

The Effect of Islamic Banking Ethics on Customer Loyalty in General Banking Operations

Internship Organization

Islamic Bank Bangladesh PLC

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Submitted in Partial Fulfillment of the Requirements for the Degree

Bachelor of Business Administration



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Subject: The Effect of Islamic Banking Ethics on Customer Loyalty in General Banking Operations

Dear Sir,

With due respect, I would like to inform you that I have done my internship in Islamic Bank Bangladesh PLC (IBBL). The internship report paper titled “The Effect of Islamic Banking Ethics on Customer Loyalty in General Banking Operations” has been prepared for the fulfillment of my internship according to the prerequisites of my undergraduate program Bachelor of Business Administration (BBA) in University of Liberal Arts Bangladesh (ULAB). In this report, I have tried my best to compile the concepts which I have learned in my Bachelor of Business Administration along with some experience gathered from the internet for taking relevant information regarding the report. I hope that it will find your acknowledgment. I am looking forward to your valuable feedback.

Sincerely,

Moomtahina Sarwar Nikita

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Acknowledgement

I would like to address certain people with due honor and respect who assisted me not only to solve the challenge and complete my project paper but also to introduce me to this new situation without any trouble. Therefore, I'd like to express my gratitude to them. I am grateful to Almighty Allah for providing us with the patience and courage to complete this challenging task, withing its Deadline.

I am grateful to my supervisor, Wazi A F Ahmad, PhD (Senior Lecturer, ULAB), for his advice and encouragement. He patiently provided valuable suggestions, motivation, and thoughtful assistance throughout my research process. My study would not have been possible without his support and diligent efforts. I collected all necessary data and documents for this report using the internet, research journal and client survey.

I would also like to thank everyone in Islamic Bank Bangladesh PLC for their kind guidance with every aspect regarding the internship. Lastly, I am deeply thankful to my family and friends for their immense love, support, and encouragement. I attempted to write an effective and insightful internship report that was filled with genuine understanding despite my limited experience,. Their support has truly been the foundation of my journey and achievements.

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Part A

Chapter 1: Internship Preparation

1.1 Motivation and learning expectation from this internship

Before starting my internship at Islami Bank Bangladesh PLC (IBBL), I prepared for the responsibilities and requirements of a professional workplace. Since most of what I know about banking was conceptual, I studied Islamic banking, standard bank procedure, and standards for client service.

In order to know what to prepare for, I also spoke with seniors who had already finished their internships. This preparation made me feel more secure and mentally prepared, even though I knew that actual banking work would differ greatly from what I had learned in the classroom.

I entered the internship with an open mind, ready to learn new skills, adjust, and gain practical experience of real-world banking operations.

1.2 Internship search process

One of my university friends told me about this internship opportunity, and as soon as I heard about it, I knew it would be a perfect match for my interests and goals for the future. I chose to apply right away in the hopes of improving my professional skills and gaining useful experience.

1.3 Internship interview experience

A week after applying I got an email that I got the opportunity to be an intern in Islami Bank Bangladesh but before the assigning me to a branch I have to attend their 2 week program held for interns. This program features lectures by respected lecturers from top universities as well as senior Islami Bank officers. This allowed me to learn about various banking concepts and policies. I got to learn about their experiences. Most importantly, I became immensely driven to work hard and attain my career goals.

1.4 About the Organization

Islami Bank Bangladesh PLC is the first and largest Shariah-compliant commercial bank in Bangladesh. Established in 1983, the bank follows Islamic financial principles, dismissing interest-based transactions in favor of shared profit and trade-based financing. It has grown

throughout time to become one of the country's most significant financial organizations, with a large network of branches, agent banking locations, and advanced digital banking solutions. IBBL offers a wide range of services. These services include retail and corporate banking, foreign exchange, and various investments schemes. It also has specific program like the Rural Development Scheme which supports low income and underprivileged regions. IBBL is renowned for its major position in the remittance business and its attention on ethical, Shariah-compliant banking. It plays a dynamic role in improving financial inclusion and Bangladesh's Economy.

Chapter 2: About The Internship

2.1 Activities of the Department

I worked as intern at Islami Bank Bangladesh PLC (IBBL). It is a leading Shariah-compliant bank with a significant role in the country's financial sector. I gained insight into how Islamic banking concept is implemented in day to day operations while working with an institution like IBBL. During my internship, I was assigned to three departments. I rotated from General Banking department to Digital Banking, and lastly the Letter of Credit Department.

2.2 Duties and responsibilities

2.2.1 General Banking: The first department I was assigned to was General Banking. This department was also the department where I had the most contacts with clients. I observed staff members opening accounts, providing checkbooks, inspecting signatures, advising clients on deposit schemes, and managing a varieties of service demand. the most important lessons I learned was understanding the importance of the general banking area to the entire branch. The majority of clients visited this department first irrespective of the service they required. Observing veteran officers handle long lines of customer with calm and patience taught me the valuable lesson of effective communications and emotional controlling.

I had the opportunity to observe and assist with paperwork duty. They included filling out forms, handling cheques requisition, and providing basic guidance to clients who had simple questions. I initially struggled to understand words to fixed deposits and investments scheme. The reason behind it was the policies and terms were unknown to me. Nevertheless, the

officers always took the time to explain everything properly. They encouraged me to take notes for future references.

2.2.2 Digital Banking Department: My next department, I worked at was Digital Banking. This department was very different from General Banking. In this department I learnt about mobile banking apps, digital account activation, card-related concerns, and online transactions security standards.

