



## THE QUEST FOR EQUILIBRIUM: NAVIGATING HYBRID LOGICS IN INDONESIAN ISLAMIC MICROFINANCE BANK (BPRS)

TAUFIK AKBAR

Universitas Mercu Buana Jakarta, Indonesia

### Article History:

Received : 2025-05-26

Revised : 2025-06-08

Accepted : 2025-07-02

Published : 2025-07-05

### Corresponding author:

taufikakbar@mercubuana.ac.id

### Cite this article:

Akbar, T. (2025). The Quest for Equilibrium: Navigating Hybrid Logics in Indonesian Islamic Microfinance Bank (BPRS). *Keunis*, 13(2), 246-259.

### DOI:

10.32497/keunis.v13i2.6503

**Abstract:** *This research explore the unique hybrid logic that defines BPRS, institutions navigating the complex interplay of market, social, religious, and accountability logics. These logics, encompassing both material and symbolic aspects, are interconnected yet analytically distinct, offering nuanced perspectives on the dynamics within Islamic microfinance. Adopting a qualitative approach, this study focuses on two BPRS institutions, strategically selected to represent rural (R) and urban (U) contexts. Data was gathered through interviews with key personnel, including board members, Shariah Supervisory Board members, and branch heads, totaling nine (9) respondents. The findings reveal that market logic drives profit generation and the development of Shariah-compliant products, while social logic shapes customer selection and community development initiatives. Religious logic influences all material facets, from product structuring to customer relationships. Accountability logic encompasses regulatory compliance, ethical responsibility, and a divine dimension. This hybrid logic framework elucidates the paradoxical practices observed in Islamic microfinance, such as balancing profit with social impact and religious compliance with market competitiveness. Ultimately, this research contributes to a deeper understanding of the institutional environment of Islamic microfinance, where organizations negotiate competing demands to achieve financial sustainability, social welfare, religious adherence, and accountability.*

**Keywords:** BPRS, Hybrid Logic, Qualitative Approach

## INTRODUCTION

Microfinance banks are a crucial component of Indonesia's formal financial sector, commonly referred to as "Bank Pembiayaan Rakyat" (BPR). According to Indonesian Government Regulation No. 10 of 1998, these banks operate on either a conventional basis or according to *Sharia* principles. They are categorized into two types: conventional BPR, which follows interest-based banking systems, and Islamic Microfinance Banks or *Bank Pembiayaan Rakyat Syariah* (BPRS), which operate based on Islamic principles. Both types provide essential financial services, such as savings, credit, and deposits, with their broader aim being the enhancement of community welfare and economic empowerment, especially among low-income groups and micro, small, and medium enterprises (Masyita, 2017; Mader, 2022; Mulyati & Harieti, 2018; Nugroho et al., 2024; Melzatia et al., 2024).

While conventional BPR operate on interest-based models, BPRS maintain a profit-oriented approach that aligns with Islamic principles through income generated via trade, leasing, and profit-sharing (PLS) contracts (Ausaf & Mahmood, 2021; Ascarya & Yumanita, 2022; Rafay & Suk, 2023). Importantly, unlike conventional banks, BPRS are mandated to avoid interest (*riba*), gambling (*maysir*), and excessive uncertainty (*gharar*), which are strictly

prohibited in Islam—*riba* involves charging excess profits regardless of actual gains or losses, *maysir* relates to gambling activities, and *gharar* involves transactions with excessive ambiguity or risk (Chapra, 2008; Hameed, 2009; Mohd Noor & Mohd Nor, 2022; Qur'an 6:152; 83:1-5). To adhere to these principles, BPRS employs Islamic financial instruments, such as profit-sharing schemes, and often incorporates *zakah* and *waqf* as alternative funding sources to support micro, small, and medium enterprise clients, especially in rural and urban settings. Unlike their conventional counterparts, BPRS utilize non-cash Islamic financial instruments, emphasize shared risk and profit distribution, and extend services to entire families, not just women. These structural differences highlight the unique operational model of the BPRS, distinguishing it from traditional BPRs (Mobin et al., 2017).

Beyond their operational mechanics, Islamic microfinance institutions (IMFIs), such as BPRS, occupy a distinctive space within Indonesia's financial landscape. Established with the dual mandate of promoting financial inclusion and adhering to *Shariah* principles, BPRS aims to serve marginalised communities while upholding ethical and religious values (Ascarya & Sakti, 2021; Mader & Sabrow, 2019). This duality positions them at the intersection of two institutional logics: a religious logic rooted in Islamic teachings focused on social responsibility and wealth redistribution to achieve societal success (*falah*), and a commercial logic driven by market demands and regulatory requirements, emphasizing financial sustainability and growth (Don & Aini, 2021; Waweru & Spraaakman, 2012, as cited in Siti-Nabiha & Siti-Nazariah, 2021).

However, this duality creates inherent tension. First, there is the risk of "mission drift", where the pursuit of financial performance might overshadow or dilute their original social and religious objectives, potentially leading to profit-focused activities that do not serve the needs of poor and marginalized communities (Afriadi et al., 2024; Puteri, 2020; Rosely et al., 2020). Second, regulatory compliance, driven by the Indonesian Financial Services Authority (OJK), while intended to ensure institutional stability, can inadvertently reinforce commercial logic by imposing requirements such as minimum capital and financial soundness, potentially incentivizing a focus on profitability over social impact (Akbar & Siti-Nabiha, 2021; Siti-Nabiha & Adib, 2020). Accountability dilemmas also arise as BPRS institutions are answerable to diverse stakeholders—shareholders, depositors, regulators, and the community—each with their own expectations of the institution. Balancing these demands requires comprehensive frameworks that integrate financial and non-financial measures, including adherence to *Sharia* principles and contributions to social well-being (Naili, 2022; Rodliyah et al., 2021). Given the acute operational challenges faced by Indonesian Islamic Microfinance Banks (BPRS) in rural areas, where customers often experience limited or irregular income, it is crucial to understand how these institutions balance profitability with *Shariah* compliance and service accessibility. Qualitative research on the strategies stakeholders employ to navigate these pressures can provide valuable insights into maintaining legitimacy and achieving multiple objectives. This analysis not only advances our understanding of hybrid financial institutions in emerging markets and informs policy development but also offers an opportunity to explore the applicability of a hybrid logic framework to understand the organizational dynamics of BPRS. Specifically, this research asks: How can a hybrid logic framework be used to understand and analyse the organizational dynamics and strategic choices of BPRS in Indonesia as they navigate the tensions between religious and commercial imperatives?

