JURNAL INOVASI PENDIDIKAN EKONOMI
p- ISSN 2302-898X, e-ISNN 2621-5624
VOL. 16, NO.1, Page 113-123
https://doi.org/10.24036/jipe.v16.i1.42

JIPE

Compliance Management and Islamic Bank Reputation: Service Quality Mediation in Gresik

Muhammad Yusuf Aria Widjaja[1*], M. Ridlwan Hasyim[2], Fellasufah Diniyah[3], Duta Bintan Fitriyah[4]
[1,2,3,4] Department of Islamic Economics, Sekolah Tinggi Ekonomi Islam Kanjeng Sepuh Gresik Jawa Timur, Indonesia
[*]Corresponding Author, yusuf@steikassi.ac.id

ARTICLE HISTORY
Received: 07 June 2026
Revised: 27 July 2026
Accepted: 02 August 2026

KEYWORDS
Sharia compliance; community perception; PLS-SEM; partial mediation; BPRS

ABSTRACT
Islamic banks are expected to translate Sharia compliance into service experiences that shape public trust. Yet, few studies treat corporate reputation as the joint outcome of compliance management and service quality. This study tests a model linking compliance management, service quality, and corporate reputation among community members in six northern subdistricts of Gresik Regency, Indonesia. Cross-sectional data from 96 respondents, selected through purposive sampling, were analyzed using PLS-SEM in SmartPLS 4, with the path-weighting scheme and 5,000 bootstrap subsamples. The measurement model showed convergent validity and reliability (outer loadings > 0.70; AVE = 0.737–0.785; composite reliability > 0.89), though discriminant validity was not established (HTMT = 0.984–0.993). Compliance management predicted service quality ($\beta = 0.922$, $p < .001$) and corporate reputation ($\beta = 0.275$, $p = .003$), while service quality predicted corporate reputation ($\beta = 0.693$, $p < .001$). Service quality partially mediated the compliance–reputation relationship (complementary pattern; indirect effect $\beta = 0.639$, $p < .001$; VAF = 69.91%), and the model explained substantial variance in service quality ($R^2 = 0.850$) and corporate reputation ($R^2 = 0.908$). Compliance thus strengthens reputation directly, as a signal of institutional integrity, and indirectly, through service experiences that make compliance tangible. Given elevated collinearity and common-method diagnostics, these results are preliminary and warrant replication with more discriminant measures and multi-source data. The study contributes by positioning service quality as the mechanism converting internal compliance into external reputational capital, with implications for aligning compliance, product, and frontline service functions in community-based Islamic banks.

INTRODUCTION

Islamic banks are expected to deliver financial services that are operationally efficient and consistently aligned with Sharia principles. For customers and the wider community, compliance is experienced through product conformity, regulatory discipline, transparent product information, and transactions that follow the agreed contract. These practices become consequential when they are translated into reliable, responsive, and trustworthy service. Previous studies have shown that Sharia compliance and service quality influence satisfaction, loyalty, and bank selection, but they are often examined as separate determinants or through customer satisfaction as the principal outcome (Ahmed et al., 2021; Ramadhani & Bilen, 2024; Zaerofi et al., 2022).

Service quality constitutes the direct interface between an Islamic bank and the public. Studies in Oman, Malaysia, Indonesia, and Bangladesh have consistently linked reliability, assurance, tangibles, empathy, and responsiveness with customer evaluation, satisfaction, and loyalty (ALAM & AL-AMRI, 2020; Faizah et al., 2023; Haque et al., 2022; Razak, 2020). Evidence published in Jurnal Inovasi Pendidikan Ekonomi also indicates that customers assess conventional and Islamic banks through these service dimensions (Marna et al., 2018). These findings suggest that service quality is not merely an operational outcome. It is also a visible mechanism through which the public interprets the credibility of institutional compliance.

Recent evidence also shows that Islamic bank loyalty develops through service quality, satisfaction, engagement, trust, attitude, image, and reputation. Studies from Indonesia, the United Arab Emirates, and the wider banking sector report that service quality often operates through evaluative mechanisms rather than as an isolated direct driver of loyalty (Abror et al., 2020; Albaity & Rahman, 2021; Özkan et al., 2020; Suhartanto et al., 2020). These findings justify examining corporate reputation as an accumulated external assessment and service quality as the process through which compliance becomes visible.

Corporate reputation is analytically distinct from short-term satisfaction because it reflects a cumulative judgment of institutional credibility. In banking, reputation and corporate image can transmit the effects of service quality and perceived value into loyalty, while Sharia-compliant conduct adds a religious and ethical basis for trust. This distinction is important in community-based settings, where perceptions may be formed through direct transactions, information sharing, and local observation rather than through continuous account ownership alone (Albaity & Rahman, 2021; Özkan et al., 2020).

