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ISLAMIC ESG: RESEARCH PROGRESS AND FUTURE PROSPECTS

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Abstract:

The purpose of this study is to provide a descriptive overview and depicts the current and future trend of research in Islamic ESG. Bibliometric analysis is used to objectively scrutinize the bibliographic data collected from the Scopus database. Various methodologies and approaches are used to provide the results for research topics, impacts and directions, as well as patterns of collaboration. This study examines how the Islamic ESG has evolved between 2012 and 2023. This study finds that the publications increase significantly from 2021. Corporate governance, corporate social responsibility, environmental, sustainability, sustainable development, Islamic banks, Islamic corporate finance and Islamic finance are among the popular research and collaboration trends found in the extant literature, reflecting the multidimensional nature of ESG research within the Islamic context. Malaysian authors published more articles followed by authors from Indonesia and Italy. Based on this, several key research gaps and further suggestions are acknowledged for future studies. This is original as compared to the existing bibliometric literature, this study is among the pioneer wide ranging bibliometrics study on Islamic ESG. The request to have a specific model of ESG that complies with Shariah and aligns with Islamic teaching in the future cannot be underestimated, knowing that the Muslim community right now has exceeded two billion worldwide. This study is beneficial to potential researchers, scientific journal editors, practitioners, policy makers and students to understand the current research progression and evolution of ESG from an Islamic perspective.

Keywords:

ESG, Sustainability, Islamic, Environmental, Bibliometric Analysis

Introduction

Environmental, Social, and Governance (ESG) factors have emerged as crucial components in the evaluation of a company's performance and overall sustainability. Environmental considerations encompass issues such as climate change, resource depletion, pollution, and waste management, reflecting a growing awareness of the impact of business activities on the planet. Social factors encompass aspects related to human capital, labor practices, diversity and inclusion, community relations, and product safety, highlighting the importance of ethical and responsible business conduct. Governance factors relate to the structure and functioning of corporate boards, executive compensation, shareholder rights, and transparency in decision-making processes, aiming to ensure accountability and mitigate risks associated with poor governance practices.

Integrating ESG factors into accounting practices has gained traction as investors, regulators, and other stakeholders recognize the significance of these non-financial indicators in assessing long-term value creation, risk management, and overall corporate performance. The adoption of ESG metrics and reporting frameworks, such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD), provides companies with guidelines for disclosing relevant ESG information, fostering transparency and accountability in corporate reporting. Moreover, research in this field has shown correlations between strong ESG performance and financial outperformance, indicating that companies effectively managing ESG risks and opportunities tend to exhibit better long-term financial results, thereby emphasizing the importance of integrating ESG considerations into accounting practices for holistic and sustainable decision-making.

The other ESG related areas that increasing popular is the application and integration of ESG with Islamic principles. ESG considerations from an Islamic perspective align closely with the principles of Shariah law, emphasizing ethical and sustainable business practices grounded in Islamic values and teachings. In Islam, environmental stewardship (Mawarid al-Takathur) is regarded as a fundamental duty, with believers tasked to preserve and protect the natural world as trustees of divine creation. This entails responsible resource management, conservation efforts, and minimizing environmental harm in business activities.

Social justice (Adl) is the other a core tenet in Islamic ESG, promoting fair and equitable treatment of all stakeholders, including employees, customers, suppliers, and the broader community. Islamic finance principles emphasize the importance of social welfare (Maslaha) and prohibiting practices that harm society or exploit vulnerable populations, aligning with ESG goals related to human rights, labor standards, and community development.

In term of governance, Islamic Shura of principles stress transparency, accountability, and ethical conduct in decision-making processes, with a focus on ensuring equitable distribution of wealth and resources. From an Islamic perspective, integrating ESG considerations into business practices not only fosters sustainable development and societal well-being but also reflects a holistic approach to responsible stewardship and ethical governance in line with Islamic teachings.

As Islamic ESG is yet to get attention by the scholars, it is interesting to examine what are the trends of Islamic ESG and exploring the gap(s) that exists between conventional ESG and Islamic ESG. In short, this research intent to answer the following research questions:

RQ1. What are the current trends in the Islamic ESG research domain regarding publications, citations, journals, authors and affiliations?

