



## A Study to Explore the Perception and Awareness on Islamic Banking Among College Students in the Province of Lanao Del Sur, Philippines

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### ABSTRACT

This exploration was conducted to examine the level of awareness and perception of individuals who are candidates for graduation for a bachelor's degree from the province of Lanao del Sur. A survey was conducted through a guided questionnaire to collect the insight of selected respondents to weigh their awareness and perception. This study aimed to assess the respondents' knowledge level of Islamic Banking after the creation of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). The study result showed that the respondents need integration on their journey of being a college students on Islamic Banking. The need for academic study among the respondents is highly recommended to the point that they are the successor of the present leader of BARMM. The study suggests a conception of an intervention program that will be conducted by other nations which are well-experienced in Islamic Banking.

## INTRODUCTION

Banking is the foremost support and strength of the economy of a country. A nation cannot escape engaging in a banking world in this generation. Banking is possible under Islamic Law and without interest; furthermore, Islamic banking should be interest-free (riba or usury). The Almighty Allah says O you who believe! Be careful of (your duty to) Allah and relinquish what remains (due) from usury, if you are believers; But if you do (it) not, then be apprised of war from Allah and His Messenger, and if you repent, then you shall have your capital; neither shall you make (the debtor) suffer loss, nor shall be made to suffer loss; (Baqarah 278-279).

## LITERATURE REVIEW

An Islamic banking and financial system exists to provide various religiously acceptable financial services to Muslim communities. Financial systems based on Islamic tenets are dedicated to eliminating the payment and receipt of interest in all forms. The fundamental sources of Islam are the Holy Qur'an and the *sunna*, a term which in Ancient Arabia meant 'ancestral precedent' or the 'custom of the tribe,' but which is now synonymous with the teachings and traditions of the Prophet Muhammad as transmitted by the relators of authentic tradition. The establishment of Islamic banks is associated with the Islamic revolution and the escalating awareness of Muslim society in embracing Islam as its way of life in the fields of finance and banking as well as in other aspects (Zainol, 2008).

The involvement in Islamic Banking among Bangsamoro youth is somewhat new compared to conventional banking; after the creation of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), this individual youth should be knowledgeable about Islamic Banking and Finance as it is part of Islamic Law. Living in a Muslim Community like the BARMM, its economic stability should be financially instituted thru Islamic Law. Young Bangsamoro has to be knowledgeable in Islamic Banking and Finance because they will be the successor of the present leaders.

The study concludes that the perceptions and awareness of the respondents need reinforcement thru an intervention program such as a seminar, short course, emersion, exchange program, and conference from expert individuals and nations.

### Statement of Problem

This study attempts to find answers to the perception and awareness of Islamic Banking among college students in the Province of Lanao del Sur, Philippines. Specifically, this study searched for answers to the following question:

- What is the socio-economic profile of the respondents?
- How are the respondents knowledgeable in Islamic Banking?
- What are possible intervention programs for learning Islamic Banking?
- What are the implications of the study that can be drawn?

## METHODOLOGY

**Research Design.** The investigators used the descriptive research technique to categorize the outcomes of the study and possible conclusions that can be used by future successors in running the economics means of the BARMM. This study used a regulated survey questionnaire prepared by the researchers in seven pages disseminated personally and sent a soft copy online to the respondents and personal and online interviews. The facts in the inquiry form were checked, tallied, and charted. The results provided treasured information about the problem that was deliberated. Ultimately, the outcomes aided as the basis for the conclusion and recommendations.

**Research Locale.** Lanao del Sur (Meranaw and Iranun: Pagabatan Ranaw), officially the Province of Lanao del Sur, is a province in the Philippines located in the Bangsamoro Autonomous Region in Muslim Mindanao (ARMM). The capital is the city of Marawi, and its border is Lanao del Norte to the north, Bukidnon to the east, and Maguindanao and Cotabato to the south. To the southwest lies Illana Bay, an arm of the Moro Gulf ([https://en.wikipedia.org/wiki/Lanao\\_del\\_Sur](https://en.wikipedia.org/wiki/Lanao_del_Sur)).

**Research Respondents.** The respondents of the study were selected from 200 individuals that were graduating college students enrolled either in a State University, State College, or Private College located in the Province of Lanao del Sur.