## REVIEW OF LITERATURE

### Overview of Islamic Microfinance Banks (BPRS) in Indonesia

In Indonesia, Islamic microfinance institutions, known as *Bank Pembiayaan Rakyat Syariah* (BPRS), operate under *Shariah* principles as defined by the Government Regulation of Bank Indonesia No. 10 of 1998. These institutions are supervised by the Financial Services Authority of Indonesia (OJK) and serve as intermediaries, channelling funds from investors to low-income groups and micro, small, and medium enterprises (MSMEs) in areas not served by Islamic Commercial Banks (ICB) (Bank Indonesia No. 21. 2008; Nugroho et al., 2018; Akbar & Siti-Nabiha, 2019, 2021). The BPRS generates profits through trading, leasing, and direct profit-loss sharing (PLS) financing contracts while adhering to Islamic law, which prohibits *riba* (interest), *maysir* (gambling), and *gharar* (uncertainty) (Mawardi et al., 2017; Othman et al., 2023). This adherence to Islamic principles distinguishes BPRS from conventional banks (Mobin et al., 2017). The establishment of the BPRS was driven by concerns about the inadequacy of ICBs in promoting socioeconomic justice and the need for financial inclusion among marginalized groups (Sakai, 2014). As of 2023, 163 BPRS have been registered with the OJK and operate across various provinces in Indonesia (OJK, 2023). These institutions aim to enhance economic productivity and reduce disparities by providing accessible *Shariah*-compliant financial services (Rosely et al., 2020; Suyanto, 2020). The BPRS serves diverse clients in both urban and rural areas and adapts its services to meet their varying

needs. Urban clients may include young professionals and small business owners seeking growth-oriented financial products, whereas rural clients, such as farmers and artisans, require products tailored to their specific economic cycles (Antonio et al., 2012; Septiani & Rani, 2020; Munir et al., 2021). The regulatory framework for BPRS has evolved, with recent changes mandating a minimum capital requirement of 6 billion Rupiah for all BPRS by 31 December 2025 (OJK Regulation Number 66/POJK.03/2016 and SEOJK NO24/SEOJK.03/2019). Expansion strategies and reporting requirements are strictly regulated to ensure financial prudence and effective governance.

The success of BPRS is measured not only by financial performance but also by its social impact, including adherence to Islamic values and contributions to community development (Rohman et al., 2021; Puteri, 2020). Accountability and transparency are crucial for maintaining stakeholder trust and demonstrating commitment to Shariah principles (Afriadi et al., 2024; Nabiha & Kamaruddin, 2019). By balancing financial sustainability with social objectives, BPRS aims to serve as a catalyst for positive change and prosperity in Indonesian communities, aligning with Islamic values and principles and fostering sustainable and equitable economic growth.

### **The Institutional Logics Perspective**

The concept of institutional logic, first introduced by Friedland & Alford (1991), views society as an inter-institutional system composed of various institutional orders. Thornton et al. (2012) further defined institutional logic as socially constructed patterns of cultural symbols and material practices that provide meaning to daily activities and shape how individuals and organizations operate within their environments. This perspective suggests a dynamic relationship between actors and institutions, where individuals and organisations are not only influenced by institutional rules and practices but also play a role in shaping them. Institutional logic establishes a set of standards that determine goals and acceptable behaviors within specific sectors, thereby defining the relationships between actors and institutions (Haveman & Gualtieri, 2016; Lounsbury et al., 2021; Ocasio et al., 2017; Smets et al., 2020; Zhao & Lounsbury, 2016).

A key aspect of institutional logic is the recognition that every institutional order in society has both material (structure and practice) and symbolic (ideas and meaning) components. Although interrelated, these components can be observed and analyzed separately (Durand et al., 2022; Thornton et al., 2012, 2019). This dual nature allows for a more nuanced understanding of how institutions function and evolve. Unlike neo-institutional theory, which assumes a more passive cognitive approach, institutional logic acknowledges the potential coexistence of multiple rationalities within certain contexts. This allows for institutional heterogeneity, as different institutional orders shape cultures in various ways (Meyer & Höllerer, 2021; Thornton et al., 2019). Consequently, organizations can define their own rationality based on the values, practices, and root metaphors of their dominant institutional orders (Durand et al., 2022; Safari et al., 2020; Thornton et al., 2012).

Thornton et al. (2019) outline four main principles of institutional logic: (1) integration of institutions and structures; (2) integration of material and symbolic aspects; (3) consideration of historical contingencies; and (4) attention to institutions at all social levels. The integration of material and symbolic aspects is particularly significant, as it distinguishes institutional logic from both New Institutional Theory (NIT) and Old Institutional Theory (OIT). Recent developments in the field have expanded the understanding of material aspects to include physical objects (Jones et al., 2017; Ocasio et al., 2022). These material objects are seen as crucial extensions of practices and structures, serving as anchors for institutional logic (Boxenbaum et al., 2021; Hampel et al., 2023).

The relationship between the symbolic and material aspects is complex and interdependent in nature. Symbols are embodied in structures and practices, while structures and practices express and influence the meanings of symbols (Zilber, 2013). This interplay is evident in various contexts, such as the use of specific tools in professions and the adoption of technology in financial markets (Jones et al., 2017; Ocasio et al., 2022). Religious principles can also shape institutional logic, as seen in the case of Islamic Microfinance Institutions, where financial practices must adhere to Islamic rules and principles (Greenwood et al., 2021; Zhao & Lounsbury, 2016). This example illustrates how symbolic aspects (religious beliefs) can directly influence material practices (such as the use of financial services). It is important to note that the meanings associated with symbols and practices are not always stable and can vary depending on context and interpretation (Boxenbaum et al., 2021). This flexibility allows for the theorization of heterogeneity and institutional change as social practices become institutionalized through collective meaning-making (Lounsbury et al., 2021).

In conclusion, the integration of the symbolic and material aspects of institutional logic provides a comprehensive framework for understanding the complex interactions between individuals, organizations, and institutions. This approach offers insights into both the stability and potential for change within institutional systems, making it a valuable tool for analysing organizational behaviour and societal structure.

### A Hybrid Logic Perspective on BPRS: Unveiling the Influence of Institutional Logics

The concept of "hybrid logic" refers to an organizational structure that integrates two distinct domains of work into a cohesive whole (Battilana et al., 2017; Quélin et al., 2022). Commonly, a hybrid logic organisation possesses two seemingly contradictory logics, such as social welfare and commercial logic, which coexist to sustain the organisation, as observed in organisations that train and rehire unemployed individuals (Dimitriadis et al., 2022; Pache & Thornton, 2021). Therefore, the goals of a hybrid organization cannot be achieved by a single logic alone but require the synergistic interplay of two distinct logics. Studies on hybrid logic are often conducted at the organizational level, encompassing various domains such as microfinance (Zhao & Lounsbury, 2016; Zhao et al., 2022), social welfare and job markets (Pache & Santos, 2013; Wry & Zhao, 2022), community banking (Lepoutre et al., 2021), and social entrepreneurship (Smith et al., 2023). Hybrid studies have shed light on the institutional developments that give rise to new organizational forms such as Islamic Microfinance Institutions (IMFIs). Most IMFIs strive for organizational sustainability with a focus on commercial/financial objectives while simultaneously assisting disadvantaged communities, rather than solely pursuing profit-oriented goals (Alam et al., 2023; Tamanni & Haji Besar, 2019).

The theoretical contribution of hybrid logic studies lies in their ability to uncover real-world expressions that emerge from the friction between logics that were traditionally considered irreconcilable, resulting in fluid and blended logic. This framework has been applied to various contexts, such as the intersection of social welfare and the labour market (Mongelli et al., 2023; Pache & Thornton, 2021), and the integration of financial and social logics within IMFI institutions (Raza et al., 2022; Tamanni & Haji Besar, 2019). The BPRS, a type of IMFI, aims to improve the economic welfare of the community by financing micro, small, and medium enterprises (MSMEs), particularly those in vulnerable economic groups that are often underserved by Islamic and conventional commercial banks. By adopting the hybrid logic framework, BPRS can navigate various logics, including commercial/market orientation, religious, social, and accountability, into a cohesive coexistence without conflict (Gümüşay, 2020; Mukhlisin & Fadzly, 2020; Siti-Nabiha & Siti-Nazariah, 2021).

