

## Influencing Factors of Employee Awareness from Islamic Banking Regarding The Regulations for Development and Reinforcement of the Financial Sector

### Faktor-Faktor yang Mempengaruhi Kesadaran Karyawan Perbankan Sharia Terhadap Peraturan Pengembangan dan Penguatan Sektor Keuangan

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#### ABSTRACT

This research explored the influencing factors of employee awareness from Islamic banking regarding the newly enacted regulations for the development and strengthening of the financial sector (P2SK), specifically Law Number 4 of 2023. By using purposive sampling technique, 104 samples of Islamic banking employees met the criteria and were then analyzed using logistic regression. The results indicate that age, length of employment, and job position significantly influence the awareness of Islamic banking employees in Indonesia regarding the P2SK regulations, which are categorized into four levels. The information related to employee awareness level can be beneficial not only for employees of Islamic banking but also for the government and academics with similar topics. Despite the limitations in terms of variables and distribution of sample demographics, this research can still be beneficial in theoretical aspects by considering external factors of employees and in practical aspects by evaluating internal policies of Islamic banking or information dissemination processes by the government. Furthermore, this research is one of the initial studies addressing employee awareness of a legislative regulation.

**Keywords:** Employee Awareness, Islamic Banking, P2SK Law, Logistic Regression

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#### ABSTRAK

Penelitian ini dilakukan untuk mengetahui faktor-faktor yang mempengaruhi kesadaran karyawan perbankan Sharia terhadap peraturan pengembangan dan penguatan sektor keuangan (P2SK) yang baru disahkan, yakni Undang-Undang Nomor 4 Tahun 2023. Dengan menggunakan metode purposive sampling, ada 104 sampel karyawan perbankan Sharia yang memenuhi kriteria dan kemudian dianalisis menggunakan teknik regresi logistik. Hasil penelitian menunjukkan bahwa umur, lama bekerja, dan posisi jabatan berpengaruh signifikan terhadap kesadaran karyawan perbankan Sharia di Indonesia akan peraturan P2SK yang terbagi menjadi empat kategori kesadaran. Informasi terkait tingkat kesadaran karyawan ini dapat bermanfaat tidak hanya bagi pihak karyawan perbankan Sharia sendiri, tetapi juga pemerintah dan akademisi dengan topik sejenis. Walau penelitian ini memiliki keterbatasan dari sisi variabel dan penyebaran demografi sampel yang digunakan, penelitian ini bisa tetap bermanfaat dari segi teori dengan menggunakan faktor eksternal karyawan dan segi praktik dengan mengevaluasi kebijakan internal perbankan Sharia atau proses penyebarluasan informasi oleh pemerintah terkait. Selain itu, penelitian ini menjadi salah satu penelitian awal yang membahas kesadaran karyawan akan sebuah peraturan perundang-undangan.

**Kata Kunci:** Kesadaran Karyawan, Perbankan Sharia, UU P2SK, Regresi Logistik

## I. INTRODUCTION

The financial sector is one sector that has an important role in encouraging the improvement of Indonesia's national economy. A financial sector with complete markets and financial instruments will grow the real sector and lead to economic growth. Efforts to maintain financial system stability are inseparable from the development of the financial sector. As part of the development of the financial sector, strengthening the financial stability system framework requires strengthening institutions, one of which is the banking sector, which still dominates the financial services sector in Indonesia. If the intermediation function of a bank does not work, the financial system's stability can be disrupted. This could lead to failure of the economic system if the problematic bank has comprehensive connectivity in the economy (DPR RI, 2022).

Currently, Indonesia's financial system's stability is being challenged by many emerging global phenomena, such as turbulent geopolitical situations, the potential for recession in various regions, climate change, and technological developments that are changing the business models of financial service institutions. The Indonesian government has tried to reform the financial sector in Indonesia to face this global scenario. These reforms were also carried out to advance the general welfare of Indonesian society. Developing and strengthening the financial system to become inclusive, deep and stable is the main prerequisite for accelerating Indonesia's national economic development (Ministry of Finance, 2023).

In the fifth DPR RI Plenary Session in October 2022, developing and strengthening the financial sector (P2SK) was one of the issues raised by the DPR to be included in the draft law (RUU). A 30-person working committee from the Commission carried out discussions regarding the P2SK Bill. Apart from that, the government also received hundreds of input letters and opened an online portal that received more than 2700 inputs regarding the regulatory content in the P2SK Bill. Finally, this Law was passed as a legal umbrella for the financial sector in Indonesia on January 12, 2023. This ratification will continue with the preparation of regulations by the President, government, and institutions of authority in the financial sector within two years of the promulgation of the P2SK Law (Ministry of Finance, 2023).

The P2SK Law consists of 27 chapters and 341 articles. This product was created to replace 17 laws related to the financial sector, which have been in effect for around 30 years. This is done to realize efforts to develop and strengthen the financial sector in Indonesia in line with the development of the financial services industry and its systems in Indonesia, national and international economic conditions, as well as strengthening the regulatory framework and supervision of financial service institutions, including Sharia financial institutions. The birth of a statutory legal product in the form of the P2SK Law is an effort to create new regulations and adjustments to various regulations in the financial sector using the omnibus method, namely harmonizing various regulations in one legal product comprehensively. This method is expected to integrate sectors within the financial services ecosystem, such as Sharia banking.

