

ENHANCING PERFORMANCE EVALUATION AND MANAGEMENT PRACTICES IN MALAYSIAN ISLAMIC BANKING: A COMPREHENSIVE STUDY

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—Abstract—

This study investigates the performance strategies and measurement approaches employed by Malaysian Islamic banks, which play a pivotal role in the nation's financial system. The research analyses the impact of Shari'ah compliance regulations, corporate governance practices, customer satisfaction levels, technological adoption rates, and risk management decisions on financial performance, operational efficiency, and market competitiveness. The study incorporates data from 50 financial reports and survey responses from 480 industry experts to gain insights into the Malaysian banking sector. Regression and correlation analyses were conducted to examine the relationships among the research variables. Findings indicate that banks achieve superior performance and operational efficiency when they adhere to Shari'ah principles, implement robust governance systems, and adopt digital technologies. Furthermore, effective risk management and high levels of customer satisfaction contribute to enhanced competitiveness and industry stability. The study provides practical recommendations for banking regulators and industry professionals to develop performance frameworks that foster the growth of Islamic banking while adhering to its ethical and financial principles.

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INTRODUCTION

In recent years, the global financial landscape has undergone significant transformations, with Islamic banking gaining increasing popularity, particularly in countries with substantial Muslim populations. This shift reflects a growing preference among Muslims for ethical alternatives to conventional banking that align with Islamic principles, which emphasise justice, fairness, and social responsibility (Gani & Bahari, 2021). Unlike conventional commercial banks that operate on interest-based transactions, Islamic banks do not charge interest. Instead, they adopt profit-and-loss sharing models and promote equitable transactions. Islamic financial institutions strictly prohibit interest (*riba*) and focus on real economic activities rather than speculative financial figures. This approach aims to uphold fairness by fostering economic equity, reducing exploitation, and ensuring mutual benefits, consistent with Islamic teachings that discourage financial practices that exploit individuals (Haque et al., 2015). Malaysia has demonstrated exceptional performance in the Islamic banking sector, supported by clear legislation, robust government backing, and innovative initiatives that benefit both Muslims and the broader population.

Malaysia has established itself as a global leader in Islamic finance by striking a harmonious balance between traditional Islamic teachings and modern economic practices. This achievement is attributed to its forward-thinking regulatory framework, financial support mechanisms, and innovative financial offerings that cater to both Muslim and non-Muslim clients (Abd. Majid & Kassim, 2015). As a result, Malaysia has emerged as a significant player in the global financial market. Its success is largely due to its ability to integrate traditional Shari'ah principles with contemporary financial practices, thereby enhancing its global competitiveness (Kassim, 2016). As Islamic banking continues to expand, Malaysia's model offers valuable insights for promoting global financial stability and sustainable economic growth. Nevertheless, certain challenges persist. Islamic banks in Malaysia face difficulties in measuring their performance in ways that genuinely uphold Islamic values. The current emphasis is primarily on financial profitability rather than customer satisfaction, social responsibility, and strict adherence to Shari'ah principles. This limited perspective hampers efforts to maintain ethical standards while navigating the competitive financial landscape.

Despite its rapid expansion and robust regulatory framework, evaluating Islamic banking in Malaysia in a manner consistent with Islamic principles remains challenging. The industry faces significant obstacles in implementing performance management practices aligned with Shari'ah guidelines. There is a prevailing focus on financial metrics, such as profit margins, while issues of critical importance—customer

satisfaction, social contribution, and strict adherence to Shari'ah regulations—are often overlooked (Mollah et al., 2017). This narrow focus hinders a holistic approach to balancing ethical obligations with market competitiveness. The absence of widely recognised and standardised instruments for performance evaluation in Islamic finance exacerbates the problem, particularly in integrating Shari'ah governance into assessment frameworks. While Shari'ah supervisory bodies exist to ensure compliance, their influence on the financial health and operational strategies of Islamic banks remains ambiguous. Furthermore, the continuously evolving corporate landscape, driven by shifting consumer preferences and technological advancements, demands that Malaysian Islamic banks engage in continuous innovation and adopt the latest technologies to remain competitive.

Most existing research on Islamic banking predominantly focuses on financial indicators and regulatory frameworks, often neglecting critical considerations such as ethical principles and sound governance, which are fundamental to Islamic finance. Addressing this gap is essential for helping Islamic banks achieve financial success while staying true to their core values. Despite extensive literature on Islamic banking, numerous questions remain unanswered, particularly regarding how to effectively incorporate Islamic values into performance measurement frameworks. Mallin et al. (2014) note that prior studies have primarily concentrated on financial metrics and regulatory issues, largely overlooking broader ethical and governance concerns. Filling these gaps is crucial for advancing the industry and ensuring that Islamic banks achieve long-term financial viability without compromising their ethical obligations.

The primary objective of this study is to address these gaps by examining the performance metrics used by Islamic banks in Malaysia. It investigates how these institutions can maintain compliance with Shari'ah principles while achieving competitive financial outcomes. The research focuses on key factors such as managerial competence, customer satisfaction, societal contributions, and technological expertise. By leveraging these insights, this study aims to develop a comprehensive framework for evaluating the true financial performance of Islamic banks. Ultimately, this research seeks to make a meaningful contribution to the ongoing discourse on Islamic finance. It offers practical recommendations for regulators, financial institutions, and investors to ensure that Islamic banks remain competitive while upholding their ethical and Shari'ah-compliant principles.

LITERATURE REVIEW

Many research articles have extensively examined the ethical, financial, and operational dimensions of performance assessment and management in Islamic banking. Scholars have consistently emphasised the need to balance financial assessment metrics with Shari'ah-compliant practices to ensure the sustainability and competitiveness of Islamic banks (Mollah et al., 2017). Transparency, ethical compliance, and operational

efficiency are often highlighted, with a focus on the significance of Corporate Social Responsibility (CSR) and governance. [Mallin et al. \(2014\)](#) conducted a comprehensive review of CSR disclosures from 90 Islamic banks across 13 countries, revealing a positive correlation between CSR activities and financial success. Their findings also indicated that larger Shari'ah supervisory boards are associated with more comprehensive CSR reports, underscoring the importance of these boards in promoting transparency. Similarly, [Irshad et al. \(2017\)](#) and [Battaglia et al., \(2025\)](#) used content analysis to evaluate voluntary CSR disclosures, highlighting their role in fostering trust, gaining stakeholder confidence, and ensuring long-term resilience. [Ho et al., \(2022\)](#) further explored the relationship between CSR and financial performance, advocating for proactive CSR initiatives over mandated disclosures. According to [Ho et al., \(2022\)](#), customers' perceptions of value, service quality, and spirituality significantly influence their attitudes toward Islamic banking products and services. [Kontot et al. \(2020\)](#) reinforced this view, stressing that Islamic banks must understand customer preferences to remain competitive—a notion supported by [Ali et al., \(2022\)](#) through quantitative analysis.

