

The Comparative Review Model in Measuring Islamic and Conventional Banking System of the Islamic Banking Culture in Malaysia

Model Tinjauan Perbandingan dalam Mengukur Sistem Perbankan Islam dan Konvensional dalam Budaya Perbankan Islam di Malaysia

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ABSTRACT

There is a narrative inclusion of Islamic values that are driven by religion as a living culture in Malaysia. Islamic banking institutions involved in the implementation of the Islamic Banking System which provides an opportunity for the general public to incorporate Islam into their financial context lives. The Islamic banking institution is responsible for pioneering the Islamic financial services industry. Therefore, the main issue is to what extent Islamic banking culture has been practiced. The main objective is to measure the Islamic and conventional banking system in the context of Islamic banking culture by using a comparative review model. The study was using the qualitative approach that involved structured interviews with the officers of Sharia', operations, products and services personnel and the top management. The data analysis was carried out by employing the ATLAS.ti software. The finding indicates the principles in the Islamic banking system do not permit any business activities related to interest (riba), gambling (maisir) and speculative elements (gharar). The principles in the conventional banking system are based on the capitalist system through the theory of demand and supply. The meaning and understanding of the Islamic organisation culture shows are very significant differences between Islamic and conventional banking. The concept of Islamic banking is based on social justice while the concept of the conventional banking is focused on maximizing profit. The implication is that there are several aspects such as leadership, product development and innovation as well as services which need to be improved and given ample consideration.

Keywords: sociology & anthropology; Islamic banking culture; conventional banking; organizational culture; Islamic organizational culture.

ABSTRAK

Terdapat naratif pengamalan nilai-nilai Islam yang didorong oleh agama sebagai budaya hidup di Malaysia. Institusi perbankan Islam terlibat dalam pelaksanaan Sistem Perbankan Islam yang memberi peluang kepada masyarakat umum untuk mengamalkan Islam dalam konteks kewangan. Institusi perbankan Islam bertanggungjawab mempelopori industri perkhidmatan kewangan Islam. Persoalan utama kajian adalah untuk melihat sejauh mana budaya perbankan Islam telah diamalkan. Objektif utama ialah untuk mengukur sistem perbankan Islam dan konvensional dalam konteks budaya perbankan Islam dengan menggunakan model tinjauan perbandingan. Kajian ini menggunakan pendekatan kualitatif yang melibatkan wawancara berstruktur dengan pegawai Syariah, operasi, produk dan perkhidmatan dan pihak atasan. Analisis data dilakukan dengan menggunakan perisian ATLAS.ti. Penemuan kajian menunjukkan prinsip-prinsip dalam sistem perbankan Islam tidak membenarkan kegiatan perniagaan yang berkaitan dengan bunga (riba), perjudian (maisir) dan unsur spekulatif (gharar). Prinsip-prinsip dalam sistem perbankan konvensional didasarkan pada sistem kapitalis melalui teori permintaan dan penawaran. Makna dan pemahaman budaya organisasi Islam menunjukkan perbezaan yang sangat ketara antara perbankan Islam dan konvensional. Konsep perbankan Islam didasarkan pada keadilan sosial sementara konsep perbankan konvensional difokuskan pada memaksimumkan keuntungan. Implikasinya ialah terdapat beberapa aspek seperti kepemimpinan, pengembangan produk dan inovasi serta perkhidmatan perlu ditingkatkan dan diberi pertimbangan wajar dalam sistem perbankan di Malaysia.

Kata kunci: sosiologi & antropologi; budaya perbankan Islam; perbankan konvensional; budaya organisasi; budaya organisasi Islam.

INTRODUCTION

From the history of its emergence, the economic system of the conventional bank system existed about 850 years ago. However, the establishment of Pizza Banco Della at Rialto in Venice in 1587 is seen as the basis for the development of a modern bank based on profit through demand and supply theory. In England, the modern conventional bank existed in 1664 with the establishment of the Bank of England. The term bank can be defined as a financial institution based on the activity of accepting a deposit with a premium or interest-bearing contract and the provision of interest-bearing debt or financing. Money is classified as a commodity with a price at which the lender is entitled to a principal return and a premium on the money lent (Ahmad Bhari et al., 2020; Bank Muamalat Malaysia Berhad, 2015).

