EMPLOYEES' ATTITUDE TOWARDS ISLAMIC BANKING: AN EXPLORATORY STUDY IN MALAYSIA

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Islamic banking;

Shariah compliance;

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Abstract

There are evidence to suggest that not all who work within Islamic banking system are fully convinced of its objectives and underlying philosophy. Good numbers of them have conventional banking background with little operational knowledge etc. Their ambivalent attitude may affect their work commitment. This study tries to understand the seriousness of this issue and explores the reasons behind this. Additionally, the research probed any possible association of employees' attitude towards Islamic banking with their organizational commitment. The study used qualitative approach solely, eyeing to understand employees' attitude towards Islamic banking and the factors influencing it. For this, semi-structured interviews were used to collect data from Islamic banking employees. The research appeared to be among the earlier works to examine the perception of Islamic banking employees in Malaysia and the factors associated to it. The study envisaged these factors to improve employees' attitude towards Islamic banking including Shariah training and background in particular. The findings revealed that employees working in Malaysian Islamic banks have a number of wrongful pre-conceived ideas about Islamic banking. The wronged perception is mainly based on operations of Islamic banking, lack of Shariah training and Shariah background. Similarly, factors influencing employees' attitude include employees' awareness of Islamic banking, its usefulness and Shariah compliance besides other contributing factors.

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1. Introduction

In recent years, where modern trends are shifting towards service oriented industries, employees are at the centre stage to ensure better work outcomes [1]. However, in a rapidly changing work environment, it is becoming more challenging for organizations to maintain a workforce with a constructive (positive) job attitude [2, 3]. Studies highlighted various job attitudes such as job satisfaction [4], turnover [5], organizational citizenship behaviour [6], absenteeism [7] and many more. One of such job attitudes is employees' attitude towards their organisational objectives and practices (such as Islamic banks). Sheldon (1971, p. 143) observes that "employees attitude or orientation towards the organization links or attaches the identity of the person to the organization."

In order to compete with conventional banking, Islamic banks have yet to address many issues at its earliest. Research work carried out on perception and attitude of Islamic banking employees reveals misunderstanding about Islamic banking, its operations, products and services [8, 9]. Many employees view that there are no such existing guidelines given by Islam [10]. Instead, some of them argue that there are guidelines but not implemented in their real terms. Misconception of Islamic banking among employees is also evident from Bank Islam strategic planning report that uncovers misunderstanding of Islamic banking and its products and services [11]. These negative perceptions are not limited to Islamic banking employees at large but also with Shariah scholars too – due to lack of practical knowledge of Islamic banking operations [12]. According to Sekaran (1989) any element of hesitation or unacceptability towards the core values of their organization causes decrease in employees' work outcomes.

Further, studies highlighted that poor perception of Islamic banking among employees is due to lack of belief in Islamic banking system and practices – lack of awareness, training and Shariah compliance practices being at the centre stage [13-15]. More so, building of belief is of utmost importance as it is attitude and perception of people that ultimately creates a belief forming mechanism [16]. The formation of employees' belief (in Islamic banking context) has been viewed in terms of their attitude towards different attitude objects. These attitude objects include their awareness of Islamic banking and underlying contracts, awareness of Islamic banking products and services, Shariah compliance of Islamic banking transactions etc. [17-19].

Similarly, Khan [20] explained that due to the dearth of qualified and experienced staff, Islamic banking organizations hire staff from non-Islamic institutions. Most of such employees lack in awareness and understanding of Islamic fiqh-al-muamlat (transactions) due to conventional background [21]. This lack of awareness results in employees drawing a conclusion that Islamic and conventional banking are one and the same thing [22]. Such misconception of Islamic banking employees results in a negative attitude towards Islamic banking [23] that ultimately affects their work outcomes i.e. organizational commitment [24].