Digital banking is becoming increasingly crucial in the banking sector. I have personally witnessed how consumers rely on technology like IBBL iBanking, ATM services, SMS banking, and mobile apps. Many customers visited the office to seek assistance with PIN resets, card replacements, login trouble, and app features.

This working experience taught me the value of technological literacy in modern banking.

2.2.3 LC Department (Letter of Credit): The LC department was the most complex department and aspect of my internship. I observed how the bank manages to trade documentation, import/export procedures and compliance checks. IBBL has to ensure that LC transactions follow Shariah rules. This adds an extra layer of accountability and oversight.

At first the documentation appeared complicated. As it included buyer to seller agreements, product verification and cross checking of business records. However I gradually learned how LC processing works and why meticulousness is so important in this area with help from the officers.

Working in the LC department taught me perseverance and dedication to detail better than all other departments.

2.2 Work Environment

The work environment of Islami Bank Bangladesh PLC was a combination of difficulties and learning opportunities. The branch where I worked was in an older building structure with architecture which represented its age. Inside the building, the design was clean and simple. One specific problem I found was the limited lunch and resting area as it was limited to seating a few people at a time. We frequently had to wait for others to finish their lunch before taking a seat, making breaks feel rushed or difficult.

The work environment was much more comfortable because of the employees that work there. The officers were really patient, hospitable and supportive. There was always someone who would jump in to help me without any hesitation whenever I struggled with a task or had problems handling a customer. However there were too many works to do. However, recently a few officers were discharged because of hiring issues. It resulted in a serious worker shortage. Consequently, to manage the high volume of clients the remaining employees including interns like myself were frequently asked to take on additional tasks. However despite the additional load the staff remained professional. They worked together to ensure that everyday operations ran smoothly.

2.3 Duties and Responsibilities

During my internship I had the opportunity to work in many departments. This includes account opening and closing, check requisition, debit card issue, ibanking, investment and LC. Overall, the bank made a initiative to ensure that I was introduced to all departments throughout my internship. Instead of restricting me to a single area, the officers pushed me to shift between multiple divisions to learn how the entire branch works as a whole. From general banking to digital services and eventually the LC department, each rotation allowed me to see a new part of the bank's business, customer service approaches, and operational processes. This method is not only increased my learning experience, but also provided me with a broader and practical understanding of Islamic banking in general.

2.4 Application of education learning with internship

I was able to apply the conceptual knowledge that I gained from the courses of Bachelor of Business Administration (BBA) in University of liberal Arts(ULAB). My internship improved my understanding of fundamental concepts and gave me practical knowledge of my subject of study, acting as a link between academic learning and practical use.

Chapter 3: Self-Reflection

I learned a lot during my internship at Islami Bank Bangladesh PLC. It benefited in my professional and personal development. In the future, I can say with assurance that the internship tested me in ways that improved my abilities. It expanded my knowledge, and prepared me for more responsibility.

Learning how to deal with actual clients was one of my main areas of improvement. When I first started working with customers, I was anxious. Especially when they had urgent issues or were irritated. But with time, I discovered how to listen intently, speak gently, and lead them confidently. As a result of this experience I gained tolerance, emotional self-control, and a more skilled communication style.

My capacity to adapt was strengthened by working in several fields. I had to quickly adapt and pick up new task on short notice. As each area has its own rules, responsibilities, and speed. I learned to be adaptable and open-minded as a result. I felt comfortable exploring outside of my comfort zone. another great part of the journey was Seeing working together in a real job. I experienced the importance of teamwork in the banking industry. Particularly when the branch is experiencing personnel shortages or an increase in workload. I learned the value of accountability, time management, and keeping a cheerful attitude even during hectic times while working with these helpful officers.

Considering everything, this internship gave me an understanding of operating in a professional workplace. I developed practical skills, confidence, and a better understanding of my professional goals. Most importantly, it helped me understand that learning never ends. In addition each challenge presents a chance for personal development.

Chapter 4: Skills I Plan to Improve

In order to help me grow in the banking industry I intend on developing a few key abilities going ahead. I first intend to expand my understanding of Islamic banking concepts to better understand Shariah-compliant services and successfully describe them to clients. Additionally, I wish to strengthen my financial analysis and reporting capabilities as these skills are crucial for managing difficult banking activities,.

Moreover, I want to improve my public speaking and presenting abilities. So I can deal with customers and professionals more successfully. Lastly, I want to develop leadership abilities. It will help me guide others in teams. In addition, it will better prepare me for future managing jobs.

Part-B

The Effect of Islamic Banking Ethics on Customer Loyalty in General Banking Operations in Bangladesh

Executive Summary

This research focuses on understanding the effect of Islamic Banking ethics on customer loyalty in general banking operations in Bangladesh. The study shows Islami bank values Islamic ethics and customer loyalty by collecting insights from their client's opinions and views. Being the largest Shariah-based bank in the country, Islami Bank Bangladesh PLC (IBBL) they prioritizes moral principles including fairness, truthfulness, disclosure, and the ban on interest (Riba). It places major importance on ethical behavior in its day-to-day operations, especially in the general banking branch's where the employees are most in contact with the customers.

These are the core values of Islamic banking and set Islamic banks apart from other traditional banks. These Islamic values have a direct impact on how clients see and approach the bank.

Overall, the study shows perceptive information on how Islamic ethics play a fundamental role in IBBL customers' loyalty. The bank might improve its representation and develop long-term relationships with clients by frequently following these principles and attending to client issues.