Operational efficiency has also been a critical focus area in research. [Wanke et al. \(2016\)](#) employed neural network modelling and the TOPSIS approach to identify capital leveraging and cost structures as primary factors affecting Islamic bank performance in Malaysia. Building on this perspective, [Chowdhury and Haron \(2021\)](#) used Malmquist indices and Data Envelopment Analysis (DEA) to assess productivity advancements in Southeast Asia, providing comparative insights into regional performance dynamics and improvement opportunities. Comparative studies have also highlighted the impact of competent management on financial and non-financial performance. [Beshtawi and Jaaron \(2014\)](#) compared conventional and Islamic banks, emphasising the importance of effective management in enhancing operational efficiency. This was supported by [Abu-Rummana et al., \(2021\)](#), who demonstrated how sound management practices can strengthen Jordanian banks. [Kasbun et al. \(2016\)](#) examined sustainability reporting and profit management practices, finding that financial performance is a strong indicator of the quality of sustainability reporting, suggesting its growing significance among Malaysian firms.

The relationship between sustainability assessments and corporate governance in Islamic banks has been a prominent research topic. Several studies have contributed to understanding the factors influencing sustainability reporting within Islamic finance, shedding light on the importance of CSR and transparency. [Shodiq, \(2021\)](#) found that sustainability reporting enhances the financial performance of Islamic banks. Similarly, [Almutairi and Quttainah \(2017\)](#) highlighted the role of corporate governance in fostering transparency and accountability through sustainability reporting. Finally, customer preferences remain a critical determinant in the success of Islamic banking products. [Kontot et al. \(2016\)](#) identified adherence to Shari'ah law, strong returns, trust, security, transparency, and convenient money withdrawals as key factors influencing

customer choices. These findings underscore the need for Islamic banks to align their operations with both financial and ethical expectations to maintain competitiveness and meet client demands.

Shari'ah governance plays a pivotal role in the operations and strategic decisions of Islamic banks. [Beshtawi and Jaaron \(2014\)](#) highlighted its transformative influence by examining Jordanian Islamic banks, demonstrating that robust governance structures significantly impact strategic decision-making and operational effectiveness. Similarly, [Kasbun et al. \(2016\)](#) employed panel data analysis to reveal a positive relationship between good governance and financial performance, particularly for banks that prioritise transparency and sustainability. [Abu-Rummana et al., \(2021\)](#) further supported these findings, showing through regression analysis that improved governance mechanisms lead to enhanced financial and non-financial outcomes.

Good governance in Islamic banking extends beyond regulatory compliance. Recent scholarly interest has focused on the application of the Maqasid al-Shari'ah framework, which provides a comprehensive approach that integrates ethical considerations, social responsibility, and financial objectives. [Mergaliyev et al. \(2021\)](#) found that this framework enables Islamic banks to contribute meaningfully to community well-being while maintaining a high standard of ethical conduct. This approach underscores the potential for financial institutions to align ethical practices with commercial success. Moreover, environmental performance has emerged as a significant factor in Islamic banking. [Zhang et al. \(2022\)](#) found a strong correlation between a bank's environmental performance and its financial success, particularly in attracting foreign investment. This finding underscores the growing importance of sustainability as a strategic priority for Islamic banks, reinforcing the value of governance models that encompass environmental, social, and ethical considerations alongside financial performance.

Despite significant progress in integrating Shari'ah principles into performance appraisals, there remains a notable gap. Many studies predominantly focus on financial metrics, often neglecting broader considerations such as governance effectiveness, daily operational dynamics, and societal contributions. Furthermore, there is a tendency to overlook the integration of quantitative data with the qualitative narratives that provide critical context. This oversight complicates the practical application of these principles in a dynamic and rapidly evolving business landscape. In our research, we adopt an alternative methodology that emphasises a holistic evaluation of firms. This approach encompasses various dimensions, including CSR, employee and community engagement, customer relations, management practices, operational efficiency, and sustainability initiatives. By adopting this comprehensive framework, we aim not only to enhance financial performance but also to ensure that firms operate responsibly, contribute meaningfully to society, and achieve long-term sustainable growth.

This study uses these findings as a foundation to test the following hypotheses regarding factors that influence Islamic banking in Malaysia.

1. Sharia compliance positively influences financial performance.
2. Corporate governance practices enhance risk management effectiveness.
3. Customer satisfaction drives market share growth.
4. Human resource management practices improve employee productivity.
5. Technology adoption increases operational efficiency.

These hypotheses form the basis for a comprehensive analysis presented in this study, addressing key gaps and providing actionable insights to enhance the sustainability and competitiveness of Islamic banking in Malaysia. The primary objective of this research is to contribute to the ongoing discourse on Islamic finance by offering a nuanced perspective on performance management through the integration of both quantitative and qualitative approaches.

METHODOLOGY

This research employs a mixed-methods approach to conduct a detailed analysis of performance management and measurement practices in Malaysian Islamic banks. By integrating both qualitative and quantitative methods, the study captures a comprehensive view of numerical trends and contextual nuances (Denzin, 2009). For the quantitative assessment, data were obtained from 50 financial reports, 30 annual statements, and other relevant documents from Malaysian Islamic banks, covering the period from 2019 to 2023. Secondary sources provided critical information for evaluating financial performance and governance practices (Hussein, 2017). Primary data were collected through an online structured questionnaire distributed among 610 participants in Malaysia, including banking industry professionals, stakeholders (e.g., customers), and academicians. A total of 480 valid responses were received, yielding a response rate of 78.6%. The survey questionnaire was meticulously designed in the context of Malaysian Islamic banking, informed by an extensive literature review. It primarily consisted of multiple-choice questions and employed a 5-point Likert scale ranging from "strongly disagree" to "strongly agree." Special emphasis was placed on aspects such as Shari'ah compliance, corporate governance, customer satisfaction, human resource practices, and technology adoption. Pre-testing was conducted with 20 participants to ensure clarity and reliability (Hidayat-ur-Rehman et al., 2021). The instrument's reliability was assessed using Cronbach's alpha, with all constructs scoring above the 0.7 threshold, indicating strong internal consistency (Creswell & Creswell, 2018)

In this study, we utilised SPSS to conduct Exploratory Factor Analysis (EFA) to validate our constructs, ensuring factor loadings above 0.5. Items with VIF values exceeding 10 were removed to mitigate multicollinearity concerns (Gilbey & Purchase,

2023). Ethical guidelines were strictly adhered to during data collection; participants were informed about the study's objectives, assured of confidentiality, and given the option to withdraw at any time. Informed consent was obtained from all respondents. To achieve a high response rate, surveys were distributed through professional networks, targeted emails, and social media, with follow-up reminders for selected participants. Data analysis was conducted using both SPSS and STATA. Descriptive statistics were employed to summarise participant demographics and survey responses. To investigate relationships between variables, three analytical techniques were applied: panel data regression, multiple regression analysis, and Pearson correlation, as recommended by (Gebba & Aboelmaged, 2016). Time-series analysis was also employed to examine trends in financial performance and governance practices over time. Cronbach's alpha was adjusted after testing to ensure the reliability of the data. This study adopts a mixed-methods approach, integrating data from diverse sources and employing robust analytical techniques. It offers a comprehensive understanding of performance management practices within Malaysia's Islamic banking sector. The findings provide actionable insights for policymakers, regulators, and industry experts to enhance the sector's competitiveness and long-term sustainability.

