

# Islamic Financial Literacy to Support Islamic Banking Human Resources

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Received: November 23, 2022

Revised: February 15, 2023

Accepted: March 28, 2023

## Abstract

This study aims to determine and analyze the knowledge, beliefs, and skills of Islamic banking human resources in Makassar city at the Well Literate, Sufficient Literate, Less Literate, and Not Literate levels. The research approach uses quantitative research with the data source used is primary data. The research population was Islamic bank employees in Makassar city with a sample of 71 employees. The method used is the structural equation method and measurement model. The analysis methods used are validity and reliability tests, data analysis, descriptive analysis with knowledge (X1), beliefs (X2), and skills (X3) variables. The analytical tool used in this research is Confirmatory Factor Analysis (CFA) used in analyzing indicators that have been grouped based on their latent variables (constructs) with the variables of knowledge (X1), beliefs (X2), and skills (X3) the data is processed using the Amos 20 program. The conclusion that the level of Islamic financial literacy of Islamic bank HR in Makassar city is obtained on the knowledge variable with an average value of 75% at a moderate level or at the Sufficient Literate level. The belief variable from the analysis results shows that the average value of 82% indicates that Islamic banking human resources have a high level of Islamic financial literacy or at the Well Literate level. The skill variable from the analysis results shows that the average value is 80%, this variable also shows a high level of Islamic financial literacy or at the Well Literate level.

**Keywords:** Islamic Financial Literacy, Human Resources, Islamic Banking.

DOI : <https://doi.org/10.57178/atestasi.v6i1.645>

p-ISSN : 2621-1963

e-ISSN : 2621-1505

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## Introduction

Along with the development of Islamic banking, one of the most important aspects in the world of Islamic banking today is the preparation of Islamic financial human resources. The availability of human resources as the driving force of bank operations must be prepared as early as possible, according to (Zaki et al., 2022). Financial literacy has now become one of the focuses of government policy in various countries including Indonesia. According to the Financial Services Authority, financial literacy is an activity or process and activity to increase

knowledge, awareness, confidence, ability, and skills to manage finances, so that people can take advantage of financial services (conventional and sharia) for the sake of welfare and be aware of financial conditions or conditions in the future (Uddin, 2022). Financial literacy is a person's understanding of finance and their ability to make financial decisions effectively (Kumar et al., 2022). Thus, Islamic financial literacy shows a person's level of understanding of Islamic finance comprehensively (Bacha & Azouzi, 2019).

Today the Islamic banking industry in Indonesia is growing and developing consisting of 14 Islamic Commercial Banks (BUS) and 20 Islamic Business Units (UUS) as well as 163 Islamic People's Financing Banks (BPRS) with total assets reaching Rp 534.86 trillion. The Islamic bank office network also continues to increase, where the BUS office network is 1937, UUS is 390, and BPRS is 469 with a total of 60,447 Islamic bank employees (Agustia et al., 2020; Hayati & Caniago, 2012; Malikah, 2021).

This growth also has an impact on the growth in the number of offices, which now total 2,633 offices, consisting of branch offices, sub-branch offices, and cash offices. Office growth has had a major impact on the demand for human resources by Islamic banking (Abdullah Saif Al Nasser et al., 2013; Akkas & Asutay, 2022). This can be seen through the trend in the number of human resources owned by Islamic Banking each year. The trend of the last five years, from OJK data as of September 2017, includes 2013 amounting to 43,054 HR, 2014 amounting to 50,522 HR, 2015 amounting to 60,918 HR, 2016 amounting to 59,969 HR, 2017 amounting to 61,389 HR. From this data, we can find out that every year the average Sharia Banking requires approximately 4.5 thousand human resources. These human resources will be distributed to operate BUS, UUS, and BPRS, in branch offices, sub-branch offices and cash offices. And for 2018, when referring to existing HR trends, the projected need for Islamic Banking HR is around 4.5 thousand employees. Even this number can increase if it is related to the interest of Muslim communities who are starting to realize to apply sharia in the field of muamalah (Ahmad et al., 2020). This is because the Islamic financial literacy of Indonesian society is currently still relatively low, the ratio is approximately out of 10 thousand people, only 2 people know Islamic financial literacy (OJK, 2017).