Introduction

In Bangladesh, Islamic banking has developed quickly due to consumer demand for moral, interest-free (Riba) financial services that follows Shariah. Although Islami Bank Bangladesh PLC promotes Shariah morality and ethical banking, but there is very less known about how these Islamic values influence client loyalty in regular banking activities. The current financial market is challenging, customers demand more and easily switches to services that provide more. Therefore, Islamic banks must appear to be genuinely Islamic in their values and their behavior. Understanding the influence of Islamic principles on customer trust and loyalty is necessary for sustaining growth and raising customer relationship. The research looks at two main areas:

- How people understand the law of Islamic banking, and
- How their loyalty, trust, and satisfaction are impacted by the bank's moral business activity.

Research Question and Objective

The main goal of this study is to find out how Islamic ethical principles affect customer satisfaction, trust, and long-term loyalty at Islami Bank Bangladesh PLC's General Banking business.

- To evaluate the understanding of customers' Islamic values in general banking.
- To what extent do customers fully understand the significance of Islamic principles in everyday banking operations?
- What factors influence consumers' understanding of Islamic ethics in banking in general?
- Which basic Islamic beliefs do clients connect with general banking services?

Literature Review

The primary goal of Islamic banking is not limited to providing interest-free (Riba) financial solutions. It is also upholding Shariah-based ethical and moral standards. According to Abbas, Nisar, Husain, and Chenini (2019), Islamic marketing ethics is based on the concepts of equity, justice, and value maximization, keeping a focus on social welfare. These ethical values aim to improve standards of behavior for both bankers and clients. While emphasizing fairness, honesty, transparency, and respect in every transaction.

When banks constantly follow to these values Customers are more likely to view banks' services positively. As a result The moral structure becomes a key distinction between Islamic and regular banking. When These values, match with consumers' religious views and moral expectations, helps in establishment of a strong source for trust and lasting relationships.

Ethical Practice, Service Quality, and Customer Satisfaction

A substantial amount of research identified that ethical standards and service quality in banking service have a major impact on customer happiness and loyalty. a study conducted in

Indonesia showed, when Islamic banks deliver high-quality services keeping in line with Shariah values, client satisfaction and loyalty improve significantly.

Similarly, Waharudin and Hashim (2019), stated in their research that Islamic marketing principles, e.g., product, pricing, place, promotion, and, most importantly, "people" (i.e., employee behavior), have a valuable effect on customer fulfillment, trust, and loyalty. Their findings suggested that employee attitude (honesty, fairness, and openness) has a significant impact on the opinion of customers about the ethical character Islamic bank.

These findings imply that Along to structural harmony with Islamic banking standards, communication between people and service quality are essential. For Islami Bank Bangladesh PLC this signifies that daily activities from how clients are treated by employees to how open and fair bank is, influence how customers perceive the ethical policy of the bank.

Role of Shariah Compliance, Religiosity, and Customer Attitudes

Many clients' religious and personal views highly influence their banking decisions. A study on Islamic banks in Bangladesh found that Shariah compliance (religious value), along with it, trustworthiness, compassion, and tangibility (service quality aspects), have an impact on customer satisfaction. This leads to customer loyalty. A comparable study showed that religiosity has a major impact on client confidence and commitment on Islamic banks.

Customers trust grows on bank when they believe the bank actually follows to Islamic ideals. They do not simply trust through its products but also through everyday practices and ethical behavior. Furthermore, That trust creates long-term commitment. It lowers changing patterns even when traditional banks provide competitive goods.

Additionally, views about Islamic banking services have a significant impact on customers motives to engage and stay with Islamic banking services. These views are influenced by considered ethics, public image, and values of the organization. Suhartini et al. (2022) discovered that ethical organization and Islamic principles have a substantial impact on client views. It shape their behavioral intention to prefer Islamic banking over traditional alternatives.

This part of literature signifies that, ensuring Shariah is observed for an Islamic bank is required but not sufficient. Demonstrating ethical behavior through satisfactory service, staff demeanor, openness, and clarification is also crucial for building client trust and loyalty.

Customer Loyalty between Islamic and Conventional Banks- Comparative Perspectives

A comprehensive study by Subagiyo R, et al. (2020) revealed that Islamic banks frequently experience higher levels of loyalty when banks maintain ethical and service-quality requirements. The study looked at 55 studies published between 1998 and 2019. They found that characteristics such as moral service, Shariah obedience, religious values, and satisfactory service were constantly associated with improved client retention.

Another recent research study on a Bangladeshi bank found customer fulfillment determined by the standard of service, moral conduct, and Shariah compliance, is a strong indicator of loyalty.

These findings support the idea that Islamic banks can achieve a competitive advantage by offering products compatible with Shariah, together with developing a trustworthy brand identity, client trust, and providing excellent customer service.

Challenges and Limitations Noted in Prior Research

Although the relationship between Islamic principles, the standard of service, and loyalty is generally recognized, Some studies raise concerns. For instance, not all customers are familiar with Islamic banking concepts. Some customers don't understand the distinction between Islamic and traditional banking. Meaning, both value and service quality are crucial. Islamic banks might find it difficult to retain customers if employee's attitudes, honesty, or communication are poor.

Additionally, a research on ethical response to complaints in Islamic banks found that merging Islamic economic values into complaints handling, such as honesty, fairness, and professionalism, improves client satisfaction and trust. This study suggests that client loyalty might change regardless of one's faith if banks fail to regularly follow ethical principles, especially in complaint management or transparency.

The literature review suggests a significant and insistent link between Islamic banking principles, service quality such as employee behavior and honesty, customer happiness, faith, and commitment over time. Islamic banks that combine ethical beliefs with excellent customer service tend to attract loyal, trusting consumers. These customers remain with them despite competitive pressures.

