

## Do Islamic Bankers Optimist on Islamic Banking Growth? Case Study of Islamic Banking Employees in Indonesia

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**Abstract.** *This study aims to determine the perceptions of Islamic banking employees on the growth of Islamic banking in the future. This research is also to find out the influence of products and services, experience and skills, marketing of products and services, and practices of Islamic banking on the growth of Islamic banking. The sample used in this study was 100 respondents of Islamic banking employees in Indonesia. The method used is path analysis. The results of this study indicate that the perception of products and services has no significant and positive effect on Islamic banking practices, perceptions of experience and skills have a significant and positive effect on Islamic banking practices, perceptions of product and service marketing have a significant and positive effect on sharia banking practices, then product perceptions and services have no significant and positive effect on the growth of Islamic banking, perceptions of experience and skills have no significant and positive effect on the growth of Islamic banking, perceptions of product and service marketing have a significant and positive effect on the growth of Islamic banking, and the perception of Islamic banking practices has a significant and positive effect on growth of Islamic banking. From the results of this study, it is expected that Islamic banking employees need to improve the practice of Islamic banking in the perception of products and services. Then sharia banking employees also need to improve products and services and perceptions of experience and skills in the growth of Islamic banking.*

**Keywords:** *Future Growth, Perception, Islamic Banks*

### Introduction

Banks based on article 1 number 2 of Act Number 10 of 1998 concerning amendments to Act Number 7 of 1992 are "business entities that collect funds from the public in the form of deposits and distribute to the public in the form of credit and or other forms in the framework of improve the standard of living of many people "(Abdul and Anshori, 2008). In some Muslim-majority countries, banks have started to establish banks without usury. In the 1940s, Islamic banks first appeared, with the idea of banking based on profit sharing. In the mid-1940s the first interest-free bank venture was started in Pakistan but

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this effort was not successful. The next development in 1963 was the establishment of the most successful and innovative Islamic bank in Egypt. In 1975 the first private Islamic bank was the Dubai Islamic Bank. In 1977 two Islamic banks were established under the name Faysal Islamic Bank in Egypt and Sudan (OJK, 2017).

According to the OJK (2017) that Indonesia has great potential as a center for the development of the Islamic financial industry because it has the largest Muslim population in the world. Islamic banks in Indonesia were first established around 1990 (Kasmir, 2014). The economic crisis and monetary background were based on the issuance of Law Number 10 of 1998 concerning the amendment to Law Number 7 of 1992 "concerning banking, the contents of which regulate sharia and conventional business. Islamic banking began to experience growth with the establishment of Bank Muamalat Indonesia and Sharia Business Units (UUS) and Islamic banks in the following year. the development of sharia banking in Indonesia is an embodiment of public demand that requires an alternative system which in addition to providing banking services also meets the principles of sharia "(Indonesian Bankers Association, 2014).

In 2017 Islamic banking assets began to grow and have an impact on increasing the market share of Islamic banking to national banks. Sharia banking market share in 2017 amounted to 5.78% or increased 0.45% compared to the previous year which reached 5.34% (OJK, 2017). Then the Central Statistics Agency (BPS) also noted that in August 2018 the number of sharia banks in Indonesia reached 202 banks, namely BUS (Sharia Commercial Banks) reaching 14 banks from previously 13 banks, UUS (Sharia Business Units) previously reached 21 banks and decreased to 20 banks and the Sharia Rural Bank (BPRS Syariah) is the same as the previous month, which is 168 banks. Meanwhile, the Central Statistics Agency noted that in September 2018 sharia banking consisting of 14 BUS, 20 UUS had assets of Rp456,922 trillion of Indonesia's total national banking (Statistics Indonesia, 2018). With this in mind, Bank Indonesia expects that in the next 5 years or in 2022 the sharia banking market share will reach 20% of all assets of the national banking

industry (Nisaputra, 2017). Since the 2000s Islamic banks in Indonesia have become a developing financial industry. The rapid development of Islamic economics in the Islamic banking industry, of course, must be balanced with the availability of adequate human resources, both in terms of quantity and quality (Rozalinda, 2014). Human resources are one of the important aspects in a company (Saghawari et al, 2015) . Without adequate human resources, it is impossible for the Islamic banking industry or other Islamic institutions to carry out their roles and functions properly (Rozalinda, 2014). Employees working in Islamic banks must have sufficient knowledge to understand the difference between Islamic banks and conventional banks. The success of Islamic banking is highly dependent on the expertise, skills, knowledge, efficiency and experience of employees who work at these banks (Shah et al, 2016).