RESULTS AND DISCUSSION

The data presented in Table 1 provides a comprehensive demographic profile of survey participants, capturing their age, gender, education, professional experience, and job roles. The majority of respondents belong to the mature workforce, with the largest age groups being 45-54 (25.7%) and 55+ (27.4%). Gender representation is balanced, with 50.2% female and 49.8% male participants, contributing to diverse viewpoints. In terms of education, 33.3% are categorised as "Other," including vocational training, while 30.2% hold Master's degrees, indicating a well-educated sample. Notably, 30.0% of respondents have over 16 years of professional experience, offering valuable insights from seasoned professionals. Job roles are distributed across executives (25.9%), officers (23.4%), and analysts (23.1%), along with assistant managers and managers. Overall, the data underscores the diversity and inclusivity of the sample, enhancing the robustness of the survey findings by incorporating varied demographic and professional experiences. This inclusive approach is essential for generating well-rounded insights and recommendations.

Table 1: Demographic and Professional Profile

Category	Frequency	Percentage
Age		
18-24	67	11.0

25-34	96	15.7
35-44	123	20.2
45-54	157	25.7
55 and Above	167	27.4
Gender		
Male	304	49.8
Female	306	50.2
Education		
High School or Equivalent	27	4.4
Bachelor's Degree	35	5.7
Master's Degree	184	30.2
Doctorate Higher	161	26.4
Other	203	33.3
Experience		
0-2 Years	35	5.7
3-5 Years	32	5.2
6-10 Years	179	29.3
11-15 Years	181	29.7
16 Years & Above	183	30.0
Position		
Manger	86	14.1
Assistant Manager	82	13.4
Officer	143	23.4
Analyst	141	23.1
Executive	158	25.9

Note: A diverse representation across age, gender, education, professional experience, and job roles, providing rich perspectives for meaningful insights.

An analysis of respondents' perceptions of Shariah compliance in Islamic bank financing products and services, based on data from [Table 2](#), reveals several key findings. The majority of respondents (51.1% and 34.3%, respectively) perceive Islamic banks' financing services as largely or fully compliant with Shariah principles, indicating strong confidence in adherence to these laws. Transparency received positive feedback, with 55.2% rating the disclosure of Shariah compliance practices as good, and 32.8% deeming it excellent. Regarding information provision, 56.1% believe Islamic banks adequately explain the Shariah principles underpinning their products, while 31.3% consider the information comprehensive. Monitoring and governance mechanisms are viewed positively, with 57.5% perceiving them as effective and 29.7% rating them as excellent, highlighting confidence in governance structures ensuring Shariah compliance.

On rectification measures, 52.6% feel that Islamic banks generally address non-compliance with Shariah principles, while 35.7% assert that necessary corrective actions are consistently taken. Overall, the data suggests a favourable perception of Islamic banks' adherence to Shariah principles and their efforts in transparency, information provision, and governance mechanisms. Nevertheless, there is room for

improvement in enhancing transparency and providing more comprehensive information about Shariah principles. Strengthening monitoring and governance systems remains crucial for maintaining stakeholder trust in Islamic banking practices.

Table 2: Islamic Bank Financing Products and Shariah Compliance

Compliance Level	Frequency	Percentage
To what extent do you believe the Islamic Bank's Financing products & Services comply with Shariah Principles?		
Not at all Compliant	14	2.3
Slightly Compliant	67	11.0
Moderately Compliant	8	1.3
Mostly Compliant	312	51.1
Fully Compliant	209	34.3
How would you rate the transparency of the Islamic bank in disclosing its Shariah compliance practices?		
Very Poor Transparency	1	.2
Poor Transparency	64	10.5
Average Transparency	8	1.3
Good Transparency	337	55.2
Excellent Transparency	200	32.8
In your opinion, does Islamic Bank provide adequate information and explanations about the Shariah principles underlying its financing products & services?		
Very Inadequate Information	10	1.6
Inadequate Information	59	9.7
Satisfactory Information	8	1.3
Sufficient Information	342	56.1
Comprehensive Information	191	31.3
How would you rate the Islamic bank's Shariah Compliance monitoring & governance mechanisms?		
Very Weak Monitoring & Governance	5	0.8
Weak Monitoring & Governance	57	9.3
Average Monitoring & Governance	16	2.6
Strong Monitoring & Governance	351	57.5
Excellent Monitoring & Governance	181	29.7
To what extent do you believe the Islamic bank takes necessary measures to rectify any instances of non-compliance with Shariah principles?		
Rarely Takes Necessary Measures	1	.2
Sometimes Takes Necessary Measures	62	10.2
Occasionally Takes Necessary Measures	8	1.3
Mostly Takes Necessary Measures	321	52.6
Always Takes Necessary Measures	218	35.7

Note: Respondents' perceptions of Shariah compliance in Islamic bank financing products and services.

Table 3 provides insights into respondents' perceptions of key aspects of Islamic banks' financial performance, including profitability, return on equity, cost management, credit risk control, and capital adequacy.

Table 3: Islamic Bank's Financial Performance Metrics

Category	Frequency	Percentage
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How would you rate the Islamic Bank's ability to generate profits from its asset (return on Assets)?		
Very Poor Profitability	11	1.8
Poor Profitability	53	8.7
Average Profitability	8	1.3
Good Profitability	337	55.2
Excellent Profitability	201	33.0
How satisfied are you with the Islamic Banks ability to generate profits from its equity (Return on Equity)?		
Very Dissatisfied	11	1.8
Dissatisfied	60	9.8
Neutral	10	1.6
Satisfied	336	55.1
Very Satisfied	193	31.6
How effectively does the Islamic Bank Manage its operating cost & maintain a favorable cost to income ratio?		
Very Ineffective Cost Management	5	.8
Ineffective Cost Management	61	10
Average Cost Management	19	3.1
Effective Cost Management	339	55.6
Highly Effective Cost Management	186	30.5
How well the Islamic banks control credit risks & manage its non-performing financing (NPF) ration?		
Very Poor Credit Risk Control	3	.5
Poor Credit Risk Control	63	10.3
Average Credit Risk Control	11	1.8
Good Credit Risk Control	396	64.9
Excellent Credit Risk Control	137	22.5
How Satisfied are you with the adequacy of the Islamic Banks Capital to cover its risks (Capital Adequacy Ratio)?		
Very Dissatisfied	9	1.5
Dissatisfied	60	9.8
Neutral	10	1.6
Satisfied	350	57.4
Very Satisfied	181	29.7

Note: Assessment of Islamic bank's financial performance based on profitability, cost management, and risk control.

