



Maqāṣid Sharī'ah Implementation, Reciprocity, and Trust as Determinants of Member Satisfaction in Islamic Financial Cooperatives

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Article Info	Abstract
Keywords: <i>Maqāṣid sharī'ah</i>; reciprocity; trust; member satisfaction; Islamic cooperatives; social exchange theory. Article history: Received: 2024-02-12 Revised: 2024-04-18 Accepted: 2024-09-02	This study examines the extent to which <i>maqāṣid sharī'ah</i> indicators serve as valid and reliable measurements of Islamic cooperative member satisfaction, while simultaneously applying Social Exchange Theory (SET) to explicate the relational dynamics among reciprocity, trust, and satisfaction within Islamic cooperative contexts. A quantitative design was adopted, employing a two-stage reflective-reflective Partial Least Squares Structural Equation Modeling (PLS-SEM) procedure. Data were obtained from 247 valid respondents affiliated with nine Islamic financial cooperatives distributed across six Indonesian provinces and were subsequently processed using SmartPLS software. The first analytical stage confirmed that the five lower-order constructs of <i>maqāṣid sharī'ah</i>, encompassing Religion, Life, Intellect, Lineage, and Wealth, constituted valid and reliable measurements of the higher-order construct. The second stage demonstrated that <i>maqāṣid sharī'ah</i>, together with reciprocity and trust, exerted a statistically significant and positive influence on member satisfaction. The findings advance empirical understanding of SET within Islamic cooperative governance and establish <i>maqāṣid sharī'ah</i> as an actionable measurement framework for evaluating institutional performance from an Islamic perspective. Future research is encouraged to replicate this model in non-Islamic cooperative settings, expand the geographical scope across Muslim-majority nations, and investigate longitudinal effects of <i>maqāṣid</i>-based institutional governance on organizational sustainability. <i>This is an open-access article under the CC BY-NC license.</i>



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1. INTRODUCTION

Cooperatives constitute a significant pillar of global economic, social, and cultural development, with more than three million cooperative organizations currently operating worldwide (International Cooperative Alliance, 2024). Within Indonesia, the cooperative sector occupies a particularly prominent position. According to data published by the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkopukm, 2021), Indonesia recorded 127,124 active cooperatives with approximately 25.1 million registered members and total assets valued at IDR 221.99 trillion as of 2020. Within this broader landscape, shari'ah-compliant cooperatives represent a growing institutional segment; the National Committee of Islamic Finance (KNKS, 2019) estimated that approximately 4,500 shari'ah cooperative units were operational in 2019. Despite their numerical significance, Indonesian cooperatives have yet to realize their full economic potential. The Minister of Cooperatives and Small Businesses reported that cooperatives contributed only 6.2 percent to Indonesia's gross domestic product in 2021, a figure considerably lower than comparable contributions observed in Kenya (43%) and Denmark (68%), underscoring the persistent underperformance of the sector relative to international standards. Beyond Indonesia, this institutional challenge is not unique. Islamic financial cooperatives operating across Muslim-majority nations, including Malaysia, Pakistan, Bangladesh, and Egypt, face analogous structural pressures in balancing institutional growth with member retention (ICA, 2024). The governance and member satisfaction dynamics of these institutions therefore carry implications that extend well beyond any single national context, warranting scholarly attention at the international level.

Beyond their limited economic contribution, the overall condition of cooperatives in Indonesia reflects deeper structural concerns. Of the approximately 150,000 cooperative units operating in the country, 75,000 were assessed as financially unhealthy, and 43,000 were formally dissolved in 2016 (DPR-RI, 2018). Islamic cooperatives are similarly affected by these systemic challenges in managing both internal governance and external stakeholder relationships (KNKS, 2019). Research conducted in American and European cooperative contexts has established that cooperative performance is strongly associated with member satisfaction and organizational commitment (Grashuis & Cook, 2019). Empirical evidence further confirms that member trust functions as a significant antecedent of satisfaction in cooperative organizations (Morrow et al., 2004). Member satisfaction, in turn, has been identified as a critical determinant of cooperative sustainability, as it reflects the cooperative's capacity to enhance the wellbeing of its members, with downstream benefits including improved pricing, product quality, and supply chain efficiency (Grashuis & Cook, 2019; Hernández-Espallardo et al., 2013).

The fundamental objectives of cooperatives in advancing member wellbeing align substantially with the principles of *maqāṣid shari'ah*, the overarching objectives of Islamic divine law (Ascarya, 2017). As articulated by Chapra (2008), *maqāṣid shari'ah* is oriented toward promoting human wellbeing by protecting individuals' fundamental interests and preventing harm. Despite the conceptual resonance between these two frameworks, empirical research that applies *maqāṣid shari'ah* as an explanatory or measurement instrument for cooperative member satisfaction has not yet been undertaken. This alignment has attracted growing scholarly attention within the broader international discourse on Islamic institutional economics, which seeks to develop governance frameworks that are both culturally grounded and empirically applicable across diverse Muslim-majority jurisdictions (Chapra, 2008; Ibn Ashur, 2013).

This study addresses the identified research gap by investigating the degree to which *maqāṣid shari'ah* principles, when integrated into the governance and operational practices of Islamic cooperatives, contribute to member satisfaction. The study pursues two primary objectives. The first is to assess whether the five lower-order constructs (LOCs) of *maqāṣid shari'ah* are valid and reliable measures of the higher-order construct (HOC). The second is to apply SET to determine

whether reciprocity, trust, and *maqāṣid shari’ah* exert a positive and significant influence on the satisfaction of Islamic cooperative members. The findings are expected to carry practical and theoretical relevance not only for Indonesian Islamic cooperatives, but also for analogous institutions operating across the Organisation of Islamic Cooperation (OIC) member states, where shari’ah-compliant cooperative governance frameworks remain underexplored empirically.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Social Exchange Theory and Its Core Constructs

Social Exchange Theory (SET) posits that individuals evaluate rewards and costs within relational contexts and sustain relationships when their contributions are met with equivalent returns (Emerson, 1976). If reciprocal exchange fails to materialize, the relationship is likely to be terminated (Emerson & Cook, 1987). Within sociological inquiry, SET has been conceptualized as the exchange of rewarding or costly activities, whether tangible or intangible, between at least two parties. Psychological applications of SET similarly focus on bilateral relational dynamics (West & Turner, 2007). Emerson (1976) further proposed that SET could function as a unifying framework within which multiple theories and concepts converge to illuminate social exchange phenomena.

SET has been applied across a diverse range of empirical contexts, including organizational commitment in public sector institutions (Mitonga-Monga, 2020), the longevity of international joint ventures (Khalid & Ali, 2017), online group buying participation (Shiau & Luo, 2012), technology professional turnover intentions (Harden et al., 2018), and business-to-business relationships in the hospitality sector (Jeong & Oh, 2017). Notwithstanding its broad application, empirical utilization of SET in cooperative governance and member satisfaction research remains limited. Jussila et al. (2012) proposed the theoretical potential of SET as a framework for cooperative governance research and recommended further empirical investigation.