The perception of each employee will affect the growth of Islamic banking (Zainol et al, 2008). That perception according to Kotler and Keller (2008) is a process of selecting, organizing, and translating in the form of information input as a meaningful world image. In fact, because behavior is influenced by perception, perception is more important than the reality of people's lives, and has different perceptions about the same object. According to Zainol et al (2008) states that employees of Islamic banking have a positive perception of the products and services of Islamic banks and before joining Islamic banks most of the employees obtained with less experience but sufficient knowledge about products and services. According to Shah et al (2016) shows that employees of Islamic banks have extensive knowledge about banking products and services, employees are optimistic about the growth of Islamic banking in the future. They believe that the number of customers including individuals and companies will increase. In this study focuses on analyzing employee perceptions of sharia banking practices and sharia banking growth in Indonesia, using variables namely products and services, product and service marketing, and experience and skills of sharia banking employees in Indonesia. Based on the above background, the formulation of the problem in this study are as follows:

1. How does the perception of sharia bank employees' perceptions of products and services affect sharia banking practices in the future?
2. How does the perception of sharia bank employees' perceptions of experience and skills affect sharia banking practices in the future?
3. How does the perception of employees of Islamic banks about marketing banking products and services affect banking practices in the future?
4. How does the perception of sharia bank employees' perceptions of products and services affect sharia banking growth in the future?
5. How does the perception of sharia bank employees' perceptions of experience and skills affect sharia banking growth in the future?
6. How does the perception of employees of Islamic banks regarding marketing of banking products and services affect the growth of Islamic banks in the future?
7. What is the effect of the perception of sharia bank employees regarding sharia banking practices on the growth of sharia banks in the future?

## **Literature Review**

### **1. Perception Theory**

According to Kotler in Durmaz and Diyarbakirlioglu (2011) the perception has three processes including, first selective attention that is one's tendency to filter some of the information that is found means that marketers must work hard to attract the attention of consumers. Both selective distortion is to change and play the information received when someone receives information that is not consistent with personal feelings or beliefs, and finally selective retention that is not all stimuli that succeed through attention and perception and understanding are remembered. Many stimuli are only temporary so that is one reason to repeat. Someone who has the capacity to remember what they want to remember and filter other things. According to Kotler in Chibok, Msheliza and Ndubuisi (2014) product choices are also strongly influenced by employment, economic conditions, income and expenditure (level, stability and time pattern), savings and assets (including liquid ones) debt, loan strength and attitudes towards spending and savings.

## 2. Employee Perceptions about the Growth of Islamic Banking

According to Law No. 21 of 2008 "Sharia Banking is everything related to sharia banks and sharia business units, including institutions, business activities, as well as ways and processes in carrying out their business activities". Islamic banking is very concerned about all aspects of human life and prohibits interest in any transaction. This has been explained in Q.S Ali Imran Paragraph 130 below:

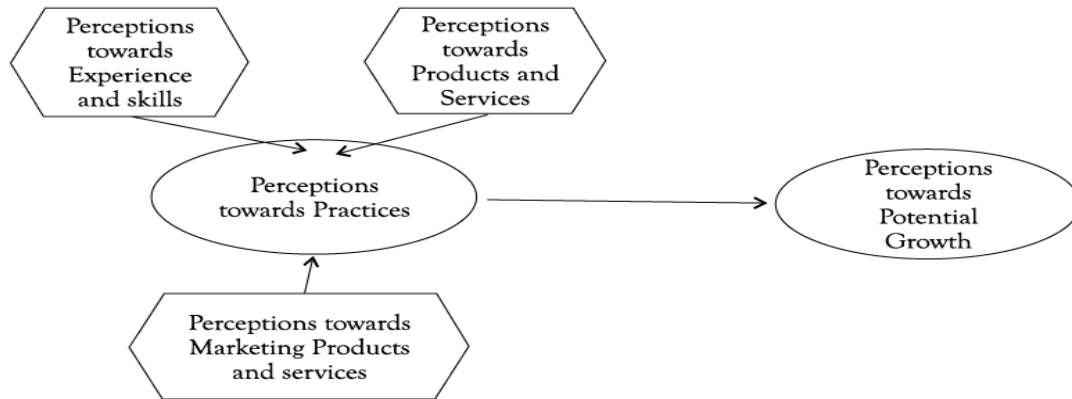
يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا الرِّبَا أَضْعَافًا مُّضَاعَفَةً ۖ وَاتَّقُوا اللَّهَ لَعَلَّكُمْ تُفْلِحُونَ

Meaning: you who believe, do not eat usury multipliedly and fear you to Allah so that you will have good fortune.

In order to support the development of Islamic banking, Bank Indonesia will focus on a number of things, namely the economic sector is more directed at financing Islamic banking, the productive sector is used for product development, there is a supervisory transition to maintain the sustainability of Islamic banking development, then to increase synergy with the parent bank and to encourage capacity building needs to increase education (Rozalinda, 2014).

Then, the potential use of Islamic banking products and services both by non-Muslims, Muslims and institutions or corporate companies will increase (Zainol et al, 2008). In addition, Islamic banking will also develop well in sub-districts, villages and several cities other than big cities or provincial capitals and in 2022 the market share targeted by Islamic banking reaches 20% (Shah et al, 2016).

### 3. Banking Employees' Perception Relationship Model for Products and Services, Experience and Skills, Marketing Products and Services Against the Growth of Islamic Banks.



Source: Shah et al (2016)

This model illustrates the relationship between various variables about the perception of banking employees towards Islamic banks, where employees' perceptions about products and services, experience and skills, marketing of products and services are connected to the practice of Islamic banking. Employees working in Islamic banks must have a broad understanding, therefore it is very important to know what banking employees understand about sharia banking practices. Banking employees' perceptions about sharia banking practices related to the growth of sharia banking (Shah et al, 2016).

#### 4. Perception of Islamic Banking Practices

Islamic banking must operate in accordance with Islamic principles and be equal to the principles of modern finance, Islamic banking is also not only aimed at maximizing shareholder wealth but improving the standard of living and welfare of the community and investing in halal business. then Financing is also based on profit-loss sharing, Islamic banking has also provided sufficient and easy to understand information about Islamic banking products. In addition, Islamic banking provides a better solution to contemporary financial problems (Buchari, Rafiki, and Qassab, 2015). According to Shah et al (2016) employee perceptions about products and services, experience and skills, marketing products and services related to banking practices. Some employees

who work in Islamic banking must have a better understanding of Islamic banking practices.

## **5. Factors That Influence Sharia Bank Growth**

### **a. Products and Services**

According to Shah et al (2016) states that Muslims are interested in Islamic banking because usury is prohibited in Islam and the Islamic banking system must meet the principle of profit sharing and what distinguishes it from conventional banks is in terms of sharia, not only that the quality of service is very worried by customers, Islamic banking must be able to achieve customer demand for product and service innovation. Islamic banking was introduced to promote the social economic system and welfare which became an alternative to replace conventional banking. in addition, Islamic banking products and services are similar to conventional banks (Zainol et al, 2008).

Then according to Kewuyemi (2015) in Nigeria the majority of the population is Muslim so the financial markets in Nigeria offer sharia compliance with products and services. Islamic banks have a greater opportunity because most of the population is looking for alternative ways of banking in addition to conventional. At present, new product innovations must be developed to meet the needs of customers and the potential of the bank itself. The relationship between employees' perceptions about products and services to the growth of Islamic banks, namely the presence of good quality and quantity of products and services produced and coupled with an understanding of banking employees about the products and services offered, the greater the opportunity to attract the interest of consumers to use sharia banking products and services, therefore the large number of uses of products and services will have an impact on the growth rate of sharia banking.