RQ2. What are the main gaps and research questions that require future research in the Islamic ESG domain?

This paper is original as it will provides novel insights and perspectives for future scholars and practitioners that working on ESG, particularly those are interested to explore this subject from Islamic perspectives. The worldwide resurgence of Islamic teaching has driven demand for Islamic finance globally and for the creation of Islamic financial institutions which has gained traction in recent decades. Thus, the request to have a specific model of ESG that comply with Shariah and align with Islamic teaching in future cannot be underestimate, knowing that muslim community right now had exceeded two billion worldwide.

Literature Review

Generally, ESG instrument has no significant differences in terms of principles compared to Maqasid Shariah (Objectives of Shariah). Both highlights the accountability of human being, welfare of society and preservation of the environment. However, Maqasid Shariah has its divine sources, the revelations from the Holy Quran and Sunnah (sayings and doings of Prophet Muhammad SAW). Basically, based on Islamic perspectives, all actions and transactions of human being including process or policies should be aligned with the objectives of Shariah.

Environmental Issues from Islamic Perspectives

Currently, the environmental issues considered as significant aspect to be included in providing sustainable businesses and financial activities. From Islamic perspectives, the nature or universe ('Alam) must be protected and its benefits must be used optimally. The basis of this concept is the role of human as Caliph or manager of this universe. Islam prohibits human as Caliph doing Fasad (the promotion of disorder) because it contributed to the ecological problems regarding climate change and environmental degradation. At the same time, it will lead to the humanitarian crisis (Al-Mubarak & Blake, 2018).

Maqasid al-Shariah also highlights environmental protection to both managers and clients. Holy Quran and practices of prophet repeatedly demanded the need to care for the earth and the environment in human daily life. Thus, the Shariah governance practices towards more environmentally friendly practices, which capable in handling the environment-related issues including Anthropocene, a new geological period that began with the industrial revolution, climate change, biodiversity loss, ocean acidification, water scarcity, and air pollution (Boudawara et. al., 2023).

Social Issues from Islamic Perspectives

Islamic principle of khilafah (vicegerency) promotes social well-being and interests as amanah or trust from God by considering all the stakeholders. Even though the khilafah concept seems directly related to human relationship with another human and their environment only, this is in fact a theological concept that stresses divine appointment and accountability in all their action and decision making (Boudawara et. al., 2023), means it related directly with human-God relationship.

According to the Holy Book, the Qur'an, Hadith and Shariah law (Islamic law), apart from relationship between humans and God, there is important relationship between humans and another human, or might be known as society or community (Azmat and Subhan, 2022). Regarding this relationship, Ibn Ashur mentioned that Maqasid Shariah is based on two general elements: the promotion of welfare (jalb al-masalih) and the evasion of evil (dar' al-mafasid). These two clear elements highlight the importance of fostering welfare, combating corruption and the enhancement of Islamic way of life (Muhamad et. al., 2022).

Thus, every single action of human must consider another person's interests, including customers. It shows that Islam concerns about the main purpose of individuals' existence. Understanding their purposes of life and other people's rights considered as a commandment of Allah. Any violation and neglect of these rights would ruin the normal operation of life. There are several concepts in Islam that protect customer's interests. Ali et. al. (2024) mentioned that the concept of Musharakah, one of the Islamic banking instruments would increase the value of Islamic banks and make them resilient in a crisis. Additionally, it promotes mutuality, sustainability and interests in the business.

Governance Issues from Islamic Perspectives

The most important principle in Islamic governance is the concept of tawhid regarding God's oneness and sovereignty. The second principle is tazkiyah, aims to manage the development of business without creating imbalances between the interests of all stakeholders' interests and rights. The third and fourth principles is al-adl (justice) and al-ihsan (beneficence) that complements each other. Al-Adl refers to socio-economic justice that granting the right to whom it belongs in line with the Islamic guidelines. The latter, al-Ihsan principle focusing on building moral values in society which impossible to achieve without justice (Boudawara et. al., 2023).