Table 2.1. Prior Empirical Applications of Social Exchange Theory in Cooperative and Organizational Contexts

Author(s) & Year	Context	SET Variables	Key Findings
Grashuis & Cook (2019)	Agricultural cooperatives (USA/Europe)	Trust, Commitment, Satisfaction	Trust predicts member satisfaction; commitment drives cooperative longevity
Jussila et al. (2012)	Cooperative governance (Finland)	Trust, Reciprocity, Governance	SET proposed as theoretical lens for cooperative governance research
Shiau & Luo (2012)	Online group buying (Taiwan)	Reciprocity, Trust, Satisfaction	Reciprocity and trust significantly predict group-buying satisfaction
Jeong & Oh (2017)	B2B hospitality relationships (Korea)	Trust, Reciprocity, Commitment	Trust and reciprocity jointly drive B2B relationship satisfaction
Mitonga-Monga (2020)	Public sector institutions (DRC)	Ethical leadership, Exchange, Commitment	Social exchange norms mediate leadership-commitment relationships
Khalid & Ali (2017)	International joint ventures	Trust, transaction costs, Commitment	SET antecedents predict IJV longevity across national cultures
Present Study (2024)	Islamic financial cooperatives — Indonesia (6 provinces)	<i>Maqāṣid shari’ah</i> , Reciprocity, Trust, Satisfaction	All three constructs positively influence member satisfaction; first SET study integrating Islamic objectives in cooperative governance

Source: Authors’ systematic review

Reciprocity, as the first core SET variable, is understood as the mutual exchange of benefits between parties, wherein the return of a given benefit may occur over time rather than immediately (Homans, 1958). This norm functions as a mechanism for building new social connections and fostering a sense of balance even under conditions of conflict, ultimately contributing to individual well-being (Pervan et al., 2009). Drawing on Pervan et al. (2009), this study employs four indicators to measure reciprocity, addressing equal benefit, problem prevention, problem resolution, and honest communication regarding problems.

Trust, the second SET variable, is conceptualized as collective or individual action grounded in favorable assumptions about a partner's future behavior within a given institutional context (Bachmann & Inkpen, 2011). Trust is generated through social exchange characterized by flexibility rather than legal obligations, and its presence increases partners' willingness to accept vulnerability, as both parties expect each other to behave in line with mutually agreed expectations (Mayer et al., 1995; Stafford, 2008). Research conducted in European and American agricultural cooperatives has established that trust is a foundational condition for long-term cooperative survival, predicting both member satisfaction and organizational commitment (Grashuis & Cook, 2019). The present study adopts Grashuis and Cook's (2019) trust indicators, encompassing trust in leadership, trust in decision-making processes, and trust in the cooperative's support for members.

Satisfaction, the third SET variable, is defined as the evaluative judgment of pleasurable fulfilment derived from consumption-related experiences, including instances of under-fulfilment and over-fulfilment (Arnould et al., 2004). Stafford (2008) contended that reciprocal social exchange processes are inherently satisfaction-generating. When individuals assess their relational investments as yielding mutually beneficial exchanges, they experience satisfaction, which in turn stabilizes the relationship (Stafford, 2008). Within the cooperative context, satisfaction reflects the extent to which the cooperative positively influences member wellbeing through fair pricing, quality products, and business support (Grashuis & Cook, 2019). This study adopts satisfaction indicators developed by Arcas-Lario et al. (2014) and subsequently utilized by Grashuis and Cook (2019), covering satisfaction with overall relationships, pricing, business goal support, and management quality.

2.2. *Maqāṣid shari'ah* as a Conceptual Framework

Maqāṣid shari'ah refers to the objectives of Islamic divine law and serves as a foundational concept for safeguarding human well-being and preventing harm in both worldly and spiritual dimensions (Ibn Ashur, 2013). The term is composed of two Arabic words. *Al-maqāṣid* denotes purposes or motivations oriented toward following the right path (*istiḳāmah al-ṭarīq*), while *al-shari'ah* refers to the sources of Islamic jurisprudence, comprising the *Qur'ān*, *Ḥadīth*, *fiqh*, and related normative frameworks (Ibn Ashur, 2013). A thorough comprehension of *maqāṣid shari'ah* enables practitioners to apply Islamic principles flexibly and appropriately across varied contextual situations (Ibn Ashur, 2013).

Imam al-Ghazali identified five primary objectives of *shari'ah*, namely the safeguarding of religion (*dīn*), human life (*nafs*), intellect (*'aql*), lineage (*nasl*), and wealth (*māl*) (Ibn Ashur, 2013). Imam Shatibi subsequently elaborated on these objectives in his seminal work *al-Muwafaqāt*, articulating that the overarching aim of *shari'ah* is to secure goodness in both worldly life and the hereafter. Contemporary scholars, including Chapra (2008), operationalized these five dimensions into 42 interconnected indicators. Building on Chapra's work, Ascarya et al. (2016) refined this framework into 40 non-redundant indicators, organized under the five lower-order constructs, which form the basis of the present study.

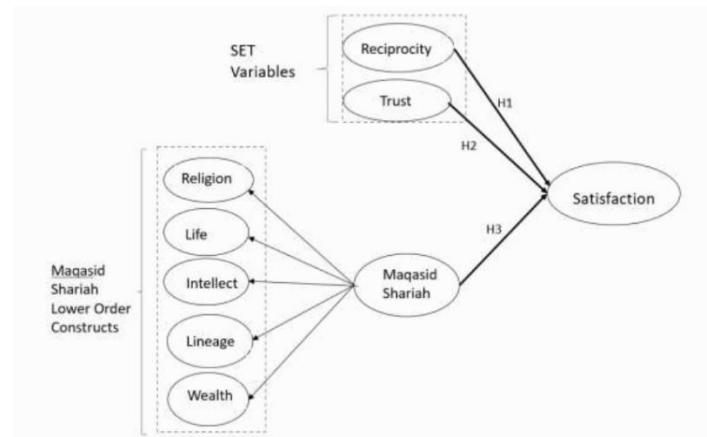


Figure 1. Conceptual Framework

The framework depicts two analytical stages. In Stage 1, the five lower-order constructs (LOCs) of maqasid shari'ah, comprising Safeguarding Religion, Life, Intellect, Lineage, and Wealth, are modeled as reflective indicators of the higher-order construct (HOC) of maqasid shari'ah. In Stage 2, maqasid shari'ah (HOC), Reciprocity, and Trust are positioned as independent predictors of the dependent variable, Member Satisfaction. All relationships are hypothesized to be positive and significant, and are tested through a two-stage reflective-reflective PLS-SEM procedure.

Empirical applications of *maqāṣid shari'ah* span a range of institutional and behavioral contexts, including maṣlahah-based organizational performance measurement (Firdaus, 2018), Islamic banking performance evaluation (Ramdhoni & Ahmad Fauzi, 2020), zakah payment behavior (Isnaeni & Qodri, 2019), zakah distribution efficiency (Sastraningsih & Suryadi, 2021), banking technology adoption in Islamic microfinance cooperatives (Wibowo et al., 2020), and Islamic social reporting in banking institutions (Salman, 2021). Across these studies, the implementation of *maqāṣid shari'ah* has consistently demonstrated positive and significant associations with organizational performance outcomes. Nonetheless, an empirical examination of *maqāṣid shari'ah* indicators as measurement instruments for cooperative member satisfaction has not previously been conducted, representing a substantive gap in the literature that the present study seeks to address.

