



ASSESSING THE SUITABILITY OF INFORMATION TECHNOLOGY IN SUPPORTING KNOWLEDGE SHARING IN ISLAMIC BANKS IN MALAYSIA

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ABSTRACT

Today, Islamic banks (IB) are starting to understand the relevance and importance of knowledge sharing. They are also beginning to appreciate knowledge as the most significant and valued asset that leads to organizational performance. Hence, promising motivational factors are expected to be helpful in emphasizing the need for employees to share not only crucial knowledge but also new knowledge to further ensure that the Islamic banking industry possesses the competitive edge they seek. This study aims to compare the use of IT to support KS behavior between staff members in conventional banks that have included Islamic banking in their system (CBs) and IB in Malaysia. The methodology in this study involves connecting two types of data when the researcher realizes the need to collect additional data after analysing the first set of data. The second phase of the research, which is based on the results of the first phase, is marginal, supportive, and intended to explain the initial results. The research findings provide useful information and help deepen the understanding of banks about motivating their employees' tendencies to engage in knowledge sharing practices. Applying Shariah texts for implementation in Islamic banking services is also best.

Keywords: knowledge sharing, conventional banks, Islamic banks.

INTRODUCTION

Since the knowledge era that has excessively changed organizational values (Carlisle, 2001), the long-term feasibility and success of organizations have been deemed considerably dependent on the capability of organizations to influence the obscured worth of critically accumulated intangible knowledge. Knowledge is regarded as the principal component of organizational success that leads to possible innovation (Sánchez, Chaminade, & Olea, 2000). Hafiza and Ahmad (2006) argued that knowledge sharing (KS) is indisputably a crucial component for all organizations, especially for banking institutions that address knowledge as an intangible. Knowledge sharing (KS) is undoubtedly an important component in all organizations, especially in banking institutions that pursue knowledge as an intangible and highly sought asset. KS is important in distinguishing the competitive and rapidly changing environment, as it enables not only intellectual reuse but also the renewal of knowledge possessed by bank employees. Therefore, Barachini, (2009) emphasized that these organizations must continuously motivate their employees to share valuable information to leverage their intellectual capital. This study aims to examine the Islamic KS that help increase the tendencies of employees in Islamic banks in Malaysia to engage in KS practices.

The commencement of Skim Perbankan Islam (SPI) in March 1993 led to the dual system. SPI enables conventional banking institutions to provide Islamic

banking products and services by utilizing their current infrastructure, including staff and branches; however, insufficient personnel training causes a problem in conventional banks that have incorporated Islamic banking services into their banking system (CBs) (Jamal, 2006). The personnel of CBs that providing an Islamic window also do not tend to equally emphasize the conventional and Islamic products; they are likely focused only on the former (Taap *et al.*, 2011).

Saad (2012) indicated that IB should improve their service quality because it is a critical success factor affecting organizational competitiveness, but the rapid progress of such banks has disallowed time for satisfactory personnel training. Several IB recruit their employees from conventional banks. Such employees occasionally encounter problems in interpreting shariah rulings, administering new financing modes, and advising bank customers on the characteristics of different Islamic transaction and service types. This problem pessimistically influences the innovativeness of IB. The other primary reason clients decide not to continue dealing with IB is the incompetence and lack of courtesy of employees in Islamic banking sectors (Wajdi and Abdullah, 2007). The aims of this study to differentiate KS Islamic activities by utilizing information technology (IT) among IB and CBs that have incorporated Islamic banking service into their banking system in Malaysia. The present study investigates the Islamic KS that helps to amplify the engagement of Malaysian Islamic bank (IB) employees with KS Islamic practices.