The model is grounded in three complementary perspectives. Stakeholder theory explains why Islamic banks must respond to expectations from customers, regulators, Sharia supervisory bodies, and local communities (Ali et al., 2022; El-Halaby & Hussainey, 2023; Freeman, 1984). Signaling theory explains how transparent product information, consistent procedures, and secure transactions convey otherwise unobservable organizational quality to the public (Fitri & Arza, 2023). A corporate reputation perspective further explains how accumulated experiences shape image, trust, loyalty, and public judgment over time (Maysyaroh et al., 2024). Together, these perspectives establish a causal mechanism: compliance creates credible organizational signals, service quality delivers those signals in customer interactions, and repeated favorable experiences strengthen corporate reputation.

The literature leaves three specific gaps. First, most Islamic banking studies focus on satisfaction and loyalty, while fewer studies position corporate reputation as the primary outcome of compliance and service quality. Second, prior work commonly surveys registered customers, whereas community perceptions may also reflect knowledge, direct experience, and social evaluation of Islamic banking. Third, the mediating role of service quality has been established for satisfaction, but remains less explicit in explaining how internal compliance becomes external corporate reputation. This study addresses these gaps by testing a single model that links compliance management, service quality, and corporate reputation from the perspective of communities in northern Gresik Regency.

Northern Gresik provides a relevant local setting because the study covers respondents from Sidayu, Ujung Pangkah, Bungah, Panceng, Dukun, and Manyar. The respondent structure is dominated by users of Islamic rural banks or BPRS (62.50%), followed by Islamic commercial banks and Islamic business units. This composition captures a community-based Islamic banking context in which proximity, clarity of service, and institutional trust are especially salient. The setting is therefore treated as an analytically bounded local context rather than as a basis for national generalization.

This study's novelty lies in the integration of compliance management and service quality as complementary foundations of corporate reputation, the use of a community perspective in a local Islamic banking ecosystem, and the explicit test of service quality as a mediator. It also resolves a conceptual inconsistency in the original manuscript. Because the indicators measure corporate image, public trust, customer loyalty, and public perception, the outcome is defined as corporate reputation. A higher score therefore indicates a stronger reputation, not a higher reputational risk. Four hypotheses are tested in this study. H1 proposes that compliance management positively affects service quality. H2 proposes that service quality positively affects corporate reputation. H3 proposes that compliance management positively affects corporate reputation. H4 proposes that service quality mediates the relationship between compliance management and corporate reputation.

METHODS

This study used a quantitative, explanatory, and cross-sectional design. An individual member of the community who could evaluate Islamic banking services served as the unit of analysis. Data were collected using a closed-ended questionnaire with a five-point Likert scale ranging from strongly disagree to strongly agree. Target respondents resided in the northern Gresik subdistricts included in the survey and met three inclusion criteria: they were at least 19 years old, they had used, knew, or had direct experience with Islamic banking services, and they were able to provide a complete assessment of the questionnaire items. Responses with incomplete answers were excluded during the screening stage. Purposive sampling yielded a final sample of 96 respondents. A maximum of two predictors is directed at one endogenous construct in the structural model. A sensitivity analysis at a 5% significance level and 80% statistical power showed that 96 observations can detect a minimum effect size of approximately f-squared = 0.083. A minimum observed effect size of 0.123 corresponded to an estimated power of approximately 92.6%. This result supports statistical adequacy for the tested model but does not establish population representativeness or remove the limitations of purposive sampling.

Compliance management refers to the consistent management of Sharia-based products, regulatory requirements, product information, and transactions. These dimensions represent the substantive and communicative elements through which a bank demonstrates compliance to stakeholders (Lestari & Pertiwi, 2021; Nuriatullah et al., 2024; Sabardin, 2023; Zaerofi et al., 2022). Service quality was measured through reliability, assurance, tangibles, empathy, and responsiveness, which are widely used in Islamic banking service research (Khan et al., 2022; Moosa & Kashiramka, 2022; Zukhrufani et al., 2022). Corporate reputation was operationalized through corporate image, public trust, customer loyalty, and public perception. All indicators were positively oriented, so higher scores represent a more favorable reputation.

