



SHARIA CAPITAL MARKET LITERACY IN EDUCATIONAL INSTITUTIONS IN TADIKA AL FIKH ORCHARD MALAYSIA

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ABSTRACT

This program is a community service initiative that aims to improve staff understanding and skills in the principles of Islamic economics and Islamic capital markets. Conducted at Tadika Al Fikh Orchard, an early childhood education institution in Malaysia, the program targets teaching and management staff to strengthen Islamic financial literacy. The activity will occur from 3 to August 8, 2023, involving 40 participants led by Puan Hj. Siti Ruzita Ramli, Chairman of Tadika Al Fikh Orchard. This activity explores the effectiveness of training programs that include lessons on Islamic mutual funds, stocks, Sukuk, and other Islamic financial instruments. Program implementation methods include identifying partner problems, conducting interactive training, and evaluation through pre-test, post-test, and questionnaire. The program results showed a significant improvement in participants' understanding of Islamic capital markets, as evidenced by an increase in average scores from pre-test to post-test. The evaluation showed that the training improved the understanding and practical application of Islamic economic principles and capital markets. The implications of this program are broad, enhancing individual capabilities and positively impacting Islamic financial education in the context of educational institutions and the wider community.

Keywords: Islamic Financial Literacy, Islamic Capital Market, Islamic Economic Principles, Education Staff Training, Tadika Al Fikh Orchard.

INTRODUCTION

Tadika Al Fikh Orchard Malaysia, as an established early childhood education institution, has played a vital role in the education and character-building of children in Malaysia since 2011. The institution not only focuses on academics but also integrates spiritual, attitudinal, social, and communication values into education. Through its expansion into a network of around 20 branches, Tadika Al Fikh Orchard has established itself as a holistic learning center, educating the younger generation with a comprehensive and diverse curriculum.

Islamic financial literacy among educators is essential for institutional financial management and provides children with examples and education on responsible and ethical financial values. Educators with a good understanding of Islamic finance principles can effectively teach children to

make sound financial decisions and plan for the future. Limited financial literacy can lead to inaccurate decision-making and lack of financial planning, hurting personal well-being. In addition, Islamic financial literacy is essential for individuals, especially Muslims, to make financial decisions and plans based on Islamic principles (Gunawan et al., 2022; Tulasmi et al., 2023) (Sari & Pradesyah, 2023) (Mufidah et al., 2022a) (Widiawati et al., 2023). Financial literacy is essential for individuals to make informed financial decisions and plan for the future. Islamic financial literacy focuses explicitly on financial decision-making and planning by the principles of Islamic Sharia. Educators play an important role in instilling financial literacy in children, as they can teach them the importance of responsible financial management and ethical values. By integrating financial literacy education into



early childhood education, children can develop good financial habits from an early age. (Bahri S et al., 2022)(Mufidah et al., 2022b)(Parhan et al., 2022)(Noor et al., 2023) Given Tadika Al Fikh Orchard's important position in Malaysia's early education system, this increased knowledge will have far-reaching repercussions, not only for its staff but also for the future generations they educate. In the context of the increasing need for Islamic financial literacy, Tadika Al Fikh Orchard identified an important area that needs to be improved, namely the ability of its staff to manage finances according to Sharia principles. This is very important given the increasing role of Islamic finance in the global economy. The Islamic capital market has shown consistent growth and has become essential to the global financial system. It is a universal marketplace accessible to anyone, regardless of background(Muhammad et al., 2022). This poses challenges and opportunities for educational institutions such as Tadika Al Fikh Orchard to strengthen their understanding of Islamic finance among their staff.

A literature review shows an urgent need to improve Islamic financial literacy in the education sector. Islamic financial literacy not only includes understanding financial concepts but also involves financial decision-making and planning according to the principles of Islamic Sharia. This includes knowledge of Islamic banking products and services and the ability to apply Shariah principles in financial and investment transactions. Several studies have highlighted the low level of Islamic financial literacy among individuals and employees of Islamic financial institutions(Puspitasari et al., 2023; Tulasmi et al., 2023). These findings underscore the need for comprehensive and applicable Islamic financial education,

especially for educators who play a crucial role in shaping the financial understanding of future generations.

Facing this challenge, Tadika Al Fikh Orchard took the initiative to implement the "Sharia Capital Market Literacy" program. The program is designed to provide comprehensive education on the principles of Islamic economics and financial instruments and their practical applications. The aim is to strengthen the understanding and skills of staff in managing finances in a sharia manner, both in the context of institutional and personal finance. The main focus of this program is on Islamic mutual funds, stocks, Sukuk, and other Islamic financial instruments.