### **b. Experience and Skills**

According to Anwar (2013) the success of Islamic banking depends on the expertise, skills, knowledge and experience of banking employees. Meanwhile, according to Ali and Farrukh (2013) Islamic banking employees must be confident and experienced. According to Tho'in and Surakarta (2016) sharia banking employees still need a lot of attention because some banking

employees have low levels of education, less training, and less experience. Banking employees must attend training and seminars in accordance with their respective divisions. In addition, banking employees must also have extensive knowledge about banking products and services. Banking employees must get proper training for banking products and services before employees are placed in Islamic banks and employees are able to resolve complaints or problems from customers (Shah et al, 2016). Islamic banking employees must have extensive work experience before joining Islamic banks (Zainol et al, 2008).

#### c. Product and Service Marketing

According to Kotler and Keller (2008) Marketing (Marketing) is one way to meet and identify human needs. Managers often regard marketing techniques as the "art of selling products", but most people are surprised to hear that selling is not the most important part of marketing. Bank management must demonstrate commitment in the marketing of sharia banking products and services, with this commitment it is expected to create public awareness about sharia banking products and services. Then, marketing is used by banks to promote Islamic banking products and services and banks to market Islamic banking products and services effectively, the Government must also show commitment to further develop Islamic banking (Shah et al, 2016).

### **Research Method**

Data analysis method used in this study is the path analysis method. According Sandjojo (2014) Path analysis is one of the research methods used to test the strength of the direct and indirect relationship of the independent variable (exogenous) to the dependent variable (endogenous). Data processing is carried out using SPSS software. The minimum sample in Path Analysis is 100 respondents with an error rate of 10% to obtain significant and more accurate results (Sarwono, 2011). According to the Financial Services Authority (OJK) in August 2018, the total number of employees of Islamic banks (Sharia Commercial Banks) and UUS (Sharia Business Units) is 56,797, then Sharia Rural Banks (BPRS) as many as 4,915, so the overall population is 61,712. To determine the number of samples, in this study the authors used the Slovin



Formula. With Slovin researchers can determine the number of samples directly based on the number of populations and the desired error rate.

The Slovin formula is as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where :

n = Sample Size

N = Population

e = Presentation of non-attachment clearance due to desirable sampling error.

Here is a sample calculation using the Slovin formula:

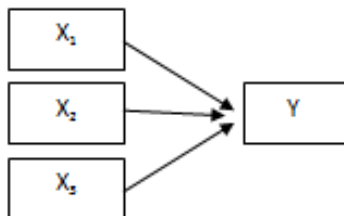
$$n = 61,712 / (1 + 61,712 (10\%)^2)$$

$$= 99.83 \Rightarrow 100$$

After calculating using the Solvin formula, the sample that will be taken is 100 respondents with an error rate of 10%.

Viewed from the framework of the study, the linear substructural is obtained as follows

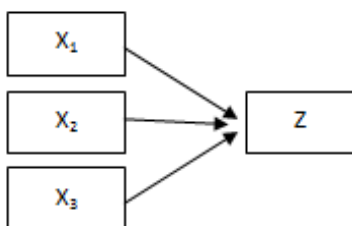
#### 1. Substructural 1



Substructural Equation 1:

$$Y_1 = \rho_{Y_1X_1} + \rho_{Y_1X_2} + \rho_{Y_1X_3} + \varepsilon_1$$

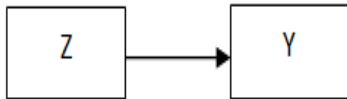
#### 2. Substructural 2



Substructural Equation 2:

$$Z_1 = \rho_{Z_1X_1} + \rho_{Z_1X_2} + \rho_{Z_1X_3} + \varepsilon_2$$

3. Substructural 3



Substructural Equation 3:

$$Y_1 = \rho_{Y_1Z_1} + \varepsilon_3$$

Information :