Nonetheless, present research leaves an opportunity for future investigation. Especially in Bangladesh and within banking in general services rather than investment or finance products. This research focuses at Islami Bank Bangladesh PLC and concentrate on their daily services. The study hopes to bring substantial proof to bridge these gaps and provide practical suggestions for bank management about improving moral behavior and loyalty to clients.

Research Methodology

This section discusses the study's methodology. It includes the design, sampling procedure, data collection methods, and the methods of analysis applied to the study. The methodology has been cautiously designed in order to ensure the findings accurately represent how Islamic moral values influence client fulfillment, trust, and loyalty in the General Banking department of Islami Bank Bangladesh PLC. Here The goal is providing a clear and complete description of how the research was conducted, from data collection to result analysis.

Research Design

The study used a quantitative research approach. The purpose was to assess client perceptions quantitatively and analytically. The study took a descriptive and analytical approach. It evaluated not just customers' comprehension of Islamic moral ideals, but also the links between ethics, satisfaction, trust, and loyalty. A survey based strategy was employed to get responses from a broad group of clients. It resulted in efficient collection of standardized and measurable data. This method was appropriate since it allowed the researcher to measure consumer perceptions of fairness, transparency, Islamic acceptance, and service satisfaction.

Research Approach

A survey-based strategy was utilized to collect standardized data from a large number of people who participated in a short period of time. The questionnaire used a Likert scale approach for determining respondents' degree of alignment with concepts on Islamic principles and customer satisfaction.

The method was selected as it is appropriate for measuring opinions and perceptions. Additionally, It supports statistical analysis while saving money and time. The survey Respondents can answer anonymously encouraging honest comments.

Sources of Data

Both primary and secondary data was used in the investigation. Primary data was collected directly from clients using a standardized questionnaire published through Google Forms. This questionnaire included demographic information inquiries followed by a series of statements in order to assess customers' comprehension of Islamic banking principles, perceptions of moral behavior at IBBL, and levels of satisfaction, trust, and loyalty. The survey questionnaire received results using five-point Likert scale which ranged from "strongly disagree" to "strongly agree". The questionnaire also included an open ended question. It allowed respondents to make their own recommendations for improvement.

Secondary data was collected from books, journal articles, official IBBL publications, and academic literature on Islamic ethics and banking practices. These data contributed to the study's theoretical and conceptual foundations.

Population and Sample

The research consist of all Islami Bank Bangladesh PLC customers who use regular banking services. A random sampling method was used to choose 30 respondents from this population. This sampling method was suitable given the internship period's restricted time and accessibility. Accessible and interested to participate Customers were approached. In spite of the small sample size, the data was enough for descriptive academic analysis. The primary data collection process involved receiving permission from the bank, distributing the survey to consumers, and collecting replies within a few days. All data were obtained anonymously and is used only for academic purposes.

Data Collection Procedure

The bank approved permission to conduct a survey among its customers. The questionnaire was prepared using Google Forms. I filled the survey form on their behalf because providing links proved inconvenient. Nevertheless, some were also accomplished through shared link. Responses were collected throughout the internship over the course of several days. The survey Data was exported to Excel for analysis. The entire process guaranteed privacy and voluntary involvement.

Data Analysis Techniques

Data analysis was conducted by arranging the opinions in Excel and evaluating them with descriptive statistical methods. To find key trends in consumer perceptions frequencies, percentages, and mean scores were used. Graphical representations such as bar charts and tables were used to visualize Customers' answers and patterns. The responses for the open-ended questions were manually examined and thematically organized to identify common issues and solutions for ethical practices and service enhancement. The intention of the study's analytical process was to provide an in-depth knowledge of how ethical banking practices affect customer satisfaction and loyalty.

Ethical Considerations

Throughout the study Ethical considerations were kept in mind. Respondents participation was entirely voluntary. No sensitive or private data was collected. In addition participants were informed of the study's goal. All collected data was treated confidentially and anonymously, allowing participants to share their honest opinions.

Limitations of the Methodology

During the course of study Certain limitations were identified. The sample size was limited due to the time constraint of internship length. Additionally the use of easy sampling may limit the applicability of the results. Furthermore, the research was conducted at a single branch. It may not accurately represent clients at all IBBL branches. The capacity to do more advanced statistical testing was also restricted due to Time constraints. In spite of these limitations, the method used offers a solid framework for examining consumer perceptions and evaluating the impact of Islamic ethical norms in general banking.

Analysis

Introduction

The following part gives a complete statistical analysis of survey data. The survey data includes 30 response received from Islami Bank Bangladesh PLC (IBBL) clients. This study examines the link between consumers perceptions of Islamic banking principles and their loyalty to the bank. The Statistical approaches used in the study include descriptive analysis,

reliability testing, correlation analysis, and regression modeling. It was all performed with Stata 17 statistical software.

Respondent Demographic Profile

30 valid responses were evaluated after cleaning and validating the data. The demographic features of the respondents are outlined below:

Category	Value	Frequency	Percentage (%)
Gender	Female	12	41.38
	Male	17	58.62
Age Group	21-30	22	75.86
	31-40	4	13.79
	41-50	1	3.45
	Above 50	2	6.90

Table 1: Respondent Demographic Profile

Gender Distribution:

The sample consisted of both genders. Out of 30 respondents, there was 17 male respondents (58.62%) and 12 female respondents (41.38%). Thus providing reasonable representation from both genders.