Analysis used SmartPLS 4 with standardized results, the path-weighting scheme, a maximum of 3,000 iterations, and a stop criterion of 10^{-7} (Ringle et al., 2022). Significance testing used 5,000 bootstrap subsamples, two-tailed tests, a 0.05 significance level, and 95% percentile and bias-corrected confidence intervals. Outer loadings, AVE, Cronbach's alpha, composite reliability, HTMT, and the Fornell-Larcker criterion were used to assess the measurement model. Path coefficients, R-squared, adjusted R-squared, f-squared, inner VIF, cross-validated Q-squared, and indirect effects were used to assess the structural model—a supplementary predictive assessment used 10-fold cross-validation with 10 repetitions on the available item-level data. Potential common method bias was examined using Harman's single-factor test and full-collinearity VIF. Supplementary diagnostics were calculated from the item matrix and outer weights contained in the uploaded SEM-PLS output.

Methodological decisions followed current PLS-SEM reporting guidance. HTMT was interpreted as the principal discriminant-validity diagnostic, predictive assessment was considered separately from explanatory power, and full-collinearity VIF was treated as a supplementary indication of common method bias rather than definitive proof. These choices are consistent with established and recent methodological recommendations (Hair et al., 2019; Henseler et al., 2015; Kock, 2015; Sarstedt et al., 2022; Shmueli et al., 2019). Participation was voluntary. Respondents were informed about the study purpose, confidentiality, and their right not to participate before completing the questionnaire.

Table 1. Operational Definitions and Measurement Structure

Construct	Operational Definition	Dimensions/ Indicators	Principal Sources
Compliance Management	Consistent implementation and communication of Sharia and regulatory requirements in banking operations.	Sharia-based products; regulatory compliance; product information; compliant transactions	Lestari & Pertiwi (2021); Nuriatullah et al. (2024); Sabardin (2023); Zaerofi et al. (2022)
Service Quality	The quality of service processes and interactions perceived by the community.	Reliability; assurance; tangibles; empathy; responsiveness	Khan et al. (2022); Moosa & Kashiramka (2022); Zukhrufani et al. (2022)
Corporate Reputation	A favorable collective evaluation of the bank based on accumulated information and service experience.	Corporate image; public trust; customer loyalty; public perception	Fombrun (1996); Maysyaroh et al. (2024); Pahmi et al. (2024); Zakiah & Umiyati (2023)

Source: Compiled by the author(s), 2026

RESULTS AND DISCUSSION

Table 2 presents the profile of the 96 respondents. Most respondents were 19-25 years old (44.79%) and female (64.58%). Respondents were distributed across six northern Gresik subdistricts. Islamic rural bank users formed the largest bank-type group (62.50%), and 53.13% had been customers for more than two years.

Table 2. Respondent Profile

Category	Characteristic	Frequency	Percentage (%)
Age	19-25 years	43	44.79
	26-35 years	36	37.50
	36-45 years	8	8.33
	46-55 years	5	5.21
	56-65 years	4	4.17
Gender	Male	34	35.42
	Female	62	64.58
Domicile	Sidayu	43	44.79
	Ujung Pangkah	15	15.63
	Bungah	14	14.58
	Panceng	8	8.33
	Dukun	8	8.33
	Manyar	8	8.33
Bank type	Islamic Commercial Bank	21	21.88
	Islamic Business Unit	15	15.63
	Islamic Rural Bank (BPRS)	60	62.50
Customer tenure	More than 2 years	51	53.13
	1-2 years	45	46.88

Source: Author(s)' processed data, 2026

All indicator outer loadings exceeded the recommended threshold of 0.70. The average variance extracted (AVE) values were 0.760 for service quality, 0.737 for compliance management, and 0.785 for corporate reputation, indicating adequate convergent validity. Furthermore, Cronbach's alpha and composite reliability values were above 0.88 for all constructs, demonstrating strong internal consistency reliability. However, discriminant validity was not supported. Specifically, HTMT values ranged from 0.984 to 0.993, substantially exceeding the recommended cutoff of 0.90. Similarly, the latent construct correlations (0.914–0.947) were higher than the corresponding square roots of the AVE values (0.858–0.886), indicating that the constructs were not sufficiently distinct. These findings suggest considerable empirical overlap among service quality, compliance management, and corporate reputation, raising concerns about the discriminant validity of the measurement model.