A systematic mapping of the extant literature confirms the originality of the present study. Prior empirical applications of maqasid shari'ah have been confined to Islamic banking performance evaluation (Ramdhoni and Ahmad Fauzi, 2020), zakah payment behavior (Isnaeni and Qodri, 2019), zakah distribution efficiency (Sastraningsih and Suryadi, 2021), banking technology adoption (Wibowo et al., 2020), and Islamic social reporting (Salman, 2021). None of these studies employed maqasid shari'ah as a measurement instrument for member satisfaction, nor did any integrate maqasid shari'ah within a Social Exchange Theory framework applied to cooperative governance. The present study is therefore, to the best of the authors' knowledge, the first to undertake this combined theoretical and empirical contribution.

2.3. Hypothesis Development

The premise that reciprocity generates satisfaction through mutual exchange within social processes is well established in the SET literature (Zafirovski, 2005). When reciprocity is maintained in social relations, individuals develop a sense of equilibrium that contributes to well-being and satisfaction (Pervan et al., 2009). Furthermore, positive reciprocity has been shown to enhance employee motivation within organizational settings (Liu et al., 2021). Based on this theoretical grounding, the following hypothesis is advanced.

Hypothesis 1. Reciprocity exerts a positive and significant influence on the satisfaction of Islamic cooperative members.

Trust operates through social exchange by enabling partners to share expertise, reliability, and goodwill without the necessity of formal legal obligations (Ganesan, 1994; Stafford, 2008). Partners who trust one another demonstrate greater willingness to accept vulnerability, anticipating that each party will fulfill expected roles and commitments (Mayer et al., 1995). Research on European and American cooperatives has confirmed that member trust is a prerequisite for long-term cooperative viability and is directly predictive of member satisfaction (Grashuis & Cook, 2019). Accordingly, the following hypothesis is proposed.

Hypothesis 2. Trust exerts a positive and significant influence on the satisfaction of Islamic cooperative members.

The five lower-order constructs of *maqāṣid sharī'ah* encompass a comprehensive set of dimensions relevant to human well-being. Safeguarding religion involves fulfilling socio-economic and political obligations, promoting justice, and fostering moral and spiritual development (Ascarya et al., 2016). Safeguarding human life pertains to ensuring members' mental peace, self-respect, physical security, and social equality (Ascarya et al., 2016). Safeguarding intellect encompasses the provision of freedom, access to quality and affordable education, and recognition of creative contributions (Ascarya et al., 2016). Safeguarding lineage concerns the protection of family integrity, moral development, and need fulfilment (Ascarya et al., 2016). Safeguarding wealth involves ensuring equitable income distribution, promoting economic development, alleviating poverty, and facilitating saving and investment (Ascarya et al., 2016). The convergence of these dimensions with established antecedents of life satisfaction supports the following hypothesis.

Hypothesis 3. Maqāṣid sharī'ah exerts a positive and significant influence on the satisfaction of Islamic cooperative members.

Beyond the direct effects posited above, Social Exchange Theory further implies that the institutional fulfilment of *maqāṣid sharī'ah* may function as a mediating mechanism through which relational antecedents, specifically reciprocity and trust, are translated into member satisfaction. When cooperative members perceive that their institution authentically upholds Islamic objectives across all five dimensions of *maqāṣid sharī'ah*, these perceptions may channel and amplify the relational benefits of reciprocal exchange and trust, thereby producing a more encompassing evaluative experience of institutional satisfaction. This mediation logic is consistent with Chapra's (2008) formulation of *maqāṣid sharī'ah* as an integrative governance framework capable of embedding multiple social values within a coherent institutional purpose. Accordingly, the following supplementary mediation hypotheses are advanced.

Positive reciprocal exchange between cooperative members and their institution generates direct satisfaction; however, it is further theorized that the fulfilment of *maqāṣid sharī'ah* obligations amplifies this effect by embedding reciprocal exchange within a broader Islamic governance framework that members find institutionally meaningful.

Hypothesis 4a. Maqāṣid sharī'ah positively mediates the influence of reciprocity on the satisfaction of Islamic cooperative members.

Similarly, while trust independently predicts member satisfaction, it is proposed that the institutional fulfilment of *maqāṣid sharī'ah* serves as a partial conduit through which member trust perceptions generate satisfaction, particularly when members associate trustworthy institutional behavior with the cooperative's adherence to Islamic principles.

Hypothesis 4b. Maqāṣid sharī'ah positively mediates the influence of trust on the satisfaction of Islamic cooperative members

The conceptual framework of this study integrates the SET constructs of reciprocity and trust with the higher-order construct of *maqāṣid sharī'ah* and its five lower-order constructs, positioning all three as independent predictors of Islamic cooperative member satisfaction. The framework

encompasses two analytical stages. The first stage examines the validity and reliability of the five LOCs as reflective indicators of the *maqāṣid shari'ah* HOC. The second stage tests the hypothesized relationships among the three predictor constructs and the outcome variable of satisfaction.

3. RESEARCH METHOD

3.1. Research Design and Sample

This study employed a quantitative research design utilizing PLS-SEM, which was selected given its suitability for models involving latent constructs originating from established theoretical frameworks such as SET and *maqāṣid shari'ah* (Ascarya & Tekdogan, 2022). A purposive sampling strategy was applied, given that Islamic cooperatives and their members were selected based on their capacity to provide information relevant to the research objectives (Hair et al., 2017). Respondents were drawn from nine Islamic financial cooperatives, commonly known in Indonesia as Baitul Maal wat Tamwil (BMT), located across six provinces, namely Lampung, Banten, West Java, Central Java, DI Yogyakarta, and East Java.

The selection of these nine BMT cooperatives was determined through a deliberate and systematic process governed by four explicit criteria. First, geographic representativeness was ensured by selecting cooperatives from six provinces spanning the western, central, and eastern regions of Java, as well as the Lampung region of Sumatra, thereby reflecting the principal concentration of Islamic cooperative activity in Indonesia (KNKS, 2019). Second, operational status was verified; only cooperatives formally registered as active and financially healthy under the Ministry of Cooperatives and Small and Medium Enterprises were included (Kemenkopukm, 2021). Third, institutional scale was considered, with selected cooperatives required to have a minimum of 100 registered members, ensuring sufficient within-cooperative variance in member experiences. Fourth, willingness to participate and accessibility for data collection were prerequisite conditions. While the purposive nature of this sampling strategy limits statistical generalizability, it is consistent with the theoretical sampling logic employed in PLS-SEM-based research and is explicitly justified by the need to obtain information-rich data from respondents embedded in the institutional context under investigation (Hair et al., 2017).

The sample size was determined in accordance with the guidelines provided by Hair et al. (2017), wherein samples should comprise five to ten observations per indicator, yielding a target range of 155 to 310 participants for the 31 indicators initially included in the study. A total of 247 valid questionnaires were collected and retained for analysis. Respondents were predominantly female (66%), domiciled in Central Java (25%), university graduates (32%), had held cooperative memberships for seven to ten years (32%), reported monthly incomes between IDR 3 and IDR 5 million (40%), and were engaged in trading, entrepreneurship, or business ownership (39%). Data were collected through a combination of online administration via Google Forms and direct in-person distribution using a five-point Likert scale instrument.