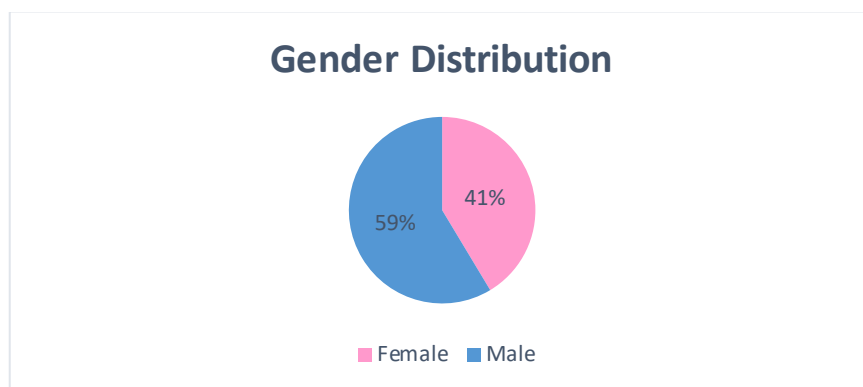


Figure 1: Gender Distribution

Age Group Distribution:

The majority of respondents (75.86%) were in the age group of 21-30. The remaining respondents were spread across other age groups. This indicates that the survey primarily captured feedback from younger customers.

Descriptive Statistics

Descriptive statistics were calculated for the three main constructs. Using responses measured on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).

Variable	N	Mean	Std. Dev.	Min	Max
Islamic Ethics Perception	30	3.49	1.22	1.0	5.0
Islamic Knowledge	30	3.66	1.10	1.0	5.0
Customer Loyalty	30	3.10	1.00	1.2	5.0

Table 2: Descriptive Statistics - Mean Scores and Variability

The clients views of the bank's ethical activities were marginally higher than the median ($M = 3.49$, $SD = 1.22$). Clients displayed moderate grasp of Islamic banking principles with Islamic Knowledge ($M = 3.66$, $SD = 1.10$). The loyalty of customers were moderate with result showing Customer Loyalty (mean = 3.10, $SD = 1.00$). the result is suggesting room for development.

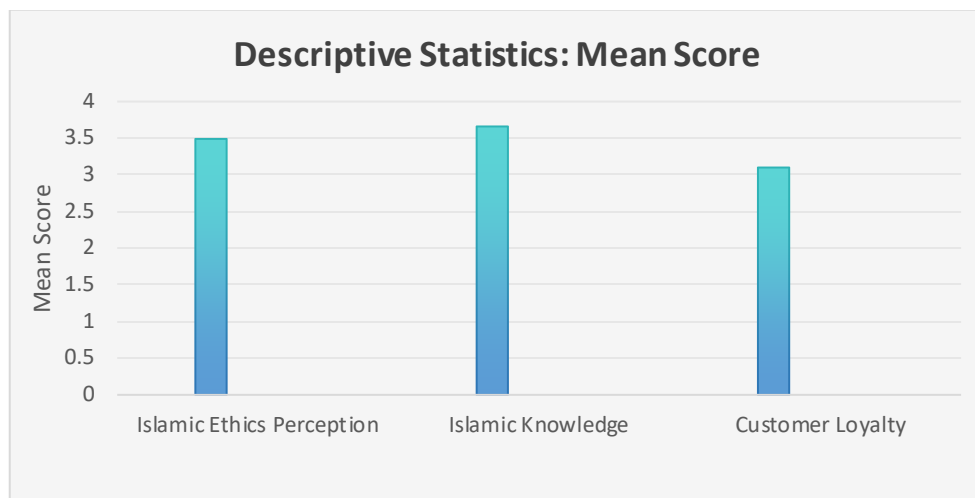


Figure 2: Descriptive Statistics: Mean Score

Hypothesis Testing: Correlation Analysis

The primary research hypothesis was tested using Pearson correlation analysis. It examined the relationship between Islamic Banking Ethics Perception and Customer Loyalty.

Relationship	Pearson r	P-value	Significance
Ethics ↔ Loyalty	0.6483	< 0.0001	(p < 0.001)

Table 3: Correlation Analysis - Pearson Correlation Coefficient

The examination showed There is a significant positive association ($r = 0.6483$, $p < 0.0001$) between perceived Islamic banking principles and client loyalty. This finding suggests a strong link between the two. The p-value is < 0.0001 , representing a very significant association. The correlation coefficient of 0.6483, is suggesting a high to moderately strong positive relation. This suggest the Customers' loyalty to the bank grows significantly as their view of its Islamic ideals improves.

In Conclusion, This evidence clearly supports the idea that perceptions of Islamic banking principles positively impact customer loyalty.



Figure 3: Scatter Plot - Islamic Ethics Perception vs. Customer Loyalty

Regression Analysis: Quantifying the Effect

Ordinary least squares (OLS) regression analysis was used to better understand the significance of the connection and how much Islamic ethical perception effects customer loyalty.

Statistic	Value
R^2	0.4203
Adjusted R^2	0.3988
F-statistic	19.57
P-value (F-test)	< 0.0001
Root MSE	0.775
N	30

Table 4: Regression Model Summary

Parameter	Coefficient	Std. Error	t-stat	P-value	95% CI Lower	95% CI Upper
Ethics (β)	0.5297	0.1197	4.42	0.0001	0.2840	0.7754
Constant	1.2480	0.4419	2.82	0.0090	0.3412	2.1547

Table 5: Regression Coefficients

Regression Equation:

$$\text{Customer Loyalty} = 1.248 + 0.530 \times \text{Islamic Ethics Perception} + \varepsilon$$

Interpretation:

Customer loyalty increases by about 0.53 units for every one unit growth in perception of Islamic ethics (on a 5-point scale). with a 95% confidence interval of [0.2840, 0.7754] that excludes zero the regression coefficient is highly statistically significant ($t = 4.42$, $p = 0.0001$).