This study lists several studies that have been conducted by previous parties, as a reference in developing the material in the research made by the author. According to Eliza A. (2020). With his research entitled "Islamic Financial Literacy in Islamic Bank HR in Bandar Lampung City" The results showed that the level of Islamic financial literacy of Islamic bank HR in Bandar Lampung city was 72% (medium financial literacy level). Of the seven aspects of Sharia finance which are indicators of Sharia financial literacy of Islamic bank human resources, the concept of usury is well understood by Islamic bank employees with the highest level of Sharia financial literacy of 92%. The other six indicators had a medium level of literacy (60%-80%) with the lowest level of literacy regarding the istishna contract (66%). Bank A is the Islamic bank with the highest Sharia financial literacy among other Islamic banks at 75%. Bank B has the human resources with the lowest Sharia financial literacy at 70%. According to Wahyu R. (2019), with a study entitled "Analysis of the Level of Sharia Financial Literacy of the People of Banda Aceh City" The results showed that the level of Islamic financial literacy of the people of Banda Aceh City was 71.99%, if the percentage is categorized into the criteria for the level of financial literacy according to Chen and Volpe, 71.99% is in the moderate category. The average value obtained in the aspect of basic Islamic financial

knowledge is 83.22%, Islamic savings and loans of 66.67%, Islamic insurance 65.93%, and aspects of Islamic investment 71.85%. According to (Hassan et al., 2019) with his research the results showed that the literacy level of the Regional Leadership of the Muhammadiyah Student Association of Central Java for the 2017-2019 period was 58.63%. If the percentage is interpreted into the criteria for the level of financial literacy according to Chen & Volpe, 58.63% is in the low category (< 60%). According to Juliana (2016) with a study entitled "Analysis of the Level of Financial Literacy of Students in the Perspective of Islamic Economics" The results of this study state that the financial literacy of students in the perspective of Islamic economics, especially regarding general knowledge of Islamic finance, is in the moderate category with a score of 1474 or 67%. Knowledge of contracts in Islamic finance falls into the moderate category with a score of 1426 or 64.82%. Knowledge of Islamic insurance falls into the moderate category with a score of 1287 or 58.5%. And knowledge about Islamic investment is in the good category with a score of 1516 or 68.91%. Judging from its implementation, it can be stated that the Islamic financial literacy of FEBI students is not in accordance with the Islamic Sharia Al-Qur'an and Al-Hadith.

On the other hand, the potential and growth of the large Islamic financial industry requires human resources who have competence in the Islamic financial industry. By having this knowledge, students should have the understanding, confidence, and skills in managing finances in sharia, in other words, Islamic banking students should be included in the well literate category (Uddin, 2022). Based on the description of the background of the problem, problems can be formulated: (1). Is the Islamic financial literacy knowledge of Islamic banking human resources at the Well Literate, Sufficient Literate, Less Literate, and Not Literate levels? (2). Is the belief of Islamic banking human resources at the Well Literate, Sufficient Literate, Less Literate, and Not Literate levels? (3). Are the skills of Islamic banking human resources at the Well Literate, Sufficient Literate, Less Literate, and Not Literate levels?

Based on the framework, a concept is developed that explains the knowledge, beliefs, and skills regarding the concept of sharia (Islamic financial literacy). This research concept is a logical relationship from the theoretical basis/definition and empirical studies that have been described in the literature review, including: (1). Islamic Financial Literacy uses the Theory of Planned Behavior (TPB) theory This theory is a social theory that predicts human behavior, the main reason for decision-making behavior is the result of the reasoning process which is influenced by attitudes, norms, and behavioral control (Papageorgiou et al., 2014) (2). Financial Services Authority (OJK 2013), financial literacy is defined as a process and a person's activity to increase the knowledge (knowledge), confidence (competence), skills (skill) of consumers and the wider community so that they can manage finances better for future prosperity. (3) Islamic Financial Literacy using the definition of Chen & Volpe (1998) defines financial literacy as knowledge to manage finances to live more prosperously in the future. Islamic financial literacy can be concluded that a person's understanding of finance and his ability to make financial decisions effectively. (4) Islamic banking knowledge uses the definition according to (Sutedi 2011). Knowledge is a learning that a person gets from an experience. Knowledge is information given to a subject regarding the correctness or accuracy of his reaction. Meanwhile, understanding is all the information that consumers have about various kinds of products and services as well as other knowledge related to these products and services and information related to their function as consumers. (5) Trust / belief according to Huang et al. (2020) uses

the definition of trust is one party's belief in the reliability, durability, and integrity of the other party in the relationship and the belief that his actions are in the best interest and will produce positive results for the party being trusted. (6) According to (Heideman Lassen & Waehrens, 2021; Ibrahim et al., 2017), skill is the ability to operate work easily and carefully. Understanding Skill is the ability to use reason, thought and ideas and creativity in doing, changing, or making something more meaningful to produce a value from the results of the work. There is also another understanding that defines that skill is an ability to translate knowledge into practice so that the desired work results are achieved.