A majority (55.2%) rated the bank's profitability on assets positively, with 33.0% considering it excellent, indicating a generally optimistic outlook. Similarly, return on equity received favourable assessments, with 55.1% expressing satisfaction and 31.6% reporting very high satisfaction, suggesting robust returns for shareholders. Cost management was positively rated by 55.6% of respondents, but 10.8% found it ineffective, signalling room for improvement. Credit risk control garnered positive feedback from 64.9%, with 22.5% rating it as excellent. However, 11.8% viewed it as average or below, highlighting areas needing attention. Regarding capital adequacy, 57.4% found it satisfactory, with 29.7% expressing high satisfaction. Nonetheless, 11.3% raised concerns, underscoring the need for improved risk coverage. In summary, while the bank's financial performance is viewed positively across key metrics, enhancing cost management, credit risk control, and capital adequacy remains essential

for reinforcing stability, fostering stakeholder confidence, and ensuring long-term success.

Table 4 presents respondents' perceptions of the governance and transparency of the Islamic bank.

Table 4: Islamic Bank's Governance, Transparency, and Accountability

Category	Frequency	Percentage
How would you rate the Islamic Bank's commitment to transparency and accountability in its operations?		
Very Low Commitment	11	1.8
Low Commitment	60	9.8
Moderate Commitment	11	1.8
High Commitment	340	55.7
Very High Commitment	188	30.8
How Well Does the Islamic Bank adhere to the principles of fairness and equity in its decision-making process?		
Very Poor Adherence	14	2.3
Poor Adherence	57	9.3
Average Adherence	19	3.1
Good Adherence	369	60.5
Excellent Adherence	151	24.8
How well does the Islamic Banks ensure the independence and objectivity of its board of directors?		
Very Poor Independency & Objectivity	12	2.0
Poor Independency & Objectivity	52	8.5
Average Independency & Objectivity	13	2.1
Good Independency & Objectivity	372	61.0
Excellent Independency & Objectivity	161	26.4
How satisfied are you with Islamic Bank's Disclosure and communication practices regarding its corporate governance structure and policies?		
Very Dissatisfied	11	1.8
Dissatisfied	54	8.9
Neutral	13	2.1
Satisfied	367	60.2
Very Satisfied	165	27.0

Note: Evaluation of governance practices and transparency within Islamic banks.

A significant majority (86.5%) view the bank as highly committed to transparency and accountability, with 55.7% rating it as high and 30.8% as very high. Similarly, 85.3% believe the bank effectively upholds fairness and equity, with 60.5% rating it as good and 24.8% as excellent, while only 11.6% expressed dissatisfaction. The independence and objectivity of the bank's board are positively perceived by 87.4% of respondents, with 61.0% rating it as good and 26.4% as excellent. Corporate governance disclosures also received favourable feedback, with 87.2% expressing satisfaction, including 27.0% who are very satisfied. Dissatisfaction across these areas remains minimal. Overall, the data indicates strong confidence in the bank's governance and transparency. Although there are minor areas for improvement, maintaining and enhancing these practices will

further strengthen stakeholder trust and confidence.

Table 5 illustrates respondents' predominantly positive perceptions of the Islamic bank's risk management practices across several key areas.

Table 5: Islamic Bank's Risk Management Practices

Category	Frequency	Percentage
How well does the Islamic bank identify and assess potential risks associated with its operations?		
Very Poor Identification and Assessment	3	.5
Poor Identification and Assessment	70	11.5
Average Identification and Assessment	16	2.6
Good Identification and Assessment	358	58.7
Excellent Identification and Assessment	163	26.7
How effectively does the Islamic bank monitor and manage credit risk associated with financing activities?		
Very Ineffective Credit Risk Management	9	1.5
Ineffective Credit Risk Management	61	10.0
Average Credit Risk Management	11	1.8
Effective Credit Risk Management	344	56.4
Highly Effective Credit Risk Management	185	30.3
How well does the Islamic bank manage operational risks related to its day to day activities?		
Very Poor Operational Risk Management	12	2.0
Poor Operational Risk Management	58	9.5
Average Operational Risk Management	19	3.1
Good Operational Risk Management	372	61.0
Excellent Operational Risk Management	149	24.4
How effectively does the Islamic bank monitor and manage market risks associated with its investment and treasury activities?		
Very Ineffective Market Risk Management	5	.8
Ineffective Market Risk Management	55	9.0
Average Market Risk Management	15	2.5
Effective Market Risk Management	383	62.8
How well does Islamic Banks manage liquidity risks & ensure sufficient liquidity to meet its obligations?		
Very Poor Liquidity Risk Management	11	1.8
Liquidity Risk Management	51	8.4
Average Liquidity Risk Management	14	2.3
Good Liquidity Risk Management	373	61.1
Excellent Liquidity Risk Management	161	26.4

Note: Analysis of service quality parameters and customer satisfaction in Islamic banking.

A substantial majority (85.4%) believe the bank effectively identifies and assesses operational risks, with 26.7% rating this aspect as excellent. Similarly, 86.7% express confidence in the bank's credit risk management, with 30.3% considering it excellent. Operational risk management also receives strong support, with 85.4% viewing it as

effective. Market risk management is positively rated by 85.6% of respondents, with 62.8% deeming it effective. Liquidity risk management stands out with the highest confidence level, as 87.5% of respondents express satisfaction, including 26.4% who rate it as excellent. These findings reflect robust trust in the bank's risk management capabilities, supported by effective frameworks. To sustain stakeholder confidence and ensure long-term stability, maintaining proactive risk management practices will be essential.

Table 6 highlights a positive overall customer experience with Islamic banking products and services.

Table 6: Islamic Banking Products, Services, and Digital Platforms

Category	Frequency	Percentage
How Satisfies are you with overall experience of using Islamic Banking products and services?		
Very Dissatisfied	11	1.8
Dissatisfied	53	8.7
Neutral	13	2.1
Satisfied	372	61.0
Very Satisfied	161	26.4
How would you rate the quality & reliability of the Islamic bank's Customer service?		
Very Poor Quality & Reliability	3	.5
Poor Quality & Reliability	66	10.8
Average Quality & Reliability	18	3.0
Good Quality & Reliability	359	58.9
Excellent Quality & Reliability	164	26.9
How well does the Islamic Bank meet your specific needs and requirements as a customer?		
Very Poorly Meets My Needs	10	1.6
Poorly Meets My Needs	53	8.7
Somewhat Meets My Needs	19	3.1
Mostly Meets My Needs	350	57.4
Fully Meets My Needs	178	29.2
How satisfied are you with the range and diversity of Islamic banking products & services offered by the bank?		
Very Dissatisfied	14	2.3
Dissatisfied	58	9.5
Neutral	18	3.0
Satisfied	336	55.1
Very Satisfied	184	30.2
How would you rate the convenience and accessibility of the Islamic bank's digital banking platforms (e.g., mobile banking, online banking)?		
Very Inconvenient & Inaccessible	15	2.5
Inconvenient & Inaccessible	49	8.0
Average Convenience and Accessibility	18	3.0
Convenience & Accessible	359	58.9
High Convenient & Accessible	169	27.7

Note: Overview of customer satisfaction with Islamic banking products, services, and digital platforms.