In general, the Islamic economic system is a system and not a science because it is the way Islam is organised in pursuit of economic life (Ab Rahman et al., 2019). The Islamic economic system is not an interpretation by which Islam describes events that occur in economic life and the laws that apply to it. It is an economic system that contains every basic rule in economic life that is ideologically related (social justice) (Sukmawati & Himawan, 2015). In the Islamic world, the Islamic economic system has long been practiced since the time of the Messenger of Allah, but with the emergence of capitalist, socialist and other economic considerations have left the Islamic economic system somewhat isolated (Abdul Ghani & Awang, 2020). However, the strikes and the imbalances inherent in these systems as well as the rise of Islam and the aspirations of the people to embrace the teachings of Islam in their lives have led to a worldwide shift to practice the Islamic economic system that covers various aspects of life. The Islamic financial system is not only concentrated in Islamic countries but also in European countries (Bank Muamalat Malaysia Berhad. 2015).

Islamic banking is the conduct of banking according to Shariah or Islamic law. Statistically, Islamic banking has had phenomenal growth. According to the Asian Banker Research Group, the world's 100 largest Islamic banks have set an annual asset growth rate of 26.7% and the global Islamic finance industry is experiencing an average growth of 15-20% annually (McKinsey & Co. 2008). Recently, the Prime Minister of Malaysia commented that Malaysia has been maintaining its leadership in Islamic banking and finance for over

three decades (Bernama 2011). As an international leader in Islamic banking, it would be interesting to explore the development of Islamic banking in Malaysia.

The development of Islamic banking has been unparalleled as 'no other financial industry, market or jurisdiction in the last decade witnessed the staggering financial engineering and innovation of the Islamic finance industry (B.K. Grewel 2007). In Malaysia, according to the Central Bank of Malaysia's website, Islamic banking assets have reached USD65.6 billion, with an average growth rate of 18-20% annually (BNM, Islamic Banking Industry). Recently, the Prime Minister of Malaysia commented that Malaysia has been maintaining its leadership in Islamic banking and finance for over three decades. These statistics lead to the next logical question and that is, what is Islamic banking? Islamic banking is the conduct of banking in accordance with the principles of Shariah. Shariah is often simply defined as Islamic law, but a better and far more accurate definition is as follows; Shariah refers to a code of law or divine injunctions that regulate the conduct of human beings in their individual and collective lives (Muhammad Ayub 2007). One of the chief requirements in Shariah is that interest (riba) paid to depositors and interest charged to fund users, is strictly prohibited (Muhammad Ayub 2007). This is one of the main principles that differentiate Islamic banking from commercial banking. An InShariaha loan can, be given, known as an aqard, but no interest can be imposed on the loan to be repaid.

In Malaysia conventional law i.e., the IBA 1983, the BAFIA 1989 and the Central Bank of Malaysia Act 2009 govern the operations of the Islamic banking and financial business, but Shariah is left to the Shariah Advisory boards of each bank and the National Shariah Advisory Councils of the Central Bank. In this way both, conventional laws and Shariah complement each other to ensure proper governance and proper adherence to Shariah by Islamic banking and financial institutions in Malaysia. Adding to this is the new framework which seeks to ensure proper Shariah governance within IFIs. One of the main lessons that can be learnt from Malaysia's comprehensive regulatory framework with regard to Islamic banking is on the issue of Shariah governance. In Malaysia uniformity is maintained in decisions on Shariah matters. It is important to ensure uniformity in the decisions of Shariah issues to create certainty for investors and

other stakeholders. Investors and other stakeholders are certain of the outcome of Shariah matters. In addition, uniformity and certainty in Shariah governance are maintained in Malaysia through the one National Shariah Advisory Council that deals with all the Islamic banking and takaful matters in Malaysia. Even though each Islamic bank has its own Shariah Advisory board, each Shariah Advisory Board must comply with the directives of the National Shariah Advisory Council. The National Shariah Advisory Council is the ultimate authority in matters of banking and takaful. Another lesson that can be learnt from the Malaysian regulatory and Shariah framework is the transparency of the structure and the distinct roles of every organ in the Islamic financial system. Each Islamic bank is governed by the IBA 1983 and conventional banks are governed by the BAFIA 1989. These Acts govern the operational aspect of the banks. Matters of substance that govern the Shariah compliance of the banks' products and services are left to the Shariah Advisory Board and National Shariah Advisory Council. Each organ in the Islamic financial system has distinct clear roles for which they are qualified for (Sherin Kunhibava 2012).

RESEARCH PROBLEM

The success of the first Islamic bank in the world, namely Dubai Islamic bank and the emergence of the Islamic Development Bank in 1975, has pioneered the establishment of Islamic financial institutions worldwide. To date, new markets have emerged and have been the key drivers of global growth for five years. Despite recent turmoil, Islamic finance and banking remain important to global growth in the coming decades. A group of 25 fast-growing markets (RGM) have reshaped the world economy; and 10 out of 25 RGM have a large Muslim population. The people of the world remain convinced that Bahrain and the six RGMs - Qatar, Indonesia, Saudi Arabia, Malaysia, the UAE and Turkey - will continue to drive the internationalisation of the banking industry (Bank Muamalat Malaysia Berhad. 2015).