## Research Methods

In this research, the data technique used is descriptive qualitative. Where the data obtained from the results of data collection is analyzed qualitatively and described in descriptive form. Then the next data analysis technique to determine the level of Islamic financial literacy of Islamic banking human resources at the Well Literate, Sufficient Literate, Less Literate, and Not Literate levels is the data obtained from the questionnaire results. Data collection techniques in qualitative research are carried out by means of (observation), interviews, questionnaires, documentation, and a combination of the four (Sugiyono, 2017:). The data collection method used in this study is the questionnaire method. The questionnaire is a data collection technique that is done by giving questions or written statements to respondents to answer.

In this study, the questionnaire used is a closed questionnaire, namely the question model has available answers, so that the respondent only chooses the answer that matches his opinion or choice. In this study, the answers given by the respondents were then scored with reference to the Likert scale. The Likert scale is used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena (Sugiyono, 2017: 134). For the scoring of each answer given by the respondent, it is determined as follows: Strongly Agree = 5, Agree = 4, Moderately Agree = 3; Disagree = 2; Strongly disagree = 1). Population of Islamic Banking Operational Employees in Makassar City; Sampling is a random sample (Probalilitas Sampling), namely the sample selection model must be selected which is truly appropriate through sampling techniques (sampling) to obtain a sample that can truly represent (representative) of the actual population. Sampling obtained based on the Slovin formula. The sample used in this study were Islamic banking operational employees in Makasssar City. Based on this formula, the number of samples based on cluster sampling taken in this study with data obtained from interviews with Islamic banks in Makassar City are:

**Table 1: Number of Islamic banks in Makassar city**

Bank	N	n
Bank A	112	53
Bank B	39	28
Bank C	34	25
Bank D	22	18
Bank E	23	19
Bank F	22	18
BPR A	5	5
<b>Total</b>	<b>257</b>	<b>166</b>

Research Variables and Operational Definitions; The variables used in this study are Knowledge, Confidence, and Skills.

1. Islamic financial literacy is a person's ability to use knowledge, beliefs, and skills, regarding Islamic financial literacy.
2. Knowledge is information given to a subject regarding the truth or accuracy of his reaction.
3. Trust/belief is a form of belief that a person has in their respective capabilities to improve their life achievements. a person's belief about their ability to perform tasks or actions.
4. Skill is the ability to operate work easily and carefully.

### *Research Instruments*

#### *a. Validity Test*

According to Ghozali in Mabyakto, 2017 the validity test is used to measure whether a questionnaire is valid or not. The validity test carried out in this study aims to measure whether a questionnaire is valid or not. the validity test measures whether the questions in the questionnaire used can measure what is to be measured. this test is done by comparing the r count and r table. If r count is greater than r-table, then the item is said to be valid and vice versa if r count is smaller than r table then the item is said to be invalid.

#### *b. Reliability Test*

The reliability test is used to determine the extent to which the measurement results remain consistent when measured 2 or more times against the same symptoms using the same measuring instrument. A questionnaire in research can be said to be reliable or reliable if the answers of the respondents to the questions are consistent or fixed or stable over time. The validity and reliability tests in this research use the structural equation method and measurement model. The measurement uses a standard loading factor of 0.5. In addition, testing can use the z test or CR 1.96 at a significance level of 5%. With Standardized loading ( $\lambda_i$ ) and error of standardized loading. A construct has good reliability if the construct-reliability value. Reliability between 0.6 and 0.7 is acceptable provided that the other indicators of construct validity are valid. Goodness of Fit Indices (GOFI) measurements can be divided into three groups: absolute fit measures (Goodness of Fit Index (GFI), Expected Cross Validation Index (ECVI) and Root Mean Square Error of Approximation (RMSEA), incremental fit measures Tucker-Lewis Index (TLI), Normed Fit Index (NFI), Adjusted Goodness of Fit Index (AGFI), Incremental Fit Index (IFI), Comparative Fit Index (CFI), and parsimony fit measures Parsimony Normed of Fit Index (PNFI), and Akaike Information Criterion (AIC) (Allo et al., 2021; Handayani et al., 2020; Ilyas et al., 2020; Kartini et al., 2021; Malikah, 2021; Tangngisalu, 2022). Then it can be concluded that the questionnaire is reliable so that it is suitable for use in research. Calculation of validity and reliability is done with AMOS 20 software.