In sum, Islamic governance not only focusing on providing Shariah compliance products and services, but also promoting the permissible transactions for the public good where any negative and positive consequences of transactions are concerned. Islamic governance also ensures transparent information between managers and stakeholders by overseeing the effectiveness of management's practices

Data and Methodology

This paper conducts the bibliometric analysis for mapping the Islamic ESG literature and comprises of systematic literature review of the articles published in high-quality journals. To the best of the author's knowledge, no similar review study has focused on high-quality journal articles. The emphasis on "high-quality" is crucial, as the significance of quality scholarly research is growing, and there is a rise in the number of predatory journals (Sahoo et al., 2022). To address the existing gap in the previous reviews, this study conducts a systematic literature review of high-quality studies in the Islamic ESG domain apart from quantifying and mapping the academic literature through bibliometric analysis.

Bibliometric analysis is an exhaustive method for exploring and assessing a large volume of data (Donthu et al., 2021). It enables the identification of similarities among large datasets using various software (Jain et al., 2021). The datasets of this study were acquired from Scopus for conducting bibliometrics. After the screening, 57 documents from Scopus databases were considered for bibliometric analysis.

Data-Collection Method and Procedure

For this study, bibliometric and content analysis data was acquired from Elsevier Scopus on February 25, 2024. This database is among the most extensive electronic databases for retrieving literature and cover major international journals (Jain & Tripathi, 2023; Pranckut, 2021). This review study has employed three stages content screening strategy as recommended by Jain and Tripathy (2023) and Sahoo et al. (2022).

In the first stage of screening, the following search query “Islamic ESG” was used in a search within the “title, abstract, and keyword category” in the database. In the second stage of screening, documents were refined based on the time period, that is 2012-2023. 2012 was chosen because the result recorded the first paper published on this year. The final stages are the language screening with only English language articles are considered for the study. Finally, 54 research articles from Scopus was included in the study.

Data Analysis Techniques

A two-stage analytical technique for bibliometric analysis has been suggested by Jain and Tripathy (2023) and Donthu et al. (2021), that is performance analysis and science mapping. Performance analysis comprises the descriptive statistics representing the contribution of research constituents of documents by subject, year, source, author, affiliations and countries while science mapping shows the relationship among research constituents (Donthu et al., 2021). The initial data analysis was performed by extracting data directly from the SCOPUS database. Performance analysis was done using the VOSviewer. The performance analysis reveals the characteristics and research trends were classified and analyzed separately using descriptive statistics that comprised the co-authorship, co-occurrence and citations among the authors, organizations, countries, sources and keywords (Eck and Waltman, 2010).

Findings

Documents by Subject

Table 1: Documents by Subject

No.	Subject Area	Frequencies
1	Economics, Econometrics and Finance	36
2	Business, Management and Accounting	30
3	Social Sciences	9
4	Environmental Science	8
5	Decision Sciences	6
6	Computer Science	5
7	Arts and Humanities	3
8	Energy	3
9	Engineering	3
10	Earth and Planetary Sciences	1

The distribution of research output on Islamic ESG across various academic disciplines reflects the interdisciplinary nature and broad relevance of this field of study. In Economics, Econometrics, and Finance, which dominate with 36 publications, scholars delve into the integration of ESG principles within Islamic finance practices, assessing the financial

performance and impact of Islamic ESG investments compared to conventional counterparts, and exploring the alignment of ESG criteria with Shariah-compliant investment guidelines. Business, Management, and Accounting disciplines contribute significantly with 30 publications, focusing on the social responsibility initiatives of Islamic financial institutions, corporate governance practices within these institutions, and the ethical dimensions of Islamic ESG investments, all of which inform responsible finance and ethical business conduct.

Social Sciences, with 9 publications, offer insights into the societal implications of Islamic ESG practices, including studies on social development, poverty alleviation, and financial inclusion facilitated by Islamic microfinance institutions, as well as consumer behavior and preferences regarding Islamic ethical products and services. Environmental Science, with 8 publications, critically evaluates the environmental sustainability of Islamic finance through investments in renewable energy, green infrastructure, and environmentally responsible projects, while also addressing climate change mitigation and adaptation efforts within Islamic financial markets. Decision Sciences, with 6 publications, contribute to the development of standardized reporting frameworks for Shariah-compliant ESG disclosure and offer insights into the regulatory framework governing Islamic ESG investments.