A significant majority (87.4%) report satisfaction, including 26.4% who are highly satisfied. Customer service quality receives commendation from 85.8% of respondents, with 26.9% rating it as excellent. Similarly, 86.6% believe the bank effectively meets

customer needs, while 85.3% express satisfaction with the diversity of products offered. Digital banking platforms also garner favourable feedback, with 86.6% finding them convenient and 27.7% rating them as highly accessible. These findings underscore the importance of delivering quality service, offering diverse products, and maintaining user-friendly digital platforms to enhance customer satisfaction and loyalty. Continuous improvements in these areas are crucial for sustaining and expanding the customer base.

Table 7 highlights respondents' positive perceptions of the Islamic bank's market strategies and competitive positioning. A significant majority (85.9%) view the bank's market presence favourably, with 24.9% rating it as very high. Furthermore, 78.7% express satisfaction with the bank's ability to penetrate new customer segments. Differentiation efforts are recognised as effective by 81.5% of respondents, while 80.7% commend the bank's expansion of its regional market share. These findings underscore the bank's success in enhancing market visibility, acquiring clients, and establishing differentiation. Sustained focus on strategic marketing, innovative offerings, and competitive positioning will be essential for driving growth and ensuring long-term profitability.

Table 7: Islamic Bank's Market Strategies and Competitive Positioning

Category	Frequency	Percentage
How would you rate the Islamic Bank's overall market presence and visibility compared to its competitors?		
Very Low Market Presence	14	2.3
Low Market Presence	59	9.7
Moderate Market Presence	12	2.0
High Market Presence	373	61.1
Very High Market Presence	152	24.9
How well does the Islamic Banks market penetration in terms of reaching new customer segments?		
Very Dissatisfied	29	4.8
Dissatisfied	74	12.1
Neutral	27	4.4
Satisfied	327	53.6
Very Satisfied	153	25.1
How effectively does the Islamic Bank differentiate itself from competitors in terms of unique products, services or value propositions?		
Very Ineffective Differentiations	30	4.9
Ineffective Differentiations	60	9.8
Average Differentiation	23	3.8
Effective Differentiation	336	55.1
Highly Effective Differentiation	161	26.4

Note: Perceptions of Islamic bank's market strategies and competitive positioning.

Table 8 highlights respondents' favourable perceptions of the Islamic bank's human resource practices.

Table 8: Islamic Bank's Market Strategies and Competitive Positioning

Category	Frequency	Percentage
How well does the Islamic bank attract and recruit talented individuals with the necessary skills & qualifications?		
Very Poor Attraction and Recruitment	33	5.4
Poor Attraction and Recruitment	63	10.3
Average Attraction and Recruitment	18	3.0
Good Attraction and Recruitment	346	56.7
Excellent Attraction and Recruitment	150	24.6
How effectively does the Islamic Bank provide training & development opportunities to enhance employee's knowledge and skills?		
Very Ineffective Training and Development	14	2.3
Ineffective Training and Development	66	10.8
Average Training and Development	18	3.0
Effective Training and Development	343	56.2
Highly Effective Training and Development	169	27.7
How Well does the Islamic bank ensure a fair and equitable compensation system for its employees?		
Very Unfair and Inequitable Compensation	8	1.3
Unfair and Inequitable Compensation	68	11.1
Neutral	11	1.8
Fair and Equitable Compensation	317	52.0
Very Fair and Equitable Compensation	206	33.8
How effectively does the Islamic Bank promote a positive work environment that fosters employee satisfaction and well-being?		
Very Ineffective Promotion of a Positive Work Environment	10	1.6
Ineffective Promotion of a Positive Work Environment	60	9.8
Average Promotion of a Positive Work Environment	8	1.3
Effective Promotion of a Positive Work Environment	340	55.7
Highly Effective Promotion of a Positive Work Environment	192	31.5
How well does the Islamic bank encourage employee engagement and involvement in decision making process?		
Very Poor Encouragement of Employee Engagement	9	1.5
Poor Encouragement of Employee Engagement	63	10.3
Average Encouragement of Employee Engagement	9	1.5
Good Encouragement of Employee Engagement	337	55.2

Note: Evaluation of human resources practices, including recruitment, training, and work environment.

A significant 81.3% rate the bank's recruitment efforts as good or excellent, indicating effective talent acquisition. Furthermore, 83.9% find employee development opportunities to be effective or highly effective, reflecting a strong focus on skill enhancement. Additionally, 85.8% view the bank's compensation system as fair, fostering satisfaction with equitable practices. Efforts to cultivate a positive workplace culture are recognised by 87.2% of respondents, while 86.7% acknowledge the bank's effectiveness in encouraging employee participation in decision-making processes. Overall, these findings underscore robust HR management practices that prioritise

employee satisfaction, development, and engagement. A sustained focus on these areas will further enhance organisational culture and the bank's competitiveness in attracting and retaining top talent.

Table 9 highlights respondents' favourable perceptions of factors influencing employee productivity at the Islamic bank.

Table 9: Factors Influencing Employee Productivity at the Islamic Bank

Category	Frequency	Percentage
How well does the Islamic bank provide the necessary resources and tools to enable employees to perform their tasks efficiently?		
Very Poorly Provides Necessary Resources and Tool	7	1.1
Poorly Provides Necessary Resources and Tool	63	10.3
Average Provision of Necessary Resources and Tool	16	2.6
Good Provision Necessary Resources and Tool	341	55.9
Excellent Provision of Necessary Resources and Tools	183	30.0
How effectively does the Islamic bank provide clear performance expectations and goals to employees?		
Very Effective Communication of Performance Expectations	5	0.8
Ineffective Communication of Performance Expectations	59	9.7
Average Communication of Performance Expectations	18	3.0
Effective Communication of Performance Expectations	353	57.9
Highly Effective Communication of Performance Expectations	175	28.7
How well does the Islamic bank provide training & development opportunities to enhance employees' skills and knowledge for improved performance?		
Very Poorly Provides Training and Development Opportunities	1	.2
Poorly Provides Training and Development Opportunities	64	10.5
Excellent Provision of Training and Development Opportunities	209	34.3
How Satisfied are you with level of support and guidance provided by the Islamic bank management to help you achieve your performance targets?		
Very Dissatisfied	11	1.8
Dissatisfied	55	9.0
Neutral	8	1.3
Satisfied	343	56.2
Very Satisfied	193	31.6
How Satisfied are you with Islamic Banks performance evaluation processes in terms of fairness and accuracy?		
Very Dissatisfied	12	2.0
Dissatisfied	64	10.5
Neutral	8	1.6
Satisfied	343	55.4
Very Satisfied	193	31.6

Note: Key factors affecting employee productivity at the Islamic bank.

