
<i>Minimum</i>	-Rp1,2963740	-13,793461	-Rp4,09047
<i>Maximum</i>	Rp0,3940443	6,489645	Rp6,76228
<i>N</i>	21	21	21

2) Descriptive statistics of company performance

TABLE VII. COMPANY PERFORMANCE

	Return on Equity		
	2016	2017	2018
<i>Mean</i>	0.026	0.029	0.018
<i>Std. Deviation</i>	0.003	0.005	0.003
<i>Minimum</i>	0,000	0,000	0,008
<i>Maximum</i>	0,010	0,015	0,000
<i>N</i>	21	21	21

3) *Descriptive statistics of islamic work ethics:* Based on the table below it can be said that the responses of respondents to research on Islamic work ethics in Islamic Commercial Bank employees are categorized very well, with a results score of 686. The responses of research respondents to each dimension are as follows:

TABLE VIII. RESULTS RESPONDENTS' ANSWERS

No.	Sub Variable	Number of Items	Score
1	Work intention	3	115
2	Trusteeship	3	116
3	Work Type	2	76
4	Work for Islamic Ummah	2	79
5	Justice and Fairness	2	75
6	Cooperation and Collaboration	3	111
7	Work as the only source of ownership	3	114
<i>Total</i>			686
<i>Criteria</i>			Very Good

a) *Work intention:* On the dimensions of **Work Intention** or intention in doing a job in this study can be categorized very well, in the sense of Sharia Commercial Banks in the City of Bandung has done this dimension very well, in accordance with data processing that has been done obtained by researchers the score Spada dimensions work intention by 91.27%.

- In the first statement, the employees believed working was a virtue. In accordance with QS At Taubah (9): 105 which means: "And Say: Workye, then Allah and His Messenger and the believers will see your work, and you will be returned to (Allah) Who Knows the unseen [9] and the real, then He tells you what you have done. " Employees believe that good working intentions are a virtue, even God has commanded them to do work.
- In this second statement, the results are the best compared to the other two statements. In implementing

this dimension of work intention, the statement that working with honesty and sincerity will bring people to goodness as a reference to the Prophet's hadith "From Abdullah bin Masud, the Messenger of Allah said," actually being honest leads to goodness and goodness leads to heaven. " Bukhari). With the right intention, not doing a bad thing will bring a person to heaven, which is because he has done work with good intentions.

- In Surah Al Maidah (5): 8 Allah commands humans to do the truth, "O people those who believe should you be the ones who always uphold (the truth) because of Allah, be a fair witness. " [8]. Based on the Al-Quran reference, that the employees of the Sharia Commercial Bank are categorized very well in their intention to prioritize the truth in their work, not doing anything bad

b) *Trusteeship:* Employees in this regard have been maintaining the dimensions of Trust (trust) very well, as has il data obtained by 92.06%. Employees can be said to have maintained the confidence expressed by several statements that have been compiled by researchers, namely:

- Employees if there is even a settlement always done by deliberation, namely by asking for opinions from the parties concerned. Always do a job that takes precedence with deliberation. Perina deliberates in the Koran one of which is found in QS Asy-Shuura (26): 38 which means: and (for) those who accept (obey) the call of their Lord and establish prayer, while their business (decided) with deliberation between them; and they spend part of the fortune that We give them.
- Employees when expressing their opinions always try to be in accordance with the Islamic Shari'a, at the Sharia Commercial Bank, they always express their opinions not out of the corridors of Islamic Sharia. So far they have also been monitored by the Sharia Supervisory Board to determine everything. This is in accordance with Allah's commands in the Qur'an Surah Al Baqarah (2): 186 which means: "O people, eat halal better than that which is on earth, and do not follow the steps of Satan; for indeed the devil is a real enemy to you."
- Respondents agree that they always try their best to do something and always leave the results to the provisions that God has given. Tawakkal is one of the most important worship of the heart and one of the morals of faith is so high, because tawakkal reflects the high confidence of a servant to his Lord.
- Sharia Commercial Bank employees have implemented **Work type very well at 90.48%**, where they choose jobs according to capacity and do not conflict with Islamic law.
- The employees are very good at doing their jobs properly, carefully and not wasting time, effort and money. Doing efficiency at work, because work done at Islamic Commercial Banks requires accuracy and accuracy, if there is inaccuracy, it should not be too much, because work at Islamic Commercial Banks is

related to Finance, so it must do its job well. Because if there is a slight mistake a fatal error will occur.