In the context of Malaysia, the concept of Islamic finance is also known as a Shariah-based financial system in line with Islamic developments in the 12th Century. Islamic law was first introduced in the world of commerce to ensure that the local people were not persecuted by capitalist systems that were more concerned with profit but not social justice. In

Malacca, for example, Islamic banking regulations and practices have been widely implemented to prevent abusive practices and fraudulent transactions. Islamic banking-based transactions were also adopted by the peasant communities in Kedah, Perlis and Perak before the arrival of the colonizers. This concept is known as Al-Bay 'al-Wafa. This concept refers to sales with the option to repurchase. This practice was applied because they did not want to be involved in the loan financing based on the benefits managed by conventional institutions at the time (Bank Muamalat Malaysia Berhad, 2015). After the country achieved independence the demand for halal-based use of financial institutions increased. In Malaysia, the first phase of the Islamic financial system (SKI) began with the establishment of the Hajj as the first non-Islamic financial institution in Malaysia in 1963. Lembaga Tabung Haji was set up to help Muslims in Malaysia save money to perform pilgrimage. The second phase begins with the establishment of Bank Islam Malaysia Berhad in 1983 and the offering of Islamic financial products in conventional banking known as the Free Banking Scheme (Islamic Banking Scheme), making Malaysia the first country in the world to offer IBS in line with conventional banking. The third phase of SKI's construction focuses on strengthening domestic financial institutions and making Malaysia an international Islamic financial center while opening the country's Islamic financial markets to overseas financial institutions (Karim et al., 2004).

The success of the Hajj Fund has prompted many parties to submit various proposals to the government to set up Islamic banks. The move came as a result of discussions with various parties involved with the Islamic institutions and banking agency to establish a Shariah-based banking system. This ambition was also triggered internationally to establish Islamic banks in Islamic countries as discussed at the Second Islamic Foreign Ministers' Meeting in 1971. Subsequently, the cabinet approved the establishment of the first Islamic Bank in 1983 known as Bank Islam Malaysia Berhad which is regulated under the Islamic Banking Act of 1983 (Bank Muamalat Malaysia Berhad, 2015). In Malaysia, the Islamic Banking System (IBS) began to expand since 1983 through the Islamic Banking Act 1983 which led to the establishment of Bank Islam Malaysia Berhad (BIMB). Bank Islam Malaysia Berhad commenced operations as the first Malaysian Islamic bank on July 1, 1983. Its founding was to provide for the financial needs

of Muslims in Malaysia in particular and for the general public. BIMB also played a key role in establishing Malaysia as the most prominent Global Islamic Financial Hub (Bank Muamalat Malaysia Berhad. 2015).

RESEARCH OBJECTIVES

The focus of the research study is the formal organization of Islamic banking institutions which is to understand the cultural meaning of the organization and its values. The subject matter of the study is a formal organization. The study attempts to understand an Islamic-oriented banking organization from a qualitative approach and is a relatively new venture. The scope of the research is in the field of anthropology and sociology.

LITERATURE REVIEW: ISLAMIC BANKING SYSTEM (IBS)

Islamic banking refers to a banking system based on Islamic law or otherwise known as Shariah law. The basic principles governing Islamic banking are mutual risk and profit sharing between the two parties, the guarantee of fairness to all and the transaction is based on business activities or core assets (Bank Muamalat Malaysia Berhad. 2015).

These principles are supported by the core values of Islamic banking, which encourage activities that foster entrepreneurship, generate business and trade and result in community development or benefits. Activities involving interest (*riba*), gambling (*maisir*) and speculative transactions (*gharar*) are prohibited. By utilising various Islamic financial concepts such as *ijarah* (hire purchase), *mudharabah* (profit sharing) and *musyarakah* (partnership), banking institutions have greater flexibility, creativity and choice in producing Islamic financial products. In addition, emphasizing that the need for transactions should be supported by trade or business-related activities, Islamic banking sets higher standards for investment and promotes greater accountability and risk reduction. Islamic finance has grown exponentially since its inception in the 1970s. Global Islamic banking assets emphasising under Islamic financial management currently total USD750 billion and are expected to reach USD1 trillion in 2010 (World Islamic Banking Conference & McKinsey & Company, 2008).