METHOD AND MATERIAL

Theoretical framework of the study

Given that Theory of Reasoned Action (TRA) is a basic model, it does not indicate the operational beliefs for a behavior. Researchers who employ TRA must identify the salient beliefs of the subject regarding the behavior being examined. Fishbein and Ajzen (1975) and Ajzen and Fishbein (1980) suggested obtaining between five and nine leading beliefs via free response interviews with representative members of the subject population. They recommended the usage of “modal” salient beliefs derived through the most frequently cited beliefs from a representative sample of the population. This research involved the following five factors for appropriate interventions in TRA model as show Figure-1.

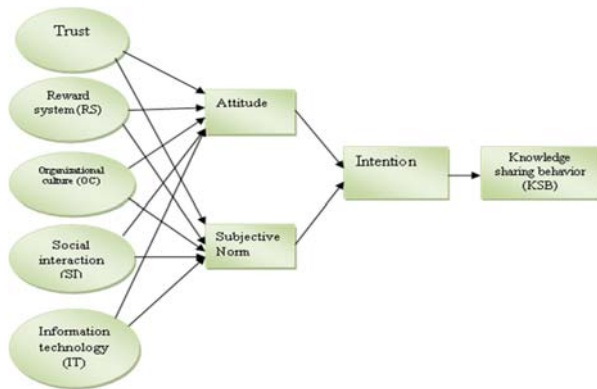


Figure-1. Model of Islamic knowledge sharing behaviour.

Research design

“Research designs are procedures for collecting, analysing, interpreting and reporting data in research studies” (Cresswell and Plano Clark, 2007). Decisions on research design should be based on the research purpose, and on what best matches the research problem. The research conducted for this thesis is exploratory in nature. Exploratory research normally uses qualitative techniques for data gathering, because qualitative methods are less bounded to a specific theory or research question (Neuman, 2003). Furthermore, exploratory research is more open to using a wide range of evidence and uncovering new issues.

However, quantitative methods such as surveys can also be employed in this type of research (Collis and Hussey 2003), (Neuman, 2003). The research for this thesis has adopted a mixed-method procedure in order to enjoy the benefits of both approaches. As recommended by (Cresswell and Plano Clark, 2007). Connect the data in connecting the two data types, the researchers realized the need for further data collection to support results after analyzing the first set of data. Therefore, following the results of the initial phase, the second phase of data

collection is marginal and supportive, intended to explain the initial results, (Cresswell and Plano Clark, 2007).

Data collection

The methodological instruments employed in this research include collection data during questionnaires from staff in Conventional banks that added the service Islamic banking to their system banking (CBs) and Islamic banks (IB) after that during result of questionnaires that support this result. Collection data during make interview with some of staff that support for first phase and explain for it.

Design of research process

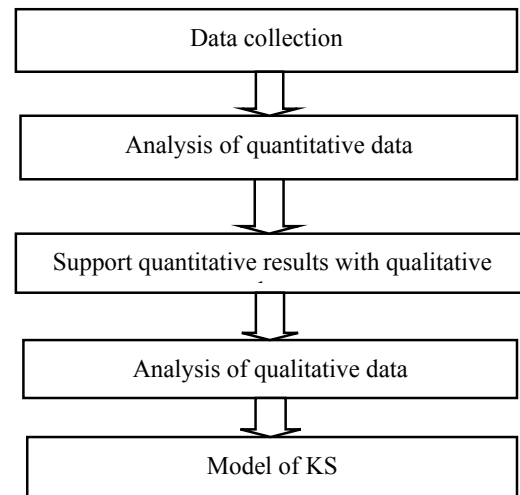


Figure-2. Connecting the data mixed method.

RESULTS

Reliability analysis

Reliability analyses were conducted on the independent and dependent variables. As a rule of thumb, a value close to 1.0, and typically higher than 0.70, signifies high reliability (Berstein and Nunnally, 1994). The reliability testing results are shown in Table-4.