- The employees always try to get the job done as well as possible. Because every job in the banking sector must be done well, it should not be done carelessly. Likewise, Allah commands his people to do work earnestly "So if you have finished one business then do it seriously other business". (Surat al-Insyirah: 7). In this case the employee has implemented the statement very well.
- Dimension implies blessing for the benefit of the people or can be interpreted by doing work not only for the benefit of the world but also for the benefit of the hereafter.
- Doing the best at work because I believe God is watching me, the statement shows that employees always believe that in doing everything, there is a God who is always watching. Every activity carried out is always under God's supervision, so they always want to do their best. Sharia Commercial Bank employees have implemented this statement very well.
- Employees always abstain from doing what is forbidden to avoid God's wrath. Because following the previous statement, with always the supervision of God they will not dare to do things that are forbidden by God. Following the words of the Prophet Muhammad that is, "Fear of things that are forbidden, you will be the best person of worship." This is very well implemented by Sharia Commercial Bank employees in the City of Bandung. That way the employees work not only worldly interests, but they always insert the principles of the afterlife in every activity carried out.

Truth and justice in Islamic economics provide prosperity for all people. In this dimension the employees of the Sharia Commercial Bank have implemented very well, as well as the results of data processing of several supporting statements, which are as follows:

- The employees are very good at working in teams, "And please help you in (doing) good and piety, and do not help in committing sins and transgressions." (Qs Al-Maidah: 2). God also commands fellow believers to help one another. In banking activities, it is necessary to work together in a good team, because indeed from the beginning only if there are customers, the *front office* and *back office* must work well together, for the creation of good work activities.
- Obedient and obedient to my responsibilities at work and do it in a timely manner, the employees have implemented it well. As shown by the results of data processing that the author has done. And indeed in carrying out banking activities must always be responsible for doing everything, because banking is related to money, and employees must be trustworthy with what customers have entrusted to banks.
- Helping and cooperating with each other at the Sharia Commercial Bank has been implemented very well. As

the author has carefully examined by submitting several statements, namely as follows:

- Maintaining dignity and glory at work because I understand working is part of worship. In implementing the statement, the employees were categorized very well. By doing work is also included in worship, which worship is something that is highly ordered by God, and by working it is high in degree.
- Able to be fair at every opportunity. Implementation of this statement can be said that employees have done well, it must be done fairly, as in the word of God in the Koran letter An Nisa (4): 58 which means: "Verily, God has told you to deliver the mandate to those who deserve it. And if you establish a law between men, you should set it fairly. Surely Allah is the best to teach you. Truly, Allah is All-Hearing, All-Seeing. "
- HR. Baihaqi from Anas Bin Malik RA " That caution is from Allah and that haste is from shaitan '. And doing work carefully and trying to maintain the security of others has been implemented well in Islamic Commercial Banks.
- Work as a way to earn income. Of course, this is based on Islamic law, which is working to get the halal income and not with the intention of hoarding wealth. And in this dimension has been applied very well by the Islamic Commercial Bank in the City of Bandung. As for some statements that support this dimension, namely:
- In carrying out regular and neat work according to rights, it has been implemented very well at the Sharia Commercial Bank in the City of Bandung. Because the work is done in banking must be organized, it cannot do work in an irregular and untidy manner. Because the work carried out by banking employees will be seen by customers, and can be used as their reference in determining the selection of institutions that will be entrusted to be entrusted with the customer's financial mandate.
- Every employee has instilled a great sense of responsibility for the work and mandated tasks. As indeed should the employees always have a sense of responsibility for the work that has been given to him, because it is consistent degan words of the apostle of "Tunaikanlah mandate to the person who gave the mandate (trust) to you and do you betray those who betrayed you."(HR Abu Dawud No. 3068andat-Tirmidzi No. 1185from Companions of Abu HurairahRadhiyallahu Anhu).
- The next demand that must be done by every employee of a Sharia Commercial Bank is to show an independent attitude at work and not depend on other parties, and on that statement, they have done very well. Being independent will reduce your dependency on others so that every job will be done well and will not expect help from others. Islam encourages us to try, and should not expect to humans other than God.