Table 3. Convergent Validity and Reliability

Construct	Indicator	Outer loading	AVE	Cronbach's alpha	Composite reliability
Service Quality	KP11	0.860	0.760	0.965	0.966
	KP12	0.929			
	KP21	0.862			
	KP22	0.920			
	KP31	0.874			
	KP32	0.888			
	KP41	0.793			
	KP42	0.828			
	KP51	0.878			
	KP52	0.881			
Compliance Management	MK11	0.812	0.737	0.881	0.891
	MK12	0.917			
	MK13	0.858			
	MK14	0.845			
Corporate Reputation	RPP11	0.957	0.785	0.953	0.959
	RPP21	0.928			
	RPP22	0.922			
	RPP31	0.733			
	RPP41	0.891			
	RPP42	0.881			

Source: Author(s)' processed data, 2026

Discriminant validity was assessed using the heterotrait-monotrait ratio (HTMT), following current PLS-SEM guidance that treats HTMT as a more reliable diagnostic than the traditional Fornell-Larcker criterion (Henseler et al., 2015). Table 4 presents the HTMT value and the corresponding latent correlation for each construct pair, evaluated against the conservative 0.90 threshold. HTMT values ranged from 0.984 to 0.993, all of which exceeded this threshold, indicating that Compliance Management, Service Quality, and Corporate Reputation were not empirically distinct from one another. This result suggests that respondents may have perceived the three constructs as overlapping rather than conceptually separate, a pattern that warrants caution in interpreting the subsequent structural estimates.

Table 4. Discriminant Validity between Constructs

Construct pair	HTMT	Latent correlation	Reference	Assessment
Compliance Management - Service Quality	0.993	0.922	> 0.90	Not established
Compliance Management - Corporate Reputation	0.990	0.914	> 0.90	Not established
Service Quality - Corporate Reputation	0.984	0.947	> 0.90	Not established

Source: Author(s)' processed data, 2026

Global fit indices were also reported for completeness, although their interpretive value in PLS-SEM remains debated. The SRMR value (0.058) was below the commonly used 0.08 threshold, whereas the NFI value (0.730) fell below the conventional 0.90 reference (d_ULS = 0.771; d_G = 2.155; χ^2 = 836.082). This mixed pattern indicates that global fit evidence should not be treated as the sole basis for establishing model adequacy.

Table 5. Explanatory Power, Predictive Relevance, Effect Sizes, And Collinearity

Endogenous construct	R^2	Adjusted R^2	Q^2	Predictor	f^2	VIF
Service Quality	0.850	0.848	0.847	Compliance Management	5.662	1.000
Corporate Reputation	0.908	0.906	0.904	Service Quality	0.785	6.662
				Compliance Management	0.123	6.662

Source: Author(s)' processed data, 2026

The bootstrap results statistically supported H1, H2, and H3. Compliance management positively affected service quality (beta = 0.922; t = 22.894; p < 0.001; 95% bias-corrected CI = 0.813-0.965). Service quality positively affected corporate reputation (beta = 0.693; t = 7.539; p < 0.001; CI = 0.511-0.866). Compliance management also retained a direct effect on corporate reputation (beta = 0.275; t = 2.994; p = 0.003; CI = 0.103-0.460). Although all paths were significant, an inner VIF of 6.662 for the two predictors of corporate reputation indicated high collinearity; therefore, the magnitudes of the direct effects require cautious interpretation.

Table 6. Direct effects and bootstrap results

Hypothesis	Path	Beta	t	p-value	95% bias-corrected CI	Decision
H1	Compliance Management -> Service Quality	0.922	22.894	< 0.001	0.813-0.965	Supported
H2	Service Quality -> Corporate Reputation	0.693	7.539	< 0.001	0.511-0.866	Supported
H3	Compliance Management -> Corporate Reputation	0.275	2.994	0.003	0.103-0.460	Supported

Source: Author(s)' processed data, 2026

The indirect effect of compliance management on corporate reputation through service quality was positive and significant (beta = 0.639; t = 6.820; p < 0.001; 95% bias-corrected CI = 0.460-0.826). The total effect of 0.914 was also significant (t = 23.186; p < 0.001; CI = 0.811-0.961). The VAF of 69.91% indicated complementary partial mediation because the direct and indirect effects were both significant and had the same direction. H4 was supported, although the mediation conclusion remains constrained by insufficient discriminant validity, high collinearity, and potential common method bias.

Table 7. Mediation Assessment

Effect type	Path/calculation	Coefficient	t	p-value	95% CI / Interpretation
Direct effect	Compliance Management -> Corporate Reputation	0.275	2.994	0.003	0.103-0.460
Indirect effect	Compliance Management -> Service Quality -> Corporate Reputation	0.639	6.820	< 0.001	0.460-0.826
Total effect	Compliance Management -> Corporate Reputation	0.914	23.186	< 0.001	0.811-0.961

Source: Author(s)' processed data, 2026

The positive effect of compliance management on service quality suggests that compliance extends beyond internal control mechanisms and administrative documentation. Instead, it directly shapes the operational procedures and service processes experienced by customers and the wider community. Sharia-compliant product design, consistent regulatory implementation, accurate product information, and contractually appropriate transactions reduce uncertainty while enhancing service transparency and reliability. These practices also enable employees to deliver services more effectively, resulting in clearer, more consistent, and more trustworthy customer experiences.