It serves as a challenge for management of Islamic banks to develop good understanding of the foundations of Islamic banking concepts and principles that may facilitate their work outcomes [25]. Among many, one of the prime reasons for poor attitude towards Islamic banking can be employees' lack of knowledge of what they are doing. Employees view that Islamic banks only use the name of "Islam" as their life guard and there is no such implementation of Islamic modes of finance in Islamic banks [26]. Studies suggest a positive relationship between employees attitude towards work and organizational commitment [4].

Additionally, Shariah compliance of Islamic banking muamlat (transactions) is not possible without trained staff dealing with underlying contracts [27]. Siddiqui and Usmani [28] viewed a strong link between Shariah compliance and trained human resource that is indispensable for Islamic banking. This highlights a need of Shariah training for Islamic banking employees to perform their job duties according to Shariah compliant procedures. Findings from Dewa and Zakaria [29] explained lack of training as an important element to effect employees' performance by creating negative vibes for Islamic banking. It is indispensable for an organization to invest in its human capital building their skills, development and training [30]. Training in Islamic banking is therefore more related to Shariah training in order to build employee's knowledge and skills in Islamic banking and to clarify their concepts of Islamic Muamalat (Transactions).

The need to address employees' attitude towards Islamic banking highlights a research gap more specifically in Islamic banking domain. Although Malaysia is a Muslim majority country but a large number of non-Muslims representation intensify the challenges associated to Islamic

banking [31]. These non-Muslim users or potential users barely differentiate between Islamic and conventional practices [32]. One of the reasons highlighted by Zukri [11] is the poor perception of Islamic banking employees itself – employees cannot satisfy customers' complaints and queries unless they are not certain of what they are doing is Islamic. The research therefore intended to explore factors that influence employees' perception and attitude towards Islamic banking.

Based on above discussion, the study intends to probe into following two research questions and objectives;

1.1 – Research Questions

1- What are the reasons that lead to misconception of Islamic banking employees in Malaysia?

2- What are the factors that influence employees' attitude towards Islamic banking?

2 – Literature Review

2.1 – Employees' Attitude towards Islamic Banking

Quine [33], one of the profound philosophers and logicians said; *"any statement can be held true come what may, if we make drastic enough adjustments elsewhere in the system [of beliefs]"*.

The central feature of most definitions of attitude, according to Allport (1935), is the idea of readiness for response. That is, an attitude is not behaviour, not something that a person does – it is preparation for behaviour. Similarly, in organizational context, the concept of attitude helps in explaining the consistency of a person's behaviour that further assists to elucidate the stability of an organization [34]. Further, employees' attitude towards work forms the basis of organizational outcomes regardless of the size and nature of organization [35]. Researchers believe that employees' perceptions are largely value oriented and based on how they view organizational environment [36]. Similarly, organizations can construct individual attitude by addressing employees' issues and improving their perception of organization [37].

Similarly, employees working in Islamic banking sector are found to have different perceptions depending upon their understanding of the concepts and practices of Islamic banking [38]. However, a positive attitude of employees is always at the centre stage when it comes to services

industry – banking sector in particular [39]. Employees' attitude not only ensures service quality and improved turnover but also creates a positive environment within the organization [40]. Islam, Ahmed [41] believe that to capture significant market share and maintain their strategic position in dual banking system of Malaysia, Islamic bankers need to maintain competitive edge by offering products and services that satisfy customers' needs. With rapidly changing customer needs and technological advancements, the roles of bank employees have changed too [42].

However, studies conducted on Islamic banking employees in different parts of the world have shown a general trend of ambiguity and confusion associated to their perception of Islamic banking [43-46]. An inquiry to probe into the causes of these negative vibes among Islamic banking employees came up with several reasons. These causes include employees' role in decision making, fair and adequate compensation, perceived work environment, open communication, lack of exposure, training and knowledge [23, 31, 44].

In connection to employees working in Islamic banks, several studies are conducted in terms of their perception, knowledge and awareness as well as understanding of Islamic banking [14, 47]. The impetus of employees' attitude and behaviour in Islamic banks lies under norms and values and Shariah principles that guide each and every transaction [48]. Buchari, Rafiki [14] emphasized on three crucial aspects of Islamic banking employees while conducting a study on employees' attitude and awareness. He stressed that employees should be Shariah compliant with a positive attitude and must have awareness of Islamic banking products and services.