X1: Perception of Products and Services

X2: Perception of Experience and Skills

X3: Perception of the Marketing of Products and Services

Y: Perception of Sharia Banking Growth

Z: Perception of Sharia Banking Practices

## Results and Discussion

### 1. Results

In this study, the number of respondents who filled out the questionnaire was 100 respondents with the following characteristics:

Characteristics of Respondents		Frequency	Percentage
Gender	Male	57	57%
	Female	43	43%
Workplace	BUS	64	64%
	UUS	15	15%
	BPRS	21	21%
Job Location	head office	33	33%
	branch office	67	67%
Department of Workplace	AO Funding	24	24%
	Operations	42	42%
	AO Lending/Financing	66	66%
Years of Work	0 - 5 Years	40	40%
	6 - 10 Years	44	44%
	11 - 15 Years	11	11%
	16 - 20 Years	3	3%
	>20 Years	2	2%

Ages	20 Years - 29 Years	38	38%
	30 Years - 39 Years	51	51%
	40 Years - 49 Years	10	10%
	>50 Years	1	1%
Income Rate	< 3.000.000	5	5%
	3.000.000 - 5.000.000	53	53%
	5.000.000 - 8.000.000	25	25%
	8.000.000 - 10.000.000	6	6%
	>11.000.000	11	11%
High School Education	SMA	5	5%
	D3	12	12%
	S1	71	71%
	S2	12	12%

The results of this study were tested with SPSS. The Path Analysis test results are divided into 3 substructures as follows:

### Substructural 1

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,035	2,289		2,636	,010
	Products and Services (X1)	,006	,086	,006	,068	,946
	Experience and Skills (X2)	,074	,109	,057	,675	,501
	Marketing of Products and Services (X3)	,625	,081	,639	7,703	,000

a. Dependent Variable: Growth in Islamic Banking (Y)

Based on the above table, the path coefficient obtained is indicated by the Standardized Coefficients (beta) column. The hypotheses include:

1. H0:  $PJ1 \leq 0$   
H1:  $PJ1 > 0$
2. H0:  $PK2 \leq 0$   
H1:  $PK2 > 0$
3. H0:  $PPJ3 \leq 0$   
H1:  $PPJ3 > 0$

From the Coefficients table, obtained in a row:

1.  $PJ1 = 0.006$ ;  $t = 0.068$ ;  $p\text{-value} = 0.946 > 0.1$ ,  $H_1$  is rejected, which means products and services affect the growth of Islamic banking.
2.  $PK2 = 0.057$ ;  $t = 0.675$ ;  $p\text{-value} = 0.501 > 0.1$ ,  $H_1$  is rejected, which means experience and skills influence the growth of Islamic banking.
3.  $PPJ3 = 0.639$ ;  $t = 7.703$ ;  $p\text{-value} = 0,000 < 0.1$ ,  $H_0$  is rejected,  $H_1$  is accepted, which means the marketing of products and services has a direct effect on the growth of Islamic banking.

### Substructural 2

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,791	2,788		1,718	,089
	Products and Services (X1)	,104	,104	,083	,995	,322
	Experience and Skills (X2)	,318	,133	,201	2,396	,019
	Marketing of Products and Services (X3)	,652	,099	,541	6,600	,000

a. Dependent Variable: Sharia Banking Practices (Z)

Based on the table above, the path coefficient obtained is shown by the Standardized Coefficients (beta) column. The hypotheses include:

1.  $H_0: PJ4 \leq 0$   
 $H_1: PJ4 > 0$
2.  $H_0: PK5 \leq 0$   
 $H_1: PK5 > 0$
3.  $H_0: PPJ6 \leq 0$   
 $H_1: PPJ6 > 0$

From the Coefficients table, obtained in a row:

1.  $PJ4 = 0.083$ ;  $t = 0.995$ ;  $p\text{-value} = 0.322 > 0.1$ ,  $H_1$  is rejected, which means that products and services affect the practice of Islamic banking.
2.  $PK5 = 0.201$ ;  $t = 2,396$ ;  $p\text{-value} = 0.019 < 0.1$ ,  $H_1$  accepted, which means that experience and skills directly influence the practice of Islamic banking.