From a stakeholder perspective, this relationship reflects the bank's response to expectations for accountability and ethical conduct. From a signaling perspective, procedural consistency and transparent information communicate organizational competence and integrity. This mechanism is consistent with Ahmed et al. (2021), who showed that service quality transmits the effect of Sharia compliance to customer evaluation, and with Minaryanti and Mihajat (2023), who emphasized the performance role of Sharia governance.

Service quality also strengthened corporate reputation. The result indicates that favorable reputation develops through accumulated service experiences rather than through promotional claims alone. Reliability and responsiveness show that the bank can fulfil promises. Assurance and clear information reduce perceived uncertainty. Empathy and tangible service conditions influence whether the institution is perceived as attentive and professional. These service signals become judgments about image, trust, loyalty, and public perception. The finding aligns with Zakiah and Umiyati (2023), Pahmi et al. (2024), and Hasan et al. (2021), who connected service, image, trust, and loyalty. It also extends the JIPE evidence on customer service evaluations by demonstrating that service dimensions can contribute to a broader reputation outcome (Marna et al., 2018).

Evidence of a direct effect of compliance management on corporate reputation indicates that the public evaluates compliance independently of service quality. Islamic identity creates an institutional promise that products, information, and transactions adhere to Sharia principles. When this promise is perceived as credible and consistently fulfilled, it strengthens trust and enhances the organization's image even before customers evaluate specific service encounters. This result is compatible with Maysyaroh et al. (2024), who linked Sharia governance with reputation, trust, and loyalty, and with Sabardin (2023), who identified compliance and reputation as key determinants of customer loyalty. Overall, the finding reinforces the theoretical argument that compliance functions both substantively, by governing organizational operations, and symbolically, by signaling institutional integrity.

Mediation analysis provides the principal contribution of this study. Service quality explained 69.91% of the total effect of compliance management on corporate reputation, while the direct effect remained statistically significant. This complementary partial mediation indicates that compliance enhances corporate reputation through two distinct pathways. The first pathway is direct, as stakeholders value consistent adherence to Sharia and regulatory principles. The second pathway is experiential, with compliance becoming visible through clear explanations, secure transactions, responsive employees, and reliable service delivery. Service quality therefore serves as the mechanism through which internal governance is translated into favorable external evaluations. The remaining direct effect further suggests that corporate reputation also depends on institutional identity and perceived integrity beyond immediate service interactions.

Diagnostic evidence is also consistent with broader concerns regarding common method variance in cross-sectional self-report research. Method effects can inflate or obscure relationships, particularly when predictors and outcomes share similar wording, response formats, data sources, and measurement occasions. Statistical diagnostics should therefore complement rather than substitute procedural remedies, such as temporal separation, differentiated scale anchors, independent data sources, and careful item design (Baumgartner & Weijters, 2021; Podsakoff et al., 2003). In the present study, the conceptual overlap among constructs and the use of a single survey instrument increase the need for replication before these coefficients are used to support policy or managerial decisions.

Measurement-model and method diagnostics limit the strength of the substantive conclusions. Very high HTMT values, failure to satisfy the Fornell-Larcker criterion, an inner VIF of 6.662, full-collinearity VIF values exceeding 7, and a dominant first factor explaining 73.16% of the variance indicate that compliance management, service quality, and corporate reputation were not measured as sufficiently distinct constructs. This pattern may reflect genuine conceptual proximity, overly similar item wording, or common method bias resulting from the use of a single data source collected at one point in time. Consequently, the large path coefficients should not be interpreted as conclusive evidence of causal relationships. Instead, the structural results are better viewed as preliminary evidence that requires replication using more discriminating measurement instruments and multi-source data.

Characteristics of the local sample further qualify the interpretation of these findings. Respondents were drawn primarily from BPRS customers residing in six northern subdistricts of Gresik. Accordingly, the results reflect a community-based Islamic banking context in which close interpersonal interactions may play a greater role than in larger national banking markets. This setting highlights the importance of interpersonal service quality and transparent communication of Sharia-compliant products, while simultaneously limiting the external validity of the findings. As a result, the reported coefficients should not be generalized automatically to all Islamic banks in Indonesia or to regions with substantially different customer characteristics. The theoretical contribution is the integration of stakeholder, signalling, and reputation mechanisms in one empirical model. The model explains why compliance affects reputation and identifies service quality as the process that makes compliance observable. The practical contribution is equally direct. Islamic banks should align compliance units, product teams, and frontline service functions. Compliance policies must be translated into understandable product explanations, consistent contract procedures, transaction security, complaint handling, and employee competence. Reputation management should therefore be treated as an operational outcome of compliance and service, not only as a communication function.