However, Akhtar and Akhter [49] conducted a study in India and found lack of understanding and awareness of Islamic banking among employees. Many researches consider this lack of understanding and awareness, a prime reason of employees' poor perception of Islamic banking [50]. A confirmatory study was conducted by Arshad, Aslam [23] where they attempted to gauge perceptions of employees of both Islamic and conventional banks offering Islamic products. The findings yielded a significant difference in the attitude of employees operating in Islamic banks compared with their conventional counterparts. These differences were mainly attributed to insufficient exposure of Shariah training and the major principles underlying Islamic banking products.

A replication of the previous study, but in the Malaysian context, interestingly, produced similar results [44]. It asserted that Islamic banks' employees without conventional background show more positive attitude towards Islamic banking products and services than their counterparts. This is because that Islamic banking employees are well-trained and involved in daily operations and transactions with deep understanding of the Shariah rules governing them [44]. Contrarily, those who are from conventional background face difficulties in understanding Islamic banking principles and concepts. This lack of understanding, experience and exposure result in employees' poor perception of Islamic banking.

One of the recent studies by Mehtab, Zaheer [50] revealed that there is a strong relationship of knowledge and practice of Islamic banking. Most of the employees of Islamic banks with sufficient knowledge of Islamic banking are found to have positive attitude towards Islamic banking. Similarly, those who negatively perceived Islamic banking were found to be least knowledgeable. Interestingly, they found that one of the primary reasons behind this is their lack of Shariah training. In contrast, a field study conducted in Pakistan came up with mixed results [51]. The research concluded that educated individuals were found to have more positive perception of Islamic banking but majority had suspicions on banking operations to be Shariah compliant.

In addition to employees' perception, attitude towards a specific belief may affect employees' performance in an organization [52]. Ngo, Loi [53] believe that mind-set of employees have a tendency to affect their job attitude which in turn influence work outcomes. It is employees' internal state, perceptions or predispositions that lead them to act in a certain way towards their environment [54]. This degree of belief ultimately form attitude of an individual and the differences in attitude lead towards high or low performance of an employee [47].

With respect to the above, Pritchard, Havitz [55] considered other factors that form a positive attitude towards organization. These factors include compensation through financial and non-financial rewards and training to increase employees' loyalty towards their organizations. Further, Ismail and Makhbul (2000) discovered that training and work development are positively related with employees' loyalty to his organization in comparison with other factors.

According to Zeithaml [56],employees should not only be empowered to react but they must also be equipped with suitable and adequate knowledge to execute accurate decisions.

Further, Islam, Ahmed [41] conducted a study in Malaysian context to gauge perception of customers in terms of service quality maintained in Islamic banks. Gap analysis between customers' expectations and perceptions revealed highest gap for Islamic Shariah compliance [41]. These findings are clear manifestation of employees' deficiencies resulting in customers' poor perception of Shariah compliance for Islamic banking products and services. Like many countries, the effectiveness of Malaysian Islamic banking sector can only be achieved through well trained and educated staff with a positive attitude towards Islamic banking [57]. Apart from employees' attitude, good governance and efficiency in Islamic banking operations through a well-formulated Shariah framework is an actual need of the time [9]. Literature supports that mostly people view that Islamic banking transactions does not differ much from their counterparts and believe that only the name had made the difference between the two systems [58]. Further, the study reached to a conclusion that customers and employees of Islamic banks are ambiguous and unclear about the concepts that constitutes Islamic banking operations.

It is without doubt that employees can maintain excellent service quality and address customers' shackles once they are well-equipped to perform their job duties [29]. More so, organization should spend plentiful resources to achieve optimum performance from employees by providing logistic, administrative, training and equipment and management support [59]. Wilson, Zeithaml [60] also confirm this by stating that "satisfied employees make for satisfied customers (and a satisfied customer can, in turn, reinforce employees' sense of satisfaction in their jobs)." The most focal attitude of an employee is job satisfaction Saari and Judge [35] that enables employees to work with a constructive mind-set. Therefore, it is obvious for Islamic banking to maintain a competitive edge by improving efficiency of its management. The bright potential of Islamic banking relies heavily on bankers' expertise in this area.