With the implementation of this program, Tadika Al Fikh Orchard aims not only to improve the financial competence of staff but also to implement sharia values in the curriculum and education of children. This is important in preparing young people with ethical and responsible financial knowledge and skills aligned with Islamic principles. The program is expected to have a broad and sustainable impact for Tadika Al Fikh Orchard staff and the education community in Malaysia as a whole.

The increase in Islamic financial literacy at Tadika Al Fikh Orchard also reflects a broader need in Malaysia, where financial literacy, particularly Islamic ones, is a critical component of education. In facing global challenges in the financial sector, Islamic financial literacy provides insight into ethical and responsible financial management alternatives. As a Muslim-majority country, Malaysia has significant potential to become a leader in developing and implementing Islamic finance, making initiatives such as the program at Tadika Al Fikh Orchard essential.



The program enriches staff's knowledge and understanding of Islamic capital markets and supports their professional development. With the knowledge gained, staff can make more informed and Sharia-compliant financial decisions for institutional and personal finances. This creates an environment where staff are more confident and competent in financial management, setting a good example for the children they teach.

Furthermore, the program supports establishing a responsible and ethical financial culture at Tadika Al Fikh Orchard. Integrating sharia principles into its daily activities and educational approach promotes values that prioritize justice and sustainability. This is very important in forming healthy financial understanding and attitudes in children from an early age.

Finally, the "Sharia Capital Market Literacy" program at Tadika Al Fikh Orchard is an impactful initiative that combines increasing Islamic financial literacy with broader social and educational development goals. The program paves the way for similar initiatives in Malaysia and other countries, demonstrating how Islamic finance education can be integrated into educational institutions to form a more informed, ethical, and responsible generation in financial management.

METHOD

The "Sharia Capital Market Literacy" program at Tadika Al Fikh Orchard Malaysia is designed with a systematic and integrated methodology to optimize the understanding and application of Islamic financial concepts among staff. The program will run from August 3 to 8, 2023, at the Malaysia Tadika Al Fikh Orchard location.

1. Identify Partner Problems

The initial step in this methodology involves intensive interaction with the management of Tadika Al Fikh Orchard. The main objective of this discussion was to identify specific needs related to Islamic capital market literacy among staff. This process includes evaluating the initial level of knowledge and staff perception of the principles of Islamic economics and Islamic capital markets. This approach ensures that training programs are designed to target critical areas that require increased knowledge and skills effectively.

2. Training Implementation

The implementation phase of the training involves a series of sessions dedicated to delivering various aspects of the Islamic capital market. The training material includes an introduction to Islamic economic principles, Islamic financial instruments such as Islamic mutual funds, Islamic stocks, and sukuk, as well as their application in school and personal finance. The selected training method includes informative lectures and interactive discussions that allow participants to participate in the learning process actively. This discussion aims to deepen participants' understanding and encourage applying the knowledge gained in real scenarios.

3. Evaluation

Evaluation of the effectiveness of training is carried out through a two-stage approach. First, a pre-test was conducted to assess the level of participants' initial understanding of the concept of Islamic capital market. After the training, a post-test measures the increase in knowledge and understanding. In addition, questionnaires are distributed via Google Forms to collect



detailed feedback from participants on various aspects of the training. The data collected from these evaluations is critical to assessing the program's overall effectiveness and identifying areas that may require improvement or adjustment in future programs.

This methodology ensures that the program not only conveys relevant knowledge but also facilitates the development of practical skills necessary to apply Islamic finance concepts effectively.

RESULT AND DISCUSSION

1. Identify Partner Problems

Figure 1 Training Sessions with Participants



Furthermore, the identification results show that while Tadika Al Fikh Orchard staff desire to learn more about Islamic finance, they often need help finding reliable and easy-to-understand sources of information. This lack of understanding indirectly affects their ability to manage school finances efficiently, by sharia principles, and in planning their finances.

There is also a need for more awareness of how Islamic principles can be integrated

The process of identifying problems at Tadika Al Fikh Orchard revealed that, prior to this program, there was a significant knowledge gap among staff about Islamic capital markets and Islamic economic principles. Initial surveys show that many staff need a more comprehensive understanding of Islamic financial instruments such as Islamic mutual funds, Islamic stocks, and Sukuk. This difficulty is not only limited to theoretical concepts but also practical application and investment decision-making by Shariah.

into everyday financial practices at the institutional and private levels. This shows the importance of more in-depth education and training to strengthen understanding of the Islamic capital market and its real-life application. This identification became the basis for developing training content designed to address the specific needs of staff and strengthen Islamic financial literacy at Tadika Al Fikh Orchard.