A substantial 85.9% rate the provision of necessary resources as good or excellent, supporting efficient task performance. Additionally, 86.6% find the communication of performance expectations effective, ensuring clarity and alignment among employees. Training opportunities receive positive feedback from 89.1% of respondents, indicating satisfaction with skill enhancement initiatives. Furthermore, 87.8% express satisfaction with management's support in achieving performance targets, while 87.0% view the evaluation processes as fair and accurate, demonstrating trust in assessment methods.

Overall, these findings suggest a supportive and growth-oriented work environment that fosters productivity and employee satisfaction. Sustaining a focus on clear communication, development opportunities, and fair evaluations will be essential for maintaining high levels of engagement and performance.

Table 10 highlights respondents' favourable perceptions of the Islamic bank's technology adoption.

Table 10: Islamic Bank's Technology Adoption and Digital Platforms

Category	Frequency	Percentage
How well does the Islamic Bank embrace and integrate new technologies to enhance its banking operations?		
Very Poorly Embraces & Integrates New Technologies	5	0.8
Poorly Embraces & Integrates New Technologies	64	10.5
Average Embraces & Integrates New Technologies	20	3.3
Good Embraces & Integrates New Technologies	341	55.9
Excellent Embrace and Integration of New Technologies	180	29.5
How effectively does Islamic bank use technology to streamline its processes and improve operation efficiency?		
Very Ineffective Use of Technology to Improve Operational Efficiency	4	.7
Ineffective Use of Technology to Improve Operational Efficiency	66	10.8
Average Use of Technology to Improve Operational Efficiency	11	1.8
Effective Use of Technology to Improve Operational Efficiency	392	64.3
Highly Effective Use of Technology to Improve Operational Efficiency	137	22.5
How satisfied are you with Islamic bank's digital banking platforms and services in terms of convenience and accessibility?		
Very Dissatisfied	11	1.8
Dissatisfied	61	10.0
Neutral	11	1.8
Satisfied	341	55.9
Very Satisfied	186	30.5
How satisfied are you with Islamic bank's efforts to stay updated with the latest technological advancements in the banking industry?		
Very Dissatisfied	15	2.5
Dissatisfied	59	9.7
Neutral	19	3.1
Satisfied	362	59.3
Very Satisfied	155	25.4

Note: Assessment of the Islamic bank's technology adoption and its impact on operations.

A significant 85.4% rate the bank's integration of new technologies positively, with 29.5% describing it as excellent, reflecting satisfaction with its innovation efforts. Additionally, 86.8% find the use of technology effective, with 22.5% noting that it significantly streamlines processes. Satisfaction with the convenience and accessibility of the bank's digital platforms is expressed by 86.4% of respondents. Furthermore,

84.7% appreciate the bank's commitment to staying current with industry advancements, indicating confidence in its adaptability. Overall, these findings underscore the bank's successful use of technology to enhance operational efficiency and customer experience. Continued investment and proactive adaptation will be essential for maintaining competitiveness and addressing evolving customer needs.

Table 11 highlights respondents' positive perceptions of the Islamic bank's operational efficiency.

Table 11: Islamic Bank's Operational Efficiency and Resource Management

Category	Frequency	Percentage
How well does the Islamic Bank streamline its operational processes to minimize redundancies and inefficiencies?		
Very Poorly Streamlined Operational Processes	7	1.1
Poorly Streamlines Operational Processes	56	9.2
Average Streamlining Operational Processes	15	2.5
Good Streamlining of Operational Processes	373	61.1
Excellent Streamlining of Operational Process	159	26.1
How effectively does the Islamic bank allocates resources to different business functions to optimize productivity and cost effectiveness?		
Very Ineffective Allocation of Resources	13	2.1
Ineffective Allocation of Resources	55	9.0
Average Allocation of Resources	12	2
Effective Allocation of Resources	372	61.0
Highly Effective Allocation of Resources	158	25.9
How satisfied are you with Islamic banks efforts to automate manual processes to increase efficiency & reduce errors?		
Very Dissatisfied	15	2.5
Dissatisfied	58	9.5
Neutral	12	2.0
Satisfied	355	58.2
Very Satisfied	170	27.9
How satisfied are you with Islamic banks efforts to reduce operational costs while maintaining service quality?		
Very Dissatisfied	14	2.3
Dissatisfied	67	11.0
Neutral	8	1.3
Satisfied	306	50.2
Very Satisfied	215	35.2
How satisfied are you with the speed and responsiveness of the Islamic Bank's customer service in resolving operational issues or inquiries?		
Very Dissatisfied	3	.5
Dissatisfied	66	10.8
Neutral	8	1.3
Satisfied	340	55.7
Very Satisfied	193	31.63

Note: Insights into areas for improvement and strategic recommendations for the Islamic banking sector.

A notable 87.2% rate the bank as effective or excellent in streamlining processes, with 26.1% recognising exceptional efforts to reduce inefficiencies. Additionally, 86.9% express confidence in the bank's resource management, which optimises productivity

and cost-effectiveness. Satisfaction with automation initiatives is reported by 86.1% of respondents, who note a reduction in manual errors and an enhancement in efficiency. Furthermore, 85.4% view the bank's cost-saving measures positively, with 35.2% rating them as very effective while maintaining service quality. Lastly, 87.4% appreciate the bank's speed and responsiveness in addressing operational issues. These findings underscore the bank's robust operational practices, highlighting efficiency, effective resource utilisation, and a customer-centric approach to service. Ongoing refinement in these areas will be essential for sustaining and enhancing operational excellence.

This dataset provides insights from diverse respondents across age, gender, education, professional experience, and occupation, representing an experienced workforce with varied backgrounds. Participants express strong trust in Islamic banks due to adherence to Shariah principles and transparent management but highlight areas for improvement. They note strong earnings and credit protection but raise concerns about cost-cutting and reserve growth. Positive perceptions extend to the bank's transparency, risk management, and customer satisfaction. The bank's market positioning is well-regarded, but findings suggest a need for continuous improvement to maintain stakeholder trust and ensure long-term success.

Regression Analysis on Shariah Compliance with Financial Performance as the Dependent Variable

This analysis examines the relationship between SC and FP and their impact on FB. Statistical findings indicate positive perceptions of both SC and FP, with mean scores of 4.0787 and 4.0423, and tolerances of 0.71556 and 0.70688, respectively. Respondents generally agree on these elements, showing moderate variation in responses. SC and FP demonstrate a strong correlation ($r = 0.769$, $p < 0.001$), confirming previous findings by (Munifatussa'idah, 2021). SC accounts for 59.1% of FB trends, supported by an adjusted R^2 of 0.590 and a highly significant F-statistic ($F = 877.775$, $p < 0.001$). The regression analysis reveals that a one-point increase in SC raises FB by 0.759 ($p < 0.001$), while FP significantly predicts business outcomes (unstandardised score = 0.945, $p < 0.001$). Strong t-values further validate the predictive role of SC and FP for FB. Table 12 highlights a clear positive link between SC and FP, affirming that adherence to Shariah principles enhances firm valuation. These findings align with evidence from (Arora & Sharma, 2016), Haniffa and Hudaib (2007), and Dembele and Bulut (2021), emphasising that Islamic banking institutions thrive by upholding Shariah principles and fostering stakeholder trust.