3 – Research Methodology

Being a qualitative research, the study employed semi-structured interview technique. Despite having few limitations (privacy constraints), face to face interviews enable researchers to build

rapport more easily as compared to distant interviews [61]. Further, semi-structured interviews allow flexibility to get wide range and in-depth information from each participant. These interviews based on primary data are deemed to be appropriate when the existing knowledge base is poor and when inductive process of data generation involved in such method is anticipated to provide a greater understanding of process and meaning [62]. The construction of the study was flexible and open. In all communications with informants, the researcher revealed no encoded thought about what responses might be anticipated [63]. However, snapshot of an interview guide was distributed among participants to give their personal viewpoint and share their experiences, examples and views.

3.1 – Informants of the Study

The initial number of the targeted sample was twenty, where only fifteen respondents accepted to participate after repeated requests and reminders. Since methodological literature suggests it to be more appropriate to gather data from in-depth interviews from small sample rather than collecting short data from large sample [64]. The sample size of this study is adequately sufficient to confirm the findings and to rely upon the quality of the outcomes that is discussed at the end of research. The responses were transcribed despite having few issues – audio quality, soft speaking nature of few respondents and surrounding noise etc. Seven out of fifteen respondents were male and rest were female Islamic banking employees working with different departments and at different positions. The respondents included both the managerial as well as operational level employees. Similarly, the departments these respondents represented include Shariah compliance department, personal banking department, credits administration department, corporate department and operations department. All semi structured interviews were conducted separately with each participant as per the suitability and availability of their time.

3.2 – Sampling and Data Collection

A sample of knowledgeable and educated Islamic banking employees from five different Islamic banks in Malaysia was selected for this study. A list of questions was used at the start of the interview to guide the informants' participation. The questions were open-ended and research participants were encouraged to express their thoughts freely on issues pertaining to their

banking practices [63]. All interviews were audio recorded and then transcribed at the early stages of data collection and ensured the best possible information-capturing standard.

4 – Data Integration (Results and Analysis)

After a thoughtful process of integration of data,themes were extracted and analysed combining the arguments made by majority of respondents with literature support. To satisfy ethical norms and considerations, respondents' information and identity were kept confidential during the whole research process. Similarly, keeping in view the subjective nature of the responses, validity of data was also examined [65]. For this purpose, two academicians were approached to comment on the findings after extracting themes – both approved the content. Nvivo 8.0, a qualitative data analysis software was used for transcribing, coding and interpreting interviews [66]. The results concluded were based on six main themes for the study divided into two main categories. Six themes were extracted and categorized under two main categories based on employees' and experts' responses. The two categories are "reasons of employees' misconception about Islamic banking" and "factors influencing employees' attitude towards Islamic banking."

4.1 – Extracted Themes

The categorization of themes and sub-themes is as under;

- ❖ Misconception about Islamic banking
- ▪ Operations of Islamic banking
- ▪ Lack of Shariah training
- ▪ Lack of Shariah background

- ❖ Factors influencing employes' attitude towards Islamic banking
- ▪ Awareness of Islamic banking
- ▪ Usefulness of Islamic banking
- ▪ Shariah compliance

For first category, three themes were extracted as majority of employees were agreed upon three possible reasons that create misconception about Islamic banking. These reasons as shown in

Table 4.1 include lack of confidence in operations of Islamic banking, lack of Shariah training and Shariah background of Islamic banking employees. Similarly, for second category named as "factors influencing employees' attitude included three themes. These three themes are awareness of Islamic banking, usefulness of Islamic banking (including its products and services) and Shariah compliance in Islamic banking operations and procedures. The above mentioned themes are summarized below (see table 4.1) and discussed one by one according to majority of informants' responses and views.