*c. Implementation location and research time*

This research took place in Islamic banking in Makassar city with a research time: 2 months. In this study, researchers collected data by questionnaire. A questionnaire is a data collection technique that is done by giving a set of questions or statements to respondents.

*Data Analysis*

The main analysis technique used in this research is Confirmatory Factor Analysis (CFA), which then the data will be processed using the Amos 20 program. Confirmatory Factor Analysis (CFA) is used in analyzing indicators that have been grouped based on their latent variables (constructs). in CFA, researchers test whether the data fits the previously formed model or not a priori based on theories and concepts that are known to be understood or determined in advance, then a few factors will be formed, as well as what variables are included in each factor formed and their purpose is certain.

## Results and Discussion

The discussion in this study aims to determine the level of Islamic financial literacy of Islamic banking human resources at the Well Literate, Sufficient Literate, Less Literate and Not Literate levels. in conducting this research, 71 operational employees of Islamic banks were determined from 80 respondents who filled out the questionnaire, 9 questionnaires were issued because they did not meet the requirements. The names of the banks consist of Bank Syariah Indonesia (BSI) banks, Sharia Private banks consisting of; Bank Muamalat Syariah, Bank Mega Syariah, Bank Sulselbar Syariah, Bank Panin Syariah, CIM Niaga Syariah, Bank Mega Syariah and BPR HIK Niro Fajar in Makassar city which are used as respondents can be seen in the following table 2:

**Table 2: Number of Islamic Banks in Makassar city**

Bank	N	n	Valid Sample
Bank A	112	53	33
Bank B	39	28	15
Bank C	34	25	12
Bank D	22	18	5
Bank E	23	19	5
Bank F	22	18	5
BPR A	5	5	5
<b>Jumlah</b>	<b>257</b>	<b>166</b>	<b>80</b>

From table 2, the number of Islamic banks in Makassar city which is used as a sampling cluster in the research is the operational employees of Islamic banks. Bank syariah Indonesia Makassar itself has the largest number of operational employees who filled out a questionnaire of 33 people from a total sample size of 53 people. muamalat bank filled out a questionnaire for as many as 15 people from 28 sample sizes. Mega Syariah Bank filled out the questionnaire as many as 12 people out of 25 sample sizes. Panin Syariah bank who filled out the questionnaire as many as 5 people from 18 sample sizes. Bank CIMB niaga filled out a questionnaire of 5 people from 19 sample zise. as well as bank sulselbar syariah and BPR syariah HIK Fajar Nitro bank which filled out the questionnaire as many as 5 people and 5



people.

### Confirmatory Factor Analysis (CFA)

#### a. Validity and Reliability Test

Based on the calculation of Confirmatory Factor Analysis (CFA) with AMOS 20 software, the validity test results can be seen in Table 3 as follows:

**Table 3. Validity and Reliability Test**

Item Construct	$\lambda$	$\lambda^2$	$\epsilon$	$(\Sigma\lambda)^2$	Construct Reliability CR > 0.70	Variance Extracted VE > 0.50
<b>Knowledge</b>						
X1	0.879	0.773	0.227	3.740356	0.692	0.446
X2	0.464	0.215	0.785			
X5	0.591	0.349	0.651			
<b>Total (<math>\Sigma</math>)</b>	1.934	1.337	1.663			
<b>Confidence</b>						
X7	0.635	0.403	0.597	15.992001	0.828	0.447
X8	0.737	0.543	0.457			
X9	0.641	0.411	0.589			
X10	0.586	0.343	0.657			
X11	0.694	0.482	0.518			
X12	0.706	0.498	0.502			
<b>Total (<math>\Sigma</math>)</b>	3.999	2.681	3.319			
<b>Skills</b>						
X13	0.666	0.444	0.556	18.079504	0.859	0.505
X14	0.732	0.536	0.464			
X15	0.762	0.581	0.419			
X16	0.768	0.590	0.410			
X17	0.697	0.486	0.514			
X18	0.627	0.393	0.607			
<b>Total (<math>\Sigma</math>)</b>	4.252	3.029	2.971			