**Table 1.** Summary of Growth in the Number of Banks, Office Networks, and Sharia Banking Workforce

	2019	2020	2021	2022	2023
Number of Banks (BUS and UUS)	34	34	33	33	33
Number of Offices	2,300	2,426	2,479	2,445	2,392
Total workforce	54,480	55,538	56,298	56,298	56,298

Source: OJK, 2019 – 2023

Based on data from the Financial Services Authority (Table 1), Sharia banking currently consists of 33 banks with details of 13 Sharia Commercial Banks (BUS) and 33 Sharia Business Units (UUS). Over the last five years, the number of Islamic banks has not changed significantly. Meanwhile, the network of Sharia bank offices spread throughout Indonesia experienced fluctuations that were not too significant. Meanwhile, the number of workers continues to increase from 2019 to 2021, even though it has experienced stagnation since the merger of three Sharia banks. State-Owned Enterprises (BUMN), namely PT. Bank BRI Sharia, PT. Bank BNI Sharia, and PT. Bank Sharia Mandiri at the beginning of 2021.

The financial performance of Sharia banking also continues to increase. Although the amount of Sharia banking financing is still far below conventional banking financing figures, growth in financing distribution from Sharia banking increased to 19.25% (YTD), exceeding the growth in national banking credit distribution of 10.26%. The level of resilience of Sharia banking is also

maintained, as seen from the Non-Performing Financing ratio and Loan-at-risk ratio, which continue to improve compared to the previous year's period. Apart from that, Sharia banking financing for micro, small and medium enterprises, the majority of business actors in Indonesia, continues to grow consistently amidst support for recovery from the impact of COVID-19 at that time (Bank Indonesia, 2022).

As part of implementing the financial sector, Sharia banking employees need to be aware of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (P2SK). Employee awareness of various elements of these positions is important, considering that they are workers engaged in the financial services sector. Stakeholders need to adjust the direction of movement of financial institutions to what is regulated in these regulations, and employees in lower positions need to understand the urgency of changing policies in their institutions, including Sharia banking institutions. Meanwhile, the P2SK regulations are important for Sharia banking employees to be aware of because the Law is the highest level of regulation in Indonesian Law, which, in this case, binds all financial institutions, including Sharia banking. By knowing the level of awareness of P2SK regulations, Sharia banking employees can evaluate the company's internal policies and introspect their understanding of these regulations. However, there is still very little research discussing this legal regulation because the P2SK Law was only passed in 2023.

Therefore, researchers are interested in knowing the level of awareness of Sharia banking employees as workers working in the Sharia financial sector and the factors that influence it. Islamic bank employees have been appointed several times as objects in the field of economic and financial research, one of which was research by Musa et al., (2020), which discusses employee perceptions regarding issues of business ethics and Sharia banking practices. However, researchers did not find research that raised employee awareness, especially of Sharia banking, as the dependent variable of the research. Most of the research in circulation raises awareness variables from the perspective of bank customers, not bank employees.

Several pieces of literature discuss various dimensions of awareness in other scientific fields, including aspects of age, gender, and education level. These studies include research by Koffman et al., (2007) and Alwaeli & Al-Jundi (2005) in the health sector or research by Karytsas & Theodoropoulou (2014) in the field of renewable energy. However, there is still very little research examining the relationship between socioeconomic aspects and awareness from the employee's perspective. Researchers only found research from Boora & Jangra (2019), who concluded that banking employees' awareness of government regulations is influenced by their level of education. Meanwhile, research from Chua et al., (2018) concluded that employee awareness of an organization's policies is influenced by age, education level, length of work, and field of work industry.

This research raises the influence of socioeconomic factors and geographic factors on Sharia banking employees, while research from Fianto et al., (2019) also discusses the influence of socioeconomic and geographic factors based on different objects, namely customers of Sharia microfinance institutions. Research from Chua et al., (2018), which also discusses the influence of employee demographic factors on awareness and compliance with a policy, is also based on non-specific objects from certain fields, such as this research. This is because the research context is different, namely the research of Fianto et al., (2019), which discusses financing of failure to pay Islamic microfinance institutions and research by Chua et al. (2018), which discusses security policies in an organization. On the other hand, existing research is also not sufficient to prove that the socioeconomic and geographical aspects of Sharia banking employees are not relevant in influencing their awareness of regulations.

Based on the description above, this research was conducted to determine the level of awareness of Sharia banking employees as workers operating in the Sharia financial sector and the factors that influence it. This can be a reference for academics conducting research in the field of Sharia banking or human resource management. Apart from that, this research can also be useful as evaluation material for the government to accommodate the development and strengthening of the financial sector, especially the Sharia banking industry. Meanwhile, practitioners from banking institutions can also get an idea of employee awareness of new laws and regulations, which are used as a reference in their company's operations.