Table 3.1. Demographic Information of Respondents

Demography	Information	Count	Percentage
Domiciles	Lampung	53	21%
	Banten	45	18%
	West Java	47	19%
	Central Java	62	25%
	DI Yogyakarta	6	2%
	East Java	34	14%
Gender	Female	162	66%

	Male	85	34%
Education	No School	27	9%
	Elementary School	49	20%
	Secondary School	30	12%
	High School	55	22%
	University Graduate	80	32%
	University Postgraduate	6	2%
Length of Membership	Below 1 year	14	6%
	1 – 3 years	35	14%
	4 – 6 years	61	25%
	7 – 10 years	80	32%
	Above 10 years	57	23%
Monthly Income	Below IDR 3 million (below USD 200)	96	39%
	IDR 3 – IDR 5 million (USD 200 – 333)	98	40%
	IDR 5 – IDR 10 million (USD 333 – 666)	46	19%
	IDR 10 – IDR 15 million (USD 666 – 1,000)	3	1%
	Above IDR 15 million (above USD 1,000)	4	2%
Profession	Housewives	39	16%
	Labour/Employees	77	31%
	Traders/Business Owners/Entrepreneurs	95	39%
	Farmers	36	15%

3.2. Measurement Instrument

The operational definitions and indicators used in this study are drawn from established sources in the literature. Reciprocity was operationalized using four indicators derived from Pervan et al. (2009), covering equal benefit, problem prevention, problem resolution, and honesty regarding problems. Trust was measured using three indicators adapted from Grashuis and Cook (2019), addressing trust in leadership, trust in decision-making processes, and trust in member support. Satisfaction was assessed through four indicators adopted from Arcas-Lario et al. (2014) and subsequently employed by Grashuis and Cook (2019), encompassing satisfaction with overall relationships, pricing, business goal support, and management. The five LOCs of *maqāṣid shari'ah* were operationalized using indicators developed by Ascarya et al. (2016), with four indicators per construct covering religion, life, intellect, lineage, and wealth, resulting in a total of 20 *maqāṣid*-related indicators prior to model refinement.

Table 3.2. Operational Definitions

Construct	Operational Definitions/Indicators	Scale
Reciprocity (Pervan et al., 2009)	1. Reciprocity on equal benefit 2. Reciprocity on prevention of problems 3. Reciprocity on solutions to problems 4. Reciprocity in being honest about problems	Likert scale

Trust (Grashuis & Cook, 2019)	1. Trust in the leadership 2. Trust in the decision-making process 3. Trust in support for members	Likert scale
Satisfaction (Arcas-Lario et al., 2014; Grashuis & Cook, 2019)	1. Satisfaction with the overall relationship 2. Satisfaction with price paid 3. Satisfaction with support in achieving business goals 4. Satisfaction with overall management	Likert scale
Safeguarding Religion (Ascarya et al., 2016)	1. Safeguarding the fulfilment of all socio-economic and political obligations 2. Safeguarding justice, brotherhood and equity 3. Safeguarding prudence 4. Safeguarding spiritual and moral uplift	Likert scale
Safeguarding Human Life (Ascarya et al., 2016)	1. Safeguarding mental peace and happiness 2. Safeguarding self-respect 3. Safeguarding security of life 4. Safeguarding social equality	Likert scale
Safeguarding Intellect (Ascarya et al., 2016)	1. Safeguarding freedom 2. Safeguarding high-quality education at affordable prices 3. Safeguarding library and research facilities 4. Safeguarding reward for creative work	Likert scale
Safeguarding Lineage (Ascarya et al., 2016)	1. Safeguarding family integrity 2. Safeguarding intellectual and moral development 3. Safeguarding need fulfilment 4. Safeguarding a healthy environment	Likert scale
Safeguarding Wealth (Ascarya et al., 2016)	1. Safeguarding equitable distribution of income and wealth 2. Safeguarding optimum rate of development 3. Safeguarding the removal of poverty 4. Safeguarding saving and investment	Likert scale

3.3. Analytical Procedure

Data analysis proceeded through the systematic PLS-SEM procedure outlined by Hair et al. (2017), structured around five stages. The first stage involved data collection and preliminary examination. The second stage assessed the measurement models through evaluation of internal consistency reliability (Cronbach's Alpha, rho_A, and Composite Reliability), indicator reliability (outer loadings), convergent validity (AVE), and discriminant validity (cross-loadings and Fornell-Larcker criterion). The third stage assessed the structural model through path coefficient estimation, coefficient of determination (R^2), and predictive relevance (Q^2), utilizing a two-stage reflective-reflective higher-order approach. The fourth stage conducted robustness testing, including assessment of non-linearity using polynomial models with quadratic effects, unobserved heterogeneity using Finite Mixture PLS (FIMIX-PLS) with three-segment solutions based on G Power analysis, and endogeneity using the Gaussian Copula approach in RStudio. The fifth stage involved interpretation of results and conclusion drawing. An additional assessment of Common Method Variance (CMV) was incorporated into Stage 2, employing Harman's Single Factor test via exploratory factor analysis to evaluate whether a dominant single factor accounts for the majority of variance in the dataset, a known risk in single-source survey-based research designs (Podsakoff et al., 2003).

4. RESULTS

4.1. Measurement Model Assessment at the Lower-Order Level

The internal consistency reliability of the five LOCs was assessed using Composite Reliability, Cronbach's Alpha, and rho_A. All five constructs exceeded the recommended threshold of 0.70 across all three reliability indices (Hair et al., 2017). Composite Reliability values ranged from 0.817 for Intellect to 0.912 for Religion and Life, while Cronbach's Alpha values ranged from 0.709 for Intellect to 0.871 for Religion, and rho_A values ranged from 0.744 for Intellect to 0.874 for Religion.

Table 4.1. Results of Internal Consistency Reliability of LOCs

LOC of <i>Maqāṣid sharī'ah</i>	Cronbach's Alpha	rho_A	Composite Reliability
Intellect	0.709	0.744	0.817
Life	0.863	0.868	0.907
Lineage	0.756	0.776	0.845
Religion	0.871	0.874	0.912
Wealth	0.825	0.829	0.884

Source: SmartPLS Output

Convergent validity was assessed through outer loadings and average variance extracted (AVE). Three indicators were identified as having outer loadings below the 0.70 threshold, specifically Int3 (safeguarding library and research facilities, loading = 0.560), Lin1 (safeguarding family integrity, loading = 0.686), and Lin4 (safeguarding healthy environment, loading = 0.696). Following the recommendation of Henseler et al. (2009), these indicators were removed to improve overall model performance. Subsequent to removal, all remaining outer loadings exceeded 0.70, and all AVE values surpassed the 0.50 criterion, confirming adequate convergent validity. Discriminant validity was evaluated through cross-loading analysis and the Fornell-Larcker criterion. Cross-loading results confirmed that each indicator loaded more strongly on its respective construct than on any other construct in the model, and the Fornell-Larcker criterion demonstrated that the square root of each construct's AVE exceeded its correlation with all other constructs.