There are more than 300 Islamic financial institutions in 75 countries around the world. According to the Asian Banker Research Group, the world's 100 largest Islamic banks recorded an annual growth rate of 26.7% and the global Islamic financial industry recorded an average growth of 15-20% annually (World Islamic Banking Conference & McKinsey & Company, 2008). The Islamic finance industry in Malaysia has been operating for more than 30 years. The enactment of the Bank Islam Act 1983 allowed the first Islamic Bank to be established and more Islamic financial institutions were established in the country following the liberalisation of the Islamic financial system. Malaysia's success in developing the domestic Islamic financial industry for more than 30 years has given the country a strong foundation - a strong financial stability that complements the richness, diversification and maturity of the Islamic financial system. Currently, Malaysian Islamic banking assets reach USD65.6 billion with an average growth rate of 18-20% annually (Bank Negara Malaysia, 2008).

Currently, Islamic finance is booming in Malaysia, supported by a conducive environment known for continuous product innovation, a wide range of Islamic investment instruments, comprehensive financial infrastructure and adopting global regulatory and legal best practices. Malaysia also places a strong emphasis on human capital development in the development of the Islamic financial industry to ensure the availability of skilled labour in Islamic finance. All these value propositions have transformed Malaysia into one of the most advanced Islamic banking markets in the world (Bank Muamalat Malaysia Berhad. 2015).

The rapid liberalisation of the Islamic financial industry, along with an environment of ease in business affairs, has prompted foreign financial institutions to choose Malaysia to conduct Islamic banking business. This has fostered a growing community of local and international financial institutions. Now, Malaysia has a large number of fully Islamic banks including several foreign-owned entities; conventional institutions that have established Islamic subsidiaries as well as entities conducting foreign currency business. All financial institutions are authorized to conduct ringgit and non-ringgit business. Malaysia continues to grow and will grow the industry by encouraging foreign financial institutions to set up international Islamic banking business in Malaysia to conduct foreign currency business.

Domestic Islamic financial institutions can also apply to set up a Foreign Currency Business Unit (FCBU), which is a specialised section for conducting foreign currency business. FCBU is also given various tax incentives and privileges that reduce business costs and make it easier to enter the Islamic financial business market in foreign currency (Bank Muamalat Malaysia Berhad 2015).

CONVENTIONAL BANKING SYSTEM (CBS)

An introduction to the modern conventional bank system existed about 850 years ago. The establishment of the Banco Bella Pizza in Rialto in Venice in 1587 is considered the first step in the construction of modern bank development. In England, the first modern conventional bank was established in 1694 (Bank Muamalat Malaysia Berhad, 2015). A bank may be defined as a financial institution based on a receipt of a deposit with a premium or interest-bearing contract and the provision of interest-bearing debt or financing. The difference in interest rates between deposit and financing products is that the bank benefits. The type of profit that a bank earns like liquid assets are money (Bank Muamalat Malaysia Berhad, 2015).

According to the conventional system, the concept of money is classified as a commodity in which the lender is entitled to a principal return and a premium on the money lent for investment. Products issued by conventional banks include short term loans, credit cards, overdrafts and personal financing. Meanwhile, long-term products include bonds, treasury bills and preference shares (Bank Muamalat Malaysia Berhad, 2015). The conventional banking system is based on the commercial principle of maximising profit in business. Banks and commercial financial institutions are bringing in two business partners - depositors who have unused excess funds and investors who face a lack of funds to invest. Money from the depositor is passed on as a loan to the investor. The bank will apply the interest to the depositors' accounts. The features of conventional banking are that conventional banks pay interest rates to depositors, impose interest on borrowers or investors and practice the principle of maximum profit in their investments (Bank Muamalat Malaysia Berhad, 2015).

ISLAMIC BANKING CULTURE IN MALAYSIA.

Through the spotlight of the findings, studies on organisational culture in Malaysia have focused on the private sector and statutory bodies (Kassim, 2005; Omar, 2005; Zaliza, 2004) Zaliza 2004; Rothiah 2005 and Jainabee 2005) Kamal Bashah studied organizational culture in Petronas, Othman studied PDRM, Noor Azian reviewed organizational culture at three private companies by comparison, Mohd Yatim studied organizational culture at MARA educational institution. Zaliza in 2004 studied organizational climate and Jainabee in 2005 studied organizational culture at the Maktab Perguruan Malaysia.

The study of organisational culture in banking organizations / financial institutions was conducted by Nor Azzah Kamri in 2009. The focus of his research is on Implementation of Islamic ethics code at the Islamic-based Development Institution which is a case study at the Lembaga Tabung Haji. His research emphasized the formation and implementation of Islamic code of ethics in organizational management. In addition, studies were conducted at one of the Islamic banking institutions in Malaysia which is at Bank Islam Malaysia Berhad. However, research on Bank Islam focuses on the performance of banks and Islamic banking (Bank Muamalat Malaysia Berhad 2015).