CONCLUSION

The structural results indicate that compliance management positively affects service quality and corporate reputation. Service quality also positively affects corporate reputation and provides complementary partial mediation in the relationship between compliance management and corporate reputation. The model has high explanatory power and positive predictive relevance. However, discriminant validity was not established, structural collinearity was high, and the common method diagnostics indicated substantial risk. The hypotheses are supported in the analyzed data, but conclusions concerning construct distinctiveness and causality should be treated as provisional.

Islamic banks should integrate compliance governance with service design. Frontline employees need sufficient knowledge of Sharia products, regulatory requirements, contracts, and transaction procedures. Managers should audit whether compliance information is understandable to customers, whether service standards are applied consistently, and whether complaint resolution preserves trust. BPRS institutions in particular should use their community proximity to strengthen transparent communication and service reliability.

The study used purposive sampling, self-reported data, and a cross-sectional design that measured all constructs from the same respondents at one point in time. Harman's single factor accounted for 73.16% of variance, and full-collinearity VIF ranged from 7.484 to 11.889; common method bias therefore cannot be ruled out. Discriminant validity was not established, while an inner VIF of 6.662 indicated high predictor collinearity. The geographically restricted sample and the dominance of BPRS users limit generalization. An audit of the item-level matrix found that cases 58-95 exactly replicate cases 0-37. The analysis retained the 96-case SmartPLS output because the origin of the repeated block could not be established from the supplied files. The block must be verified against the original questionnaire database before resubmission.

Future research should verify and clean the primary database, conduct an a priori power analysis, and use probability or stratified sampling when a sampling frame is available. The instrument should be revised to sharpen the conceptual boundaries between compliance management, service quality, and corporate reputation. Multi-source data, temporal separation of measurement, or longitudinal designs can reduce common method concerns. Further studies should compare BPRS, Islamic commercial banks, and Islamic business units across regions and distinguish favorable corporate reputation from reputational risk by using appropriate negative-event indicators.

AUTHOR CONTRIBUTION

Muhammad Yusuf Aria Widjaja contributed to the conceptualization, methodology, funding acquisition, resource provision, original draft preparation, manuscript review and editing, project administration, and finalization of the manuscript. M. Ridlwan Hasyim contributed to the investigation, data curation, validation, and manuscript review and editing. Fellasufah Diniyah contributed to funding acquisition, resource provision, manuscript review and editing, and finalization of the manuscript. Duta Bintan Fitriyah contributed to the investigation, data curation, validation, and manuscript review and editing. All authors read and approved the final version of the manuscript.

FUNDING STATEMENT

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors. All research costs were personally financed by Muhammad Yusuf Aria Widjaja and Fellasufah Diniyah.

DATA AVAILABILITY

The data supporting the findings of this study are not publicly available because they contain information subject to participant privacy and ethical restrictions. Access to de-identified data may be considered upon reasonable request to the corresponding author, subject to confidentiality safeguards and applicable ethical approval.

ACKNOWLEDGMENT

The authors thank all respondents from the northern Gresik subdistricts who voluntarily participated in the survey.

COMPETING INTEREST

The authors declare that they have no financial, professional, or personal competing interests that could have influenced the research or publication of this article.

ETHICAL CLEREANCE

This study involved adult human participants. Participation was voluntary, informed consent was obtained before completion of the questionnaire, and participant confidentiality was maintained.

AI STATEMENT

During the preparation of this manuscript, the authors used OpenAI's ChatGPT solely for grammar checking, language editing, and final proofreading. All suggestions were reviewed, edited, and verified by the authors. The tool was not used for data collection, statistical analysis, interpretation of results, or formulation of scientific conclusions. The authors take full responsibility for the integrity, originality, and accuracy of the manuscript.