Based on Table 3, the table provides information about the construct reliability and variance extracted for the items within each construct: Knowledge, Confidence, and Skills. Here's the interpretation of the table:

#### Knowledge:

1. X1 has a factor loading ( $\lambda$ ) of 0.879, which indicates a strong relationship between the item and the construct. The item contributes to 77.3% of the variance ( $\lambda^2$ ), and the residual variance ( $\epsilon$ ) is 0.227.
2. X2 and X5 have factor loadings of 0.464 and 0.591, respectively, indicating a moderate relationship with the construct. Their  $\lambda^2$  values contribute to 21.5% and 34.9% of the variance, respectively.

#### Confidence:

1. X7 has a factor loading of 0.635, contributing to 40.3% of the variance. The residual variance ( $\epsilon$ ) is 0.597.

2. X8, X9, X10, X11, and X12 have factor loadings ranging from 0.586 to 0.737, indicating a moderate relationship with the construct.

Skills:

1. X13 has a factor loading of 0.666, contributing to 44.4% of the variance. The residual variance ( $\epsilon$ ) is 0.556.
2. X14, X15, X16, X17, and X18 have factor loadings ranging from 0.627 to 0.768, indicating a moderate to strong relationship with the construct.

For construct reliability, the total sum ( $\Sigma$ ) of the factor loadings squared ( $\Sigma\lambda^2$ ) is calculated. In this case, the construct reliability for Knowledge is 1.337, for Confidence is 2.681, and for Skills is 3.029. These values should ideally be above 0.70, indicating good reliability. The variance extracted (VE) represents the proportion of variance in the observed variables that can be explained by the construct. In this case, the VE for Knowledge is 0.446, for Confidence is 0.447, and for Skills is 0.505. These values should ideally be above 0.50, indicating good convergent validity. Overall, the items within the Confidence and Skills constructs show relatively stronger factor loadings compared to the Knowledge construct. However, further analysis and interpretation would require additional information about the measurement model and the specific context of the study. However, for the fit of the model, it was found that it was not yet fit, which was indicated by the Goodness of Fit value still being outside the required limits. the Goodness of Fit value is Chi-Square = 153,899, Probability = ,000, RMSEA = ,099, NFI = ,736, GFI = ,812, AGFI = ,740, TLI = 831. this Goodness of Fit value can be seen in Figure 3. Following