3.  $PPJ6 = 0.541$ ;  $t = 6,600$ ;  $p\text{-value} = 0,000 < 0.1$ ,  $H1$  is accepted, which means marketing of products and services influences sharia banking practices.

### Substructural 3

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,051	1,471		3,433	,001
	Sharia Banking Practices (Z)	,535	,062	,659	8,675	,000

a. Dependent Variable: Growth in Islamic Banking (Y)

Based on the SPSS analysis in the above table, the path coefficient is obtained in the Standardized Coefficients (beta) column, ie the path coefficient Z to Y ( $P7$ ) = 0.659. The hypothesis is:

1.  $H0: PPS7 \leq 0$

$H1: PPS7 > 0$

From the Coefficients table, obtained in a row:

1.  $PPS7 = 0.659$ ;  $t = 8.675$ ;  $p\text{-value} = 0,000 < 0,1$ ,  $H1$  accepted, which means that the practice of sharia banking directly affects the growth of sharia banking.

## Discussion

### a. Perception of Products and Services affect Sharia Banking Practices

The results showed that the perception of products and services had a positive effect on sharia banking practices. This is evidenced by the statistical results obtained, namely t count of 0.995 and t table 1.290 with a significance level of 0.322. Because  $t \text{ arithmetic} < t \text{ table}$  is  $0.995 < 1.290$ . Significance is smaller than 0.1 ( $\text{sig} < 0.1$ ), this study succeeded in proving the hypothesis that "Product and Service Perception influences Sharia Banking Practices", was rejected.

The results of this study contradict the study of Susila (2016) which states that the perception of products and services affects the practice of Islamic banking. Based on this it is shown by the lowest answer index of 2.41 on the

perception variable of Islamic banking products and services which states that there is no concern for sharia banking customers about the quality of services available in Islamic banking. Therefore, there are still many who have not used Islamic banking products and services.

#### **b. Perception of Experience and Skills influences Sharia Banking Practices**

The results showed that the perception of experience and skills had a significant and positive effect on sharia banking practices. This is evidenced by the statistical results obtained, namely  $t$  arithmetic of 2.396 and  $t$  table 1.290 with a significance level of 0.019. Because  $t$  arithmetic > from  $t$  table that is  $2,396 > 1,290$  significance less than 0.1 (sig <0.1), this study succeeded in proving the hypothesis which states "Perceptions of Experience and Skills affect Sharia Banking Practices", accepted.

The results of this study are consistent with the research of Shah et al (2016) which states that perceptions of experience and skills influence the practice of Islamic banking. Based on this it is indicated by a very high answer index of 3.64 on the variable perception of experience and skills of Islamic banking which states that employees of Islamic banking must attend training and seminars in accordance with their respective divisions.

#### **c. Perception of Product and Service Marketing influences Sharia Banking Practices**

The results showed that the perception of marketing products and services had a significant and positive effect on sharia banking practices. This is evidenced by the statistical results obtained, namely  $t$  count of 6.600 and  $t$  table 1.228 with a significance level of 0.000. Because  $t$  arithmetic > from  $t$  table is  $6,600 > 1,282$  the significance is smaller than 0.1 (sig <0.1). then this research succeeded in proving the hypothesis stating "Product and Service Marketing Perception influences Sharia Banking Practices", was accepted.

The results of this study are consistent with Sari's (2012) study which states that the perception of marketing products and services affects the practice of Islamic banking. Based on this it is indicated by a very high answer index of 3.34 on the perception variable of marketing of Islamic banking

products and services which states that the management of Islamic banks has shown commitment in marketing Islamic banking products and services.