The hybrid logic framework provides a valuable lens for examining how the dominance of religious logic, particularly Islamic principles of ethical finance and social justice, influences the performance metrics and outcomes of BPRS institutions in Indonesia. This framework can assist in assessing the effectiveness of these institutions in achieving their dual objectives of financial inclusion and social impact. Moreover, the inherent logics of BPRS, as depicted in Figure 1, can be elucidated as follows: (1) religious logic, which embodies the preservation of a way of life based on the objectives of Shariah; (2) market orientation logic, which emphasises financial performance and institutional survival; (3) social welfare logic, which integrates Islamic charitable practices to aid the less fortunate; and (4) accountability logic, which encompasses the obligation to disclose the organisation's activities and performance to stakeholders, both human and divine (*hablumminnas* and *hablumminallah*).

This research contributes to the literature by providing an alternative perspective on how the variants of institutional logic developed within BPRS institutions influence the underlying rationality, both symbolically and in material practices, ultimately helping to understand the proper objectives and performance of BPRS institutions.

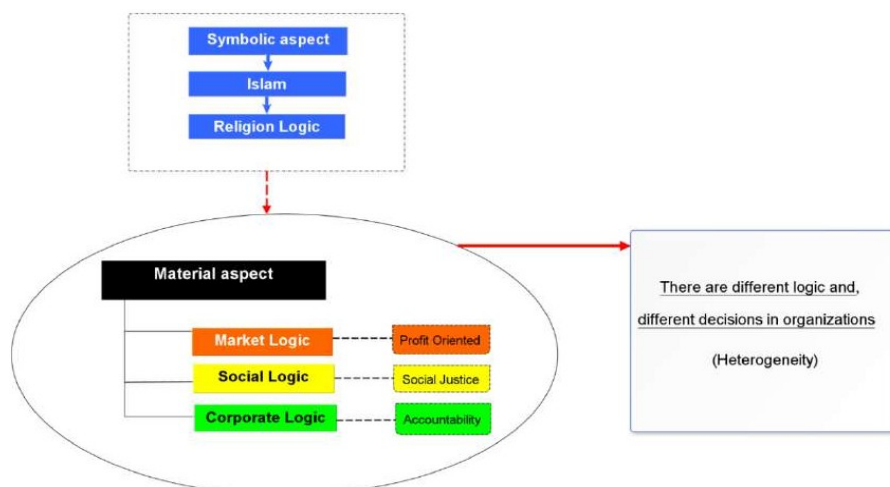


Figure 1. Hybrid Logic in Bank Pembiayaan Rakyat Syariah (BPRS)  
Source : Data Process (2025)

## RESEARCH METHOD

Driven by ontological and epistemological assumptions that prioritise understanding complex social processes, this study adopts a qualitative approach. Qualitative research, particularly suited for studies involving organizational change, allows for an exploration of interactions within broader social and organizational contexts, utilizing field study methods to understand the activities of individual actors and organizations (Gehman et al., 2018; Guba & Lincoln, 2018). Embracing realism, holism, and analytical methods, qualitative research blends rational, explorative, and intuitive elements, where the researcher's skills and experience play a crucial role in data analysis (Patton, 2022; Yilmaz, 2013). Qualitative methodology excels at capturing the dynamic nature of social interactions and the meanings people attribute to their experiences (Flick, 2021; Tracy, 2023) because it focuses on social processes rather than static social structures. Specifically, this research employs a case study approach, an in-depth empirical investigation of a contemporary phenomenon within its real-life context, particularly when the boundaries between the phenomenon and context may not be clearly evident (Yin, 2018). Case studies offer an invaluable platform for gaining a nuanced understanding of the meanings behind human actions, allowing for the exploration of complex issues through a holistic lens (Denzin & Lincoln, 2022; Hancock & Algozzine, 2021). As Yin (2023) argues, interpretative case studies are particularly well-suited for answering "what" and "how" questions, studying organizational changes, and finding solutions to complex problems. Following the recommendations of Creswell & Poth (2018) and Braun et al. (2021). Employing a case study approach, this research leverages diverse data sources, including interviews with BPRS stakeholders and an analysis of documentary materials, to provide a comprehensive understanding of the phenomenon being studied. Recognizing the pivotal role of stakeholders in achieving the objectives of Sharia Rural Banks (BPRS), this study strategically selected participants, prioritizing internal stakeholders—namely, the Board of Commissioners, Directors, and employees—because of their in-depth knowledge of strategic direction, policy implementation, and decision-making within the BPRS. This selection aligns with Freeman's (1984) definition of stakeholders as any group or individual that affects or is affected by an organization's goals. Their direct responsibility for ensuring the organisation's sustainability, development, and optimal performance makes their involvement crucial, particularly for directors, who are key to defining and executing operational policies and managing stakeholder relations. Consequently, their participation provided profound, accurate, and relevant data for informing managerial decision-making processes. Complementing these stakeholder insights, documentary evidence was gathered in two phases: before and during the case visit. Prior to the visit, resources such as newspaper articles, the BPRS website, published research, and relevant regulations (e.g., No. 21 of 2008 and No. 11/33/PBI/2009) were reviewed. During the visit, this was supplemented with the BPRS's vision and mission statements, an organizational chart, financial reports, regulations from the Financial Services Authority (OJK), and employee selection guidelines. The primary aim of this comprehensive document collection was to gain detailed insights into the BPRS's vision, mission, formal performance management processes, performance measurement practices, reporting and monitoring mechanisms, and related governance and performance regulations. Furthermore, training and company policy documents were examined to understand the types of training offered to employees at all levels of the organization. All gathered documentation was analysed through the lens of the hybrid logic applied within the BPRS, ensuring a structured and comprehensive review.

## Data Collection

This study employed semi-structured face-to-face interviews, providing the researcher with the flexibility to pursue new ideas and insights that emerged during the research. This interview format establishes a broad investigative framework, enabling an in-depth exploration of issues and thorough follow-up on participants' responses (Roulston & Choi, 2018; Brinkmann, 2020). To guide these discussions, interview guidelines were initially formulated as a list of topics, but were intentionally modified and adapted throughout the sessions. This approach ensured that the interviews remained both flexible and centred on areas particularly relevant to each participant.

This research specifically focused on two BPRS institutions: BPRS Muamalah, located in the rural region of Serang, Banten, and BPRS HIK (Harta Insan Karimah), situated in urban Jakarta. The rationale for selecting institutions from distinctly different locations was to explore the diverse objectives and performance of the BPRS in addressing the needs of poor, low-income individuals and MSME groups, sectors frequently underserved by conventional banking services.

Key personnel from both BPRS Muamalah (BPRS-R) and BPRS HIK (BPRS-U) were identified as interview subjects, including members of the Board of Commissioners, Directors, the Sharia Supervisory Board

(DPS), and branch heads. In total, nine (9) informants participated, with four (4) representing BPRS-U and five (5) representing BPRS-R. The strategic selection of these two institutions, differing in geographical context, was driven by the research objective to uncover distinctions in both the goals and performance of BPRS institutions in meeting the financial needs of underserved communities in rural and urban settings. The interview process was conducted over a ten-month period, from January 2024 to October 2024, with further details provided in Table 1.