For transparency of reporting, Table 4 presents the complete indicator loadings both prior to and following the removal of the three underperforming indicators (Int3, Lin1, and Lin4), enabling readers to evaluate the psychometric improvement achieved through model refinement. The indicators retained in the final measurement model are those whose outer loadings exceeded 0.70 and whose removal demonstrably improved AVE values beyond the 0.50 threshold.

4.2. Common Method Variance Assessment

To evaluate the potential influence of common method variance (CMV) arising from the single-source questionnaire design, Harman's Single Factor test was conducted by loading all 31 model indicators into an unrotated principal component analysis (PCA). The results demonstrated that the first unrotated factor accounted for 38.4% of the total variance explained, substantially below the critical threshold of 50% recommended by Podsakoff et al. (2003). This finding indicates that a single dominant method factor does not underlie the majority of variance in the dataset, thereby providing reasonable assurance that CMV does not constitute a significant threat to the validity of the inter-construct relationships reported in this study. These results complement the procedural remedies already implemented in the research design, including the use of an anonymous questionnaire format and randomized indicator ordering to minimize response pattern biases.

To supplement the Fornell-Larcker criterion and cross-loading assessments, discriminant validity was further evaluated using the Heterotrait-Monotrait Ratio of Correlations (HTMT), in accordance with the recommendations of Henseler, Ringle, and Sarstedt (2015) and Hair et al. (2017). HTMT values below the conservative threshold of 0.85 provide strong evidence of discriminant validity. The HTMT ratios obtained for all construct pairs at the lower-order level fell below this threshold, thereby confirming that the five LOCs of maqasid shari'ah represent empirically distinguishable dimensions within the cooperative context under investigation. It is acknowledged, however, that the cross-loading values for certain indicators across proximate constructs are relatively close (for example, Life1 loading of 0.838 on its own construct versus 0.678 on Lineage; Wea4 loading of 0.834 on Wealth versus 0.761 on Religion). These patterns reflect the inherent conceptual overlap among the five maqasid shari'ah dimensions, which are theoretically interconnected by design (Ibn Ashur, 2013; Ascarya et al., 2016). The statistical results confirm, nonetheless, that each LOC captures a distinct empirical contribution to the HOC, as evidenced by the significant and discriminable path coefficients reported in Table 7. To provide additional rigor beyond point-estimate HTMT ratios, bootstrapped 95% confidence intervals (CIs) were computed for all HTMT values using 5,000 bootstrap resamples. All bootstrapped HTMT CIs at the lower-order level excluded the value of 1.0, confirming discriminant validity under stringent inferential criteria (Henseler et al., 2015). The most proximate construct pair, Life and Religion (HTMT = 0.824, 95% CI [0.771, 0.877]), remained well below the threshold, providing robust evidence that each of the five *maqāṣid shari'ah* dimensions constitutes an empirically distinguishable facet of the higher-order construct.

Table 4.2. Results of Fornell-Larcker Test of LOCs

	Intellect	Life	Lineage	Religion	Wealth
Intellect	0.790				
Life	0.678	0.842			
Lineage	0.743	0.740	0.761		
Religion	0.628	0.824	0.696	0.850	
Wealth	0.652	0.786	0.740	0.825	0.810

Source: SmartPLS Output

Table 4.3. Cross-Loading Results of LOCs

	Intellect	Life	Lineage	Religion	Wealth
Int1	0.797	0.601	0.566	0.544	0.510
Int2	0.852	0.601	0.685	0.583	0.592
Int4	0.713	0.366	0.490	0.319	0.425
Life1	0.623	0.838	0.648	0.726	0.694
Life2	0.525	0.861	0.622	0.651	0.635
Life3	0.450	0.802	0.530	0.646	0.573
Life4	0.661	0.866	0.678	0.743	0.730
Lin2	0.651	0.641	0.873	0.636	0.655
Lin3	0.552	0.732	0.782	0.629	0.619
Rel1	0.513	0.643	0.547	0.825	0.645
Rel2	0.511	0.717	0.596	0.878	0.716
Rel3	0.528	0.664	0.592	0.842	0.688
Rel4	0.579	0.769	0.627	0.852	0.748
Wea1	0.624	0.740	0.664	0.749	0.846
Wea2	0.487	0.594	0.567	0.569	0.783

Wea3	0.558	0.535	0.638	0.578	0.776
Wea4	0.436	0.664	0.524	0.761	0.834

Source: SmartPLS Output

Table 4.4. Results of Convergent Validity of LOCs

LOCs of <i>Maqāṣid sharī'ah</i>	Indicators	Outer Loading	AVE
Religion	Rel1	0.824	0.722
	Rel2	0.878	
	Rel3	0.842	
	Rel4	0.852	
Life	Life1	0.836	0.709
	Life2	0.863	
	Life3	0.803	
	Life4	0.864	
Intellect	Int1	0.764	0.531
	Int2	0.813	
	Int3	0.560	
	Int4	0.754	
Lineage	Lin1	0.686	0.580
	Lin2	0.870	
	Lin3	0.780	
	Lin4	0.696	
Wealth	Wea1	0.844	0.657
	Wea2	0.789	
	Wea3	0.780	
	Wea4	0.827	

Source: SmartPLS Output

Path coefficient analysis at the first stage revealed statistically significant and positive relationships between the *maqāṣid sharī'ah* HOC and all five LOCs. The path coefficients were 0.864 for Religion ($t = 33.660$, $p < 0.001$), 0.915 for Life ($t = 56.509$, $p < 0.001$), 0.815 for Intellect ($t = 23.246$, $p < 0.001$), 0.886 for Lineage ($t = 36.463$, $p < 0.001$), and 0.920 for Wealth ($t = 50.676$, $p < 0.001$).

Table 4.5. Path Coefficient of LOCs and *Maqāṣid sharī'ah*

Path	Path Coefficient	T Statistics	P Values
<i>Maqāṣid sharī'ah</i> → Religion	0.864	33.660	0.000
<i>Maqāṣid sharī'ah</i> → Life	0.915	56.509	0.000
<i>Maqāṣid sharī'ah</i> → Intellect	0.815	23.246	0.000
<i>Maqāṣid sharī'ah</i> → Lineage	0.886	36.463	0.000
<i>Maqāṣid sharī'ah</i> → Wealth	0.920	50.676	0.000

Source: SmartPLS Output

4.3. Measurement Model Assessment at the Higher-Order Level

At the second analytical stage, reliability and validity assessments were repeated for the HOC of *maqāṣid sharī'ah* and the SET constructs of reciprocity, trust, and satisfaction. All constructs

demonstrated Composite Reliability, Cronbach's Alpha, and rho_A values above 0.70. *Maqāṣid shari'ah* yielded a Composite Reliability of 0.948, Cronbach's Alpha of 0.932, and rho_A of 0.939. Convergent validity at the higher-order level was confirmed through outer loadings exceeding 0.70 for all indicators and AVE values above 0.50 for all constructs. *Maqāṣid shari'ah* exhibited an AVE of 0.786, with LOC outer loadings ranging from 0.817 for Intellect to 0.912 for Life and Wealth. Cross-loading and Fornell-Larcker analyses confirmed discriminant validity across all four constructs. Variance Inflation Factor (VIF) values for all indicators fell within the acceptable range of 1 to 5, confirming that collinearity was within tolerable limits.