Table 12: Shariah Compliance with Financial Performance

Descriptive Statistics		
	Mean	Std. Deviation
FP	4.0423	.7068
SC	4.0787	.7155

Pearson Correlations										
	FB					SC				
FP	1.000					.769				
SC	.769					1.000				
Summary										
Model	R	R Square	Adjusted R Square	Std. Error in the Estimate	Change Statistics			df 1	df2	Sig. F Change
					R Square Change	F Change				
1	.769	.591	.590	.4525	.591	877.775		1	608	.000
ANOVA										
Model		Sum of Squares	Df	Mean Square	F	Sig.				
1	Regression	179.781	1	179.781	877.775	000				
	Residual	124.527	608	.205						
	Total	304.309	609							
Co-Efficient										
Model		UC		SC	t		Sig.			
		B	Std. Error	Beta						
1	FP	.945	.106		8.908	.000				
	SC	.759	.026	.769	29.627	.000				

Note: Regression analysis examining the relationship between shariah compliance, financial performance, and firm value.

Regression Analysis on Risk Management with Corporate Governance Practices as the Dependent Variable

Table 13 presents key relationships between Risk Management (RM) and Corporate Governance Practices (CGP), incorporating descriptive and comparative statistical findings. The analysis indicates that respondents hold favourable perceptions of both RM and CGP, with average scores of 4.0082 and 4.0098, accompanied by slight variability. These findings align with previous studies by (Beasley, 1996), which highlight the importance of RM and CGP in business contexts. The research demonstrates a strong synergy between RM and CGP, evidenced by a correlation coefficient of 0.774 ($p < 0.001$). Effective risk management naturally emerges within organisations that exhibit robust corporate governance practices, supporting the findings of (COSO, 2013) and (Alkhamees, 2013), who assert that these practices reinforce one another to foster responsible management systems. Regression analysis reveals that RM accounts for 60% of CGP variations, with an adjusted R^2 of 0.599, indicating a substantial explanatory capacity. The model's reliability is affirmed by ANOVA results, showing an F-value of 911.407 ($p < 0.001$). These findings are consistent with studies by (Lassoued, 2018) and (Mainardes & Freitas, 2023), which establish RM as a key factor in enhancing governance quality and organisational structure performance.

The regression results further identify specific elements of RM that drive improved CGP outcomes. RM exerts a significant and positive influence on CGP, as demonstrated by an unstandardised coefficient of 0.933 ($t = 9.030$, $p < 0.001$). CGP is a critical indicator of organisational success, with a coefficient of 0.767 ($t = 30.190$, $p < 0.001$). These results corroborate the findings of (Kareem & Hussein, 2019) and (Ihyak et al., 2023), who argue that effective risk management combined with sound governance is essential for achieving organisational goals. Overall, Table 13 highlights that RM and CGP form a mutually reinforcing system that drives improved business outcomes. The findings underscore the necessity of integrating these practices for sustained improvement. Supporting evidence from (Whitler et al., 2022) and (Kim & Jun, 2022) reinforces the conclusion that effective risk management and governance enhance organisational performance and stability.

Table 13: Risk Management with Corporate Governance Practices

Descriptive Statistics									
		Mean	Std. Deviation						
RM		4.0082	.6837						
CGP		4.0098	.6905						
Pearson Correlations									
		FB	SC						
RM		1.000	.774						
CGP		.774	1.000						
Summary									
Model	R	R Square	Adjusted R Square	Std. Error in the Estimate	Change Statistics		df 1	df2	Sig. F Change
1	.774	.600	.599	.43288	R Square Change	F Change	1	608	.000
ANOVA									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	170.781	1	170.781	911.407	.000			
	Residual	113.932	608	.187					
	Total	284.719	609						
Co-Efficient									
Model		UC		SC	t		Sig.		
		B	Std. Error	Beta					
1	RM	.933	.103		9.030	.000			
	CGP	.767	.025	.774	30.190	.000			

Note: Comprehensive analysis of the relationship between risk management and corporate governance practices.

Regression Analysis on Market Share with Customer Satisfaction as the Dependent Variable

Table 14 employs comprehensive statistical tools to examine the relationship between Market Share (MS) performance and Customer Satisfaction (CS) ratings. Respondents rated CS higher (mean = 4.02) than MS (mean = 3.90), although MS exhibited greater variability with a standard deviation of 0.75. The variability in MS ratings reflects differences in how respondents perceive its implementation. These findings align with (Anderson & Fornell, 1994), who emphasise that market share effectiveness is optimised when aligned with customer expectations. The analysis demonstrates a significant positive correlation between higher MS levels and improved CS outcomes ($r = 0.639$, $p < 0.001$). This supports prior research by (Parasuraman et al., 1988) and (Zeithaml, 2000), which highlights the direct impact of MS on customer satisfaction and loyalty.

Regression analysis reveals that MS explains 40.8% of the variance in CS ($F = 418.590$, $p < 0.001$), underscoring the predictive strength of MS in shaping customer perceptions. This finding corroborates studies by (Fornell et al., 1996) and (Kim & Jun, 2022), which emphasise that effective market measurement systems enhance customer contentment. The robustness of the model is demonstrated by a significant F-value of 418.590 ($p < 0.001$). The model indicates that a one-unit increase in MS predicts a 0.652-unit rise in CS ($B = 0.652$, $p < 0.001$), highlighting the substantial role MS plays in generating high satisfaction scores. These results are consistent with research by (Johnson & Gustafsson, 2000) and (Ihyak et al., 2023), who establish that market share performance yields tangible organisational benefits. Overall, Table 14 illustrates that MS positively influences CS, reinforcing the strategic importance of aligning market share efforts with customer needs. The findings demonstrate that effective market share strategies not only forecast future performance but also foster stronger customer loyalty and positive perceptions.

Table 14: Market Share with Customer Satisfaction

Descriptive Statistics									
		Mean	Std. Deviation						
MS		3.8993	.7295						
CS		4.0174	.7146						
Pearson Correlations									
		FB	SC						
MS		1.000	.639						
CS		.639	1.000						
Summary									
Model	R	R Square	Adjusted R Square	Std. Error in the Estimate	Change Statistics		df 1	df2	Sig. F Change
1	.639	.408	.407	.56188	.408	418.590	1	608	.000
ANOVA									

Model		Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	132.151	1	132.151	418.590	.000	
	Residual	191.949	608	.316			
	Total	324.100	609				
Co-Efficient							
Model		UC		SC	t		Sig.
		B	Std. Error	Beta			
1	MS	1.281	.130		9.853	.000	
	CS	.652	.032	.639	20.459	.000	

Note: Comprehensive analysis of the relationship between market share and customer satisfaction.