Triangulation was employed as a central methodological strategy to ensure the credibility of research findings. In qualitative research, triangulation involves comparing and cross-verifying data from multiple sources to strengthen the evidence base of the findings (Scapens, 2004). This process not only reinforces the accuracy of the reported events and facts but also enhances the researcher's confidence in the results by mitigating potential biases (Yin, 2023). As Onwuegbuzie (2005, p. 384) highlights, triangulation seeks convergence and verification of results through the use of different methods. In this study, the researcher applied triangulation by integrating document analysis, such as reviewing BPRS financial statements, with information obtained from interviews with various organizational members.

The process involved systematically examining statements published by the institutions, alongside insights from face-to-face interviews, allowing for cross-validation of the findings. By employing both document reviews and semi-structured interviews, the researcher gathered corroborating evidence from multiple angles, ultimately enhancing the validity and reliability of the research results.

**Table 1. Interviewed Informants**

ID	Job Description /Location	Position	Years' Experience	Qualification	Ownership	How many hours (Interview)
<i>Demography Informant BPRS – R</i>						
BPRS-(R1)	BPRS - Mu'amalah (Rural)	BOD (Board of Director)	18	Law Major	Muslim Businessman	55. 24 Minute
BPRS-(R2)	BPRS - Mu'amalah (Rural)	Head of Branch	18	Management	Muslim Businessman	60.01 Minute
BPRS-(R3)	BPRS - Mu'amalah (Rural)	Head of Branch	10	Muamalah Shariah	Muslim Businessman	51.03 minute
BPRS-(R4)	BPRS - Mu'amalah (Rural)	BOC (Board of Commissioner)	3	Finance	Muslim Businessman	49.30 Minute
BPRS-(R5)	BPRS - Mu'amalah (Rural)	DPS (Shariah Supervisory Board )	12	Sharia	Muslim Businessman	47. 11 Minute
<i>Demography Informant BPRS - U</i>						
BPRS-(U1)	BPRS -HIK Jakarta (Urban)	BOD (Board of Director)	12	Economic	Muslim Group	50.07 Minute
BPRS-(U2)	BPRS -HIK Jakarta (Urban)	BOC (Board of Commissioner)	7	Accounting	Muslim Group	49.00 Minute
BPRS-(U3)	BPRS -HIK Jakarta (Urban)	Head of Branch	18	Islamic Education	Muslim Group	62.00 Minute
BPRS-(U4)	BPRS -HIK Jakarta (Urban)	Financing Staff	1,5	IT (Information Technology)	Muslim Group	49.00 Minute

Source: Data Process (2025)

### Data Analysis Technique

Qualitative research involves a comprehensive data analysis process consisting of several key phases. According to Creswell (2022), these phases include preparing and organizing data, reducing data into themes through coding, and creating diagrams or charts to illustrate the patterns. Similarly, O'Dwyer (2006) describes qualitative data analysis as comprising data reduction, display, and interpretation. The data reduction stage focuses on identifying essential themes and patterns, while the data display stage formulates a detailed matrix of these themes. Data interpretation seeks to understand the insights drawn from the data reduction and display stages of the analysis.

Attride-Stirling (2001) introduced thematic networks as tools for qualitative research that illustrate and connect the main themes that emerge from the data. Moving from text to interpretation involves engaging with theoretical insights from multilevel analyses, such as institutional logic (Thornton et al., 2012), which streamlines the data reduction process by highlighting issues pertinent to the research questions (Braun & Clarke, 2022).

In this study, themes related to hybrid organising and institutional pluralism are relevant for understanding the coexistence of contradictory logics (Battilana & Casciaro, 2021; Pache & Thornton, 2021). Interview transcripts recorded and transcribed into Word documents were analyzed using NVivo, a computer-assisted qualitative data analysis tool, as described by Lin et al. (2019). NVivo facilitated the identification of concepts and their relationships through unsupervised seeds and mapping. This tool also enabled the extraction of quoted text relevant to the study's focus, particularly the interactions of BPRS employees (BOD, BOC, and DPS) with the interviewer, thus supporting the qualitative research design.

## FINDINGS AND DISCUSSION

### Rationality of BPRS as a Commercial Institution for Financial Sustainability

In BPRS institutions, core rationality depends on financial resources such as financing, deposits, and customer savings. However, rural BPRS branches face profitability challenges because their customers, such as farmers and fishermen, often lack fixed incomes, leading to concerns about their ability to repay loans. A branch manager highlighted this issue by stating, "Making profit is important, as it is frequently demanded by the owner/shareholder," indicating the pressure to generate revenue. To address these risks, rural BPRS consistently employ strict risk mitigation strategies, confirmed by the BOD and Head of Branch, to prevent debt defaults and safeguard the institution's growth.

*Yes..... Our potential customers (BPRS) are those who meet the requirements. If the customer is an employee, they must be at least a permanent employee, and if the customer is a small or medium-sized business (UMKM), they must have been running their business for at least one year. (BPRS - R2)*

*Our risk mitigation (BPRS) is further focused on areas where the customers are exposed to "red zones"—the risky zones where the customers tend not to pay off their debts. (BPRS- R1)*

Siti-Nabiha & Siti-Nazariah (2021) found that Islamic microfinance institutions (IMFIs) in Indonesia, specifically BPRS institutions, prioritize financial performance and profitability to ensure their survival and long-term sustainability. This commercial orientation is driven by government regulations that impose binding obligations on BPRS to maintain financial soundness, which indirectly necessitates a focus on profit maximization. This viewpoint aligns with the statement expressed by the Board of Directors of BPRS - (U):

*The key word lies in the assessment of the soundness of the bank issued by the OJK. The BPRS must be financially sound, as it will be assessed by the OJK (Indonesia Financial Authority Services). (BPRS- U1)*

The emphasis on profitability and growth in the Islamic microfinance sector is understandable, as the industry has historically faced poor financial performance in Indonesia compared to conventional microfinance institutions. Government stakeholders view profits from commercial activities as pivotal to the growth of Islamic microfinance banks. Commercial material practices enforced by government regulations have instilled a rational foundation within the BPRS to prioritise profit maximisation. This aligns with the neoliberal approach of using a performance measurement system to achieve sustainability in microfinance. This viewpoint aligns with the statement expressed by the OJK and rural branch manager:

*BPRS are allowed to make profits based on Islamic principles, such as profit-and-loss-sharing (PLS) transactions. Our Prophet taught us that there should be profits from trading. (OJK)*  
*Profit is important, as it is frequently demanded by the owner/shareholder. (BPRS - R3)*

This indicates that the commercial logic driving BPRS institutions results from government regulations and the imperative to ensure their survival and sustainability. While this commercial orientation is understandable, BPRS must find a way to balance profit-making activities with social and spiritual responsibilities to truly fulfil their role as Islamic microfinance institutions.