In fact, there are other studies that focus on the implementation of the Islamic Banking System (IBS). Among them, Joni Tomkin Borhan discusses the history and development of IBS in Malaysia in addition to the principles and practices of the system (Joni Tamkin Borhan, 2001). Meanwhile, Zaim Ismail emphasized the study of Islamic Banking's growth in Malaysia and its institutional strengthening strategy (Zaim Ismail et al., 2015). A study on the comparison of Islamic financial performance between Islamic and conventional banking in Malaysia was conducted by Humaida Banu Samsudin from 2009 to 2014 (Samsudin & Mohd Noh, 2017). Meanwhile, Mohd Izzat conducted a study on the comparative analysis of Shariah governance structure in the Islamic Banking System between Malaysia and Indonesia (Mohd Arif & Markom, 2018). Meanwhile, other researcher also compared Al-Rahnu at Islamic and non-Islamic banking institutions in Malaysia (Othman, 2015).

Furthermore, studies conducted at Islamic banking institutions in Malaysia involve studies of technical matters such as aspects of implementation, evangelism and law. Mohamad et. al (2012) in their writings proposed Islamic banking behavior in managing financing in Malaysia through the influence of bank specifications, changes in monetary policy and the economic environment (Mohamad, Borhan, & Sulaiman@Mohamad, 2012). Besides that, the researchers also discussed the potential of Islamic banking as an instrument for expanding missionary propaganda in Malaysia in their writings (Mohamad, Borhan, & Mohamad, 2012). Meanwhile, other researchers also discuss the implementation of the Islamic Banking System from a legal perspective, Islamic banking and takaful industry through the implementation of hibah principles (Nor Muhamad, 2010; Zulkifli, 2007).

The studies conducted do not reveal much about the culture of Islamic organizations especially in Islamic banking institutions as Islamic organizations. Therefore, a survey study from the perspective of organizational members should be conducted to reveal and identify the extent to which Islamic values through the culture of Islamic organizations are embedded in the work practices of the organization members. Generally, a good organizational culture will produce a good organization. Furthermore, any Islamic banking institution in Malaysia is an Islamic organization and should reflect the Islamic culture.

The current challenges require Islamic banking institutions in Malaysia to leverage their roles and functions, initiating processes for adapting to the demands and realities of the new era. Therefore, it is important for these institutions to adopt a culture of work so that it is of the highest quality as an Islamic organization that promotes Islamic law because the role and goal of Islamic organizations is to create a community committed to religious teaching and to live a successful life (Bank Muamalat Malaysia Berhad 2015). Thus, a clear overview of the culture of Islamic organizations in Islamic banking institutions in Malaysia is essential as it affects these

institutions as an organization covering aspects of planning, change, customization and implementation in particular and the community at large.

A culture that is mutually agreed upon between the organisation and its members is a desirable situation that enables the organisation's goals to be fully realized. Only when members identify and have an emotional connection to accept and appreciate the goals of the organization, will they have a sense of responsibility to the organization. On the other hand, if not understood clearly, the culture of the organization can disrupt organizational travel. Therefore, by looking at the effectiveness and cultural excellence of Islamic banking institutions in Malaysia as an Islamic organization, the goal of upholding Islamic Shari'ah is certainly more secure.

RESEARCH METHODOLOGY

The philosophy of this study is constructive. The research technique used is qualitative using interview data. The research strategy used is a case study. Interviews with 6 informants who are the officers of Sharia', operations, products and services personnel and also the management group who consist of top management officers were also conducted to identify aspects associated with the culture of Islamic organisation in Islamic banks and conventional banks. The data analysis procedure uses ATLAS.ti QDA software, data coding process and taxonomy to analyse the data until the validity and validation of experts on the findings and findings of the study.

RESEARCH FINDINGS

Development of Comparative Models Between Islamic Banking Systems with Conventional Banking System in Islamic Banking Cultural Context in Malaysia.