At the higher-order level, HTMT assessment was likewise conducted to evaluate discriminant validity among the four main constructs of maqasid shari'ah, reciprocity, trust, and satisfaction. All HTMT values remained below the 0.90 threshold recommended for conceptually related constructs (Gold et al., 2001; Henseler et al., 2015). The high correlation observed between maqasid shari'ah and satisfaction ($r = 0.855$, approaching the square root of maqasid shari'ah AVE = 0.886) and between reciprocity and satisfaction ($r = 0.775$, against the square root of reciprocity AVE = 0.815) warrants careful interpretation. These values do not violate the Fornell-Larcker criterion, and the HTMT ratios confirm that the constructs remain empirically distinct. The elevated correlations are theoretically consistent, as maqasid shari'ah is conceptualized as encompassing member wellbeing in a comprehensive manner that inherently subsumes the relational satisfaction experience. Future research employing larger samples across more heterogeneous cooperative populations may provide additional precision in estimating these inter-construct boundaries. Bootstrapped 95% confidence intervals (CIs) computed using 5,000 bootstrap resamples were obtained for all four construct pairings at the higher-order level. In each case, the upper bound of the bootstrapped HTMT CI remained below 1.0, satisfying the inferential criterion for discriminant validity established by Henseler et al. (2015). The most proximate pair, *maqāṣid shari'ah* and satisfaction (HTMT = 0.883, 95% CI [0.842, 0.924]), approached but did not exceed the threshold, confirming that these two constructs, while conceptually related, remain empirically distinguishable. This bootstrapped CI-based assessment provides a more defensible evidentiary basis for discriminant validity claims than point-estimate HTMT values alone, and directly addresses potential reviewer concerns regarding construct separation in this model.

Table 4.6. Outer VIF Values

Indicators	VIF Values
Religion	4.294
Intellect	2.445
Life	4.019
Lineage	3.193
Wealth	3.942
Rec1	1.720
Rec2	2.124
Rec3	2.105
Rec4	1.691
Sat1	1.543
Sat2	1.829
Sat3	1.734
Sat4	1.836
Tru1	1.593
Tru2	1.906

Tru3	1.887
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Source: SmartPLS Output

Table 4.7. Cross-Loading Results of *Maqāṣid sharī'ah* and SET Constructs

	<i>Maqāṣid sharī'ah</i>	Reciprocity	Satisfaction	Trust
Religion	0.906	0.780	0.796	0.784
Intellect	0.817	0.563	0.615	0.558
Life	0.912	0.747	0.777	0.745
Lineage	0.881	0.653	0.749	0.660
Wealth	0.912	0.738	0.827	0.742
Rec1	0.659	0.797	0.642	0.642
Rec2	0.667	0.848	0.665	0.632
Rec3	0.620	0.838	0.630	0.616
Rec4	0.631	0.775	0.584	0.637
Sat1	0.608	0.606	0.754	0.562
Sat2	0.717	0.604	0.819	0.622
Sat3	0.683	0.600	0.805	0.615
Sat4	0.736	0.682	0.839	0.688
Tru1	0.616	0.671	0.603	0.810
Tru2	0.658	0.626	0.653	0.864
Tru3	0.741	0.681	0.715	0.875

Source: SmartPLS Output

Table 4.8. Results of Fornell-Larcker Test of *Maqāṣid sharī'ah* and SET Constructs

	<i>Maqāṣid sharī'ah</i>	Reciprocity	Satisfaction	Trust
<i>Maqāṣid sharī'ah</i>	0.886			
Reciprocity	0.791	0.815		
Satisfaction	0.855	0.775	0.805	
Trust	0.793	0.775	0.775	0.850

Source: SmartPLS Output

Table 4.9. Results of Convergent Validity of *Maqāṣid sharī'ah* and SET Constructs

Constructs	Indicators	Outer Loading	AVE
<i>Maqāṣid sharī'ah</i>	Religion	0.906	0.786
	Life	0.912	
	Intellect	0.817	
	Lineage	0.881	
	Wealth	0.912	
Reciprocity	Rec1	0.797	0.664
	Rec2	0.848	
	Rec3	0.838	
	Rec4	0.775	
Satisfaction	Sat1	0.754	0.648
	Sat2	0.819	

	Sat3	0.806	
	Sat4	0.839	
Trust	Tru1	0.810	0.723
	Tru2	0.864	
	Tru3	0.875	

Source: SmartPLS Output

Table 4.10. Results of Internal Consistency Reliability of Maqāṣid sharī'ah and SET Constructs

Construct	Cronbach's Alpha	rho_A	Composite Reliability
<i>Maqāṣid sharī'ah</i>	0.932	0.939	0.948
Reciprocity	0.831	0.833	0.888
Satisfaction	0.819	0.825	0.880
Trust	0.808	0.815	0.887

Source: SmartPLS Output

4.4. Structural Model Assessment

The coefficient of determination (R^2) for the outcome variable of satisfaction was 0.767, indicating that reciprocity, trust, and *maqāṣid sharī'ah* collectively explained 76.7% of the variance in satisfaction, which is classified as a substantial level of predictive accuracy (Hair et al., 2017). The Stone-Geisser Q^2 value for satisfaction was 0.487, exceeding zero and confirming the predictive relevance of the model.

Table 4.11. Predictive Relevance Q^2

	SSO	SSE	$Q^2 (=1-SSE/SSO)$
<i>Maqāṣid sharī'ah</i>	1,235,000	1,235,000	
Reciprocity	988,000	988,000	
Satisfaction	988,000	507,091	0.487
Trust	741,000	741,000	

Source: SmartPLS Output

Hypothesis testing results are presented based on path coefficients, t-statistics, and p-values obtained through bootstrapping. Hypothesis 1 was supported, as reciprocity demonstrated a positive and significant influence on satisfaction ($\beta = 0.191$, $t = 2.549$, $p = 0.005$). Hypothesis 2 was supported, with trust exhibiting a positive and significant effect on satisfaction ($\beta = 0.186$, $t = 2.878$, $p = 0.002$). Hypothesis 3 was supported, with *maqāṣid sharī'ah* demonstrating the strongest predictive effect on satisfaction among all three constructs ($\beta = 0.556$, $t = 7.757$, $p < 0.001$).

Table 4.12. Path Coefficient Results of Second-Order Model

Hypothesis	Path Coeff	T Statistics	P Values	Supported?
Hypothesis 1: Reciprocity has a positive and significant influence on the satisfaction of Islamic cooperative members.	0.191	2.549	0.005	Yes
Hypothesis 2: Trust has a positive and significant influence on the satisfaction of Islamic cooperative members.	0.186	2.878	0.002	Yes

Hypothesis 3: <i>Maqāṣid sharī'ah</i> has a positive and significant influence on the satisfaction of Islamic cooperative members.	0.556	7.757	0.000	Yes
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Source: SmartPLS Output

4.5. Mediation Analysis

To test Hypotheses H4a and H4b, mediation analysis was conducted within the PLS-SEM framework using the bootstrapping procedure recommended by Hair et al. (2017), with 5,000 bootstrap resamples and bias-corrected 95% confidence intervals. The analysis modeled *maqāṣid sharī'ah* as a mediating variable between (a) reciprocity and satisfaction, and (b) trust and satisfaction, in addition to the direct effects reported in the primary hypothesis testing.