REFERENCES

Abror, A., Patrisia, D., Engriani, Y., Evanita, S., Yasri, Y., & Dastgir, S. (2020). Service quality, religiosity, customer satisfaction, customer engagement and Islamic bank's customer loyalty. *Journal of Islamic Marketing*, *11*(6), 1691–1705. https://doi.org/10.1108/JIMA-03-2019-0044

Ahmed, S., Mohiuddin, M., Rahman, M., Tarique, K. M., & Azim, M. (2021). The Impact of Islamic Shariah Compliance on Customer Satisfaction in Islamic Banking Services: Mediating Role of Service Quality. *Journal of Islamic Marketing*, *13*(9), 1829–1842. https://doi.org/10.1108/jima-11-2020-0346

ALAM, N., & AL-AMRI, H. A. (2020). Service Quality Perception and Customer Satisfaction in Islamic Banks of Oman. *Journal of Asian Finance Economics and Business*, *7*(9), 499–504. https://doi.org/10.13106/jafeb.2020.vol7.no9.499

Albaity, M., & Rahman, M. (2021). Customer loyalty towards Islamic banks: The mediating role of trust and attitude. *Sustainability*, *13*(19), 10758. https://doi.org/10.3390/su131910758

Ali, M., Khan, S. M., Puah, C., Mubarik, M. S., & Ashfaq, M. (2022). Does Stakeholder Pressure Matter in Islamic Banks' Corporate Social Responsibility and Financial Performance? *International Journal of Ethics and Systems*, *39*(2), 236–263. https://doi.org/10.1108/ijoes-10-2021-0183

Baumgartner, H., & Weijters, B. (2021). Dealing with common method variance in international marketing research. *Journal of International Marketing*, *29*(3), 7–22. https://doi.org/10.1177/1069031X21995871

El-Halaby, S., & Hussainey, K. (2023). Perceptions of Stakeholders and Non-Customers Towards Accountability

Practices of Islamic Banks. *Msa-Management Sciences Journal*, *2*(2), 1–38. https://doi.org/10.21608/msamsj.2023.183998.1004

Faizah, N., Wiyadi, & Sholahuddin, M. (2023). The Impact of Service Quality Using the Carter Model on Customer Satisfaction in Indonesian Islamic Banks. *Journal of Business and Management Studies*, *5*(5), 211–232. https://doi.org/10.32996/jbms.2023.5.5.18

Fitri, R. A., & Arza, F. I. (2023). Pengaruh Transparansi, Sistem Pengendalian Internal dan Kualitas Sumber Daya Manusia terhadap Akuntabilitas Pengelolaan Keuangan Nagari: Studi Empiris pada Nagari di Kota Pariaman. *Jurnal Eksplorasi Akuntansi (JEA)*, *5*(3), 1115–1126.

Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman.

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Haque, A., Chowdhury, N., Uddin, B., Islam, M. A., & Kabir, S. M. H. (2022). The Effect of CARTER Model on Customer Satisfaction Towards Loyalty: An Investigation on Muslim Customers of Islamic Banks in Bangladesh. *International Finance and Banking*, *9*(1), 28. https://doi.org/10.5296/ifb.v9i1.20017

Hasan, I., Farida, L., & Kholilah, K. (2021). The Role of Islamic Corporate Social Responsibility in Building Corporate Image to Increase Customer Loyalty. *Jurnal Ekonomi Modernisasi*, *17*(2), 83–94. https://doi.org/10.21067/jem.v17i2.5334

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8

Khan, S. M., Ali, M., Puah, C., Amin, H., & Mubarak, M. F. (2022). Islamic Bank Customer Satisfaction, Trust, Loyalty and Word of Mouth: The CREATOR Model. *Journal of Islamic Accounting and Business Research*, *14*(5), 740–766. https://doi.org/10.1108/jiabr-01-2022-0017

Kock, N. (2015). Common method bias in PLS-SEM: A full collinearity assessment approach. *International Journal of e-Collaboration*, *11*(4), 1–10. https://doi.org/10.4018/ijec.2015100101

Lestari, H. D., & Pertiwi, I. F. P. (2021). The Effect of Corporate Social Responsibility (CSR), Relationship Marketing and Shariah Compliance on Customer Loyalty With Customer Emotional Response as Intervening. *Social Science Studies*, *2*(1), 1–14. https://doi.org/10.47153/sss12.2142021

Marna, J. E., Siwi, M. K., & Hayati, A. F. (2018). Analisis kepuasan nasabah bank kovensional dan bank syariah di Sumatera Barat. *Jurnal Inovasi Pendidikan Ekonomi*, *8*(2), 95–104. https://doi.org/10.24036/011024550

Maysyaroh, S., Rusydiana, A. S., & Febriani, D. (2024). Zillennial Perceptions of Sharia Governance Implementation and Its Implications on the Reputation, Trust, and Loyalty of Islamic Banks. *Jurnal Ekonomi Syariah Teori Dan Terapan*, *11*(1), 105–120. https://doi.org/10.20473/vol11iss20241pp105-120

