

Influence of Emotional Intelligence on Team Productivity and Conflict Resolution

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Introduction

In recent decades, the global banking sector has undergone significant transformation, fueled by globalization, technological advancements, and evolving consumer preferences. Among the most prominent developments is the rise of Islamic banking, which operates under the principles of Shariah law, prohibiting interest (riba) and emphasizing risk-sharing, ethical investments, and asset-backed financing. In contrast, conventional banking is rooted in interest-based financial transactions and profit-maximization strategies. As Islamic banking gains momentum not only in Muslim-majority countries but also in non-Muslim regions, understanding customer satisfaction in both systems has become critical for financial institutions, policymakers, and consumers alike. Customer satisfaction—defined as the degree to which banking services meet or exceed customer expectations—serves as a vital indicator of service quality, customer loyalty, and competitive advantage. This comparative study explores the underlying factors influencing customer satisfaction in Islamic and conventional banks, highlighting similarities and differences in service delivery, transparency, ethical considerations, customer perception, and overall experience [1].

Description

One of the most distinguishing features of Islamic banking that affects customer satisfaction is its ethical foundation. Islamic banks operate under a set of religious and moral principles, including the prohibition of interest, avoidance of uncertainty (gharar), and investments in socially beneficial ventures. Customers who are religiously inclined often express greater satisfaction with Islamic banking because it aligns with their spiritual values and fosters a sense of moral responsibility. Conversely, conventional banking, while devoid of religious limitations, focuses more on financial innovation, flexibility, and return on investment, which appeals to customers seeking maximized financial gains. Thus, while Islamic banks may score higher in ethical alignment and social responsibility, conventional banks often perform better in terms of profit-driven customer expectations.

Service quality is another critical factor influencing customer satisfaction in both banking systems. Conventional banks, with their longer history and broader global footprint, generally have more developed infrastructure, advanced technological platforms, and extensive product diversification. These features contribute to faster transaction processing, more comprehensive digital banking services, and greater financial accessibility, leading to higher satisfaction levels among tech-savvy and convenience-oriented customers. Islamic banks, although growing rapidly, still lag in certain technological and operational areas, particularly in regions where the Islamic banking

infrastructure is relatively nascent. However, some studies indicate that customers appreciate the personalized attention, trust, and customer-centric culture often found in Islamic banks, which can offset technological limitations in customer perception.

Transparency and financial disclosure play a pivotal role in shaping customer trust and satisfaction. Islamic banks are expected to maintain a high degree of transparency due to their ethical mandates and risk-sharing principles. They must clearly communicate the terms of financial contracts, profit-loss sharing ratios, and the purpose of investments. This clarity fosters trust among customers who value openness and ethical financial dealings. On the other hand, conventional banks, driven by commercial competition, are often more secretive or complex in their financial disclosures. While they are regulated to maintain certain transparency standards, the perception of profit-seeking can sometimes diminish trust among more ethically or socially conscious clients. Islamic banks may hold an advantage in trust-related satisfaction metrics [2].

Conclusion

In comparing customer satisfaction between Islamic and conventional banking systems, it is evident that both models offer unique advantages shaped by their underlying philosophies, operational structures, and customer expectations. Islamic banks tend to excel in ethical alignment, transparency, and trust-building, particularly among religiously motivated customers, while conventional banks outperform in technological advancement, product diversity, and financial convenience. However, satisfaction is not determined solely by banking model but also by factors such as service quality, financial literacy, communication, and cultural context. For banks in both sectors to thrive, a hybrid approach that combines ethical transparency with innovation and customer-centric service delivery is essential. As global finance continues to evolve, understanding and integrating the diverse needs of customers across both systems will be key to achieving sustained satisfaction and long-term loyalty.

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Conflict of Interest

None.

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