Documents by Year

Table 2: Documents by Year

No.	Year	Frequencies
1	2023	18
2	2022	13
3	2021	11
4	2020	6
5	2019	1
6	2018	0
7	2017	0
8	2016	2
9	2015	2
10	2014	0
11	2013	0
12	2012	1

The distribution of the number of publications on Islamic Environmental, Social, and Governance (ESG) across different years provides insights into the evolving research landscape and the increasing scholarly interest in this field. In 2023, the highest number of publications were recorded with 18, indicating a growing momentum in research activity and a heightened focus on exploring various aspects of Islamic ESG. This surge in publications may reflect the increasing recognition of the importance of integrating ESG principles within Islamic finance practices and addressing sustainability challenges within Muslim-majority countries and Islamic financial markets. In the preceding years, there has been a steady upward trend in the number of publications, with 13 publications in 2022 and 11 publications in 2021, suggesting a sustained interest in advancing knowledge and understanding in this area. The increase in research output in recent years may be attributed to a growing awareness of the potential

synergies between Islamic finance and ESG principles, as well as the need to address pressing environmental, social, and governance issues within the Islamic finance industry.

Prior to 2020, the number of publications was relatively low, with only a few publications recorded in 2019, 2016, and 2015, indicating a nascent stage of research development and a gradual buildup of scholarly activity in this field. The absence of publications in 2018, 2017, 2014, and 2013 may reflect a lack of concerted research efforts or a limited focus on Islamic ESG during those years. However, it is noteworthy that even during these periods of low publication activity, there were sporadic instances of research output, underscoring the persistence of scholarly interest in exploring Islamic ESG principles and practices. Overall, the trajectory of publication numbers over the years illustrates the increasing prominence of Islamic ESG as a research area and underscores its growing significance within academia and the broader financial community.

Documents by Source

Table 3: Documents by Source

No.	Source/ Journals	Frequencies
1	Borsa Istanbul Review	3
2	Journal of Islamic Monetary Economics and Finance	3
3	Asian Economic and Financial Review	2
4	International Journal of Emerging Markets	2
5	International Journal of Supply Chain Management	2
6	International Review of Economics and Finance	2
7	Journal of Asset Management	2
8	Lecture Notes in Networks and Systems	2
9	Research In International Business and Finance	2
10	Springer Proceedings in Business and Economics	2

The distribution of publications on Islamic Environmental, Social, and Governance (ESG) across various academic journals provides insights into the dissemination of research findings and the scholarly discourse within this field. The "Borsa Istanbul Review" and the "Journal of Islamic Monetary Economics and Finance" emerge as leading journals in terms of publication output, each featuring three publications on Islamic ESG. These journals likely serve as prominent platforms for researchers to publish their work and contribute to advancing knowledge in the intersection of Islamic principles with ESG considerations.

Additionally, the "Asian Economic and Financial Review," "International Journal of Emerging Markets," "International Journal of Supply Chain Management," "International Review of Economics and Finance," "Journal of Asset Management," "Lecture Notes in Networks and Systems," "Research in International Business and Finance," and "Springer Proceedings in Business and Economics" each feature two publications on Islamic ESG, indicating a diverse range of journals that are engaged in disseminating research in this area. Overall, the distribution of publications across various journals highlights the growing scholarly interest and engagement in exploring Islamic ESG principles and practices within the academic community.

Documents by Author

Table 4: Documents by Author

No.	Authors	Frequencies
1	Dreassi, A.	4
2	Hassan, M.K.	4
3	Paltrinieri, A.	4
4	Piserà, S.	4
5	Chiaramonte, L.	3
6	Ghaemi Asl, M.	3
7	Qoyum, A.	3
8	Ahmed, A.	2
9	Erragragui, E.	2
10	Nathan, R.J.	2

The distribution of publications on Islamic ESG by author showcases a diverse array of scholars contributing to the discourse in this field. Several authors, including Dreassi, Hassan, Paltrinieri, and Piserà, stand out with four publications each, demonstrating their substantial contributions and active engagement in advancing knowledge within Islamic ESG. Other prolific authors such as Chiaramonte, Ghaemi Asl, and Qoyum have three publications each, further enriching the scholarly landscape with their research findings and insights.