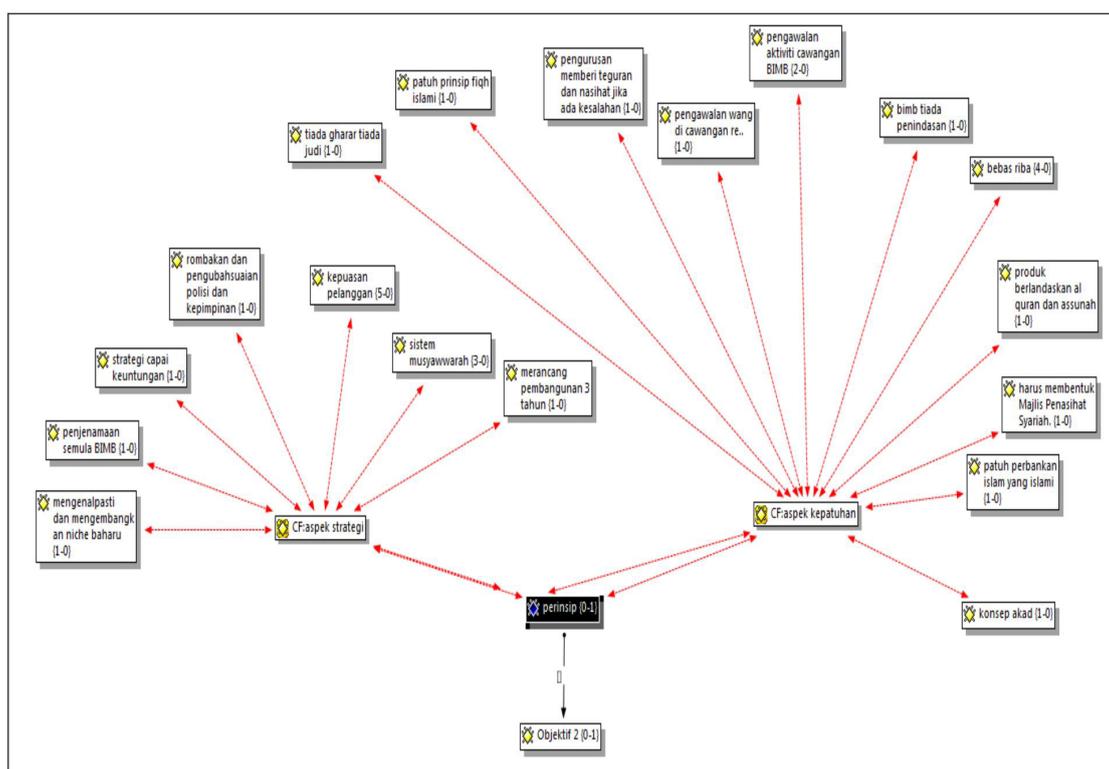


FIGURE 1. Examine the extent to which the understanding of organizational culture among employees has played a role in achieving the goals of shariah-compliant banking practices

Source: ATLAS.ti

Explain the principles of Islamic banking system in Malaysia

At the core of the Islamic banking system in Malaysia is that it must be based on the Quran and the Sunnah. Both parties involved in any business activity and assets must share risks and benefits. In addition, the Islamic banking system will not allow any business activities related to interest (*riba*), gambling (*maisir*) and speculative elements (*gharar*).

Describing the Islamic banking culture in Malaysia

The Islamic banking culture in Malaysia is divided into two taxonomic aspects: compliance and strategic aspects. For the theme of compliance aspects, the findings have been obtained as follows.

1. The integration between sub-themes on aspects of compliance such as no gharar and gambling, adhering to the principles of Fiqh Islami, admonishing and advising, controlling money and banking activities, non-oppression, free from riba', Quranic and Sunnah-based products, forming a Shariah Council and Islamic banking compliance are seen as important mechanisms in examining the extent to which organisational culture understanding among Islamic banking

institutions in Malaysia has played a role in achieving the goals of Shariah-based banking practices.

2. The emphasis and affirmation based on high frequency of informants' responses to this theme are the sub-theme of Islamic banking and sub-theme. Free from Riba' and Islamic Banking is a key focus of the strategy of Islamic banking institutions in Malaysia in achieving the goals of the second taxonomy.

Under the theme of strategy aspects, study has found that:

1. The integration of these 7 sub-themes into strategies such as expanding the niche, rebranding Islamic banking institutions in Malaysia, achieving profitability, reshaping and renovating, consulting systems, 3-year development and customer satisfaction are seen as important mechanisms in exploring the extent to which organisational culture is understood among employees of Islamic banking institutions in Malaysia have played a role in achieving the goals of Shariah-based banking practices.
2. The emphasis and affirmation on the theme of strategy among the sub-themes are based on

the high frequency of informants' responses to the sub-theme free and sub theme of customer satisfaction. Customer satisfaction is a key focus of the strategy of Islamic banking institutions in Malaysia in achieving the goals of the second taxonomy.