#### **d. Perception of Products and Services affect the Growth of Islamic Banking**

The results showed that the perception of products and services had no significant and positive effect on the growth of Islamic banking. This is evidenced by the statistical results obtained, namely  $t$  arithmetic of 0.068 and  $t$  table 1.228 with a significance level of 0.946. Because  $t$  arithmetic  $< t$  table is  $0.068 < 1.228$ , the significance is greater than 0.1 ( $\text{sig} > 0.1$ ). then this research succeeded in proving the hypothesis which states that "Product and Service Perceptions influence the Growth of Islamic Banking", was rejected.

The results of this study contradict the study of Zainol et al (2008) which states that the perception of products and services has a positive effect on the growth of Islamic banking. Based on this it is indicated by an answer index of 2.65 on the perception variable of Islamic banking products and services which states that Islamic banking products and services are similar to conventional banks. Therefore, there are still customers or the public who are still less interested in Islamic bank products and services.

#### **e. Perception of Experience and Skills influences the Growth of Islamic Banking**

The results of this study indicate that the perception of experience and skills of products and services is not significant and positive effect on the growth of Islamic banking. This is evidenced by the statistical results obtained namely  $t$  arithmetic of 0.675 and  $t$  table 1.282 with a significance level of 0.501. Because  $t$  arithmetic  $< t$  table is  $0.675 < 1.282$ , the significance is greater than 0.1 ( $\text{sig} > 0.1$ ). then this research succeeded in proving the hypothesis which states that "Perceptions of Experience and Skills Affect the Growth of Islamic Banking", were rejected.

The results of this study contradict the research of El-Galfy and Khiyar (2012) which states that the perception of experience and skills has a positive effect on the growth of Islamic banking. Based on this it is indicated by an answer index of 3.57 on the variable perception of experience and skills of

Islamic banking which states that employees of Islamic banking must be able to resolve complaints or problems from customers.

#### **f. Perception of Product and Service Marketing influences the Growth of Islamic Banking**

The results of this study indicate that the perception of marketing products and services significantly and positively influences the growth of Islamic banking. This is evidenced by the statistical results obtained, namely t count of 7.703 and t table 1.228 with a significance level of 0.000. Because  $t_{\text{arithmetic}} > T_{\text{table}}$  is  $7.703 > 1.282$  with a significance level smaller than 0.1 ( $\text{sig} < 0.1$ ), then this research successfully proved the hypothesis that "Product and Service Marketing Perceptions influence the Growth of Sharia Banking", was accepted.

The results of this study are consistent with Anwar's (2013) research which states that the perception of marketing products and services has a positive effect on the growth of Islamic banking. Based on this it is indicated by a high respondent response index of 3.4 on the perception variable of marketing of Islamic banking products and services which states that marketing has been utilized by Islamic banks to promote Islamic banking products and services.

#### **g. Perception of Sharia Banking Practices influences the Growth of Sharia Banking**

The results of this study indicate that the perception of sharia banking practices significantly and positively influences the growth of sharia banking. This is evidenced by the statistical results obtained, namely t count of 8.675 and t table 1.228 with a significance level of 0.000. Because  $t_{\text{arithmetic}} > T_{\text{table}}$  is  $8,675 > 1,282$  with a significance level smaller than 0.1 ( $\text{sig} < 0.1$ ), then this research succeeded in proving that the hypothesis stating that "Sharia Banking Practice Perceptions influence the Growth of Sharia Banking", was accepted.