4) *Simple linear regression analysis*: the result using SPSS 25 is obtained as follows:

TABLE IX. REGRESSION ANALYSIS SIMPLE

Coefficients						
Model		unstandardized coefficients		Coefficients Standardized Beta	t	Sig.
		B	Std. Error			
1	(Constant)	.005	.001		5,417	.000
	IC-7	-1.013E	.000	-.262	-1181	.252

a. Dependent Variable: Performance
Source: SPSS Output

Based on the results of the calculations in the table above obtained a constant value (α) of 0.005, the value of the regression coefficient for *Intellectual capital* (IC) (β_1) of 0.00001013. Thus, a simple Linear regression equation can be formed as follows:

$$Y = 0.005 - 0.0000001013X$$

5) *Coefficient of determination*: The coefficient of determination shows the amount of contribution or influence given by the independent variable on the dependent variable. This value is expressed as a percentage. This study shows the contribution made by Intellectual Capital (IC) to financial performance. The result of using SPSS25 is obtained as follows:

TABLE X. SIMULTANEOUS DETERMINATION COEFFICIENT

Model Summary					
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Durbin-Watson
1	.262 ^a	.068	.019	.00379	1.805

a. Predictors: (Constant), IC
b. Dependent Variable: Performance
Source: SPSS Output

Based on the table above, information is obtained that the value of *R Square* is 0.068. These results indicate that Intellectual capital (IC) contributed an influence of 6.8% to the financial performance of Islamic Banking listed on the Indonesia Stock Exchange (IDX), while the remaining 93.2% was contributed by other variables not examined.

6) *Hypothesis test effect of X on Y (t test)*: The results of the calculation of test statistics on testing the hypothesis as in the table below.

TABLE XI. RESULTS OF THE T-TEST VALUE OF HYPOTESIS

Coefficients ^a						
Model		Unstandardized Coefficients		T	Sig.	
		B	Std. Error			
1		.000	.005	.001	5,417	(Constant)
		-1.013E	.000			IC-7
		1,181				.252

^a Dependent Variable: Performance

Determination of test results (acceptance/rejection of H0) is done by comparing $t_{arithmetic}$ with t_{table} . From the table t obtained

the value of t table for $\alpha = 0.05$ and free degrees (db) = 21-1-1 = 19 in the two-party test of 2.093.

Obtained the results of the t test statistic calculation from the table of Intellectual capital (IC) regression coefficients of -1.181 with a significance value of 0.252.

The results of calculating the test statistics on testing the hypothesis are summarized in table 12.

TABLE XII. PARTIAL TEST (T TEST) VARIABLE INTELLECTUAL CAPITAL (IC)

Hypothesis	t	Sig (p)	t _{table}	α	Decision	Significance
H0: $\beta_{-1.1812.093} = 0$		0.252	1	5%	H ₀ accepted	Not Significant

Source: SPSS Processing

Based on the table above, it is known that value_{calculated} obtained by Intellectual capital (IC) is -1.181 while the t_{table} is 2.093. These results indicate that $t_{arithmetic}$ is between a negative value and a positive value t_{table} that is $-2.093 < t_{arithmetic} = -1.181 < 2.093$. In accordance with the criteria for testing the hypothesis that H₀ is received. Also obtained a significance value of $0.252 > 0.05$ which means the test is not significant at the error rate ($\alpha = 5\%$). So that the conclusions obtained by Intellectual Capital (IC) do not affect the financial performance of Islamic Banking listed on the Indonesia Stock Exchange (IDX).