The model explains 42.03% of the variance in customer loyalty ($R^2 = 0.4203$), with result showing Islamic moral perception accounting for almost 42% of the variation. The regression model is statistically significant according to The F-statistic of 19.57 ($p < 0.0001$).

Key Findings Summary

Finding	Evidence	Implication
High Measurement Validity	All $\alpha > 0.70$ (range: 0.72-0.92)	Survey instrument is reliable
Moderate Satisfaction	Means 3.1-3.7 on 5-point scale	Room for improvement
Strong Positive Relationship	$r = 0.65, p < 0.0001$	Ethics predicts loyalty
Quantifiable Impact	$\beta = 0.53, R^2 = 0.42$	0.53-point loyalty gain per ethics point
Hypothesis Supported	Correlation & regression significant	Ethics influences loyalty

Conclusion of Analysis

The statistical analysis validates that Islamic banking ethical perception is a substantial and statistically significant indicator of customer loyalty at Islami Bank Bangladesh PLC.

The research hypothesis is supported with the findings stated below:

1. Strong positive correlation ($r = 0.65$) between ethics perception and loyalty
2. Significant regression relationship ($\beta = 0.53, p < 0.0001$)
3. Model explains 42% of loyalty variance
4. Valid and reliable measurement instruments

These findings imply that customers' perceptions of the bank's commitment to Islamic ethical principles such as fairness, openness, honesty, and alignment with Islamic values have a direct impact on their loyalty and how they choose promote the bank to others. In survey, when respondents were asked about understanding the basic principles of Islamic banking, the clients connected fundamental Islamic beliefs such as prohibition of Riba, fairness, justice with standard banking services.

The average levels of ethics perception and loyalty found in this study indicate significant opportunity for IBBL. IBBL can improve both moral communication and customer relationship management strategies. Future efforts should be directed on increasing the exposure of Islamic ethical practices in everyday operations. Along with raising client awareness of the bank's dedication to Shariah principles.

Recommendation

Based on the survey customers' open-ended answers provided important insights into how Islami Bank Bangladesh PLC may improve its ethical operation and overall service quality. Many respondents pointed out the need for improved customer assistance. They complained about service delays, excessive wait times, and less empathy while talking to a customer, particularly during rush hours. To solve this, the bank should improve its customer service by increasing employee availability, enhancing workflow efficiency, and improving call center activity to reduce wait times. If the improve client support service then it will help them assure that they can provide customer experience timely and professional services. Some respondents were unhappy about employee's behavior towards them, they complained about lack of focus, and inattention towards customers. If the bank wants to solve this problems, the bank must offer frequent training sessions in communication skills, Islamic management principles, customer service, and time management. These measures would help staff in maintaining respectful, patient, and professional communications, that align with the moral standards required in Islamic banking.

The bank must provide clear explanations of all financial transactions, guarantee that charges are revealed clearly, and make relevant information available through printed materials, online services, or in-branch communication panels so that customers get proper information about about prices, processes, and policies. These initiatives would make clients feel better familiar with Shariah and increase their faith in it.

Lastly, some respondents complained about treating clients unfairly and not taking proper accountability mechanisms like better supervising, reporting system and regular audits. They can improve this issues only by ensuring equal treatment, constantly using Islamic moral values, and strengthening internal monitoring methods. This would guarantee that all employees uphold the values of openness, fairness, and justice that define Islamic banking.

Conclusion

The goal of this study was to analyze Islamic moral principle connection with client satisfaction, trust, and loyalty in Islami Bank Bangladesh PLC's General Banking section. Based on survey responses from 30 consumers, the findings show that Islamic ethics such as justice, honesty, transparency, and obedience to Shariah principles play an important and

positive influence in determining customer understanding and happiness. Most respondents showed an excellent knowledge of Islamic banking standards, especially the prohibition on Riba. This shows that these principles increased their faith in IBBL's services.

Customers viewed the bank's employees as honest, cooperative, and consistent in preserving Islamic ideals. Moral behavior was regarded as a primary reason clients trust the bank's operations and chose to stay loyal. The high scores in happiness, trust, and loyalty suggest that Islamic beliefs give the bank a competitive advantage over traditional financial organizations.

Despite a positive response, many shortcomings were found. Some customers reported concerns over communication clarity and staff behavior that was inconsistent. The open-ended responses emphasized on the need for changes in customer service and strict commitment to Islamic principles. These show that, while the bank has effectively maintained its reputation for Islamic principles, operational issues remain.

In conclusion, the research indicated a high and positive connection between Islamic moral standards and customer satisfaction, trust, and loyalty. Customers appreciate the bank's dedication to Islamic morals, but they also want improved service quality and greater service efficiency. If they addressing these concerns it will help them promote client loyalty and improve the bank's overall moral and reputation.

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Questionnaire / প্রশ্নাবলী

Title / শিরোনাম:

The Effect of Islamic Banking Ethics on Customer Loyalty in General Banking Operations

সাধারণ ব্যাংকিং কার্যক্রমে গ্রাহক আনুগত্যের উপর ইসলামী ব্যাংকিং নীতিশাস্ত্রের প্রভাব

Purpose / উদ্দেশ্য:

This survey aims to understand how Islamic banking ethics-such as honesty, fairness, trust, and prohibition of interest (Riba)-influence customer satisfaction and loyalty in Islami Bank Bangladesh PLC.