4.1.1 – Operations of Islamic banking

The analysis of employees' response towards the misconception of Islamic banking reflected that a considerable majority of respondents possess trust deficit in Islamic banking operations. Employees consider that there is a gap between Islamic banking operations and theory that leads to misconception of Islamic banking. In other words, Islamic banks are not operating exactly on the given guidelines as per Islamic fiqh-al-muamlat (Islamic financial transactions). According to majority of respondents, Islamic banking employees do not care much about the process flow approved by Shariah committee. For example respondent (A) viewed:

"yes, there is a gap between the theory and practice of Islamic banking that makes employees confusedwhat actually is right."

Table 1. The summary of the Extracted Themes

Table 4.1 Representation of Themes				
No.	Themes	Summary of Overall Response	Number of Responses in favor	Percentage
1	Operations of Islamic banking contracts	Employees consider that there is a gap between Islamic banking operations and theory that leads to misconception of Islamic banking	11	73%
2	Lack of Shariah	Employees view that lack of		

	Training	trained staff is one of the reasons that creates misconception about Islamic banking	11	73%
3	Lack of Shariah background	Since most of the employees have a conventional background so they view no major difference between Islamic and conventional banking practice, Shariah background is therefore required	10	67%
4	Awareness of Islamic banking	Employees lack in terms of theoretical base of Islamic banking contracts and transactions despite knowing the process flow that in turn affect their attitude towards Islamic banking	12	80%
5	Shariah compliance	A majority of respondents consider that Islamic bank employees only comply with Shariah requirements in terms of documentation; things are different in practicality	10	67%
6	Usefulness of Islamic banking	Employees consider that Islamic banking is not serving differently to provide real time trade benefits to its customers and society at large e.g. trading and investment portfolio is similar to conventional practices	09	60%

Similarly, respondent (E) highlighted operations of Islamic banks as:*"I know few employees, when we argue theoretically that there is a difference between theory and practice, they are not*

convinced [….]..But some of them after six months…they come and they say what they learned from the class and theory was different of what they have in practice"

Additionally, employee (K) noted *"[…] I know much about back end you know, at back offices what they do…because I worked there but to me its not 100 percent Islamic because theory says something else and what they do is not theory…most of the times these are there self-made approach to conduct you know Islamic banking operations."*

This is similar to what Harris (2007) argued that Islamic banks should follow the guidelines and principles set by Shariah but the employees should also be well versed with underlying principles, guidelines and training of Islamic laws and how to conduct Islamic banking operations. Like above two respondents, another employee (M) emphasized on the operations of Islamic banking as he argued saying:

"[…] its an open secret now I would say, just like everyone knows this about Islamic banks…I am not saying for all Islamic banks but this is there…they have different things to show to customers (talking about the agreement or contract) and when it comes to practice they just focus on the end result you know to get things done and I think this itself is sufficient to….aaa for a negative perception about Islamic banking"

Overall, the respondents emphasized on the difference between philosophical and practical view while conducting Islamic banking operations. Further, they suggested for the management of Islamic banks to ensure exact implementation of process flows approved by Shariah board (committee) of the bank. These arguments are also supported by Amin, Isa [67] who brings importance of Islamic banking operations to the foreground arguing that Islamic banking operations backed by philosophical standpoints are worthwhile to sustain and compete in any Islamic financial institution.

4.1.2 – Lack of Shariah Training
An important element to gauge reasons of employees' misconception about Islamic banking came out to be lack of Shariah training. A large number of employees expressed that lack of

Shariah training can be one of the reasons for employees to have a negative mind-set about Islamic banking as a whole. The respondents viewed differently highlighting importance of training that can damage organizational image as well as industry as a whole. Overall, a consensus was achieved after data analysis with regard to lack of Shariah training to be among the top contenders of damaging Islamic banking repute among employees. In this regard, respondent (B) noted:

"[…]sure, sure I mean…how essential it is to train the people and make them understand because this (Islamic banking) is something very different than the original (conventional) one. The purity of Islamic finance is very important, otherwise people say you know its just the same – no difference."