**Table-1.** Reliability analysis results.

Variables	No. of items	Alpha coefficient
Attitude (AT)	5	0.811
Information technology (IT)	5	0.824
Intention toward knowledge sharing (ITK)	5	0.781
Knowledge sharing behavior (KSB)	4	0.722
Organizational culture (OC)	5	0.908
Reward system (RS)	5	0.787
Social interaction (SI)	5	0.872
Subjective norm (SN)	6	0.713
Trust	5	0.924

ANALYSIS

t-test

The independent-samples *t*-test evaluates the difference between the means of two independent or unrelated groups. We evaluated whether the means for two

independent groups are significantly different from each other. The independent-samples *t*-test is commonly referred to as a between-groups design and can also be used to analyze the control and experimental groups. In an independent-samples *t*-test, each case must have scores on two variables, namely, the grouping (independent) variable and the test (dependent) variable. The grouping variable divides cases into two mutually exclusive groups or categories. In this study, CBs and IB for the grouping variable “bank” were tested. The test variable describes each case on some quantitative dimension, such as test (IT) factor. The *t*-test evaluates whether the mean value of the test variable (CBs) for one factor differs significantly from the mean value of the test variable for the second group (IB).

Hypotheses for the independent samples *T*-Test

Null Hypothesis: $H_0: \mu_1 = \mu_2$,

where μ_1 stands for the mean for the first group and μ_2 denotes the mean for the second group. or $H_0: \mu_1 - \mu_2 = 0$.

Alternative (Nondirectional) Hypothesis: $H_a: \mu_1 \neq \mu_2$ or $H_a: \mu_1 - \mu_2 \neq 0$.

Alternative (Directional) Hypothesis: $H_a: \mu_1 < \mu_2$ or $H_a: \mu_1 > \mu_2$.

Table-2.

Standard error mean	Standard deviation	Significance	DF	t	Bank	Dependent variable
0.05172	0.67436	0.893	338	-0.135	CB	IT
0.05081	0.66249	0.893	337.893	-0.135	IB	

Table-3.

Standard deviation	Mean	Bank	Dependent variable
0.67436	5.9000	CB	IT
0.66249	5.9098	IB	

As shown in Table-2, the significance (p) value is higher than our a priori alpha level. Thus, the null hypothesis was retained. Moreover, no significant difference was observed between the variances of the two groups. Otherwise, if the assumption of homogeneity of variance was met, then the data results associated with the “equal variances assumed” would have been utilized and the data would have been interpreted accordingly.

DISCUSSIONS

In this study, we compare Islamic KS activities using IT between Malaysian IB and CBs that added Islamic banking services to their banking system. No

significant relationship between IB and CBs implementing Islamic KS activities using IT has been found.

However, the results did not show any significant effect of the difference between IB and CBs implementing KS activities using IT, which is inconsistent with those of Kahf (1999), Jessica (2008), and Jamal (2006) who reported that problems exist in IB because of insufficient personnel training. Many IB recruit their employees from CBs. These employees may experience problems in understanding Shariah rulings, implementing new modes of financing, and advising bank customers on the characteristics of different types of Islamic transactions and services. This problem negatively affects the creativity of IB.



Thus, we conclude that no significant difference exists between Malaysian IB and CBs in implementing Islamic KS activities using IT.

CONCLUSIONS

This study used the independent samples *t*-test, the results of which obtained a *p* value greater than .05, which emphasizes the correctness and acceptability of the results. Moreover, this study has shown that no significant relationship exists between IB and CBs in terms of Islamic knowledge sharing by IT. The null hypothesis (H_0) has a *p* value higher than 0.05; thus, acceptable if only because of the insufficient evidence obtained to support the hypothesis. Evidently, Islamic KS in CBs supported the null hypothesis in contrast to Islamic KS in IB.

Finally, researchers and the Islamic banking sectors can include and further incorporate the factors investigated in this research to enhance further the dominance and power of Islamic banking knowledge. Furthermore, Islamic banking institutions in general can also consider the Islamic KS process presented in this study as a guideline that can assist these institutions in achieving competitive success in the correct implementation of Islamic banking services.

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