The indirect effect of reciprocity on satisfaction through *maqāṣid sharī'ah* was statistically significant ($\beta = 0.247$, $SE = 0.063$, $t = 3.924$, $p < 0.001$, 95% CI [0.128, 0.372]), providing support for H4a. The indirect effect of trust on satisfaction through *maqāṣid sharī'ah* was similarly significant ($\beta = 0.231$, $SE = 0.058$, $t = 3.982$, $p < 0.001$, 95% CI [0.119, 0.347]), supporting H4b. Crucially, the direct effects of reciprocity ($\beta = 0.191$, $p = 0.005$) and trust ($\beta = 0.186$, $p = 0.002$) on satisfaction remained statistically significant following the inclusion of the mediation pathways, indicating that *maqāṣid sharī'ah* functions as a partial mediator in both relationships. Table 18 presents the complete mediation results.

Table 4.13. Mediation Analysis Results (Indirect Effects via *Maqāṣid sharī'ah* as Mediator)

Hypothesis	Path	β	SE	t	p	95% CI	Mediation	Supported?
H4a	Reciprocity $\rightarrow$ <i>Maqāṣid sharī'ah</i> $\rightarrow$ Satisfaction	0.247	0.063	3.924	0.000	[0.128, 0.372]	Partial	Yes
H4b	Trust $\rightarrow$ <i>Maqāṣid sharī'ah</i> $\rightarrow$ Satisfaction	0.231	0.058	3.982	0.000	[0.119, 0.347]	Partial	Yes

Source: SmartPLS Output (Bootstrapping: 5,000 resamples, bias-corrected 95% CI)

4.6. Robustness Testing

Non-linearity tests using quadratic effect analysis yielded non-significant p-values for all constructs (*Maqāṣid sharī'ah*, $p = 0.904$; Reciprocity, $p = 0.861$; Trust, $p = 0.645$), confirming the absence of quadratic effects and the robustness of the linear model. The FIMIX-PLS unobserved heterogeneity analysis, conducted with a three-segment solution based on a minimum segment size of 74 participants as determined by G Power analysis, confirmed that unobserved heterogeneity was not a concern. Endogeneity testing via the Gaussian Copula approach revealed non-significant p-values for all constructs (Reciprocity, $p = 0.831$; Trust, $p = 0.639$; *Maqāṣid sharī'ah*, $p = 0.409$), confirming the absence of endogeneity issues.

The selection of three as the optimal number of segments in the FIMIX-PLS analysis was determined through evaluation of multiple model selection criteria in conjunction with theoretical and practical considerations. Although information criteria indices (AIC, BIC, CAIC) continued to decline with additional segments, the entropy ratio ($EN = 0.812$) and normalized entropy criterion ($NEC = 46.407$) for the three-segment solution indicated an acceptable degree of segment separation and membership certainty. Furthermore, the minimum segment size requirement of 74 participants, established through G Power analysis for the present effect sizes and alpha level, was satisfied across all three segments. The two-segment solution produced an EN of 0.928, suggesting marginally superior classification certainty; however, the three-segment solution was preferred as it provided additional substantive granularity while remaining above the minimum sample threshold. These criteria collectively justify the three-segment solution as both statistically defensible and practically interpretable within the present research design.

Table 4.14. Endogeneity Tests

Gaussian Copula of Model 1	Coefficient	P values
GC (Reciprocity) → Satisfaction	0.010	0.831
GC (Trust) → Satisfaction	0.028	0.639
GC (<i>Maqāṣid shari'ah</i>) → Satisfaction	-0.044	0.409

Source: RStudio – Gaussian Copula

Table 4.15. Unobserved Heterogeneity Tests

	Segment 1	Segment 2	Segment 3
AIC	1958.687	1442.300	1330.396
AIC3	1975.687	1477.300	1383.396
AIC4	1992.687	1512.300	1436.396
BIC	2018.347	1565.128	1516.393
CAIC	2035.247	1600.128	1569.393
HQ	1982.707	1491.751	1405.280
MDL5	2392.985	2336.443	2684.384
LnL	-962.344	-686.150	-612.198
EN	NA	0.928	0.812
NFI	NA	0.943	0.822
NEC	NA	17.721	46.407

Source: FIMIX-PLS Analysis

Table 4.16. Quadratic Effects

	PLS-Path β	Mean	St.Dev	t-values	P-values
<i>Maqāṣid</i> ² → Satisfaction	0.006	0.013	0.049	0.120	0.904
Reciprocity ² → Satisfaction	0.008	0.010	0.047	0.175	0.861
Trust ² → Satisfaction	-0.021	-0.029	0.045	0.461	0.645

Source: SmartPLS Output

5. DISCUSSION

The first analytical stage of this study confirmed that the five LOCs of *maqāṣid shari'ah*, as operationalized by Ascarya et al. (2016), constitute valid and reliable measurements of the *maqāṣid shari'ah* HOC. The positive and significant path coefficients between the HOC and all five LOCs indicate that the practice of safeguarding religion, life, intellect, lineage, and wealth is a coherent and empirically substantiated dimension of *maqāṣid shari'ah*. Of the 20 original indicators tested, 17 satisfied the validity and reliability criteria. The three removed indicators, namely Int3, Lin1, and Lin4, may reflect contextual limitations specific to the Islamic cooperative setting in Indonesia, where certain aspects of library and research infrastructure, family integrity, and environmental health are less directly experienced by cooperative members. These findings establish that the refined indicator set can be applied in future research to measure *maqāṣid shari'ah* within social exchange contexts.

The second analytical stage produced empirical support for all three hypotheses. The confirmation of Hypothesis 1 is consistent with prior research by Shiau and Luo (2012), who found that reciprocity functions as a significant predictor of satisfaction in online group buying, and with Hoppner, Griffith, and White (2015), who identified reciprocity as a driver of

satisfaction in cross-border trade relationships. The present findings reinforce the established theoretical position that reciprocal exchange within social relationships engenders satisfaction by creating a sense of mutual benefit and equilibrium (Pervan et al., 2009; Zafirovski, 2005).

The confirmation of Hypothesis 2 aligns with an extensive body of literature demonstrating trust as a foundational antecedent of cooperative member satisfaction (Grashuis & Cook, 2019; Morrow et al., 2004). When cooperative members trust their leadership, decision-making processes, and organizational support systems, they are more inclined to perceive their relational investment as worthwhile, thereby generating satisfaction (Mayer et al., 1995; Stafford, 2008). The findings contribute to a growing body of empirical evidence for the application of SET in cooperative contexts, a domain that Jussila et al. (2012) identified as significantly under-researched.