7) *Moderating Regression Analysis (MRA)*: The results of calculations using SPSS 25 software are obtained as follows:

TABLE XIII. MODERATING REGRESSION ANALYSIS (MRA)

Coefficients ^a						
Model of		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	.004628				2,775	(Constant)
	.001668	.013				
	Zscore:IC	-.000866	.001376	-.226	-.630	.537
	Zscore: EKI	.000886			1,026	.000908
		237.319				
	IC.EKI	-.000257	.001467	-.063	-.175	.863

a. Dependent Variable: Performance
Source: SPSS Output

Based on the results of calculations in table 7 obtained a constant value (α) of 0.004628, the value of the regression coefficient for Intellectual capital (IC) (β_1) of -0,000866, the regression coefficient for Islamic Work Ethics (EKI) (β_2) of 0,000908 and the regression coefficient for Intellectual capital (IC) with Islamic Work Ethics (IC.SIZE) (β_3) of -0,000257. Thus, the moderating regression equation (MRA) can be formed as follows:

$$Y = 0.004628 - 0,000866 IC + 0,000908 EKI - 0,000257 IC.EKI$$

Based on the results of the moderating regression equation (MRA) can be interpreted as follows:

Intellectual capital (IC) (β_1) has a negative coefficient value of -0,000866 This shows that unrelated *Intellectual capital* (IC) has an relationship to financial performance.

Companies with large *intellectual capital* (IC) have lower financial performance.

For Islamic Work Ethics (EKI) (β_2) has a positive value of the regression coefficient of 0,000908. This shows that Islamic Work Ethics has a direct relationship to financial performance. Companies with large Islamic Work Ethics have higher financial performance.

For the interaction of *Intellectual capital* (IC) with Islamic Work Ethics (IC.EKI) (β_3) has a negative coefficient of regression value of -0,000257. This shows that Islamic Work Ethics moderates the NEGATIVE (does not strengthen) the influence/relationship of *Intellectual capital* (IC) on financial performance.

8) *Coefficient determination of the MRA model*: The coefficient of determination shows the amount of contribution or influence given by the independent variable on the dependent variable. This value is expressed as a percentage. This study shows the contribution made by Intellectual Capital (IC) to financial performance which is moderated by Islamic Work Ethics. The result of using SPSS25is obtained as follows:

TABLE XIV. COEFFICIENT DETERMINATION MRA SIMULTANEOUS

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.360 ^a	.130	-.024	.00388	1.947

a. Predictors: (Constant), ICEKI, Zscore: EKI, Zscore: IC

b. Dependent Variable: Performance

Source: SPSS Output

Based on table 8 obtained information that the value of *R Square* is 0.130. These results indicate that simultaneous Intellectual capital (IC) which is moderated by Islamic Work Ethics contributes an effect of 13.0% on the financial performance which is moderated by Islamic Work Ethics on Islamic Banking which is listed on the Indonesia Stock Exchange (BEI), while the remainder is 87, 0% is a contribution from other variables not examined.

a) *Effect of Intellectual Capital (IC) moderated the Islamic work ethics to financial performance*: MRA regression Based on calculations obtained by the regression coefficient for the interaction of Intellectual Capital (IC) with the Islamic Work Ethics (IC.EKI) (β_3) of -0.000257. The regression coefficient with a negative sign reflects that the Islamic Work Ethics does not strengthen the relationship / influence of Intellectual capital (IC) on financial performance.

Obtained the results of the t test statistic calculation from the table of Intellectual capital (IC) regression coefficients of -0.175 with a significance value of 0.863.

Determination of the test results (acceptance / rejection of H0) is done by comparing $t_{arithmetic}$ with t_{table} . From the table t obtained the value of t table for $\alpha = 0.05$ and degrees of freedom (db) = 21-3-1 = 17 in the two-party test of 2.110.

The results of the calculation of test statistics on hypothesis testing are summarized in table 15.