এই জরিপের উদ্দেশ্য হল বুঝতে পারা যে ইসলামিক ব্যাংকিংয়ের নৈতিকতা-যেমন সততা, ন্যায্যতা, বিশ্বাস ও সুদ (রিবা) নিষিদ্ধকরণ-কীভাবে ইসলামী ব্যাংক বাংলাদেশ পিএলসি'র গ্রাহক সন্তুষ্টি ও আনুগত্যকে প্রভাবিত করে।

All responses will be kept confidential and used only for academic purposes.

সব উত্তর গোপন রাখা হবে এবং শুধুমাত্র একাডেমিক গবেষণার উদ্দেশ্যে ব্যবহৃত হবে।

Section A: Respondent Information /উত্তরদাতার তথ্য

1. Gender / লিঙ্গ:

☐ Male / পুরুষ ☐ Female / নারী ☐ Prefer not to say / জানাতে অনিচ্ছুক

2. Age Group / বয়সের শ্রেণি:

☐ Below 20 / ২০ বছরের নিচে

☐ 21–30

☐ 31–40

☐ 41–50

☐ Above 50 / ৫০ বছরের বেশি

3. Occupation / পেশা:

☐ Student / ছাত্র-ছাত্রী

☐ Service Holder / চাকরিজীবী

☐ Business / ব্যবসায়ী

☐ Other / অন্যান্য: _____

4. How long have you been a customer of Islami Bank Bangladesh PLC?

আপনি কত বছর ধরে ইসলামী ব্যাংক বাংলাদেশের গ্রাহক?

☐ Less than 1 year / ১ বছরের কম ☐ 1–3 years / ১–৩ বছর ☐ 4–6 years / ৪–৬ বছর

☐ More than 6 years / ৬ বছরের বেশি

4. How frequently do you visit the bank? / আপনি কত ঘন ঘন ব্যাংকে যান?

☐ Weekly / সাপ্তাহিক ☐ Monthly / মাসিক ☐ Occasionally / প্রয়োজন অনুযায়ী

Section B: Understanding of Islamic Banking Ethics / ইসলামিক ব্যাংকিং নৈতিকতা সম্পর্কে ধারণা

(Please rate on a 5-point scale: 1 = Strongly Disagree → 5 = Strongly Agree)

(১ = সম্পূর্ণ অসম্মতি → ৫ = সম্পূর্ণ সম্মতি)

Statement / বিবৃতি

1. I understand the basic principles of Islamic banking (e.g., prohibition of Riba, fairness, justice)./ আমি ইসলামিক ব্যাংকিংয়ের মৌলিক নীতি (যেমন রিবা নিষিদ্ধকরণ, ন্যায্যতা ও ন্যায়বিচার) বুঝি।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

2. I believe Islami Bank Bangladesh PLC operates according to Islamic principles./ আমি বিশ্বাস করি ইসলামী ব্যাংক বাংলাদেশ ইসলামিক নীতিমালা অনুযায়ী পরিচালিত হয়।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

3. The bank staff explains Islamic values clearly during transactions./ লেনদেনের সময় ব্যাংকের কর্মীরা ইসলামিক মূল্যবোধ স্পষ্টভাবে ব্যাখ্যা করেন।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

4. I can distinguish between Islamic and conventional banking practices./ আমি ইসলামিক ও প্রচলিত ব্যাংকিংয়ের পার্থক্য বুঝতে পারি।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

5. Islamic ethical practices make me more confident in the bank's operations./ ইসলামিক নৈতিকতা ব্যাংকের কার্যক্রম সম্পর্কে আমার আস্থা বৃদ্ধি করে।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

Section C: Ethical Practices in General Banking / সাধারণ ব্যাংকিংয়ে নৈতিক চর্চা

1. The bank staff treats all customers fairly and equally./ ব্যাংকের কর্মীরা সব গ্রাহককে ন্যায্যভাবে ও সমানভাবে আচরণ করেন।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

2. I find the bank transparent in its dealings and information sharing./ আমি মনে করি ব্যাংকের লেনদেন ও তথ্য প্রকাশ স্বচ্ছ।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

3. Bank employees are honest and trustworthy./ ব্যাংকের কর্মীরা সৎ ও বিশ্বাসযোগ্য।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

4. The bank avoids unethical practices or hidden charges./ ব্যাংক অনৈতিক আচরণ বা গোপন চার্জ থেকে বিরত থাকে।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

5. The bank's services align with Islamic ethical values./ ব্যাংকের সেবা ইসলামিক নৈতিক মূল্যবোধের সাথে সামঞ্জস্যপূর্ণ।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

Section D: Customer Satisfaction and Loyalty / গ্রাহক সন্তুষ্টি ও আনুগত্য

Statement / বিবৃতি

Section D: Customer Satisfaction and Loyalty / গ্রাহক সন্তুষ্টি ও আনুগত্য

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

2. I trust the bank because it follows Islamic ethics./ আমি ব্যাংকটির উপর বিশ্বাস রাখি কারণ এটি ইসলামিক নৈতিকতা অনুসরণ করে।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

3. I would recommend Islami Bank to others./ আমি ইসলামী ব্যাংককে অন্যদের সুপারিশ করব।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

4. I intend to continue using Islami Bank in the future./ আমি ভবিষ্যতেও ইসলামী ব্যাংকের গ্রাহক হিসেবে থাকতে চাই।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

6. My loyalty to the bank is influenced by its ethical and Shariah-based values./ ব্যাংকের প্রতি আমার আনুগত্য এর নৈতিকতা ও শরিয়াভিত্তিক মূল্যবোধ দ্বারা প্রভাবিত।

1) Strongly Disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly agree

Section E: Suggestions / অংশ E: পরামর্শ

1. What improvements would you like to see in the ethical practices of Islami Bank?

ইসলামী ব্যাংকের নৈতিক চর্চায় আপনি কী ধরনের উন্নতি দেখতে চান?