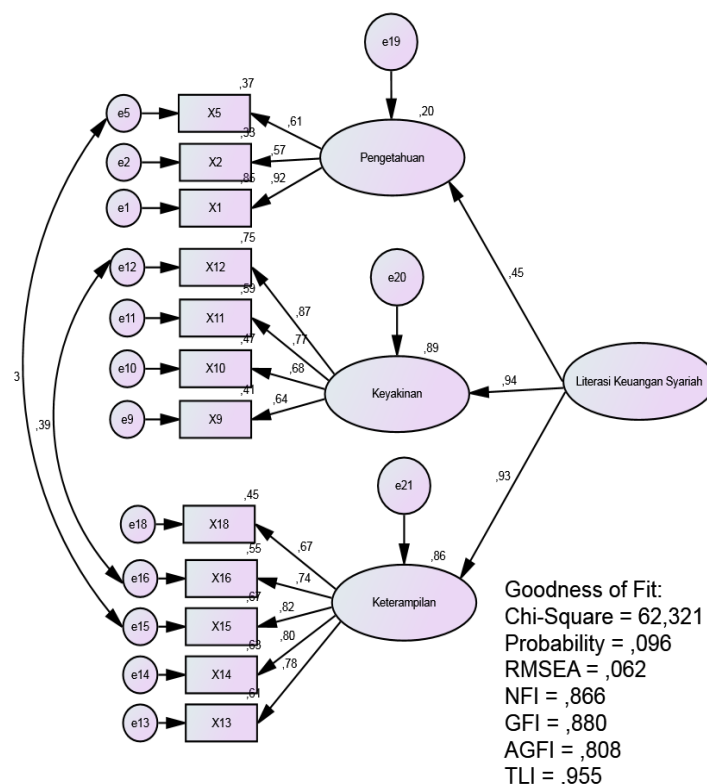


Figure 1. Confirmatory Factor Analysis Model



### *Discussion*

The level of Islamic financial literacy is very important, because with this understanding it can improve the Islamic financial literacy of Islamic banking human resources. This study aims to determine how the level of Islamic financial literacy of Islamic Banking Human Resources in Makassar City at the level; Well Literate, Sufficient Literate, Less Literate, and Not Literate. This research also refers to the method used by Chen and Volpe 1998, in the study the level of financial literacy is categorized into 3 groups, first <60% which means that Islamic banking human resources have a low level of financial literacy, second 60%-79%, which means that Islamic banking human resources have a moderate level of financial literacy and >80% which indicates that Islamic banking human resources have high financial knowledge.

As a country with the largest Muslim population in the world and with a strong Islamic financial foundation, Indonesia has the potential to become one of the centers of Islamic finance and economy at the regional and global levels. This potential needs to be balanced with a good and comprehensive understanding of Islamic economics and finance. Indonesia has a large market potential, so Indonesia must become the main driver of the Islamic economy, not just a target market. Intensive efforts have been made by the government and all stakeholders to improve Islamic financial literacy including education and socialization to encourage the interest of all levels of society to use Islamic banking products and services. However, qualified and skilled human resources in the field of Islamic finance, especially Islamic banking, play an important role in delivering Islamic financial products and services to the public, hence special training and certification programs that can improve Islamic financial literacy and ensure bank quality.

#### *a. Knowledge*

The knowledge of Islamic financial literacy among human resources in Islamic banking in Makassar City is a critical aspect that needs improvement. According to the research findings, the average score for respondents' knowledge of Islamic financial literacy is 75% based on their answers to six questions. Table 5.10 provides a recapitulation of the respondents' Islamic financial literacy knowledge, showing that the knowledge variable has no significant effect on the results of the questions given. Upon reviewing the data, it is evident that the average score obtained for the knowledge aspect of Islamic financial literacy among Islamic banking human resources is 75%. This indicates that the level of Islamic financial literacy among this group is still in the moderate category or at the level of sufficient literacy.

The moderate category implies that the knowledge of Islamic banking human resources regarding Islamic financial literacy is deemed sufficient. This conclusion is supported by the questionnaire results obtained from the research. The Confirmatory Factor Analysis (CFA) analysis and the three-box method index number analysis reveal that the average knowledge variable score provided by the respondents is 75%. This indicates that only 75% of the respondents were able to answer the questions correctly regarding Islamic financial literacy. It is important to note that the responses varied among the participants. The reason behind the moderate level of Islamic financial literacy among Islamic banking human resources in Makassar City is the lack of a sharia education background among some respondents. The data shows that only 10% of the respondents have a sharia financial education background, while

the remaining 90% do not. This disparity in educational backgrounds contributes to the varying levels of knowledge observed among the participants. To enhance the level of Islamic financial literacy among Islamic banking human resources, efforts should be made to encourage employees without prior Islamic financial education to further their studies in this field. Additionally, increasing training programs and workshops specifically tailored to Islamic banking human resources would be beneficial.

Human resources play a crucial role in the success of Bank Syariah Indonesia in Makassar City. Without employees who possess a strong knowledge base and adhere to religious values, Bank Syariah Indonesia in Makassar would struggle to compete with other banks. Currently, the knowledge, understanding, and competence of human resources at Bank Syariah Indonesia in Makassar are not at an optimal level, as not all employees possess adequate Islamic financial literacy knowledge. Improving the Islamic financial literacy of Islamic banking human resources should be a priority. This can be achieved through a comprehensive strategy that includes educational opportunities, training programs, and workshops. By investing in the knowledge and skills of their employees, Bank Syariah Indonesia in Makassar can strengthen its position and provide superior services to its customers. In conclusion, the research indicates that the knowledge of Islamic financial literacy among Islamic banking human resources in Makassar City is at a moderate level. The lack of a sharia education background among some respondents contributes to this finding. To address this issue, efforts should be made to encourage further education and provide training programs to enhance the Islamic financial literacy of human resources. By investing in their employees' knowledge and skills, Bank Syariah Indonesia in Makassar can improve its overall performance and competitiveness in the banking industry.