## **II. LITERATURE REVIEW**

### **Awareness**

In the Cambridge International Dictionary of English (1995), awareness is defined as knowledge of the existence of something or understanding regarding a current situation or subject based on information and experience. In the Indonesian Dictionary (1999), conscious means aware, feel, know and understand. Awareness itself is defined as realization, state of understanding, and things that a person feels or experiences. Awareness can have different meanings, including "legal awareness", which means awareness in people's lives to enforce the Law; "environmental awareness," which means awareness to direct people's attitudes and understanding of environmental urgency according to standards; or "tourism awareness", which means awareness to direct and develop positive community attitudes and understanding towards tourism development.

Soekanto (1977) explained legal awareness is an individual's awareness of the legal norms that apply in society and their compliance with these norms. A person's level of legal awareness is based on a person's knowledge of the regulations, knowledge of the content of the regulations, attitudes towards the regulations, and behavior in accordance with the regulations. Factors that influence this include education, social experience, cultural norms, and effective law enforcement. This theory emphasizes the urgency of legal awareness as a factor that influences a person's behavior in following or violating legal norms.

### **Sharia banking**

Based on Law Number 21 of 2008, Sharia banking is everything that concerns Sharia Banks and Sharia Business Units, including institutions, business activities, as well as methods and processes for carrying out business activities. Sharia Bank itself is a bank with business activities based on Sharia principles consisting of Sharia Commercial Banks (BUS) and Sharia People's Credit Banks, now known as Sharia People's Financing Banks (BPRS). Meanwhile, the Sharia Business Unit (UUS) is a work unit that carries out activities based on Sharia principles from the head office of a domestic or international conventional commercial bank as its parent office. Umam & Utomo (2017) argue Sharia banking has legal consequences in the form of banking products that are more varied than conventional banks because the banking services provided must be based on Sharia principles.

### **Financial Sector Development and Strengthening Regulations (P2SK)**

Law (U.U.) Number 4 of 2023 is a new regulation regarding the development and strengthening of the financial sector (P2SK), which was issued to support and realize efforts to develop and strengthen the financial sector in Indonesia. This amendment to the Law was formed using the omnibus method so that the harmonization of various regulations in the financial sector can be fully combined into one Law. As a follow-up to the Draft Law on the Development and Strengthening of the Financial Sector (RUU P2SK), this Law was ratified on January 12, 2023. This ratification will be followed by the preparation of implementing regulations by the President, the Government and authority institutions in the financial sector in the form of Government Regulations, Bank Indonesia Regulations, OJK Regulations, and LPS Regulations within two years of the promulgation of the P2SK Law (Ministry of Finance, 2023).

### **Socioeconomic Aspects**

Socioeconomics is social knowledge that studies human behavior in community life, especially efforts to fulfill needs in order to achieve prosperity and well-being (Lipsey et al., 1991). According to Waluya (2007), socioeconomic factors in society consist of gender, income level, education level, place of residence, type of work, age, and economic activity. Meanwhile, according to Supartono et al., (2011), socioeconomic factors consist of income level, consumption level, production level, education level, work ethic, type of work, population, and so on. Therefore, socioeconomic aspects can be described as things that describe the social and economic conditions of someone who interacts with each other (Damsar, 2009).

### **Geography Aspects**

Geography is a science that describes and explains the nature of the earth, analyzes natural phenomena and population, studies typical patterns related to life, and searches for the function of the earth's elements in space and time (Bintarto, 1977). The object of geographic study is to study the earth in terms of the surface, air layers, rock layers or earth's crust, water layers, and life layers (Sumaatmadja, 2001). According to Suharyono & Amien (1994), the essential concepts of geography consist of location, distance, reachability, pattern, morphology, agglomeration, use value, interaction,

area differential, and spatial linkage. As an essential concept that is a special characteristic of geography, location is divided into two, namely the fixed location of an object, which is related to the latitude and longitude coordinates of the face (absolute location) and the location of an object based on other objects outside it (relative location).

#### **The Relationship Between Age and Employee Awareness**

According to Chua et al., (2018), employee awareness of an organization's policies is most influenced by the age variable. His research found that employees over 50 years old had a higher level of awareness than employees less than 21 years old. This is also supported by research by Itasanmi et al., (2019) regarding awareness of educational sources found that age is one of the factors that has a significant influence on a person's awareness. In other words, the older a person is, the higher their awareness of a policy or regulation.

H1: Age has a significant effect on employee awareness

#### **The Relationship Between Gender and Employee Awareness**

The gender variable is considered to have a significant influence based on Akman & Mishra's (2010) research regarding differences in employee internet use. The results of his research found that female employees access the Internet more often than male employees. This research is also supported research by Iscan & Naktiyok (2005) regarding telecommuting behavior, which states that women have behavior related to remote work systems by utilizing technology better than men. Although everyone uses the Internet for various reasons, Ono & Zavodny's (2007) research regarding patterns of information technology use states that access to the Internet can increase opportunities for education, employment and civic engagement. One of the reasons an employee might use the Internet is to look for information that is useful for their work, such as accessing information related to the latest regulations related to their field of work. In other words, a woman is considered to be more aware of a policy or regulation.