Similarly, in support of this lack of Shariah training creating misconception about Islamic banking, interviewee (D) viewed:

"all you need is to be reasonable in your marketing skills…you know to sell Islamic banking products and you are a perfect employee….because the whole thing is nothing but labels…because its just like taking an old man and putting a new suit on him and call him a young man which is wrong (emphasizing on the need of Shariah training)."

The above statements are in line with the findings of [17, 68] to consider Shariah training as a foremost solution to many contemporary challenges especially in Islamic finance that should address the underline basic principles related to fiqh-al-muamlat (transactions). In addition to the above two responses, few employees considered lack of Shariah training to be the most primary reason for employees in developing a poor perception of Islamic banking. In this case, respondent (L) argued;

"[…] awareness is one, but where does this awareness come from? Off course from training and…and if employees are having such perceptions that clearly indicates that they are not adequately trained as simple is that."

4.1.3 – Lack of Shariah background

Another reason highlighted from a majority of respondents to be in the forefronts of creating misconception among Islamic banking employees is lack of Shariah background. Employees argued differently but majority supported the stance that lack of Shariah background affects employees' perception. They put an emphasis that employees with Islamic banking qualifications or work experience tend to perceive Islamic banking quite differently than those with no such background. The interviewees provided evidence that Shariah background can help in improving employees' work outcomes as well. In this context, Interviewee (A) noted:

"[…] I think when employees who are working there (Islamic banks) are not satisfied because you know most of the employees working in Islamic banks are coming actually from conventional banks ok, […] so if they will see no difference in practices they will certainly not be satisfied you know so background matters for an employee."

The above statement is similar to what Dewa and Zakaria [29] viewed about Islamic banking employees and their background: "Skilled and knowledgeable employees are required for Islamic banking industry in Malaysia since most of the employees joining Islamic banking have conventional background. In this context the management of Islamic banks is required to look for employees with Islamic banking qualifications or have served in Islamic finance. This view of employees' qualification or experience (employees' background in general) was explained by respondent (I) as he suggested;

"[…]once an employee is working with a conventional bank and later he joins an Islamic bank, he see no much difference…in terms of practices, only documentation but that is different…but the same employee if coming from an Islamic bank would definitely have different perception because he knows Islamic banking beforehand."

Since the studies suggest that most of the employees have a conventional background so they view no major difference between Islamic and conventional banking practices, Shariah background is therefore required to improve employees misconception about Islamic banking.

4.1.4 – Awareness of Islamic banking

In addition to employees' misconception, the second category based on research questions is factors that influence employees' attitude towards Islamic banking. Findings from data analysis revealed that employees lack in terms of theoretical base of Islamic banking contracts and transactions despite knowing the process flow that in turn affect their attitude towards Islamic banking. Twelve out of fifteen respondents highlighted lack of Islamic banking awareness among employees being the most common reason that drives employees' attitude towards Islamic banking. Apart from twelve respondents, the remaining three did not reply in negative as well – they lack certainty about awareness to influence employees' attitude in its sole capacity. In this regards, respondent (B) noted while sharing his views,:

"[…] so I think for the basic things they are aware…they know Islamic banks should not involve in riba, gharar, mayser etc. but for the underlying contracts…[…] the product knowledge and on what basis it is formed, they are not aware, they are not aware how sukuk works, how other products they are selling work."

This response appeared to be quite similar of what Sahinidis and Bouris (2008) viewed about awareness of Islamic banking employees in bridging up performance gaps and improve employees' attitude as they highlighted:"Bridging of performance gap and improving employees' attitude can be made possible by creating awareness among employees – by introducing training and development programs that should aim to change specific skills and employees' knowledge database [69]."

Similar to the above response, informant (M) supported that lack of awareness contributes to negative attitude as he viewed it in this way:

"[…]yes, there is no doubt about it, if you will compare a knowledgeable employee with aaa…with a less knowledgeable employee for example then off course knowledgeable will benefit an organization because the more knowledgeable you are the more clear your concepts are, you know which will improve your working capability and ultimately attitude as well."