#### *b. Confidence*

The belief in Islamic financial literacy among human resources in Islamic banking in Makassar City is a topic that has garnered significant attention and research interest. In this study, the focus is on examining the factors influencing the belief variable and understanding why it differs from the initial research hypothesis. The study begins by assessing the overall results of the belief variable, which indicate a strong belief in Islamic financial literacy. The research findings reveal that 82% of the respondents positively responded to six question indicators related to bank products and services, the principles of Islamic financial transactions, moral values, fiqh muamalah, muamalah rules, and contracts in accordance with Sharia principles. This high percentage suggests a significant level of belief in Islamic financial literacy among the human resources in Makassar City.

The researchers further analyzed the data using Confirmatory Factor Analysis (CFA) and the three-box method index number analysis to gain deeper insights into the respondents' knowledge variable. The results showed that the average knowledge variable score was also 82%, indicating a strong level of understanding among the participants. This finding supports the high category belief in Islamic banking human resources regarding Islamic financial literacy. However, it is interesting to note that the research hypothesis initially predicted a moderate level of belief among the respondents. The deviation from the hypothesis can be attributed to cultural factors present in Indonesia, specifically the concept of *praton* or paternalism. This cultural phenomenon reflects the strong relationship between parents and children, particularly in terms

of religious education and understanding. In Indonesian society, parents play a crucial role in shaping their children's religious beliefs and practices. They prioritize educating their children about religious worship, including a comprehensive understanding of Islamic principles and values. This emphasis on religious education from an early age contributes to the higher level of belief and confidence in Islamic financial literacy observed among the human resources in Makassar City. Moreover, the study suggests that increasing literacy confidence is more effective when approached through individual and family methods. Rather than focusing solely on the technical aspects and products of Islamic finance, it is important to prioritize imparting a deep understanding of the underlying principles and values of Sharia. This approach aligns with the cultural context of Indonesia, where the strong family bond and religious upbringing significantly influence individuals' beliefs and behaviors.

By recognizing the cultural dynamics and the role of family in shaping religious beliefs, policymakers, educators, and financial institutions can design more effective strategies to enhance Islamic financial literacy among human resources in Makassar City and beyond. Collaborative efforts between religious institutions, schools, and banking authorities can promote comprehensive financial education programs that integrate Islamic principles and values into the curriculum. In conclusion, the belief in Islamic financial literacy among human resources in Islamic banking in Makassar City is strongly influenced by cultural factors, such as the concept of *praton* and the emphasis on religious education within the family. The study highlights the significance of family-based approaches in increasing literacy confidence and suggests a shift towards imparting a comprehensive understanding of Islamic principles and values. By considering these factors and designing appropriate educational strategies, policymakers can foster a stronger foundation of Islamic financial literacy, contributing to the growth and development of Islamic banking in Makassar City and Indonesia as a whole.

### *c. Skills*

The Islamic financial literacy skills of Islamic banking human resources in Makassar City are a crucial aspect in ensuring their effectiveness and competence in their roles. The research findings indicate that the overall skills variable achieved a score of 80% based on the responses to six question indicators. These indicators include the level of basic knowledge of Islamic finance, understanding, and the ability to apply Islamic financial literacy in their work. Table 5.13 provides further insights, revealing that the average value for the skills variable is 80%. Analyzing the demonstrate result, it becomes evident that the highest index for skills lies in indicator x18, with an index value of 84%. This suggests that the skills of Islamic banking human resources in terms of high Islamic financial literacy are at the level of being well literate. It showcases the competence and proficiency of the employees in applying their knowledge of Islamic finance effectively. The high category of Islamic financial literacy skills among Islamic banking human resources is a result of the bank leaders' efforts to provide skill enhancement opportunities through training programs and specialized certifications. Recognizing the importance of Islamic financial literacy, bank leaders prioritize equipping their employees with the necessary skills to excel in their roles. These initiatives not only benefit the individuals but also contribute to the overall growth and success of the Islamic banking sector in Makassar City. Islamic banking human resources are regarded as valuable assets for their organizations. Given the inherent limitations of human resources, a strategic approach to their management and