H2: Gender has a significant effect on employee awareness

#### **The Relationship Between Education Level and Employee Awareness**

Apart from the age variable, Chua et al., (2018) also found that employee awareness of an organization's policies is influenced by their level of education and work industry. His research found that policy awareness among employees aged  $\leq 30$  years was lower because they had a relatively lower level of education and had less exposure to work ethics. This is also supported by the research results of Boora & Jangra (2019), who found that bank employees who have high educational qualifications will know more about the content of a regulation so that the implementation process will be more effective. In other words, the higher a person's level of education, the higher their awareness of a policy or regulation.

H3: Education level has a significant effect on employee awareness

#### **The Relationship Between Length of Work and Employee Awareness**

Pellissier & Nenzhelele (2013), in their research regarding awareness of competitive intelligence, concluded that SME owners or managers who have many years of work experience have a higher level of awareness than those who have less experience. This is because they have been exposed to their work environment long enough to realize the strategic things that need to be done. The same thing was also found in research by Pósa & Grossklags (2022) regarding awareness of cyber risks, concluding that work experience influences a student's awareness, with the level of awareness increasing as work experience increases. In other words, the longer a person's work experience, the higher their awareness of a policy or regulation.

H4: Length of work has a significant effect on employee awareness

#### **The Relationship Between Position and Employee Awareness**

Certain areas of work are considered to have a higher level of awareness of a policy because they directly deal with the issues regulated in the regulation, so their awareness will have a more real impact on daily business operations. Research from Chan et al., (2005) and Puhakainen & Siponen (2010) show that employees in high positions are considered role models in increasing employee awareness. Research from Decker (2008) regarding security awareness also supports these results, namely that there is a positive correlation between management factors and employee perceptions of the level of awareness of a policy. In other words, the higher a person's position, the higher the level of awareness of a policy or regulation.

H5: Position has a significant effect on employee awareness

### The Relationship Between Organizational Attachment and Employee Awareness

Kramer (2008), in his research regarding employee rights awareness, concluded that the knowledge of employees who are members of a labor union is better than the knowledge of non-member employees. This is because trade unions facilitate better knowledge regarding this matter. The benefits that employees receive according to statutory regulations will also be more beneficial as long as employees are aware of these benefits. These results are also supported by research by Park et al., (2019) regarding awareness of paid maternity leave policies, which found that employees would be more aware and apply these policies if they were members of workers' organizations. In other words, employees who are attached to labor organizations will tend to be more aware of policies or regulations.

H6: Organizational Attachment has a significant effect on employee awareness

### The Relationship Between Work Location and Employee Awareness

Research from Kwong (2004), which discussed bank employees working in rural areas of Indonesia, found that most of these areas had inadequate communication infrastructure. Telephone networks in several rural areas are also difficult to reach. In addition, internet access is slow, expensive and rarely available. With these considerations in mind, bank employees who work in villages are considered slower and may even not receive the latest information circulating. The categorization used in this research refers to the categorization of respondents' locations from research by Fianto et al., (2019), namely cities and districts, considering that the majority of financial intermediation institutions in villages or rural areas are Rural Banks (BPR).

H7: Work location has a significant effect on employee awareness

### Analysis Model

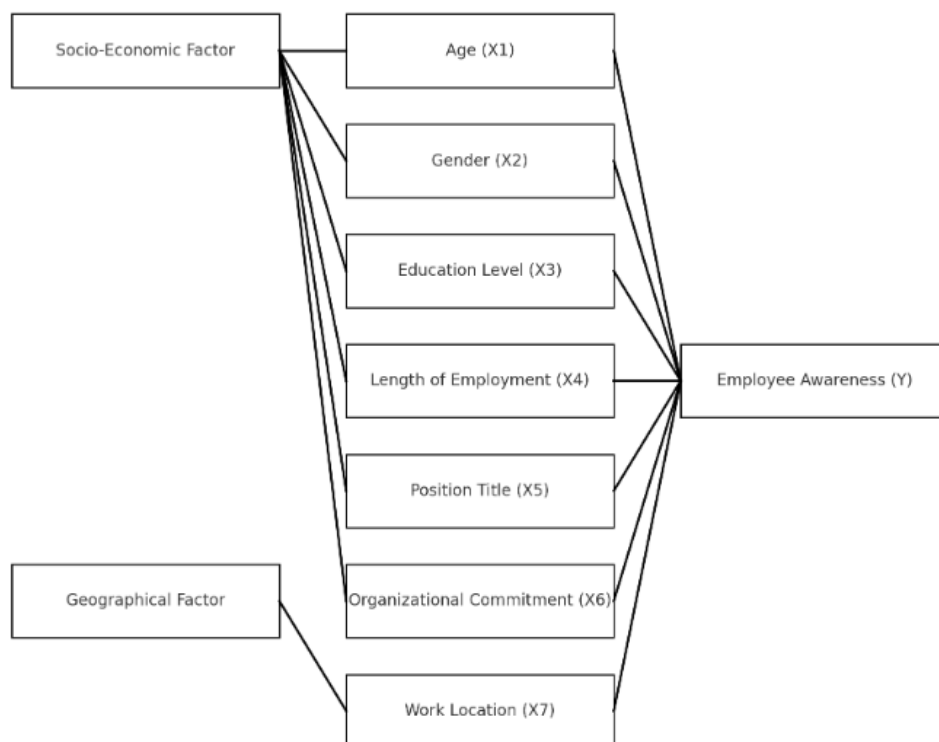


Figure 1. Research Analysis Model

The analytical model used in this research was created based on a hypothesis formed from the literature review above. According to the theory of Legal Awareness by Soekanto (1977), factors that influence individual awareness of applicable legal norms include education, social experience, cultural norms, and effective law enforcement. This theory was then adapted to previous research from Boora & Jangra (2019) & Chua et al., (2018), which uses broader socioeconomic aspects to find out what factors influence employee awareness of regulations. In this research, employee awareness of P2SK regulations as a dependent variable is assumed to be influenced by socioeconomic factors (age, gender, education level, length of work, position, organizational attachment) and geographic factors (work location).