Additionally, a significant number of authors have made notable contributions with two publications each, including Ahmed, Erragragui, Nathan, Revelli, Sakti, Setiawan, and Tekin, among others. The extensive list of authors indicates the collaborative and multidisciplinary nature of scholarship in this field, with researchers from various academic backgrounds and geographical locations coming together to explore the intersection of Islamic principles with environmental, social, and governance considerations. Overall, the collective contributions of these authors contribute to the advancement of knowledge and understanding in Islamic ESG, shaping the discourse and informing practice within academia and the broader financial community.

Document by Affiliation

Table 5: Documents by Affiliation

No.	Affiliations	Frequencies
1	University of New Orleans	5
2	Kharazmi University	4
3	Università degli Studi di Trieste	4
4	Università Cattolica del Sacro Cuore	4
5	Università degli Studi di Udine	4
6	Università degli Studi di Verona	3
7	KEDGE Business School	3
8	Universitas Islam Negeri Sunan Kalijaga, Yogyakarta	3
9	INCEIF University	3
10	Jihočeská Univerzita v Českých Budějovicích	2

The information regarding publications by affiliation on Islamic ESG research highlights the scholarly output and engagement of various academic institutions in this field. The University of New Orleans, Kharazmi University, Università degli Studi di Trieste, Università Cattolica del Sacro Cuore, and Università degli Studi di Udine each contributed four publications, showcasing their active involvement and contributions to the scholarly discourse surrounding Islamic ESG.

Similarly, KEDGE Business School, Universitas Islam Negeri Sunan Kalijaga in Yogyakarta, INCEIF University, and Jihočeská Univerzita v Českých Budějovicích each have three publications attributed to their affiliations, indicating their significant scholarly engagement and contributions to advancing research in this domain. These affiliations represent a diverse range of academic institutions globally, reflecting the multidisciplinary and collaborative nature of research on Islamic ESG. Overall, this information underscores the active participation and scholarly contributions of various academic institutions worldwide to the evolving field of Islamic ESG research.

Document by Countries

Table 6: Documents by Countries

No.	Countries	Frequencies
1	Malaysia	13
2	Indonesia	9
3	Italy	7
4	United Kingdom	6
5	United States	6
6	France	5
7	Bahrain	4
8	Iran	4
9	Turkey	4
10	India	3

The breakdown of publications by countries in the field of Islamic ESG research provides valuable insights into the global distribution of scholarly output and engagement within this domain. Malaysia emerges as a prominent contributor with 13 publications, highlighting its significant role and leadership in advancing research and understanding in Islamic ESG. Indonesia follows closely with nine publications, indicating its active participation and impact in contributing to the scholarly discourse on Islamic ESG. Italy, the United Kingdom, and the United States demonstrate substantial scholarly engagement with seven, six, and six publications respectively, underscoring their significant contributions to the evolving field of Islamic ESG research.

France also showcases notable scholarly activity with five publications, reflecting its engagement and contributions to advancing knowledge in this domain. Additionally, Bahrain, Iran, Turkey, and India each have four publications attributed to their respective countries, further emphasizing the global reach and collaborative efforts of researchers worldwide in exploring the intersections of Islam, environmental sustainability, social responsibility, and governance. Overall, this information underlines the diverse and widespread engagement of

countries in fostering research and knowledge dissemination in Islamic ESG research, reflecting the global significance and relevance of this field.

Co-occurrence – All keywords

Table 7: All Keywords Co-occurrence

No.	Keyword	Occurrences	Total Link Strength
1	ESG	17	17
2	Islamic Finance	9	9
3	Corporate Governance	5	4
4	Islamic Banks	5	8
5	Corporate Social Responsibility	4	5
6	Disclosure	3	5
7	Environmental	3	5
8	ESG Disclosure	3	7
9	Governance	3	7
10	Islamic	3	7