DISCUSSION

This conception of design as a model of, as well as for, research is exemplified in a classic qualitative study of medical students (Becker, Geer, Hughes, & Strauss, 1961). The authors began their chapter on the design of the study by stating,

In one sense, our study had no design. That is, we had no well-worked-out set of hypotheses to be tested, no data-gathering instruments purposely designed to secure information relevant to these hypotheses, no set of analytic procedures specified in advance. Insofar as the term "design" implies these features of elaborate prior planning, our study had none. If we take the idea of design in a larger and looser sense, using it to identify those elements of order, system, and consistency our procedures did exhibit, our study had a design. We can say what this was by describing our original view of the problem, our theoretical and methodological commitments, and the way these affected our research and were affected by it as we proceeded. (p. 17)

Thus, to design a qualitative study, you can't just develop (or borrow) a logical strategy in advance and then implement it faithfully. You need, to a substantial extent, to construct and reconstruct your research design, and this is a major rationale for my design model. Qualitative research design, to a much greater extent than quantitative research, is a "do-it-yourself" rather than an "off-the-shelf" process, one that involves "tacking" back and forth between the different components of the design, assessing their implications for one another. It does not begin from a predetermined starting point or proceed through a fixed sequence of steps, but involves interconnection and interaction among the different design components. In addition, as the architect Frank Lloyd Wright emphasized, the design of something must fit not only its use, but also its environment ("Organic Architecture," n.d.). You will need to continually assess how your design is actually working during the research and how it influences and is influenced by the context in which you're operating, and to make adjustments and changes so that your study can accomplish what you want. Our model of research design, which we call an "interactive" model (we could just as well

have called it "systemic"), has a definite structure. However, it is an interconnected and flexible structure.

The model we present here has five components, each of which addresses a specific set of concerns:

1. Goals. Why is the study worth doing? What issues do we want it to clarify, and what practices and policies do we want it to influence? Why do we want to conduct this study, and why should we care about the results?
2. Conceptual framework. What do we think is going on with the issues, settings, or people we plan to study? What theories, beliefs, and prior research findings will guide or inform the research, and what literature, preliminary studies, and personal experiences will we draw on for understanding the people or issues we are studying?
3. Research questions. What, specifically, do we want to better understand about the settings or participants that we are studying? What do we not know about these that we want to learn? What questions best capture these learnings and understandings, and how are these questions related to one another?
4. Methods. What will we actually do in conducting this study? What approaches and techniques will we use to collect and analyze the data? I identify four parts of this component of the design: (a) the relationships that we establish with the participants in the study; (b) the selection of settings, participants, times and places of data collection, and other data sources such as documents; (c) the methods for collecting the data; and (d) the data analysis strategies and techniques.
5. Validity. How might the results and conclusions be wrong? What are the plausible alternative interpretations and validity threats to these results and conclusions, and how will we deal with these? How can the data that we have, or that we could potentially collect, support or challenge the ideas about what's going on? Why should we believe the results? (SAGE publication)

Suggesting the formation of a model of comparison between Islamic Banking System (IBS) and Conventional Banking System (CBS) in the Context of Islamic Banking Culture in Malaysia (Idris et al., 2019).