### **Islamic Symbol: Fundamental Basis of BPRS Institution Business Practices**

BPRS is an institution highly committed to applying Islamic principles based on the Quran and *Hadith* (prophetic tradition). Islam is the root of logic that contains religious connotations and is forcibly bound to all activities carried out by BPRS institutions. The religious logic in BPRS is related to the belief in the unity between material/worldly and spiritual/afterlife matters, where working in the institution is seen as part of worshipping God and spreading Islamic teachings (da'wah) based on the Quran and Hadith. This was explained by the Board of Commissioners and the Board of Directors of BPRS – (U):

*We work for the sake of worshipping God (ibadah) and providing benefits to the people.*  
(BPRS-U1)

*Our mission is to carry out the da'wah of Rahmatan Lil Alamin [benefits to mankind].* (BPRS Director B1-U, Jakarta)

Islam influences the business practices of BPRS in terms of what is permissible (*halal*) and what is prohibited (*haram*), setting the overall values and rules for the institution. This aligns with research showing that commitment to the fundamental principles laid out in the Quran and *Hadith* is the religious logic of BPRS. This is confirmed by the views of the stakeholders (Muslim scholars) and the owner of an Islamic cooperative:

*Those in charge of the services get the chance to help the community to stay away from riba...value creation is from adding value economically or spiritually.* (Muslim scholar, S/O)

The logic of religion in BPRS can be described as a metalogy, as it can penetrate the entire interagency system and requires proscriptive and prescriptive guidelines for other logics to follow. BPRS institutions are seen as "two sides of the same coin", with one side dedicated to religious/spiritual objectives and the other to worldly objectives. Maintaining a delicate balance between these two sides is crucial for the overall well-being and success of BPRS. From a religious and afterlife perspective, the BPRS adheres to Islamic principles derived from the Quran and *Hadith*. However, from a worldly standpoint, BPRS must engage in financial activities that necessitate a commercial approach while ensuring compliance with Islamic laws. The BPRS also seeks to contribute to social well-being by integrating practices such as *Zakah*, *Infaq*, and *Shadaqah*.

### **Social Wellbeing: In line with the Nature of Business of Islamic Microfinance Institutions**

The BPRS functions as a financial institution that provides assistance to disadvantaged members of society who face exclusion from large banks. This is in line with the fundamental principles of Islamic microfinance institutions, which prioritize social welfare. Consequently, the BPRS Institution incorporates social logic in its commitment to supporting the underprivileged and those with low incomes. Islamic microfinance can operate as a charity-based and non-profit institution by employing fully Islamic social financial instruments to achieve its objectives. As pointed out by the Sharia Supervisory Board of BPRS – (R):

*When it comes to a Sharia Microfinance Bank (BPRS), there must be a social benefit, that is, providing social donations to the community sourced from the bank's profits. Each employee in a Sharia bank must spend zakah based on the right calculation.* (BPRS-R5)

However, because the fundamental logic of the BPRS originated from the symbolism of "Islam, the social activities of the BPRS Institution are in accordance with Sharia (Islamic law), by integrating *Zakah*, *infaq*, *Shadaqah*, and *waqf* in BPRS social activities. This allows the social justice objective of BPRS for the community (*Ummah*) to be realized. The social wellbeing logic in BPRS does not primarily aim to improve people's welfare through the distribution of *Zakah*, *infaq sadaqah*, and *waqf* funds, but rather emerges as a result of other "material" aspects that drive BPRS to consistently act in a socially oriented manner. This includes retaining customers who own small and medium businesses, even when they are affected by the global financial crisis, and not threatening or punishing customers who fail to pay their debts due to business losses.. This was explained by the Board of Directors and the Board of Commissioners of the BPRS – (U):

*Because 80% of our customers are small and medium enterprises and half of our customers experience financial problems that cause a decrease in their income, our priority is not only financial orientation; our main goal is to reach welfare/well-being (maslahah).* (BPRS-U1)

Any form of material practice performed by BPRS has a socially rational basis. This is in line with Siti-Nabiha & Siti-Nazariah (2021) findings that the nature of business in Islamic microfinance institutions is influenced by social activities. Thus, social logic emerges as a dominant logic within BPRS.

### **The Emerging of Accountability Logic : Accountability Aspect of BPRS**

Every action taken by an individual or organization must be held accountable and reported to the relevant authorities acknowledged by the organization (Edwards & Hulme, 1996). Building on this principle, the accountability framework of Sharia Rural Bank (BPRS) institutions primarily emerges from the responsibilities performed by both internal stakeholders—such as the Board of Commissioners, Board of Directors, Shariah Supervisory Board, Head of Branch Managers, and BPRS owners—and external stakeholders, including the Indonesia Financial Service Authority (OJK) and wider society. This obligation is explicitly stipulated in OJK Regulation Number 5/POJK.03/2015, which mandates that all BPRS management and employees, whether in urban or rural areas, remain accountable for their actions internally and externally. The accountability of BPRS institutions encompasses relationships with internal and external stakeholders in both financial and non-financial domains. Financial accountability involves managing funding from third parties and providing financing to customers, a responsibility highlighted by the heads of rural branch offices, who emphasise that their performance is measured against targets related to funding and financing, with reports on the status of these accounts regularly submitted to the main office. This is explained by the heads of the rural area branch office in the following statement:

*Therefore, overall, in this BPRS, the targets achieved are related to funding and financing. That is what we are accountable for in every job we do. (BPRS- R2)*

*Our targets are related to funding and financing; whatever account we have, whether it is getting stuck or smooth, should be reported to the head office. (BPRS-R3)*

In addition to financial accountability, BPRS institutions have non-financial responsibilities, including increasing the number of customers, improving employee competencies, and recruiting and training employees at all levels of the organization. Grounded in Islamic principles (Tamanni & Haji Besar, 2019), BPRS accountability extends beyond human stakeholders to Allah (Rodliyah et al., 2021). This influences the non-financial aspects of accountability, incorporating Islamic teachings, such as compliance with Shariah principles in financing and the management of *zakah*, *infaq*, *shadaqah*, and *waqf funds*. These elements reflect the manifestation of Islamic symbols, signifying that BPRS accountability is ultimately to God. As noted by the Shariah Supervisory Board and the Board of Directors, BPRS institutions analyse financing to ensure compliance with Shariah principles and account for cash waqf and zakah to demonstrate the achievement of social goals. This was mentioned by the Shariah Supervisory Board (SSB) BPRS – (R) and the Board of Directors of BPRS – (U):

*Even though we only took three samples of customers who had deposits, savings, and credits from the financing provided by the BPRS, we analysed and recapitulated the results. For example, to determine whether the financing provided to customers is under Shariah Principles. (BPRS-R5)*

*The BPRS must account for cash waqf and zakah to the broader community to indicate the achievement of its social targets. (BPRS-U1)*

In conclusion, the accountability logic of the BPRS comprises both financial and non-financial measures, holding institutions accountable to internal and external stakeholders and, most importantly, to Allah SWT, reinforcing the understanding that every action will be judged before God.