### III. RESEARCH METHODS

Researchers collected data by distributing questionnaires distributed online to Sharia banking employees in Indonesia. The sample was determined based on the purposive sampling method, which, according to Sugiyono (2020), is a sample determination technique with certain considerations. The consideration in selecting the sample was employees with permanent employee status from one of the Sharia banks located in Indonesia. The minimum sample is calculated using the Slovin Formula with a minimum number of 100 people from 56,298 Sharia banking employees in Indonesia as of August 2023.

**Table 2.** Profile of Questionnaire Respondents

Province	BUS	UUS	Total	
	Sub-Total	Sub-Total	Sub-Total	% to N
Nanggroe Aceh Darussalam	2	0	2	1.92%
West Sumatra	0	2	2	1.92%
Jambi	0	1	1	0.96%
South Sumatra	7	0	7	6.73%
Bengkulu	21	0	21	20.19%
Banten	9	1	10	9.62%
DKI Jakarta	24	1	25	24.04%
West Java	12	1	13	12.50%
Central Java	1	0	1	0.96%
East Java	13	1	14	13.46%
Special Region of Yogyakarta	1	0	1	0.96%
South Kalimantan	0	1	1	0.96%
West Kalimantan	2	1	3	2.88%
East Kalimantan	1	0	1	0.96%
Bali	1	0	1	0.96%
West Nusa Tenggara	1	0	1	0.96%
Total	95	9	104	100.00%

Based on the questionnaire data collected (Table 2), 122 Sharia banking employees filled out the questionnaire distributed. However, the sample that passed the screening question selection was only 104 people, with details of 95 permanent employees from Sharia Commercial Banks and nine people from Sharia Business Units. Of the 38 provinces in Indonesia, this research received respondents from 16 provinces, with the most respondents from DKI Jakarta province (25 people) in the Java island area. Meanwhile, for areas outside Java, Sharia banking employees from Bengkulu province made up the majority of respondents (21 people).

In this research, the dependent variable used is employee awareness. The independent variables used are variables from socioeconomic aspects that are commonly used in the form of age, gender and level of education. Apart from that, socioeconomic aspect variables in the form of length of work, position, organizational attachment, and work location, as well as geographic aspect variables in the form of work location, were also added to describe the profile of banking employees. All variables are in dummy form with different codes in each category.

**Table 3.** Operational Definition of Variables

Variable	Definition	Measurement
Employee awareness	The awareness of Sharia banking employees is divided into four levels of awareness	Don't know yet = 1 Already know, but haven't read = 2 Already know, have read, but not discussed yet = 3 Already know, have read, have discussed = 4
Age( $x_1$ )	The current age of Sharia banking employees is in the year's category	25 years or younger = 1 Between 26 – 40 years = 2 Between 41 – 55 years = 3 56 years or older = 4
Gender( $x_2$ )	Gender of Sharia banking employees	Female = 1 Male = 0
Level of	Current educational level of Sharia	High school equivalent = 1

education( $x_3$ )	banking employees	Bachelor = 2 Postgraduate = 3
Length of work( $x_4$ )	Length of work experience for Sharia banking employees in the banking sector currently in the year's category	Less than 1 year = 1 Between 1 – 5 years = 2 Between 6 – 10 years = 3 More than 10 years = 4
Position( $x_5$ )	Current position of Sharia banking employees	Support staff equivalent = 1 Junior executive equivalent = 2 Senior executive equivalent = 3
Organizational Attachment( $x_6$ )	Current engagement of Sharia banking employees with financial institution employee organizations	Tied to organization = 1 Not tied to organization = 0
Work Location( $x_7$ )	Location of offices where Sharia banking employees currently work	City = 1 District = 0

### Analysis Techniques

This research uses analytical techniques from one type of discrete choice model approach, which is an approach in human behavior science that is used to understand how individuals make decisions between several discrete alternatives. Generally, this approach is used in various fields, such as transportation economics, marketing, economics and other social sciences. The main characteristic of this model is that the alternative options considered are discrete, meaning that individuals must choose from a limited number of options. The empirical model in this research uses the multinomial logit model type described in Ben-Akiva & Lerman (1985):

$$P_n(i|C_n) = \frac{e^{V_{in}}}{\sum_{j \in C_n} e^{V_{jn}}} \quad (1)$$

Information :