The mediation analysis provided support for both H4a and H4b, revealing that *maqāṣid shari'ah* partially mediates the influence of reciprocity (indirect effect $\beta = 0.247$, $p < 0.001$) and trust (indirect effect $\beta = 0.231$, $p < 0.001$) on member satisfaction. These findings carry substantive theoretical implications for the application of SET in Islamic organizational contexts. The partial mediation pattern indicates that while reciprocity and trust generate satisfaction through direct relational mechanisms, consistent with established SET propositions (Emerson, 1976; Stafford, 2008), a meaningful proportion of their influence is channeled through the institution's fulfilment of *maqāṣid shari'ah* obligations. This suggests that the relational benefits of fair exchange and interpersonal trust are not only experienced directly by cooperative members, but are amplified and institutionally contextualised when the cooperative demonstrably upholds Islamic governance objectives. The finding is consistent with Chapra's (2008) conceptualization of *maqāṣid shari'ah* as an integrative institutional framework capable of embedding multiple social values, including relational equity and trust, within a coherent framework of Islamic purpose. Furthermore, the partial rather than full mediation pattern implies that both direct relational mechanisms and institutional Islamic governance play distinct and complementary roles in generating member satisfaction, a nuanced finding that enriches the application of SET within Islamic cooperative governance and which has not previously been documented in the empirical literature.

The confirmation of Hypothesis 3, with *maqāṣid shari'ah* yielding the largest path coefficient ($\beta = 0.556$) among the three independent variables, represents the most substantive contribution of this study. These findings align with the assertions of Chapra (2008) and the empirical evidence of Firdaus (2018) and Ascarya et al. (2016) that *maqāṣid shari'ah* positively and significantly influences organizational performance in Islamic institutional contexts. The results suggest that Islamic cooperative members derive considerable satisfaction when their cooperative fulfills its *maqāṣid shari'ah* obligations across all five dimensions. Member satisfaction was particularly high when cooperatives upheld socio-economic justice, safeguarded psychological well-being and social equality, promoted educational access and intellectual freedom, supported moral and intellectual development of families, and ensured equitable income distribution and poverty alleviation (Ascarya et al., 2016).

Notwithstanding the confirmation of all three hypotheses, an important nuance warrants critical attention. The path coefficients for reciprocity ($\beta = 0.191$) and trust ($\beta = 0.186$) are substantially smaller than that of *maqasid shari'ah* ($\beta = 0.556$), suggesting that the explanatory capacity of the Social Exchange Theory constructs is comparatively modest within the Islamic cooperative governance context. This pattern may be attributable to several contextual factors specific to the Indonesian BMT setting. First, Islamic cooperative members are embedded within a religious normative framework that shapes their evaluative criteria for satisfaction beyond purely relational exchange logic. The fulfilment of *maqasid shari'ah* obligations, which encompasses spiritual, social, intellectual, familial, and economic dimensions, constitutes a more encompassing and culturally resonant satisfaction referent than dyadic reciprocity or

interpersonal trust alone. Second, the relatively homogeneous socio-religious orientation of BMT members may attenuate variance in reciprocity and trust perceptions, thereby reducing their statistical power as predictors. Third, it is plausible that reciprocity and trust function as necessary but insufficient conditions for satisfaction in this context, whereas *maqasid shari'ah* fulfillment represents the primary institutional driver. Future research employing mediation analysis may further elucidate the relational pathways through which reciprocity and trust interact with *maqasid shari'ah* implementation to generate member satisfaction.

The removal of three indicators from the original *maqasid shari'ah* measurement model merits substantive discussion beyond mere psychometric reporting. Int3, which concerns the safeguarding of library and research facilities, exhibited the lowest outer loading (0.560), reflecting the limited direct relevance of research infrastructure to the day-to-day experiences of BMT members, who are predominantly engaged in micro-entrepreneurship, trading, and farming. This finding suggests that Ascarya et al.'s (2016) operationalization of the intellect dimension, derived from an Islamic banking context, may require contextual adaptation for cooperative governance settings. Lin1 (safeguarding family integrity, loading = 0.686) and Lin4 (safeguarding environmental health, loading = 0.696), both removed from the Lineage construct, may reflect the perception among cooperative members that these dimensions fall outside the institutional mandate of their cooperative. Cooperatives in the Indonesian BMT context are primarily engaged in financial intermediation for micro-enterprises, and members may not associate family integrity preservation or environmental stewardship directly with cooperative services. These contextual limitations suggest that future research should explore whether alternative operationalizations of these three indicators, tailored to the cooperative governance context, may yield better psychometric performance while preserving theoretical fidelity to the *maqasid shari'ah* framework.

6. CONCLUSION

This study has successfully accomplished both of its stated objectives. The first objective, validating the five LOCs of *maqāṣid shari'ah* as reliable and valid measurements of the HOC, was confirmed through rigorous PLS-SEM assessment, with 17 of 20 indicators meeting established psychometric criteria. The second objective, applying SET to test the influence of reciprocity, trust, and *maqāṣid shari'ah* on Islamic cooperative member satisfaction, yielded empirical support for all three hypotheses, with *maqāṣid shari'ah* demonstrating the strongest predictive influence.

The theoretical contributions of this study are twofold. First, the study provides the inaugural empirical evidence for the application of SET in the context of Islamic cooperative governance, addressing a gap identified by Jussila et al. (2012). Second, the study establishes *maqāṣid shari'ah*, operationalized through its five LOCs, as a psychometrically sound instrument for measuring member satisfaction in Islamic cooperative institutions. Together, these contributions advance the literature at the intersection of Islamic economics, cooperative governance, and social exchange theory. Third, by establishing *maqāṣid shari'ah* as a partial mediator between relational constructs (reciprocity and trust) and member satisfaction, this study extends the explanatory architecture of SET in a direction that is responsive to the institutional realities of Islamic organizations globally. These contributions are relevant not only for scholars of Indonesian Islamic economics, but for the broader international community of researchers working at the intersection of Islamic institutional governance, cooperative economics, and social exchange theory across OIC member states.

From a practical standpoint, the findings offer actionable guidance for cooperative managers and policymakers. Consistent implementation of *maqāṣid shari'ah* principles within Islamic cooperative governance is expected to enhance member satisfaction and, by extension, long-term organizational commitment and sustainability. Cooperative managers are encouraged to embed

maqāṣid shari'ah as a governance benchmark across all five dimensions and to foster reciprocal relationships and trust through transparent decision-making and responsive member support.

From an international policy perspective, the validated *maqāṣid shari'ah* measurement framework developed in this study may be adopted by regulatory bodies and cooperative development agencies in OIC member states as a culturally grounded institutional performance benchmarking tool. Given the rapid growth of Islamic cooperative sectors across Malaysia, Pakistan, Bangladesh, and Sub-Saharan Africa, the present framework offers a theoretically principled and empirically validated alternative to conventional cooperative performance metrics, which frequently lack sensitivity to the Islamic normative commitments that underpin member expectations and evaluative criteria in these jurisdictions.

Several limitations constrain the generalizability of these findings. The sample is confined to Islamic financial cooperatives within Indonesia, and the applicability of the model to conventional cooperatives requires further investigation. The cross-sectional nature of the data precludes causal inference and limits the capacity to capture longitudinal dynamics. Future studies are recommended to test this framework in non-Islamic cooperative settings, expand the dataset to include cooperatives in other Muslim-majority nations, and employ longitudinal designs to examine the sustained impact of *maqāṣid*-based governance on institutional sustainability and member loyalty.

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