### **CONCLUSION**

BPRS are characterized by a unique hybrid logic that reflects the complex interaction between market, social, religious, and accountability logics, each encompassing material and symbolic aspects of the firm. Although these logics are interconnected and mutually influential, they can be analytically distinguished to provide different insights into the dynamics of Islamic microfinance institutions. Market logic manifests in material practices such as profit generation, risk management, and the development of competitive financial products, which are also shaped by the symbolic aspects of Islamic principles, leading to the creation of Shariah-compliant offerings. The social mission of Islamic microfinance influences material actions, including customer selection, loan terms, and development initiatives aimed at underprivileged and low-income communities. It often interacts with market logic and fosters tension and innovation in the operational strategies. Meanwhile, religious logic, grounded in Islamic principles, influences all material aspects of the institution, from the structuring of financial products to the cultivation of customer relationships. The logic of accountability encompasses both material practices, such as regulatory compliance and financial reporting, and symbolic aspects, such as ethical responsibility and transparency, with

accountability extending beyond conventional standards to include a divine dimension rooted in accountability to God (Allah SWT). Understanding this hybrid logic is crucial for grasping the challenges and opportunities faced by Islamic microfinance institutions, as it explains why they may adopt practices that appear paradoxical from a single-logical perspective, such as pursuing profit while prioritizing social impact or adhering strictly to religious principles while innovating in financial products. This hybrid framework creates a distinctive institutional environment in which Islamic microfinance organisations continually negotiate between seemingly conflicting demands, striving to balance profit with social welfare, religious compliance with market competitiveness, and financial accountability with spiritual responsibility.

Further empirical research is essential to deepen our understanding of how BPRS navigate and balance their hybrid logics in practice. This can be achieved through a combination of qualitative and quantitative studies, including fieldwork involving interviews with management, staff, and clients. Such approaches would provide valuable insights into the real-world negotiations and tensions between profit motives, social impact, and religious compliance that these institutions continually manage.

## REFERENCES

- Al Mamun, A., Al Mamun, M. A., & Rana, M. (2020). Green Banking Practices and Profitability of Commercial Banks in Bangladesh. *IOSR Journal of Economics and Finance*, 11(5), 10–14. <https://doi.org/10.9790/5933-1105021014>.
- Afriadi, F., Pranoto, P., Kurniawaty, E., & Zamzami, R. M. (2024). Islamic rural bank mission drift : Equity financing vs debt-based financing. *Journal of Islamic Economics and Finance (JEKI)*, 10(1), 41–56.
- Akbar, T. and Siti-Nabiha, A.K. (2019), "Performance of Islamic microfinance banks: the case of a developing country", *KnE Social Sciences*, Vol. 3 No. 22, pp. 268–288, <https://doi.org/10.18502/kss.v3i22.5056>.
- Akbar, T., & Siti-Nabiha, A. K. (2021). Objectives and measures of performance of Islamic microfinance banks in Indonesia: the stakeholders' perspectives. *ISRA International Journal of Islamic Finance*, no-ahead-of(no-ahead-of-issue). <https://doi.org/10.1108/ijif-11-2020-0231>.
- Alam, N., Gupta, L., Zameni, A., & Klapper, L. (2023). Islamic microfinance: Performance and challenges. *Journal of Banking & Finance*, 148, 106747.
- Antonio, M. S., Sanrego, Y. D., & Taufiq, M. (2012). An Analysis of Islamic Banking Performance: Maqashid Index Implementation in Indonesia and Jordania. *Journal of Islamic Finance*, 1(1), 012–029. <https://doi.org/10.15604/ejef.2017.05.01.008>.
- Ascarya, & Yumanita, D. (2022). Profit-loss sharing financing in Islamic rural banks: Mudaraba versus musharaka. *Journal of Islamic Accounting and Business Research*, 13(6), 810-827.
- Ascarya, A., Yumanita, D., & Cakranegara, P. A. (2021). The sustainability of Islamic microfinance institutions: A maqasid shariah perspective. *Journal of Islamic Marketing*, 12(9), 1583-1599.
- Attride-Stirling, J. (2001). Thematic networks: an analytic tool for qualitative research. *Qualitative Research*, 1 (3), 385-405
- Ausaf, A., & Mahmood, T. (2021). An overview of Islamic finance and its products. In *Islamic Finance* (pp. 1-18). Springer, Cham.
- Bank Indonesia. (2008). Indonesian Banking Regulation No. 21 of 2008. [https://www.ojk.go.id/waspadainvestasi/id/regulasi/Documents/UU\\_No\\_21\\_Tahun\\_2008\\_Perbankan\\_Syariah.pdf](https://www.ojk.go.id/waspadainvestasi/id/regulasi/Documents/UU_No_21_Tahun_2008_Perbankan_Syariah.pdf) (accessed 22 August 2020).
- Battilana, J., & Casciaro, T. (2021). Power, for all: How it works and why it's everyone's business. Simon and Schuster.
- Battilana, J., Besharov, M., & Mitzinneck, B. (2017). On hybrids and hybrid organizing: A review and roadmap for future research. In R. Greenwood, C. Oliver, T. B. Lawrence, & R. E. Meyer (Eds.), *The SAGE handbook of organizational institutionalism* (2nd ed., pp. 128-162). Sage Publications.
- Boxenbaum, E., Jones, C., Meyer, R. E., & Svejenova, S. (2021). Towards an articulation of the material and visual turn in organization studies. *Organization Studies*, 42(12), 1931-1947.
- Brinkmann, S., & Kvale, S. (2018). *Doing interviews* (2nd ed.). SAGE Publications.
- Brinkmann, S. (2020). Unstructured and semi-structured interviewing. In P. Leavy (Ed.), *The Oxford handbook of qualitative research* (2nd ed., pp. 424-456). Oxford University Press.
- Braun, V., & Clarke, V. (2022). *Thematic analysis: A practical guide*. SAGE Publications.