$P_n(i C_n)$	= probability of individual (i) choosing alternative (n) from category( $C_n$ )
$e^{V_{in}}$	= exponential value of the deterministic utility function (on an alternative for an individual to describe the extent to which the individual appreciates or likes that alternative $V_{in}$ )
$\sum_{j \in C_n} e^{V_{jn}}$	= the sum of the exponential values of the utility function deterministic (of all alternatives (j) in a category to describe the total preference value for all alternative categories $V_{jn}$ )

The multinomial logistic regression model is a logit regression whose dependent variable categories are more than 2. This research uses multinomial logistic regression analysis because the dependent variable consists of more than two categories, namely employee awareness in the don't know category with code = 1; already know, but haven't read = 2; already know, have read, but not discussed = 3; and already know, have read, and have discussed = 4. According to Hosmer et al., (1989), one of the categories in the independent variable of the multinomial model can be chosen as the reference category. This category is free to choose without any particular requirements. Therefore, the empirical model will be formed based on the j-1 formula, where each category has a logit function with respect to the reference category.

### Overall Model Fit Test

The overall model fit test is a simultaneous test of the regression coefficients in the logit model by calculating the difference in the -2LL value between the model, which only consists of constants and the estimated model, which consists of constants and all independent variables. The -2LL statistical test follows a chi-square distribution with "nk" degrees of freedom where "n" is the number of observations and "k" is the number of estimated parameters in the model that do not include constants (Widarjono, 2015). Testing is carried out by comparing the value between -2 initial Log Likelihood (intercept only) with -2 final Log Likelihood. A decrease in the -2LL value will indicate the ability of the regression model to predict the dependent variable in the presence of an independent variable.

### Goodness of Fit Test

According to Gani & Amalia (2018), the model feasibility test or goodness fit test (G) in logistic regression is used to test the feasibility of the model so that it is feasible to explain the influence of all



independent variables on the dependent variable. Testing is carried out by comparing the Sig value from the Goodness-of-Fit Test with the  $\alpha$  or Chi-Square value. Calculate with the Chi-Square Table. Rejected if the Sig value.  $< 0.05$  or Chi-Square Calculation  $>$  Chi-Square Table. In this study, the feasibility test used was the Pearson Chi-Square Test. The hypotheses used in the goodness of fit test are as follows: $H_0$

$H_0$ = The model fits the data

$H_1$ = The model does not match the data

#### Simultaneous Significance Test of Independent Variables

Simultaneous tests are used to test the significant effect of exogenous (independent) variables on endogenous (dependent) variables together. Simultaneous testing can use the F-test significance test. The decision-making criteria are rejected if the calculated F value  $>$  F table value or p-value  $<$ , which means the independent variables together have a significant influence on the dependent variable (Ghozali, 2018). In this test, the test is carried out by comparing the Sig value of the Fitting Information Model with the  $\alpha$  value with the condition that it is rejected if the Sig value is  $<0.05$ . The hypothesis used in the simultaneous test is as follows: $H_0 \alpha H_0$

$H_0$ = The independent variable does not simultaneously influence the dependent variable

$H_1$ = The independent variable has a simultaneous effect on the dependent variable

#### Partial Significance Test of Independent Variables

Partial tests are used to test the influence of the significance of exogenous (independent) variables individually on endogenous (dependent) variables. Partial tests can use the t-test significance test. The decision-making criteria are rejected if the calculated t value  $>$  t table value or p-value  $<$ , which means that the independent variable individually has a significant influence on the dependent variable (Ghozali, 2018). This test is carried out by comparing the Sig value from Likelihood Ratio Tests with a value of  $\alpha$  provided that it is rejected if the value of Sig.  $< 0.05$ . The hypothesis used in the partial test for each independent variable is as follows: $H_0 \alpha H_0$

$H_0$ = The independent variable has no partial effect on the dependent variable

$H_1$ = The independent variable has a partial effect on the dependent variable

### IV. RESULTS AND DISCUSSION

#### Results of Inferential Statistical Analysis

Based on the results of logistic regression processed questionnaire data, the -2LL value in the overall model fit test has decreased, which shows that the regression model in this study is able to provide better accuracy for predicting "Employee Awareness" in the presence of independent variables. The significance value of the Pearson Chi-Square test for testing the feasibility of the resulting model is  $0.695 > 0.05$ , so it can be interpreted that the model created is in accordance with the observation data or that the model is sufficient to explain the data. The significance value of the simultaneous test results is  $0.000 < 0.05$ , so it can be interpreted that there is an influence of the independent variables in the form of Age, Gender, Education Level, Income Level, Length of Work, Position, Organizational Attachment, and Work Location simultaneously on the dependent variable in the form of Employee Awareness. Meanwhile, the significance value from the partial test (Table 4) shows that the variables Age, Length of Work, and Position obtained a value of Sig. smaller than  $\alpha$  (0.05), so it is rejected with the interpretation that the variables Age, Length of Work and Position have a partially significant effect on the Employee Awareness variable. Meanwhile, the variables Gender, Educational Level, Organizational Attachment, and Work Location received Sig. greater than  $\alpha$  (0.05), so it is accepted with the interpretation that the variables Gender, Education Level, Organizational Attachment and Work Location do not have a partially significant effect on the Employee Awareness variable. $H_0 H_0$