development is necessary. Bank leaders recognize the importance of investing in their employees' skills and knowledge, as it directly impacts the quality of services they provide to customers. Through continuous training and development programs, Islamic banking human resources can further enhance their Islamic financial literacy skills. This includes staying updated with the latest developments and trends in the field, acquiring specialized certifications, and fostering a culture of continuous learning within the organization. By equipping their employees with the necessary skills and knowledge, banks can build a competent workforce capable of meeting the evolving needs of their customers and driving the growth of the Islamic banking industry. In conclusion, the Islamic financial literacy skills of Islamic banking human resources in Makassar City are at a high level. The efforts made by bank leaders to provide training and specialized certifications have contributed to the well-literate category of skills among the employees. By investing in the development of their human resources, banks can ensure a competent workforce that can deliver excellent services and driving the growth of the Islamic banking sector. Continued efforts to enhance the Islamic financial literacy skills of Islamic banking human resources will play a vital role in shaping a thriving and sustainable industry in Makassar City.

## Conclusion

The discussion above has shed light on the Islamic financial literacy of Islamic banking human resources in Makassar City. It has been revealed that the belief variable shows a strong belief in Islamic financial literacy, with an average score of 82% among respondents. The knowledge variable indicates a moderate level of Islamic financial literacy, with an average score of 75%. However, the skills variable reflects a high level of Islamic financial literacy, with an average score of 80%. These findings have significant implications for both managerial and theoretical perspectives.

*Managerial Implications:* Training and Development: The research suggests that providing training programs and specialized certifications is crucial in improving Islamic financial literacy among Islamic banking human resources. Bank leaders should invest in continuous training initiatives to enhance their employees' knowledge and skills, thereby ensuring their effectiveness and competitiveness in the industry. Recruitment and Hiring Strategies: Organizations should consider the educational background and qualifications of potential candidates when hiring Islamic banking human resources. Prioritizing individuals with a sharia education background can contribute to a higher level of Islamic financial literacy within the workforce, leading to improved customer service and performance. Performance Evaluation and Rewards: Islamic banking institutions should incorporate Islamic financial literacy as a criterion for performance evaluation and rewards. Recognizing and rewarding employees who demonstrate exceptional knowledge and skills in Islamic finance can motivate others to enhance their literacy and contribute to the growth of the organization. Collaboration and Partnerships: Banks can establish partnerships with educational institutions and industry experts to develop comprehensive Islamic financial literacy programs. Collaborative efforts can ensure that the curriculum and training materials align with industry standards and address the specific needs of Islamic banking human resources.

*Theoretical Implications:* (1). The research findings highlight the influence of the praton or paternalistic culture in Indonesia, where family plays a crucial role in shaping individuals' religious beliefs and practices. This cultural dynamic has implications for Islamic financial literacy, as the strong family bond and religious upbringing contribute to higher levels of belief and confidence in Islamic financial literacy; (2). The study emphasizes the importance of considering the cultural context when assessing financial literacy. In the case of Islamic banking human resources, focusing on the substance of Islamic finance and integrating it with religious values and principles is essential for enhancing financial literacy effectively; (3). The research underscores the significance of incorporating Islamic principles and values into financial literacy programs. Islamic banking institutions should not only focus on the technical aspects of Islamic finance but also emphasize the underlying principles to ensure a holistic understanding among their human resources; (4). The high skills variable score suggests that Islamic banking human resources possess adequate skills to apply their knowledge of Islamic finance effectively. This highlights the importance of continuous learning and skill enhancement to maintain a competitive edge in the industry; (5). The moderate knowledge variable score indicates a gap between theoretical knowledge and its practical application. Future research could explore the factors influencing the translation of knowledge into practical skills, thereby bridging the gap and promoting more effective application of Islamic financial literacy.

In conclusion, the discussion highlights the significance of Islamic financial literacy among Islamic banking human resources in Makassar City. The belief, knowledge, and skills variables play vital roles in shaping the effectiveness and competence of these individuals. The managerial implications emphasize the importance of training and development, recruitment strategies, performance evaluation, and collaboration. The theoretical implications shed light on cultural influences, contextualizing financial literacy, integrating Islamic principles, continuous learning, and the knowledge-application gap. By considering these implications, Islamic banking institutions can enhance the Islamic financial literacy of their human resources, contributing to the growth and success of the industry.

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