- Chapra, M. U. (2008). The Islamic vision of development in the light of maqasid al-Shariah. International Institute of Islamic Thought.
- Creswell, J. W., & Poth, C. N. (2018). Qualitative inquiry and research design: Choosing among five approaches (4th ed.). SAGE Publications.
- Denzin, N. K., & Lincoln, Y. S. (Eds.). (2022). The SAGE handbook of qualitative research (6th ed.). SAGE Publications.
- Dimitriadis, S., Lee, M., Ramarajan, L., & Battilana, J. (2022). Blurring the boundaries: The interplay of gender and local communities in the commercialization of social ventures. *Organization Science*, 33(1), 171-188.
- Don, A. G., & Aini, Z. (2021). Implementation of Non-Verbal Communication in Dakwah bi al-Hal towards Orang Asli Community in Malaysia. *Innovations*, 64(01), 54–68. [www.journal-innovations.com](http://www.journal-innovations.com)
- Durand, R., Hatchuel, A., & Kreiner, K. (2022). Institutional theory's path to domination: A bibliometric analysis of two decades of research in top management journals. *Organization Studies*, 43(12), 1871-1898.
- Eka Puteri, H. (2020). Predicting The Impact of Commercialization Factors on The Social Mission of Islamic Microfinance Institutions for Muslim Community. *Islam Realitas: Journal of Islamic & Social Studies*, 6(1), 14–28. [https://doi.org/10.30983/islam\\_realitas.v6i1.3095](https://doi.org/10.30983/islam_realitas.v6i1.3095).
- Flick, U. (2021). Introducing research methodology: Thinking your way through your research project (3rd ed.). SAGE Publications.
- Gehman, J., Glaser, V. L., Eisenhardt, K. M., Gioia, D., Langley, A., & Corley, K. G. (2018). Finding theory–method fit: A comparison of three qualitative approaches to theory building. *Journal of Management Inquiry*, 27(3), 284-300. <https://doi.org/10.1177/1056492617706029>
- Greenwood, R., Hinings, C. R., Meyer, R. E., & Nelson, A. J. (2022). The multiplicity of institutional logics and the heterogeneity of organizational responses. *Organization Science*, 33(1), 431-449.
- Greenwood, R., Raynard, M., Micelotta, E. R., & Lounsbury, M. (2021). Institutional plurality and change. In R. Aldag (Ed.), *Oxford research encyclopedia of business and management*. Oxford University Press.
- Guba, E. G., & Lincoln, Y. S. (2018). Paradigmatic controversies, contradictions, and emerging confluences. In N. K. Denzin & Y. S. Lincoln (Eds.), *The SAGE handbook of qualitative research* (5th ed., pp. 55-117). SAGE Publications.
- Gümüşay, A. A. (2020). The Potential for Plurality and Prevalence of the Religious Institutional Logic. *Business and Society*, 59(5), 855–880. <https://doi.org/10.1177/0007650317745634>
- Gümüşay, A. A., Claus, L., & Amis, J. (2020). Engaging with Grand Challenges: An Institutional Logics Perspective. *Organization Theory*, 1(3). <https://doi.org/10.1177/2631787720960487>
- Gümüşay, A. A., Meyer, R. E., & Höllerer, M. A. (2024). Committed Actors, Institutional Complexity, and Pathways to Compromise: The Emergence of Islamic Banking in Germany. *Journal of Management Studies*. <https://doi.org/10.1111/joms.13061>
- Hameed, S. (2009). *Accounting and Auditing for Islamic Financial Institutions*. Kuala Lumpur: International Islamic University Malaysia.
- Hampel, C., Tracey, P., & Weber, K. (2023). The art of the pivot: How new ventures manage identification relationships with stakeholders as they change direction. *Administrative Science Quarterly*, 68(1), 259-303.
- Hancock, D. R., & Algozzine, B. (2021). *Doing case study research: A practical guide for beginning researchers* (4th ed.). Teachers College Press.
- Haveman, H. A., & Gualtieri, G. (2017). Institutional logics. *Oxford Research Encyclopedia of Business and Management*, Ray Aldag, Ed., January, 1–41. <https://doi.org/10.4337/9781800883284.institutional.logics>.
- Joko Suyanto. (2020). The Role of Sharia Rural Banks (BPRS) in Developing Micro, Small and Medium Enterprises (MSMEs) in Indonesia. *Journal of Islamic Economics Perspectives*, 2(1), 45-56.
- Jones, C., Meyer, R. E., Jancsary, D., & Hollerer, M. A. (2017). The material and visual basis of institutions. In R. Greenwood, C. Oliver, T. B. Lawrence, & R. E. Meyer (Eds.), *The SAGE handbook of organizational institutionalism* (2nd ed., pp. 621-646). Sage Publications.
- Lepoutre, J., Macchione Saes, M. S., & Andrade, E. T. (2021). Non-market strategy research through the lens of new institutional economics: An integrative review and future directions. *Strategic Management Journal*, 42(4), 729-760.

- 
- Lin, X., McKenna, B., Ho, C. M. F., & Shen, G. Q. P. (2019). Stakeholders' influence strategies on social responsibility implementation in construction projects. *Journal of Cleaner Production*, 235, 348–358. <https://doi.org/10.1016/j.jclepro.2019.06.253>
- Lounsbury, M., Wang, M. S., & Pietronave, J. (2021). The forest and the trees: Balancing analytical levels in institutional analysis. In P. Haack, J. Sieweke, & L. Wessel (Eds.), *Microfoundations of institutions (Research in the Sociology of Organizations, Vol. 65B, pp. 353-374)*. Emerald Publishing Limited. <https://doi.org/10.1108/S0733-558X2019000065B025>.
- Mader, P. (2022). The social productivity of microfinance institutions. *Journal of Financial Intermediation*, 50, 100946.
- Masyita, D. (2017). Islamic microfinance institutions in Indonesia and the challenges in the supply chain perspectives. *International Journal of Supply Chain Management*, 6(4), 341–350.
- Mawardi, I., Widiastuti, T., & Prasetyo, A. (2017). Business Model of Islamic Microfinance Institution : Indonesia Case. *Accounting and Finance Review*, 2(1), 22–30.
- Melzattia, S., Nurhasanah, N., Mahriji, M., Wahyudi, I., & Nugroho, L. (2024). Analysis of Betawian Accounting as A Local Wisdom Business Identity: Maqasid Sharia of Wealth Perspective. *International Journal of Commerce and Finance*, 10(1), 19–34. <http://orcid.org/0000-0002-9613-1667>
- Mobin, M. A., Masih, M., & Alhabshi, S. O. (2017). Religion of Islam and Microfinance: Does It Make Any Difference? *Emerging Markets Finance and Trade*, 53(7), 1547–1562. <https://doi.org/10.1080/1540496X.2016.1268526>.
- Mohd Noor, A. H., & Mohd Nor, A. H. (2022). Gambling addiction from the Islamic perspective: Causes, effects and treatment. *Journal of Islamic Studies and Thought for Specialized Researches*, 8(1), 1-25.
- Mongelli, L., Versari, P., Rullani, F., & Vaccaro, A. (2023). Made in prison: How social enterprises balance competing institutional logics through "value-driven job crafting". *Journal of Management Studies*, 60(1), 228-265.
- Mukhlisin, M., & Fadzly, M. (2020). Multiple logics within the international Islamic financial architecture: implications for Islamic financial reporting standards. *Accounting Research Journal*, 33(6), 709–727. <https://doi.org/10.1108/ARJ-03-2020-0059>.
- Mulyati, E. & Harieti, N. (2018). Model of business activities of microfinance institutions in Indonesia. *IOP Conf. Series: Earth and Environmental Science*, 175.
- Munir, M., Arifah, R. A., & Dewi, K. (2021). Does Islamic Microfinance indeed base on Sharia-compliant? The Shreds of Evidence Report in Ogan Komering Ilir regency, South Sumatera, Indonesia. *Journal of Economics Research and Social Sciences*, 5(2), 181–188. <https://doi.org/10.18196/jerss.v5i2.12487>
- Naili, N. (2022). Transformative Accountability: A Moral Imperative for Islamic Financial Institutions. *International Journal of Islamic Economics and Finance Studies*, 8(1), 15-36. <https://doi.org/10.25272/ijisef.1030480>
- Nugroho, L., Utami, W., Sukmadilaga, C., & Fitrijanti, T. (2024). The role of Islamic microfinance in poverty alleviation: Evidence from Indonesia. *Journal of Islamic Accounting and Business Research*, 15(1), 1-20. <https://doi.org/10.1108/JIABR-06-2023-0159>
- Ocasio, W., Thornton, P. H., & Lounsbury, M. (2017). Advances to the institutional logics perspective. In R. Greenwood, C. Oliver, T. B. Lawrence, & R. E. Meyer (Eds.), *The SAGE handbook of organizational institutionalism* (2nd ed., pp. 509-531). SAGE Publications.
- Ocasio, W., Thornton, P. H., & Lounsbury, M. (2022). The institutional logics perspective. In A. Sturdy, S. Heusinkveld, T. Reay, & D. Strang (Eds.), *The Oxford handbook of management ideas* (pp. 430-447). Oxford University Press.
- Othman, R., Zainuddin, Y., & Md Yusoff, R. (2023). Exploring Islamic microfinance institutions' performance: A systematic literature review. *Journal of Islamic Accounting and Business Research*, 14(2), 433-455. <https://doi.org/10.1108/JIABR-03-2022-0080>.
- Onwuegbuzie, A. J. & Leech, N. L. (2005). On Becoming a Pragmatic Researcher: The Importance of Combining Quantitative and Qualitative Research Methodologies. *International Journal of Social Research Methodology*, 8(5), 375-387.
- Pache, A. C., & Thornton, P. H. (2021). Hybridity and institutional logics. In *Oxford Research Encyclopedia of Business and Management*. Oxford University Press.
- Patton, M. Q. (2022). *Qualitative research and evaluation methods* (5th ed.). SAGE Publications.
-