**Table 4.** Partial Variable Significance Test Results

Model	Likelihood Ratio Tests		
	Chi-Square	Df	Sig.
Intercept	,000	0	.
Age	17,194	9	,046
Gender	1,859	3	,602
Level of education	3,969	6	,681
Length of work	32,746	9	,000

Position	33,894	6	,000
Organizational Attachment	2,436	3	,487
Work Location	2,106	3	,551

## Discussion

The results of the logistic regression analysis show that age has a significant influence on employee awareness of P2SK regulations on the Sig value. Wald < 0.05 with the majority of coefficient values being positive in each significant employee category. These results mean that the tendency for awareness of Sharia banking employees in Indonesia will be higher as they get older. This could be because older employees have a relatively better level of education, longer working experience, or a higher position, so they will often be involved in decisions and the implementation of these rules when carrying out their work. In addition, older employees have more opportunities to participate in socialization regarding financial sector regulations during their careers, thereby increasing their awareness of the relevance of regulations to the development of the Sharia banking industry, especially in Indonesia. The results of this research support research from Chua et al., (2018) regarding the relationship between employee demographic characteristics and their awareness of a policy. The research found that employee age had a significant positive effect on employee awareness because younger workers were considered to have a relatively lower level of education and less exposure to the ethics of the real world of work.

The gender variable in the results of the logistic regression analysis of this research does not have a significant influence on employee awareness of P2SK regulations on the Sig value. Wald > 0.05. These results are in line with the findings of Chua et al., (2018), who also concluded that gender does not have a significant effect on employee awareness of a policy. According to Karytsas & Theodoropoulou (2014), the cause of this could be because other socioeconomic factors are more dominant in influencing employee awareness. However, the values of all coefficients for the gender variable show positive results for all categories of employees. This result means that female Sharia banking employees in Indonesia tend to be more aware than male employees, although the difference is not significant. This could be because female employees access information via the Internet more often than men. Although information related to P2SK regulations can be obtained not only from the Internet, employee access to the Internet can increase the opportunity for banking employees to be more involved in their work environment. The results of this research confirm the hypothesis made based on research by Akman & Mishra (2010), which found that female employees access the Internet more often than male employees. With internet access, a person's opportunities for education, employment and civic engagement will increase (Ono & Zavodny, 2007).

The education level variable in the results of the logistic regression analysis of this research does not have a significant influence on employee awareness of P2SK regulations on the Sig value. Wald < 0.05, with the majority of coefficient values being positive in each significant employee category. The results of this research contradict the research of Chua et al., (2018) and Boora & Jangra (2019), which found that their last level of education influences the level of employee awareness. This can be caused by the employee's educational background, which is not always linear with their field of work. Apart from that, not all employees who work in the Sharia banking industry have an educational background related to their current field of work. Research by Abdullah & Rahman (2007), which discussed the awareness, knowledge and understanding of Islamic bank managers, found that 73% of respondents from the educational background required by the banking industry had never taken courses related to Islamic banking, so the hypothesis was related to the influence of education level becomes invalid.

The length of work variable in the results of the logistic regression analysis of this research has a significant influence on employee awareness of P2SK regulations on the Sig value. Wald < 0.05 with positive coefficient values for all employee categories, which are significant. These results mean that the tendency of Sharia banking employees in Indonesia to become more aware as their work experience increases in the industry. This could be because Sharia banking employees who have worked longer will be exposed to their work environment more often so they can be more aware of the actions that need to be taken to respond to developments in the financial industry, one of which is the latest regulations issued by the government. The results of this research confirm the hypothesis made based on research by Pósa & Grossklags (2022) and Pellissier & Nenzhelele (2013), which found that the level of awareness will increase as work experience increases. Pellissier & Nenzhelele (2013) explained that someone who has more work experience will be aware of the strategic things

that need to be done because they have also been exposed to the work environment for longer.

The position variable in the results of the logistic regression analysis of this research has a significant influence on employee awareness of P2SK regulations on the Sig value. Wald < 0.05 with the values of all coefficients showing positive results for all employee categories. This result means that the tendency of Sharia banking employees in Indonesia to become more aware as their position increases, namely from support staff equivalent to senior executive or equivalent and above. This could be because employees who have higher positions will come into contact with these regulations more often. In addition, employees in higher positions often become role models or leaders in their companies so they can be aware before employees in lower positions. The results of this study are in line with research by Chua et al., (2018), who concluded that employees will have a higher level of awareness of regulations if they work in a certain field, which causes the employee to deal directly with many of the issues regulated in the relevant regulations. Meanwhile, research from Chan et al., (2005) and Puhakainen & Siponen (2010) show that support from top management has an important role in increasing employee policy awareness, such as regular socialization through existing communication channels. Managers who actively set an example for complying with these policies can be an example for their subordinates. Research from Decker (2008) also found that managers' attitudes are based on the risks inherent in the industry, the efforts that have been made to control these risks, and other individual factors that have a positive influence on employee awareness of a policy.