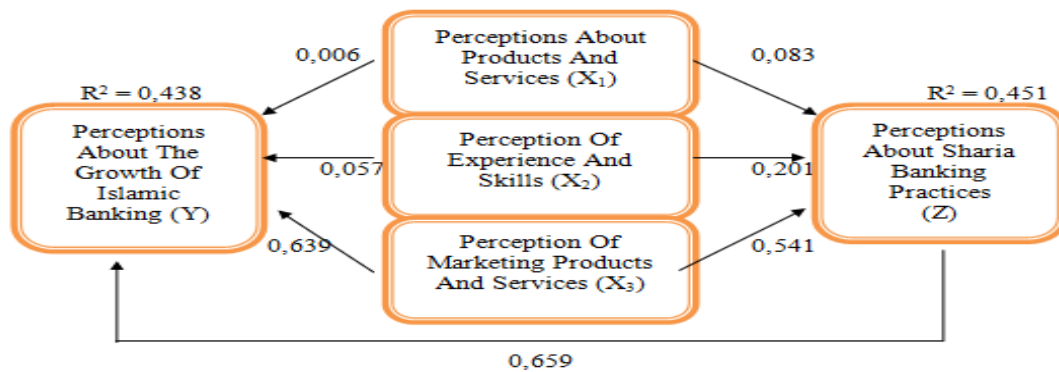
The results of this study are in accordance with the research of Shah et al (2016) which states that the perception of sharia banking practices affects the growth of sharia banking. Based on this research indicated by an answer index that the perception of sharia banking practices is very influential in the



sustainability of sharia banking growth where sharia banking employees always put sharia principles in practice.

### Research Pathway

The paths in this study include the following:



Based on the picture above, it is known that the results of the study show that products and services on sharia banking practices are insignificant and positive where sharia banking employees still lack understanding of the products and services in sharia banks where there are still employees with conventional backgrounds but in terms of experience and the skills and marketing of products and services of Islamic banking employees are significant and positive. furthermore, the products and services on the growth of sharia banking are insignificant and positive where sharia banking employees are still lacking in understanding sharia bank products and services should further deepen their understanding of sharia bank products and services so that the growth of sharia banks will increase. In addition, experience and skills are not significant and positive because not all employees of Islamic banking have experience about Islamic banks. Then the marketing of products and services as well as sharia banking practices on the growth of sharia banking has a significant and positive effect. So, the most influential in sharia banking practices are experience and skills and marketing of banking products and services sharia. While the most influential in the growth of Islamic banking is the marketing of Islamic banking products and services.

## Conclusions And Suggestions

### 1. Conclusion

Based on the data obtained in the study and the results of research on the perception of banking employees towards the growth of Islamic banks in the future, the following conclusions will be drawn:

1. The perception of products and services with a coefficient value of 0.083 and a significance value of 0.322 has insignificant and positive effect on sharia banking practices.
2. Perception of experience and skills with a coefficient value of 0.201 and a significance value of 0.019 that has a significant and positive effect on sharia banking practices.
3. The perception of marketing products and services with a coefficient value of 0.541 and a significance value of 0.000 has a significant and positive effect on sharia banking practices.
4. Perception of products and services with a coefficient value of 0.006 and a significance value of 0.946 has no significant and positive effect on the growth of Islamic banking.
5. Perception of experience and skills with a coefficient value of 0.057 and a significance value of 0.501 has no significant and positive effect on the growth of Islamic banking.
6. The perception of marketing products and services with a coefficient value of 0.639 and a significance value of 0.000 has a significant and positive effect on the growth of Islamic banking.
7. Perceptions of sharia banking practices with a coefficient value of 0.659 and a significance value of 0.000 have a significant and positive effect on the growth of sharia banking.

### 2. Suggestions

After seeing the results of the conclusions from the research that the author has done, the suggestions from the author are as follows:

1. This research still has limitations. These limitations are expected to be improved for future research. In this study there are 5 variables namely products and services, experience and skills, marketing of products and services, sharia banking practices and sharia banking growth. For further research, it is hoped that it can develop this research by adding other variables so that the research results are more varied, and limitations in determining respondents. In this study respondents were only 100 employees of Islamic banking, for further research is expected to be able to add more respondents to have varied results.
2. This research can be used as information or references for new researchers who have the same title or theme as this research.
3. For sharia banking employees in Indonesia, this research is expected to be able to provide the right understanding and solutions for sharia banking employees regarding future banking growth and banking employees need to improve sharia banking practices in products and services, experience and skills and marketing products and services to the growth of Islamic banking.
4. For Islamic Banking in Indonesia, this research provides advice, Islamic banking should provide employees with training related to products, services, and the basic concepts of Islamic banking in order to add insight and understanding.

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