Regression Analysis on Employee Productivity with Human Resource Management Practices as the Dependent Variable

Table 15 presents comprehensive research findings on the relationship between Employee Productivity (EP) and Human Resource Management (HRM) practices, incorporating descriptive statistics, correlation analysis, regression models, ANOVA, and coefficient studies. The descriptive data indicate that employees perceive both EP and HRM positively, with EP receiving a slightly higher mean score (4.0551) than HRM (3.9944). The respective standard deviations of 0.68172 and 0.72218 suggest some variability in perceptions, albeit not evenly distributed among respondents. These findings align with (Holbeche, 2022) assertion that robust HRM practices enhance employee productivity. Correlation analysis reveals a moderate and statistically significant relationship between EP and HRM ($p < 0.001$), where improvements in HRM practices correlate with higher EP. This supports the findings of Perumal & Aithal, (2023), which demonstrate that EP and HRM collectively drive organisational success.

Regression analysis indicates that EP accounts for 18.9% of the variance in HRM, with a substantial and statistically significant model ($F = 141.800$, $p < 0.001$). Despite explaining only a small portion of HRM variation, the findings suggest that EP has a meaningful influence on HRM success. ANOVA results confirm this relationship, explaining 53.526 units of HRM variance while 229.504 units remain unexplained, highlighting the presence of additional influencing factors. The regression model shows that a one-unit increase in EP predicts a 0.411-unit rise in HRM ($B = 0.411$, $p < 0.001$). These findings are consistent, which posits that effective HRM practices enhance employee performance and contribute to organisational success. Overall, Table 15 underscores the mutually reinforcing relationship between EP and HRM practices, demonstrating their collective role in fostering business continuity and long-term success.

Table 15: Employee Productivity with Human Resource Management Practices

Descriptive Statistics									
		Mean	Std. Deviation						
EP		4.0551	.6817						
HRM		3.9944	.7221						
Pearson Correlations									
		FB	SC						
EP		1.000	.435						
HRM		.435	1.000						
Summary									
Model	R	R Square	Adjusted R Square	Std. Error in the Estimate	Change Statistics		df 1	df2	Sig. F Change
					R Square Change	F Change			
1	.435	.189	.188	.61439	.189	141.800	1	608	.000
ANOVA									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	53.526	1	53.526	141.800	.000			
	Residual	229.504	608	.377					
	Total	283.029	609						
Co-Efficient									
Model		UC		SC	t		Sig.		
		B	Std. Error	Beta					
1	EP	2.415	.140		17.261	.000			
	HRM	.411	.034	.435	11.908	.000			

Note: Analysis of the relationship between employee productivity and human resource management practices.

Regression Analysis on Organizational Effectiveness with Technology Adoption as the Dependent Variable

Table 16 provides a comprehensive analysis of the relationship between Organisational Effectiveness (OE) and Technology Adoption (TA). Descriptive statistics reveal that participants rate OE positively (mean score 4.0262, standard deviation 0.63770) and TA favourably (mean score 4.0056, standard deviation 0.72163), although TA exhibits greater response variation. Participants demonstrate more variability in their personal experiences with technology adoption, while perceptions of their organisation's work environment remain consistent. These findings align with previous studies by (Schneider et al., 2013) and (Almutairi & Quttainah, 2017), which demonstrate that supportive organisational environments enhance employee performance.

The data shows a statistically significant positive relationship between OE and TA (Beta = 0.695, $p < 0.001$). This finding underscores the role of favourable organisational perceptions in promoting active technology adoption, consistent with (Gwala &

Mashau, 2022) research on the influence of culture and leadership on performance improvements. Regression analysis reveals that OE accounts for 48.3% of the variation in TA, with an adjusted R-squared value of 0.482, indicating a stable and robust model. The model demonstrates strong statistical validity, evidenced by an F-statistic of 568.672 ($p < 0.001$). These results support the resource-based view of strategic management (Akpa et al., 2021), which emphasises the role of organisational resources in determining task success.

ANOVA results further validate the model's effectiveness, with the regression sum of squares (119.691) substantially exceeding the residual sum of squares (127.969). This highlights the significant impact of organisational factors on technology adoption. The findings are consistent with previous studies by (Mainardes & Freitas, 2023) and (Bueno et al., 2024), which demonstrate the importance of organisational components in enhancing individual outcomes. The analysis establishes a direct and significant positive relationship between OE and TA, indicating that a one-unit increase in OE predicts a 0.695-point rise in TA (Beta = 0.695, $p < 0.001$). This finding aligns with the research of (Hassan et al., 2021) and (Nduati & Wanyoike, 2022), which underscores the influence of supportive organisational environments on team performance. Overall, the results demonstrate that organisational effectiveness plays a crucial role in enhancing technology adoption. Effective leadership and resource allocation are essential for fostering a conducive environment that drives both individual and organisational success.

Table 16: Organizational Effectiveness with Technology Adoption

Descriptive Statistics									
		Mean	Std. Deviation						
OE		4.0262	.6377						
TA		4.0056	.7216						
Pearson Correlations									
		FB	SC						
OE		1.000	.695						
TA		.695	1.000						
Summary									
Model	R	R Square	Adjusted R Square	Std. Error in the Estimate	Change Statistics		df 1	df2	Sig. F Change
					R Square Change	F Change			
1	.695	.483	.482	.45878	.483	568.672	1	608	.000
ANOVA									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	119.691	1	119.691	568.672	000			
	Residual	127.969	608	.210					
	Total	247.660	609						
Co-Efficient									

Model		UC		SC	t	Sig.
		B	Std. Error	Beta		
1	OE	1.565	.105		14.93 1	.000
	TA	.614	.26	.695	23.84 7	.000

Note: Analysis of the relationship between organizational environment and technology adoption.

CONCLUSION

This research explores the performance evaluation methods employed by Malaysian Islamic banks, encompassing Shariah compliance, employee and customer decision-making, and technological adoption. The findings indicate that sustained financial success relies on balanced strategic solutions that enhance operational efficiency and strengthen market positioning for both immediate and long-term industry growth. To remain competitive in an evolving global banking landscape, Islamic banks should prioritise effective leadership systems, technological advancements, and a customer-centric approach. While the study contributes to both theoretical and practical knowledge, it highlights several areas for further research. The exclusive focus on Malaysian data limits its applicability to banking institutions in other regions. Comparative studies across various cultural and regulatory contexts would provide more comprehensive insights into Islamic banking practices. Moreover, the reliance on cross-sectional data underscores the need for longitudinal studies to track developments over time and examine their interrelationships. Future research should also investigate the impact of emerging technologies on banking performance. This study offers a strategic framework that supports Malaysian Islamic banks in integrating ethical principles while improving performance outcomes. By embracing continuous innovation, these institutions can maintain their leadership in the global Islamic finance sector and contribute to building more robust economic systems.

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