The organizational attachment variable in the results of the logistic regression analysis of this research does not have a significant influence on employee awareness of P2SK regulations on the Sig value. Wald > 0.05, but the values of all coefficients show negative results for all employee categories. These results mean that the tendency for Sharia banking employees in Indonesia to be aware is lower when employees are affiliated with workers' organizations such as trade unions, employee associations, or similar professional associations compared to non-attached employees, although the difference is not significant. The results of this study contradict the research of Kramer (2008) and Park et al., (2019), who found that employees will be more aware of regulations and policies if they join a labor union. This could be because the role of workers' organizations in socializing current issues with their members may not be optimal. Research from Herlina and Mundayat (2022) states that trade unions do have a role in education and advocacy for their members. However, worker awareness may not be optimal due to worker self-confidence, which is influenced by workload, pressure from the company, work status, and low support from the government.

The work location variable in the results of the logistic regression analysis of this research does not have a significant influence on employee awareness of P2SK regulations on the Sig value. Wald > 0.05, but the values of all coefficients show positive results for all categories of employees. This result means that the tendency for awareness of Sharia banking employees in Indonesia will be higher when the work location is in a city compared to a district, although the difference is not significant. This could be because information spread in urban areas is easier to obtain so that information related to P2SK regulations can be better known by employees who work in cities, even though the distribution of respondents seems less. The results of this research confirm the hypothesis formed based on research by Kwong (2004), which found that communication infrastructure in rural areas of Indonesia is still inadequate, both in terms of telephone networks and internet access. Research from Fianto et al., (2019), which became a reference for variable categorization, also found that geographic location was not an influential variable in the research. However, the regression coefficient results showed similar results because research respondents were dominated by those located in cities rather than districts.

**Table 5.** Summary of Discussion

<b>Variable</b>	<b>Hypothesis</b>	<b>Results</b>	<b>Supporting Literature</b>
Age	(+) significant	(+) significant	Chua et al., (2018)
Gender	(+) significant	Not significant	Chua et al., (2018), Karytsas & Theodoropoulou (2014), Akman & Mishra (2010)
Level of education	(+) significant	Not significant	Abdullah & Rahman (2007)
Length of work	(+) significant	(+) significant	Pósa & Grossklags (2022), Pellissier & Nenzhelele (2013)
Position	(+) significant	(+) significant	Chua et al., (2018), Chan et al., (2005), Puhakainen & Siponen (2010), Decker (2008)
Organizational Attachment	(+) significant	Not significant	Herlina & Mundayat (2022)

Work Location (+) significant Not significant Fianto et al., (2019)

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This research found different results from several hypotheses that had been made based on previous research. Of the factors assumed to influence employee awareness, there are only three factors that have a significant positive influence on Sharia banking employees' awareness of P2SK regulations. These factors come from socioeconomic aspects in the form of the employee's age, the employee's length of service in the banking sector, and the employee's current position. This confirms the theory of legal awareness from Soekanto (1977), who states that educational factors and social experience influence a person's legal awareness. Apart from that, this research also uses multinomial type logistic regression analysis techniques, which have not been used in other similar studies.

The results of this research can be used by academics who research employee awareness of regulations so that they use not only internal factors from individual employees themselves but also external factors such as company policies where employees work or the complexity of the regulations themselves. Apart from that, the government, which plays a role in developing and strengthening the financial services sector, can also evaluate the process of disseminating information on P2SK regulations after they are passed by carrying out periodic checks or assessments regarding knowledge of P2SK issues in financial institutions that are the object of this regulation. Meanwhile, Sharia banking in Indonesia can create and evaluate internal policies in their companies by considering significant internal factors such as competency training based on position level or preparing various company communication strategies tailored to various age groups. Employees in senior positions and above can prepare and evaluate internal company policies that have been implemented, and employees in junior positions and below can introspect their understanding of P2SK regulations. Employee organizations, both internal and external, are also expected to play a greater role in advocating for their members regarding this regulation.

## V. CONCLUSION

This research aims to determine the factors that influence the awareness of Sharia banking employees as one of the parties in the Sharia financial sector regarding the newly passed financial sector development and strengthening regulations (P2SK), namely Law Number 4 of 2023. This research found different results from several hypotheses that had been made, namely that only age, length of work and position influenced the awareness of Sharia banking employees regarding P2SK regulations. Multinomial logistic regression analysis techniques are also newly used in this type of research.

By knowing the level of employee awareness of P2SK regulations and the factors that influence them, academics who also research employee awareness of regulations can use not only internal factors of the employee's personality but also external factors. Apart from that, the government, which plays a role in developing and strengthening the financial services sector, can also evaluate the process of disseminating information on P2SK regulations after they are passed. Meanwhile, Sharia banking in Indonesia can create and evaluate internal policies in their companies by considering the age, length of service and position of the employee. Employees in senior positions and above can prepare and evaluate internal company policies that have been implemented, and employees in junior positions and below can introspect their understanding of P2SK regulations. Employee organizations are also expected to play a greater role in advocating for their members regarding this regulation.

The limitations of this research relate to the use of internal variables that describe the profile of Sharia banking employees to determine what factors can influence employee awareness. Apart from that, the study sample does not cover all provinces in Indonesia, so it cannot be fully generalized. It would be better for future research to involve other variables, both internal and external to the employee's personality, related to factors that influence a person's legal awareness. Meanwhile, the distribution of questionnaires can be carried out longer and more widely so that interpretation is more representative.

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