## RESEARCH RESULT

### 1. Socio-Economic Profile of the Respondents

#### Age

Table 1. Socio-Economic Profile of the Respondents Based on Age

Indicator	Frequency	Percentage
18 Below	19	9.5%
18 - 20	91	45.5%
21 - 24	67	33.5%
25 Above	23	11.5%
<b>TOTAL</b>	<b>200</b>	<b>100%</b>

The data implies that most respondents are 18-21 years old, the average age of graduating students in the province of Lanao del Sur. Given that they can honestly give a reliable response as they reach puberty.

#### Educational Degree

Table 2. Socio-Economic Profile of the Respondents Based on Educational Degree

Indicator	Frequency	Percentage
Agriculture	11	5.5%
Business Administration & Accountancy	12	6%
Education	12	6%

Engineering	12	6%
Fisheries	13	6.5%
Forestry	17	8.5%
Health Science	11	5.5%
Hotel and Restaurant Management	14	7%
Information Technology	16	8%
Islamic, Arabic, and Asian Studies	16	8%
Natural Science and Mathematics	14	7%
Public Affairs	13	6.5%
Social Sciences and Humanities	12	6%
Physical Education	14	7%
Others	13	6.5%
<b>TOTAL</b>	<b>200</b>	<b>100%</b>

The researchers decided on at least ten students as respondents to this study from every targeted course offered in the province of Lanao del Sur from different institutions.

### Gender

Table 3. Socio-Economic Profile of the Respondents Based on Gender

Indicator	Frequency	Percentage
Male	123	61.5%
Female	77	38.5%
<b>TOTAL</b>	<b>200</b>	<b>100%</b>

The data showed that male was the majority of respondents in the study, which implies that male should be the head of the family and responsible for finding economic means under the Islamic concept of family supervision.

### Institution

Table 4. Socio-Economic Profile of the Respondents Based on Institution

Indicator	Frequency	Percentage
State University	95	47.5%
State College	33	16.5%
Private Institution	72	36%
<b>TOTAL</b>	<b>200</b>	<b>100%</b>

Most of the respondents were state university students, which implies that this study communicated to the right individuals with access to information and news globally.

## **2. Knowledge on Islamic Banking**

- 1) The majority of the respondents have no orientation about Islamic banking.
- 2) The majority of the respondents needed help understanding the concept of Islamic Banking.
- 3) Most respondents said they had never seen an advertisement for Islamic Banking.
- 4) Most respondents need access to a Bank offering banking thru the Islamic banking concept.
- 5) The majority of the respondents are more knowledgeable in conventional banking.
- 6) Most of the respondents have yet to learn to invest through Islamic Banking.
- 7) Most respondents should have tackled Islamic Banking in their college journey.
- 8) Most respondents have yet to hear about Islamic Banking from their families.

## **3. Possible Intervention Program for Learning Islamic Banking**

The majority of the respondents suggest the following intervention program:

- 1) A lecture-Seminar from experts in Islamic Banking from Universities in Malaysia, Indonesia, and Saudi Arabia.
- 2) An academic benchmarking of Lanao del Sur Faculties in Universities from Malaysia, Indonesia, and Saudi Arabia.
- 3) Exchange students program between Lanao and Malaysia, Indonesia, and Saudi Arabia students.
- 4) Symposium regarding Islamic Banking conducted by some prominent professors of Islamic Banking.
- 5) Emersion program to the Lanao practicum students to a different Islamic Banking bank.

## **DISCUSSION**

This section allows you to describe your research findings academically. You may not enter figures related to your statistical tests here; instead, you should explain those numbers here. You should structure your discussion with academic support for your studies and a good explanation according to the specific area you are investigating.

## **CONCLUSIONS AND RECOMMENDATIONS**

Despite different feedback among the respondents, this study concludes that the college students of Lanao del Sur need to be more knowledgeable about Islamic Banking. Consequently, the competent authority of the Bangsamoro people shall have an intervention program to coup up to the result of this study. These young people should be handled with attention regarding adopting the Islamic Banking system as they will be the successor leader of the Bangsamoro Land. Also, these young people shall be the ones that make progress in economic

means of Bangsamoro Land 10-15 years from now. The researchers noted in this study that the Province of Lanao del Sur's economy is suffering from structural problems due to the conflict of ideas and information regarding the proper financial system to be engaged with. The main problem of this conflict is the need for more information and ideas about Islamic Banking and Finance. Therefore, an intervention program is a need by the People of Lanao del Sur.

### **ADVANCED RESEARCH**

In writing this article the researcher realizes that there are still many shortcomings in terms of language, writing, and form of presentation considering the limited knowledge and abilities of the researchers themselves. Therefore, for the perfection of the article, the researcher expects constructive criticism and suggestions from various parties.

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