The co-occurrence details with all keywords for Islamic ESG research reveal patterns of association and connectivity among key thematic areas within this field. The keyword "ESG" emerges as the most prominent, with 17 occurrences and a total link strength of 17, indicating strong connectivity and centrality within the network of co-occurring keywords. This points to the overarching focus on ESG considerations within Islamic finance research. Keywords related to specific aspects of ESG, such as "corporate governance," "corporate social responsibility," "disclosure," "environmental," "governance," "sustainability," and "sustainable development," demonstrate significant co-occurrences, reflecting the multidimensional nature of ESG research within the Islamic finance context. Additionally, keywords specific to Islamic finance, such as "Islamic banks," "Islamic corporate finance," and "Islamic finance," demonstrate strong associations, highlighting the integration of Islamic principles with ESG considerations in financial practices. Notably, the keyword "socially responsible investing (SRI)" exhibits fewer occurrences but demonstrates moderate connectivity with other keywords, indicating a nuanced focus on ethical investment practices within the broader framework of Islamic ESG. Overall, the co-occurrence details provide valuable insights into the interconnectedness of thematic areas and research priorities within Islamic ESG research, guiding further exploration and analysis in this evolving field.

Citations – Documents

Table 8: List of Documents by Citations

No.	Authors & Year	Title	Source Title	Citations
1	Paltrinieri et al. (2020)	Islamic finance development and banking ESG scores: Evidence from a cross-country analysis	Research in International Business and Finance	46
2	Erragraguy and Revelli (2015)	Should Islamic investors consider SRI criteria in their investment strategies?	Finance Research Letters	33

			Asian Academy of Management Journal of Accounting and Finance Review of Financial Economics	
3	Peng and Isa (2020)	Environmental, social and governance (ESG) practices and performance in Shariah firms: Agency or stakeholder theory?		32
4	Erragragui and Revelli (2016)	Is it costly to be both Shariah compliant and socially responsible?		27
5	Qoyum et al. (2022)	Does the Islamic label indicate good environmental, social, and governance (ESG) performance? Evidence from Sharia-compliant firms in Indonesia and Malaysia	Borsa Istanbul Review	26
6	Bukhari et al. (2020)	Green Banking and Islam: two sides of the same coin	Journal of Islamic Marketing Research in International Business and Finance	25
7	Kabir et al. (2021)	The crossroads of ESG and religious screening on firm risk		20
8	Yesuf and Aassouli (2020)	Exploring synergies and performance evaluation between Islamic funds and socially responsible investment (SRIs) in light of the Sustainable Development Goals (SDGs)	Heliyon	19
9	Asl et al. (2022)	Carbon market and the conventional and Islamic equity markets: Where lays the environmental cleanliness of their utilities, energy, and ESG sectoral stocks?	Journal of Cleaner Production	17
10	Buallay et al. (2020)	Evaluating ESG disclosures of Islamic banks: Evidence from the Organization of Islamic Cooperation Members	International Journal of Innovation and Sustainable Development	13

The citation of an article shows it impacts and significance, highly cited articles are considered more influential research in the particular area (Jain and Tripathi, 2023). Table 8 shows the top 10 cited articles in the Islamic ESG research domain. The highlighted findings from these top 10 cited articles are as follows:

- The work authored by Paltrinieri et al. (2020) has received the greatest number of citations. This essay evaluates the relationship between the growth of Islamic financial markets and the sustainability policies of banks. In addition, they present an innovative viewpoint that incorporates the newly introduced Islamic Finance Development Indicator (IFDI), its constituent elements, and its correlation with both overall and specific ESG scores. Their analysis demonstrates a direct relationship between IFDI (inward foreign direct investment) and ESG scores, with a particular emphasis on the social aspect.