The above viewpoint identified not only the importance of employees' awareness but also linked employees' awareness with their attitude as well as work outcomes. A similar response was

given by interviewee (H) in which he emphasized on awareness in training perspective – he expressed his viewpoint as:

"I would say its training. Basically training creates awareness and I have seen many of my colleagues giving wrongful information to their clients that is creating false image of Islamic banking among customers. […] whatever they are doing is setting a bad example for employees as well as customers and it is all because they have a very limited knowledge or if they know the practical knowledge, they definitely don't have theoretical knowledge"

To synthesize viewpoints of respondents, majority viewed that lack of awareness among employees is the biggest factor to contribute in development of a negative attitude of Islamic banking even in employees' mind. On the contrary, few argued viewing that awareness is not the sole factor to improve employees' attitude towards their organization. To them, Shariah training is more significant contributor to influence employees' attitude towards Islamic banking.

4.1.5 – Usefulness of Islamic banking

Besides awareness, usefulness of Islamic banking was found to be another factor that influence employees' attitude towards Islamic banking. This usefulness is explained in terms of perceived benefits which employees think they can draw by working with Islamic banks. It also included usefulness of Islamic banking to customers and its benefits to society at large. Nine out of fifteen respondents viewed it to have an impact on employees' attitude. Some interesting points were raised as interviewee (O) noted:

"probably yes, because if I am going to buy Islamic banking products and services or anyone buy them, then first thing comes to my mind is, is that beneficial, what extra benefit it is offering me as compared to conventional banks. We all know that interest is not allowed and if Islamic banking is sincerely promoting Shariah bound services that are its achievements then. But I think its not,[…] Islamic banking still need to achieve thatlevel."

The response from interviewee (H) was not much different when he was asked about the factors that influence employees' attitude towards Islamic banking, he responded:

"no sir, I believe that Islamic banking employees work just to get the money, the salary and so is Islamic banks as a whole….Why?, because employees set an overall trend of organization at large, and I don't see much difference between benefits of Islamic banks different from conventional banks except Zakat deduction (for Muslim customers) – sometimes even conventional banks are more useful because they don't lie,…for example if you will use their credit card (referring to conventional banks), they will explain everything to you in detail unlike Islamic banks where they say something else and act something else."

4.1.6 – Shariah compliance in Islamic banking

Another very important factor highlighted by employees is Shariah compliance in Islamic banking. The respondents expressed their reservations on how the transactions are conducted and carried out in general. Further, they suggested that employees do not care much about the flow of transactions i.e. step A should be preceded by step B. However, employees focus on getting things done and not how it should be done. This directly affects attitude of employees towards Islamic banking since Shariah compliance is at the centre stage of Islamic fiqh-al-muamlat. A majority of employees suggested that this issue can be resolved through Shariah training as it can help improving the attitude of an employee towards Islamic banking. However, majority of the respondents viewed Islamic banking not doing a different job than conventional banks – as supported by literature (Loo, 2010). For those who argued in support of Shairah compliance, (E) highlighted;

"yeah yeah.[…]so among the religious obligations you see you should do "Dawah Bil'haal"…meaning that you do Dawah with example. You know people want to come to Islamic banking to see Islam…yeah (emphasizing on it) yes its true. So when I come to Islamic banking, what I see that the way people behave, how people conduct in their business. I have met so many guys who are not satisfied with the Shariah compliance although they don't have a very sophisticated knowledge of Islamic banking but they complain most of the times about that."

Similar to what respondent (E) noted and discussed, interviewee (N) tried to elucidate how Shariah compliance can improve one's attitude towards Islamic banking practices. He noted:

"I think considering rapid expansion of Islamic banking […], it is extremely vital to address employees' complaints and reservations as they are the ones as a point of contact (POC) with

the customers. So one thing is for sure – either the bankers are not aware fully about Islamic banking contract when they deal with contracts or their practice contradicts with what theory says…and this Shariah compliance is a very serious problem that can even end up in cancellation of banking license."