Copy of company-provided internship acceptance letter (attached)

	 Islami Bank Bangladesh PLC. Based on Islamic Shariah
Ref: IBBPLC/HO/IBTRA/2025/ 199	Date: 10.09.2025
The EVP/SVP/VP/SAVP/AVP/FAVP/Head of Branch Islami Bank Bangladesh PLC Concerned Branch. Bangladesh.	
Subject: <u>Internship program for the University students (163rd Batch) organized by IBTRA.</u>	
Muhtaram, Assalamu Alaikum.	
We would like to inform you that an Internship Program (163rd Batch) for the students of different universities is being held at IBTRA. The Interns have completed the theoretical part of the program from September 01, 2025 to September 10, 2025. For the second part, they are to be deputed at different branches of the bank from September 14, 2025 to October 30, 2025 for practical exposure. The Particulars of the intern(s) who has/ have been deputed/ placed at your branch is/are furnished in an enclosed sheet. We would request you to take special care of the Interns for their familiarization & hands on experience with Islamic Banking at IBBPLC. We would also request you to take following steps at Branch for development of Interns so that they become brand Ambassadors of IBBPLC. a) I) Please assign one official from your team appropriate to look after the Interns (in every aspect) for the days they are deputed at your branch. II) Ensure their rotation in every Department (GB, Investment, FEx, ADC etc). III) Take Feedback from the Interns every week /as deemed necessary on their developments or any other issues. Iv) Guide them handling customers & marketing techniques etc of Islamic Banking products. b) Each Intern may be requested to collect bank deposits. He/she will get cash incentive of Tk. 2500/- per crore of the deposit collected. If any intern is able to mobilize Tk.05 (five) crores and above, he/she will get @ Tk. 3000/- per crore. This incentive shall be paid by IBTRA. c) You may also utilize him/her for selling debit/ Khidmah card of the bank. IBTRA shall give book prize for selling it. d) Each intern shall get pocket allowance of Tk. 300/- for each working day (Ensuring Attendance Meticulously) beginning from September 14, 2025 which will be credited to their account & CelFin with IBBL without deducting any Tax or VAT (from Training Expense GL Head 9911001427). e) Two formats on "Intern's Evaluation Sheet" and "Attendance and Business Performance" are attached herewith, which should be completed by your good self and return back to IBTRA at training.ibtra@gmail.com or ibbl.internship@gmail.com on November 02, 2025 positively.	
Training Division Islami Bank Training and Research Academy 13A/2A, Block-B, Babar Road, Mohammadpur, Dhaka Phone: 01998707121, Email: training.ibtra@islamibankbd.com, website: ibtra.com, SWIFT: IBBLBDDH, Call Centre: 16259	

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Islami Bank
Bangladesh PLC. | Based on Islamic Shari'ah

SL	ID	Name	University	Level	Branch
26	163140	Md Alif Hossain	Jatiya Kabi Kazi Nazrul Islam University, Trishal, Mymensingh	BBA	Trishal
27	163141	Md Obaydul Haque	Jatiya Kabi Kazi Nazrul Islam University	BBA	Trishal
28	163142	Md Shariful Islam Shakir	Bangladesh University Of Business And Technology	MBA	Mirpur
29	163143	Md Tanvir Hasan	Green University Of Bangladesh	BBA	Mirpur 1
30	163144	Md. Abdul Karim	Jatiya Kabi Kazi Nazrul Islam University	BBA	Trishal
31	163146	Md. Hayat Hasan	Jatiya Kabi Kazi Nazrul Islam University	BBA	Trishal
32	163150	Md. Moshur Hossain Piyas	North South University	BBA	Gazipur
33	163151	Md. Mostofa Khaled Shonju	Sher-E-Bangla Agricultural University	BBA	Mirpur
34	163155	Md.Shahriar Ferdoush	Sonargaon University	BBA	Paltan
35	163156	Md. Shajedur Rahman	University Of Dhaka	MBA	Zinzira
36	163157	Md. Tanvir Hossain	Gopalganj Science and Technology University	BBA	Cantonment
37	163158	Md. Rakibul Islam	Dhaka College, Dhaka	BBA	Zinzira
38	163159	Md. Shojib Hossain	Green University Of Bangladesh	BBA	Narsingdi
39	163160	Mefraahul Zannat	University Of Barishal	MBA	Harkhola Chawkbazar
40	163161	Mir Rezwana Rashid	Jahangirnagar University	BBA	Moghbar
41	163162	Moomtahina Sarwar Nikita	University Of Liberal Arts	BBA	Shyamoli
42	163169	Mst. Sumaiya Akter	Eden Mohila College	BBA	Agargaon
43	163170	Muzahid Imran	Green University Of Bangladesh	BBA	Motijheel
44	163171	Nafisa Mustary Tory	Govt College Of Applied Human Science	BSC	Mohammadpur Krishi Market
45	163173	Nishat Tasnim	State University Of Bangladesh	BBA	Panthapath
46	163174	Nuren Chowdhury Nobeon	Dhaka College	BBA	Kanchpur
47	163175	Nusrat Jahan	East West University	BBA	Maijdee
48	163176	Oajifa Khanom Neha	Bangladesh University Of Professionals	BBA	Sirajganj
49	163177	Parvez Ahmed	Jatiya Kabi Kazi Nazrul Islam University	BBA	Trishal
50	163178	Rafiatul Zannat Rita	Bangladesh Home Economics College	BSC	Agargaon

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