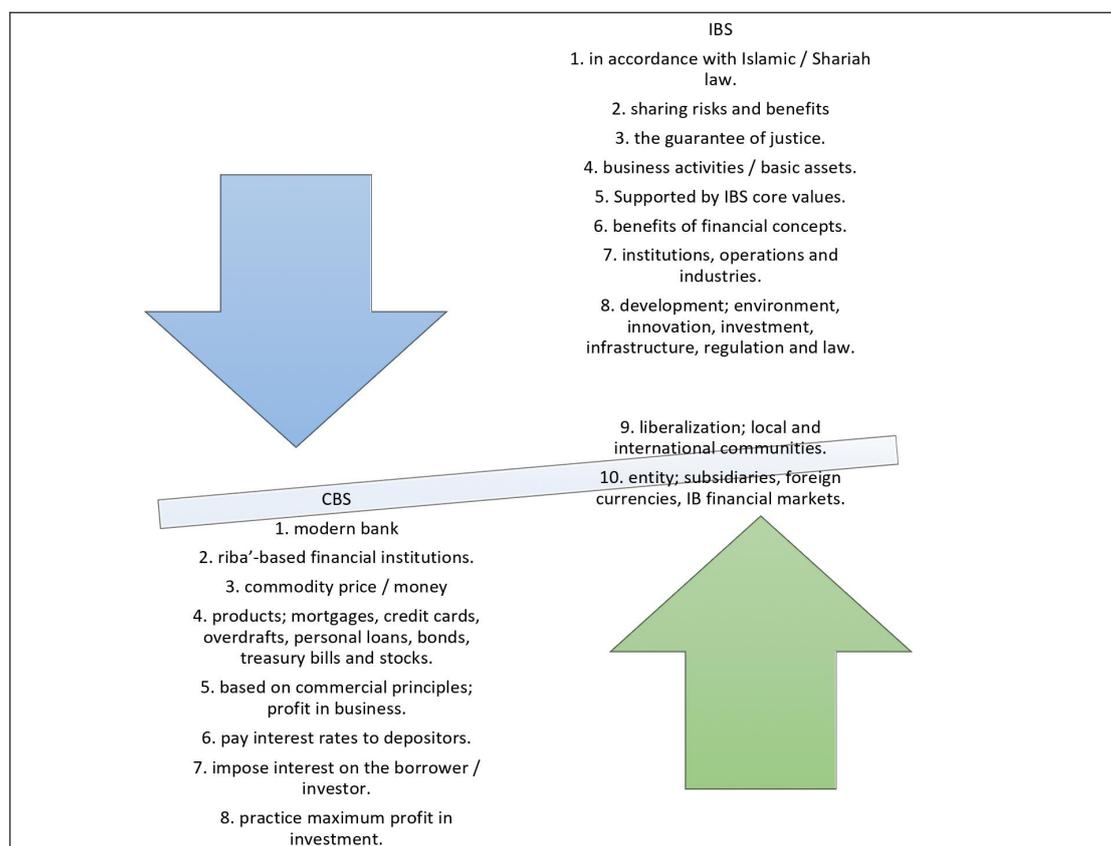


FIGURE 2. The comparative review model in measuring Islamic and conventional banking system of the Islamic banking culture in Malaysia.

Source: ATLAS.ti

CONCLUSION

The main issue of this study is the extent to which Islamic banking culture is practised in Malaysia. The main objective of this study is to elaborate on the principles of the Islamic Banking System and the principles of conventional banking. The Islamic Banking System (IBS) has 10 key features which include aspects such as; based on Islamic / Shariah law; sharing risks and benefits; the guarantee of justice; basic business activities / assets; supported by IBS core values; the benefits of financial concepts; institutions, operations and industry; progress; environment, innovation, investment, infrastructure, regulation and law; liberalization; local and international communities and entities; subsidiaries, foreign currencies, IBS financial markets. Whereas the conventional banking system (CBS) has 8 main features involving aspects such as; modern banks; finance-based financial institutions; commodity prices / money; products; mortgages, credit cards, overdrafts, personal loans, bonds, treasury bills and stocks; based on commercial principles; profit in business; paying interest rates to depositors;

impose interest on the borrower / investor and adopt maximum profit in the investment.

The Islamic banking culture in Malaysia requires Islamic banking institutions in Malaysia to leverage their roles and functions, initiating processes for adapting to the various demands and realities of the new era. Therefore, it is important for these institutions to adopt a work culture so that it is of the highest quality as an Islamic organisation that promotes Islamic law because the role and goal of Islamic organizations is to create a community committed to religious teaching and to live a successful life.

The proposed model for the comparison of Islamic banking system with the conventional banking system in the Context of Islamic banking culture in Malaysia is based on the backdrop of IBS and CBS in Malaysia, the Islamic banking culture in Malaysia as well as the features of IBS and CBS that cover important technical and tactical aspects. Such diversity demands attention by bankers and researchers in order to the creation of value-based services that can best suit with the needs of the entire population regardless of their racial

diversity. Therefore, differences in cultural values among the three races are important to understand them. Chinese people mostly have positive attitude towards Islamic banking. Perhaps the Chinese are very conscious of the different types of schemes and services offered by the both conventional and Islamic banks. On the other hand, the Malays are concerned about the religious and profitability reasons. Despite these differences between the Malays and Chinese, the mean values of responses indicate that all those three races accepted the schemes and services offered by the Islamic banks (Ahasanul Haque 2010).

Malaysian culture is one of the most unique cosmopolitans as it is composed of Malays, Chinese and Indians culture. Moreover, racial unity and interactions formed a diverse and vibrant society based on sharing mutual respects. This is perhaps an example of a unique society. This has been the main catalyst for Malaysia's political stability and growth. On the other hand, Indians have also made enormous contributions to the resilient and prosperous socio-political and economic structure in Malaysia. The Chinese like to enjoy the urban lifestyle and they have high ambitions, which make them dynamic force in Malaysia's economy. The Indian community represents an integral and vital component of Malaysian society and thus they, along with all other Malaysians are justly proud of their accomplishments and their contributions to Malaysia's success (Info Center Malaysia, 2007) (Ahasanul Haque, 2010).

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