TABLE XV. PARTIAL TEST (T TEST) INTERACTION VARIABLE INTELLECTUAL CAPITAL (IC) WITH ISLAMIC WORK ETHICS (IC.EKI)

Hypothesis	$t_{arithmetic}$	Sig (p)	t_{table}	α	Decision	Remarks
H0: $\beta_3 = 0$	-0,175	0,863	2,110	5%	H0 accepted	Not Significant

Source: SPSS Processing

Based on the table above, note that the value of t_1 obtained Intellectual Capital Interaction with the Islamic Work Ethics (IC.EKI) of -0.175 while t_{table} of 2.110.

These results indicate that $t_{arithmetic}$ is between a negative value and a positive value t_{table} that is $-2.110 < t_{arithmetic} = -0.177 < 2.110$. In accordance with the criteria for testing the hypothesis that H0 is received. Also obtained a significance value of $0.863 > 0.05$ which means the test is not significant at the error rate ($\alpha = 5\%$). So the conclusion obtained is that partially Intellectual Capital (IC) which is moderated by Islamic Work Ethics does not affect the financial performance of Islamic Banking which is listed on the Indonesia Stock Exchange (IDX).

B. Discussion

1) *Effect of Intellectual Capital on performance*: The results of this study provide empirical evidence that Intellectual Capital cannot improve financial performance. In other words, it can be interpreted that intellectual capital has no effect on performance.

The magnitude of the coefficient of determination *R Square* of 0.026. These results indicate that Intellectual capital (IC) contributed an influence of 6.8% to the financial performance of Islamic Banking while the remaining 93.2% was contributed by other variables not examined.

The insufficient influence of efficiency on *intellectual capital* on performance can be explained based on a description of the results of the study that if seen from the average *Intellectual Capital* in banks from 2016 to 2018 experienced a negative value. The calculation results related to the decrease in the efficiency of Intellectual Capital in the banks studied can be explained by the inefficient use of physical and financial resources and Intellectual Capital. This model is a measurement of Intellectual Capital. In this case, it can be translated that Intellectual Capital has not been able to achieve its objectives, in an effort to create value, so that Intellectual Capital is not yet efficient, therefore a strategy is needed in certain areas or regions that will assist banks in creating competitive advantage.

Depending on the enterprise goal and on the amount of the enterprise's intellectual capital and its quality, the enterprise can make investment decision. The classification provides information about what kind of investments are needed for goal achievement in different situation. Using the intellectual capital investments classification enterprise could increase the efficiency of investments making it in specific time and in right objects. [10]. This research are different with [11]. As IC value

is a result of above-average financial performance, the IC investment efficiency can potentially serve as leading indicators of future financial performance

2) *Effect of Intellectual Capital on financial performance with Islamic work ethics as moderating variables:* Based on the results of the MRA regression calculation the regression coefficient values for the Interaction of Intellectual Capital (IC) and Islamic Work Ethics (IC.EKI) (β_3) amounting to -0,000257. The regression coefficient marked negative indicates that Islamic Work Ethics does not strengthen the relationship/influence of Intellectual capital (IC) on financial performance.

This shows that although the Islamic Work Ethics has been implemented well it has not been able to encourage and influence Intellectual Capital to improve performance. The results of this study contrast with Sakinah Mat Zin [1], explaining that Intellectual Capital can develop and because of the implementation of Islamic work ethics.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusions

Conclusions from the results of research that has been done. is as follows:

- Intellectual Capital does not affect financial performance for Islamic Banks Islamic, because These results indicate that Intellectual capital (IC) contributed an influence of 6.8% to the financial performance of Islamic Banking while the remaining 93.2% was contributed by other variables not examined.
- work ethics has not been able to strengthen the effect of Intellectual Capital on Financial Performance in Islamic Banks. This shows that although the Islamic Work Ethics has been implemented well it has not been able to encourage and influence Intellectual Capital to improve performance.

B. Suggestions

Based on descriptive data explanation strategies are needed in an effort to improve Intellectual performance through the creation of human capital competencies that will have an impact on innovation and creativity thus helping to create the financial performance. This needs to be done because based on the results of research there are inefficiencies in human capital, although in principle they have applied the ethics of Islamic work very well.

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