- Erragraguy and Revelli (2015) examine the feasibility of combining positive ESG screening with Islamic portfolios in order to assess the financial implications of adhering to Shariah compliance and social responsibility. Their investigation demonstrates that the adoption of Islamic and ESG screening does not result in any negative impact on returns.
- Peng and Isa (2020) analyse the influence of ESG policies on the financial performance of a group of companies listed in the MSCI World Islamic Index from 2010 to 2017. The findings indicate a favourable correlation between the overall ESG score and its separate components with firm success, aligning with the principles of stakeholder theory. The results also indicate that the integration of ESG and Shariah screenings can lead to a rise in business value, promote ethical, responsible, and transparent operations, and thus, open up new investment opportunities.
- Erragragui and Revelli (2016) conducted a study to examine the incorporation of social performance measures of companies with strong ESG ratings into Islamic portfolios. The findings suggest that the use of ESG screens on Shariah-compliant companies did not have any negative impact on returns. However, portfolios with strong governance, product quality, diversity, and environmental practices showed much better performance. In contrast, a negative performance is linked to an SRI strategy that involves withdrawing from Shariah-compliant stocks that are involved in community and human rights problems.
- The study conducted by Qoyum et al. (2022) examines the impact of an Islamic label on the ESG performance. Their investigation uncovers a notable disparity in the total environmental and social performance, while finding no variation in governance quality. Additionally, the analysis highlights the substantial impact on performance that arises from the utilisation of Islamic standards for leverage, accounts receivable, and cash.
- Bukhari et al. (2020) conducted a study on how Islamic concepts can be used to create a strong emotional connection between green banking practices and the Muslim consumer market. The aim was to encourage the adoption of green banking. They suggest that the principles of green banking align with Islamic beliefs and can therefore be readily embraced and promoted by banks, particularly Islamic banks, that cater to Muslim customers.
- Kabir et al. (2021) aimed to investigate the interaction and impact of ESG and Shariah screenings on market risks. It has been shown that when ESG scores are not taken into account, Shariah certification leads to a rise in risks. In addition, they also demonstrate that involvement in sustainability activities reduces risks for both Shariah-compliant and conventional companies. Furthermore, their findings demonstrate that enterprises adhering to Shariah principles have a more substantial reduction in risk as their ESG scores increase.
- Yesuf and Aassouli (2020) want to assess the risk and return attributes of Islamic funds in relation to SRI funds, and explore the potential synergies between the two in the context of the Sustainable Development Goals (SDGs). It has been discovered that including ESG/SDGs factors into investing decisions for Islamic funds does not have a negative impact on their performance. Instead, it amplifies their positive influence and contribution to alleviate the finance gaps of the Sustainable Development Goals (SDGs).
- Asl et al. (2022) conducted a comparative analysis of the conventional and Shariah-compliant stock markets to assess their reliance on the carbon market and determine the extent to which their environmentally connected sectors are cleaner. Overall, it is evident that both the conventional and Shariah-compliant sectors stock markets are progressively aligning with the objective of promoting a more environmentally friendly approach.
- Buallay et al. (2020) examines the extent of ESG disclosures in Islamic banks that are listed on the stock exchange of the Organisation of Islamic Cooperation Members. The study also explores the correlation between ESG disclosures and the financial performance (ROE),

operational performance (ROA), and market performance (TQ) of these banks. The regression models revealed a noteworthy and favourable influence of ESG on operational, financial, and market performance.

Citations – Authors

Table 10: List of Authors by Citations

No.	Author	Documents	Citations	Total Link Strength
1	Dreassi, Alberto	4	74	6
2	Paltrinieri, Andrea	4	74	6
3	Piserà, Stefano	4	74	6
4	Hassan, M. Kabir	4	21	6

The citations with authors for Islamic ESG research provide insights into the impact and scholarly engagement of specific authors within this field. Alberto Dreassi, Andrea Paltrinieri, and Stefano Piserà stand out with four documents each, each garnering significant citation counts of 74, indicating their substantial influence and recognition within the scholarly community. These authors have also amassed multiple links, suggesting strong connectivity and relevance within the broader discourse on Islamic ESG research. Additionally, M. Kabir Hassan demonstrates significant scholarly engagement with four documents but a comparatively lower citation counts of 21, indicating recognition and impact within specific contexts or subfields of Islamic ESG research. Overall, the citations with authors highlight the varied impact and scholarly engagement of researchers within the field of Islamic ESG research, reflecting the diverse contributions and research priorities of scholars in advancing knowledge and understanding in this domain.

Directions for Future Research

ESG is a framework that start gaining attention from corporate world and hence, academic scholars due to various problem in that occur related to earth, social life and business management. However, there is still a large gap on the ESG research and practices that adopting Islamic teaching and values. The suggested future research are as follows:

Differences between Conventional ESG and Islamic ESG

There are many differences in term of philosophy and practices of conventional ESG and Islamic ESG that worth to explore. Islamic teaching, such as Islamic finance prohibit riba (*usury*), uncertainty (*gharar*) and business that related with gambling, gaming, alcohol and tobacco. Thus, Islamic ESG include stricter framework in assessing the ESG activities. Research can be conducted to examine the similarities and differences of characteristics, measurements, and ultimate goal between Islamic and non-Islamic ESG.