5. Discussion and Conclusion

A thorough analysis of employees' views on their perception of Islamic banking revealed multiple reasons to cause negative image of Islamic banking. As discussed earlier, some of the most common reasons that create misconception about Islamic banking in its employees include lack of trained and skilled staff that is least aware about the conduct of Islamic banking operations. This is further endorsed by their practices as reflected by a gap between theory and operations of Islamic banking [10]. Since majority of Islamic banking employees have conventional background, it worsens the entire clime. Studies from different parts of the world including Malaysia highlighted the need to create awareness and faith in Islamic banking operations among its employees [14, 70, 71]. This can be made possible through Shariah training (basic or extensive level) – depending upon the need and suitability of employees.

In addition to that, few employees viewed that Islamic banking does not follow Maqasid-e-Shriah as a banking benchmark. This leads to the contractual discrepancies showcasing the absence of Shariah guidelines – contradicts with the baseline for Islamic banking contracts [72]. This misconception of Islamic banking employees can be observed quite easily since they commonly use conventional banking terms in handling customers' queries. 'Interest' for example, is the most common term used by Islamic banking employees to represent 'profit' whereas Islamic banks claim an interest free banking. This argument is further aligned with an employee's remarks who stated that "sometimes the management make use of the Ayat-e-Quran (verses from the Holy Quran) and the Hadith (Prophet's verdict) to get a specific product approved from Shariah board – their intent is just to get approval, not implementation."

More so, employees highlighted several factors that directly or indirectly influence their attitude towards Islamic banking. Awareness and usefulness of Islamic banking as well as Shariah compliance influence substantially to form a positive or negative attitude among employees [11].

Few employees expounded in support of legal factors to impact employees' attitude towards Islamic banking. Lack of product knowledge and absence of Islamic work environment were also discussed some of the factors that indirectly affect employees' attitude. Additionally to some respondents, employees' religiosity is linked with their attitude at job. One of such example given in its support is the process flow of Islamic banking transactions – a religious employee will ensure all processes to be conducted in a sequence approved by Shariah board and not merely in documentation only.

Additionally, the current rapid expansion of Islamic banking and finance in Malaysia is another major challenge since it invites a lot of innovation to be made in terms of product development [73]. It represents a great demand for Islamic banking products and services. Therefore, higher the demand of Islamic banking products and services, wider would be its product portfolio. However, these rapidly expanding products and services are hardly based on Shariah principles since a lot of research and development (R&D) is required which takes time. This in-turn is damaging employees' trust and confidence in Islamic banking system that ultimately would lead them to develop a negative attitude. The results also suggest that employees' attitude plays a vital role in improving or reducing their work outcomes such as organizational commitment. That is to say, if employees would have a positive attitude towards Islamic banking, they will stay committed to their jobs as well as their organizations.

Undoubtedly, individuals' beliefs and attitude play a mainspring role in development of an organization [74]. Contrarily, employees' negative attitude towards Islamic banking can result in lossof clientele, trust deficit among customers, reduced service quality and reduced organizational as well as occupational commitment. It can also result in poor institutional progress which in-turn will benefit conventional banking to keep Islamic banking out of competition. This accentuates the importance of positive employees' attitude in Islamic banking to ensure improved work outcomes, better organizational progress, competitive advantage and high market share.

Overall, findings revealed a grim but true picture of Islamic banking since employees are considered a driving force in any organization. Therefore, Islamic banks desperately need to

revisit their training and compliance policies in resolution of these challenges. New parameters should be set based on Maqasid-e-Shariah to ensure better product development – as it will raise employees' as well as customers' confidence in Islamic banking system. Similarly, Shariah audit and compliance should be made stricter to establish transparency. Another, but a very important element is hiring of employees. Management should focus more to hire employees with Shariah background (either or both) in terms of work experience and qualification. Similarly, accountability procedures should be made easy to comprehend and all investment avenues should be declared to avoid any disbelief.

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