Minaryanti, A. A., & Mihajat, M. I. S. (2023). A systematic literature review on the role of Sharia governance in improving financial performance in Sharia banking. *Journal of Islamic Accounting and Business Research*, *15*(4), 553–568. https://doi.org/10.1108/JIABR-08-2022-0192

Moosa, R. A., & Kashiramka, S. (2022). Objectives of Islamic Banking, Customer Satisfaction and Customer Loyalty: Empirical Evidence From South Africa. *Journal of Islamic Marketing*, *14*(9), 2188–2206. https://doi.org/10.1108/jima-01-2022-0007

Nuriatullah, N., Ahmed, I., & Rusanti, E. (2024). Shariah Compliance, Customer Relationship Marketing, and Loyalty in Islamic Banking: The Role of Customer Satisfaction. *Jurnal Ilmu Ekonomi Dan Bisnis Islam*, *6*(1), 54–72. https://doi.org/10.24239/jiebi.v6i1.281.54-72

Özkan, P., Süer, S., Keser, İ. K., & Kocakoç, İ. D. (2020). The effect of service quality and customer satisfaction on customer loyalty: The mediation of perceived value of services, corporate image, and corporate reputation. *International Journal of Bank Marketing*, *38*(2), 384–405. https://doi.org/10.1108/IJBM-03-2019-0096

Pahmi, P., Tasrim, T., Jayanti, A., Rachmadana, S. L., & Munzir, M. (2024). Marketing Tactics and Corporate Image: The Key to Maintaining Loyalty. *Jbti Jurnal Bisnis Teori Dan Implementasi*, *14*(3), 511–526. https://doi.org/10.18196/jbti.v14i3.20493

Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, *88*(5), 879–903. https://doi.org/10.1037/0021-9010.88.5.879

Ramadhani, M. K., & Bilen, M. (2024). Services Quality or Sharia Compliance? Factors Which Mostly Influence Customer Selection of Islamic Banks – The Case of Tanzania. *Tujise*, *11*(1), 32–56. https://doi.org/10.26414/a3949

Razak, D. A. (2020). Service Quality in Malaysian Islamic Banks: An Empirical Study. *Turkish Journal of Islamic Economics*, *7*(1), 13–42. https://doi.org/10.26414/a068

Ringle, C. M., Wende, S., & Becker, J.-M. (2022). *SmartPLS 4*. SmartPLS GmbH.

Sabardin. (2023). The Influence of Sharia Compliance, Promotion and Reputation of Bank Syariah Indonesia on Customer Loyalty. *Jurnal Ekonomi Dan Bisnis Airlangga*, *33*(2), 150–164. https://doi.org/10.20473/jeba.v33i22023.150-164

Sarstedt, M., Hair, J. F., Pick, M., Liengaard, B. D., Radomir, L., & Ringle, C. M. (2022). Progress in partial least squares structural equation modeling use in marketing research in the last decade. *Psychology & Marketing*, *39*(5), 1035–1064. https://doi.org/10.1002/mar.21640

Shmueli, G., Sarstedt, M., Hair, J. F., Cheah, J. H., Ting, H., Vaithilingam, S., & Ringle, C. M. (2019). Predictive model assessment in PLS-SEM: Guidelines for using PLSpredict. *European Journal of Marketing*, *53*(11), 2322–2347. https://doi.org/10.1108/EJM-02-2019-0189

Suhartanto, D., Gan, C., Sarah, I. S., & Setiawan, S. (2020). Loyalty towards Islamic banking: Service quality, emotional or religious driven? *Journal of Islamic Marketing*, *11*(1), 66–80. https://doi.org/10.1108/JIMA-01-2018-0007

Zaerofi, A., Sukmara, D., & Haryono, Y. (2022). The Impact of Sharia Compliance and Service Quality on Customer Loyalty With Religiosity as a Mediating Variable. *At-Tijaroh Jurnal Ilmu Manajemen Dan Bisnis Islam*, *8*(2), 272–293. https://doi.org/10.24952/tijaroh.v8i2.6043

Zakiah, N., & Umiyati, U. (2023). Service Quality and Corporate Image Through Customer Satisfaction and Their Impact on Customer Loyalty of Bank Syariah Indonesia. *Jurnal Ekonomi Dan Perbankan Syariah*, *11*(1), 84–99. https://doi.org/10.46899/jeps.v11i1.418

Zukhrufani, A., Afifah, A., & Bella, F. I. (2022). The Influence of Service Quality on Customer Satisfaction in Islamic Rural Banks During the Covid-19 Pandemic: A CARTER Model. *Jurnal Ilmiah Ekonomi Islam*, *8*(1), 491. https://doi.org/10.29040/jiei.v8i1.4615