Determinants of Islamic ESG Performance

Many studies has conducted to examine the factors that influence the ESG performance such ownership (Yu and Luu, 2021) and firm size (Drempetic et al., 2019). However, not many studies had conducted to do the same for Islamic ESG. Probably, the determinants may slightly different considering characteristics that comply with Shariah principles for Islamic ESG such as low gearing and does not involve in speculative investment activities.

Outcome of Islamic ESG Performance

Much research on conventional ESG documented evidence that ESG performance increases liquidity in the capital market, reduces the cost of capital, (Christensen et al., 2021), increase shareholder value (Rajgopal, 2021), reduce the portfolio's volatility (Bahra and Thukral, 2020), decrease the cost of debt (Eliwa et al., 2021) and increase higher firm value (Buchanan et al., 2018; Hoang et al., 2020). The same study can be conducted but on Islamic ESG, with some concentration of the uniqueness of this outcome.

Islamic ESG with Non-financial Performance

Study also can be conducted with the Islamic ESG practices with non-financial performance. Prior ESG studies concentrate much on financial performance such as earnings per share (EPS), return on assets (ROA), return on sales (ROS), return on equity (ROE), return on capital (ROC), and return on capital employed (ROCE) (Lee and Suh, 2022). Arguably, non-financial performance also need to be tested to give wider perspectives on other aspects of business performance and fill up the gap in explaining and provide context for financial performance. This includes measurements such as strategic change, intellectual capital, value creation, customer satisfaction, innovation metrics, employee performance, product or service quality, brand reputation, supply chain performance, operational efficiency, and regulatory compliance.

Moderating Factors of Islamic ESG Performance

Many studies have explored a direct relationship between ESG performance and independent determinants (Wong et al., 2020). However, not many studies conducted the interaction effect either moderating or mediating factors that may strengthen or weaken the direct relationship between independent variables and ESG performance (Abdi et al., 2022), particularly Islamic ESG performance. For example, company with higher Islamic ethical orientation, located in Muslim countries or classified as Shariah compliant company may moderately enhance the effect of Islamic ESG performance. Prior studies shows that the effects of ESG conduct on financial performance vary by context such as industries, geographic location, cultural differences and firm specific characteristics such as firm size, corporate reputation and types of board of director representation (Lee and Suh, 2022).

Conclusions

This research paper investigates the Islamic ESG landscape, as indicated by the study's results. This study conducted a thorough analysis of a substantial collection of scholarly papers from the SCOPUS database to find significant trends, patterns, and gaps in the field. The results of this study showed a moderate increase in the number of publications on Islamic ESG in the last few years, suggesting a growing interest and acknowledgment of its significance, but the number still remains significantly lower than that of contemporary or conventional ESG. The rise in research effort indicates the growing importance of Islamic ESG as a viable framework for organisations to showcase and validate their ESG performance and initiatives that align with Shariah principles and Islamic teachings.

This study contributes as it highlights certain research gaps that present opportunities for future investigation such as exploring the fundamental differences between Islamic and conventional ESG, determinants of the Islamic ESG outcomes and performance, non-financial performance indicators, rating comparisons, reporting, investing, Islamic ESG washing and influence of board characteristics on Islamic ESG.

Like every other academic study, this study also has certain limitations. Firstly, keyword selection is made solely focusing on the theme of the study namely “Islamic ESG”. We do not consider any other keywords such as CSR, ESG in a different keywords or other related keywords that bring a same meaning because we want to be a very specific in our study. Thus, future research can consider these keywords and bibliometric research can be done on the individual ESG sub-themes in more detail. Secondly, our research only used VOSviewer software as tools to extract the data. Future research can be carried out using other bibliometric tools such as Gephi, BibExcel and CiteSpace, which might provide different or more clusters. Thirdly, we’re focusing on the Scopus databases. Future research can also search information from other databased like Web of Sciences.

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