- Quélin, B. V., Kivleniece, I., & Lazzarini, S. (2022). Hybrid organizing and the sustainable development agenda: Insights from public–private partnerships. *Organization Theory*, 3(4), 26317877221138122.
- Quélin, B. V., Kivleniece, I., & Lazzarini, S. (2023). Hybridity in organization theory: Definitional landscape, challenges, and future research. *Journal of Management Studies*, 60(1), 28-57.
- Rafay, A., & Suk, J. (2023). Financing modes and performance of Islamic banks: Evidence from Pakistan. *Journal of Islamic Accounting and Business Research*, 14(1), 73-91.
- Rodliyah, S., Djamhuri, A., & Prihatiningtias, Y. W. (2021). Revealing The Accountability of Nurul Haromain Islamic Boarding Schools: A Phenomenological Study. *Jurnal Ilmiah Akuntansi Dan Bisnis*, 16(2), 359. <https://doi.org/10.24843/jiab.2021.v16.i02.p12>
- Rohman, P., Fianto, B., Shah, S., Kayani, U., Suprayogi, N., & Supriani, I. (2021, December 1). A review on literature of Islamic microfinance from 2010-2020: lesson for practitioners and future directions. <https://doi.org/10.1016/j.heliyon.2021.e08549>.
- Roulston, K., & Choi, M. (2018). Qualitative interviews. In U. Flick (Ed.), *The SAGE handbook of qualitative data collection* (pp. 233-249). SAGE Publications.
- Rosely, N. M., Rosman, R., Sufian, F., & Sidek, N. (2020). The Efficiency Of Bank Pembiayaan Rakyat Syariah (BPRS) In Indonesia: An Empirical Evidence. *UIM Postgraduate Research Journal*, 1(1), 1–16.
- Septiani, E., & Rani, L. N. (2020). Analisis Tingkat Efisiensi Bank Pembiayaan Rakyat Syariah (Bprs) Periode 2012-2018 Menggunakan Metode Data Envelopment Analysis (Dea). *Jurnal Ekonomi Syariah Teori Dan Terapan*, 7(7), 1378. <https://doi.org/10.20473/vol7iss20207pp1378-1390>.
- Siti-Nabiha, A. K., Azhar, Z., Isa, S. M., & Siti-Nazariah, A. Z. (2018). Measuring social performance: Reconciling the tension between commercial and social logics. *International Journal of Social Economics*, 45(1), 205–222. <https://doi.org/10.1108/IJSE-08-2016-0216>.
- Siti-Nabiha, A.K. & Adib, N. (2020). An institutional analysis of the emergence and institutionalisation of Islamic banking practices in Indonesia. *Journal of Islamic Accounting and Business Research*, 11(9), 1725–1738.
- Siti-Nabiha, A.K. & Siti-Nazariah, A.Z. (2021). Performance measurement in Islamic micro finance institutions : does it change social norms and values ?. *Qualitative Research in Financial Markets*, Vol. ahead-of-print No. ahead-of-print, available at: <https://doi.org/10.1108/QRFM-09-2020-0186>.
- Smets, M., Morris, T., & Greenwood, R. (2020). "From practice to field": A multilevel model of practice-driven institutional change. *Academy of Management Journal*, 63(5), 1446-1474.
- Smith, W. K., Besharov, M. L., Wessels, A. K., & Chertok, M. (2023). A paradox approach to societal tensions: Insights from 30 years of navigating hybrid organizing in the Teach For All network. *Academy of Management Journal*, 66(1), 23-53.
- Tamanni, L., & Haji Besar, M. H. A. (2019). Profitability vs Poverty alleviation: has banking logic influences Islamic microfinance institutions? *Asian Journal of Accounting Research*, 4(2), 260–279. <https://doi.org/10.1108/ajar-05-2019-0039>
- Tamanni, L., & Mukhlisin, M. (2022). Islamic Microfinance Institutions: Performance, challenges, and prospects. In M. K. Hassan, M. Rashid, & A. G. Aliyu (Eds.), *Islamic Microfinance: Emerging Trends and Future Directions* (pp. 301-317). Palgrave Macmillan. [https://doi.org/10.1007/978-3-030-97936-6\\_14](https://doi.org/10.1007/978-3-030-97936-6_14).
- Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The institutional logics perspective: A new approach to culture, structure, and process*. Oxford University Press.
- Thornton, P. H., Ocasio, W., & Lounsbury, M. (2019). The institutional logics perspective. In S. Clegg & M. Pina e Cunha (Eds.), *Management, organizations and contemporary social theory* (pp. 56-84). Routledge.
- Tracy, S. J., & Hinrichs, M. M. (2023). *Qualitative research methods: Collecting evidence, crafting analysis, communicating impact* (3rd ed.). Wiley-Blackwell.
- Unerman, J. and O'Dwyer, B. (2006) On James Bond and the importance of NGO accountability. *Accounting, Auditing and Accountability Journal*, 19(3), 305-318.
- Wry, T., & Zhao, E. Y. (2022). Hybrid organizing and the pursuit of social impact: Advancing a configurational perspective. *Academy of Management Review*, 47(4), 651-674.
- Yilmaz, K. (2013). Comparison of quantitative and qualitative research traditions: Epistemological, theoretical, and methodological differences. *European Journal of Education*, 48(2), 311-325. <https://doi.org/10.1111/ejed.12014>.
- Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). Sage Publications.
- Yin, R. K. (2023). *Case study research and applications: Design and methods* (7th ed.). SAGE Publications.

- 
- Zhao EY, Lounsbury M. 2016. An institutional logics approach to social entrepreneurship: Market logic, religious diversity, and resource acquisition by microfinance organizations. *Journal of Business Venturing* 31(6), 643–662.
- Zhao, E. Y., Ishihara, M., & Lounsbury, M. (2022). Navigating the transition to a sustainable economy: How institutional theory can guide strategic management. *Strategic Management Journal*, 43(13), 2529-2558. <https://doi.org/10.1002/smj.3398>.
- Zilber, T. B. (2013). Institutional logics and institutional work: Should they be agreed? *Research in the Sociology of Organizations*, 39(A), 77-96.
- Website : ([www.ojk.go.id](http://www.ojk.go.id)).