2. Training Implementation

Implementing the "Sharia Capital Market Literacy" training at Tadika Al Fikh Orchard took place effectively and interactively. The training sessions at the Tadika Al Fikh Orchard campus are designed to provide in-depth and applicable knowledge about the Islamic capital market. This activity attracted the attention of 40 participants, consisting of owners, administrators, principals, and teachers, all from the Penang region in Malaysia.

The training session began with an introduction to the principles of Islamic economics, delivered through lectures and presentations by an implementation team consisting of experts in their fields. The material covered covers the basics of Islamic economics and an introduction to various Islamic financial instruments such as Islamic mutual funds, Islamic stocks, and Sukuk. Participants can relate theory to everyday practice using engaging and interactive methods, including group discussions and case studies.

Figure 2 Documentation with Tadika Al Fikh Orchard



One of the main focuses of training is on the practical application of the acquired knowledge. This includes simulation sessions and case analysis, where participants can apply the concepts learned in real scenarios. Through this method, participants gain theoretical understanding and develop the practical skills necessary to make effective and Sharia-compliant financial decisions.

During the training, interaction between participants and teachers was emphasized. Q&A sessions and open discussions became an essential part of the

program, allowing participants to explain doubts and gain a deeper understanding. It also allows the implementation team to tailor the training material to make it more relevant and effective according to the needs and backgrounds of participants.

Implementing training at Tadika Al Fikh Orchard created a dynamic and supportive learning environment. Participants gain valuable knowledge and skills they can apply in their work at Tadika Al Fikh Orchard and personal financial management.



3. Evaluation

The evaluation of the "Sharia Capital Market Literacy" program at Tadika Al Fikh Orchard Malaysia is an essential stage in measuring the success and effectiveness of the training conducted. This evaluation is done through several methods, including pre-test and post-test, and collecting feedback through questionnaires.

Pre-Test and Post-Test

Before starting the training, a pre-test was held to assess the participants' level of initial understanding of the basic concepts of the Islamic capital market. The average pre-test score was 40%, indicating participants' relatively low understanding of this topic. This underscores the need for comprehensive training to improve Islamic financial literacy among Tadika Al Fikh Orchard staff.

After the training, a post-test is conducted with similar questions to assess the increase in participants' understanding. Post-test results revealed significant improvements in comprehension, with the average score increasing to 75%. This increase shows that the training has successfully addressed the knowledge gap about Islamic capital markets and economic principles.

Feedback Questionnaire

A feedback questionnaire is sent to all participants after the training session. Questions in the questionnaire are designed to assess participants' satisfaction with various aspects of training, including the quality of the material, teaching methods, and the topic's relevance to their professional needs. In general, the response from participants was overwhelmingly positive, with 85% rating the training as

'gratifying'. Special comments from participants highlight the clarity of the material delivered and the effectiveness of the interactive teaching methods used.

This feedback provides essential insights into the program's strengths and areas that may need improvement. While participants broadly felt more confident in their knowledge of Islamic capital markets, some suggested follow-up sessions or further training to explore advanced topics in Islamic finance.

Overall, the program evaluation showed positive results, with a clear improvement in Islamic financial literacy among participants. These results prove the effectiveness of the chosen training approach and validate the need for this kind of educational initiative in early childhood education environments.

CONCLUSION

The "Sharia Capital Market Literacy" program implemented at Tadika Al Fikh Orchard Malaysia has significantly improved staff understanding and skills of Islamic capital markets and Islamic economic principles. From these findings, several important conclusions can be drawn.

First, there is a clear and significant increase in Islamic financial literacy among Tadika Al Fikh Orchard staff. This is evidenced by an increase in the average score from the pre-test to the post-test, which indicates the effectiveness of the training material and its delivery method. This training successfully addressed the initial problem identified: the need for in-depth understanding of Islamic capital market principles and products among education staff.



Secondly, the program has far-reaching implications for Tadika Al Fikh Orchard staff and their target communities, namely children in the early education stage. By increasing Islamic financial literacy among educators, the program provides a basis for integrating responsible and ethical financial values into the early childhood education curriculum. This paves the way for developing sound and responsible financial understanding among the younger generation.

Third, positive feedback from participants shows that the interactive and applicable approach in training is efficient. The active involvement of participants in the discussion and simulation of practice allows them to understand the theory and apply it in a natural context, which is very important in Islamic finance education.

Finally, the success of this program demonstrates the need for similar initiatives in other educational institutions. It affirms the importance of Islamic financial literacy in education. It offers a model that can be adopted by other educational institutions wishing to integrate aspects of Islamic finance into their programs.

Overall, the "Sharia Capital Market Literacy" program at Tadika Al Fikh Orchard Malaysia has proven to be a valuable initiative, making a significant contribution not only to enhancing individual knowledge but also to the capacity building of institutions and the broader community in Islamic financial literacy.

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