

RATING BBA AND MMP IN THEIR STAGES OF PRODUCT DEVELOPMENT BASED ON MAQASID FRAMEWORK

Syahidawati Shahwan*
Faculty of Economics and Muamalat
Universiti Sains Islam Malaysia (USIM),
71800 Nilai, Negeri Sembilan
E-mail: syahidawati@gmail.com

Mustafa Omar Muhammad
Kulliyah of Economics and Management Sciences (KENMS)
International Islamic University Malaysia (IIUM)
E-mail: mustafa@iium.edu.my/m_smohd@hotmail.com

ABSTRACT

Home is a basic need. Islamic banks have been offering Bay Bithaman Ajil (BBA) facility for home financing. BBA has been criticized as mimicking the conventional debt based structure and it does not fulfill the objectives of Shari'ah (al-Maqasid). The literature suggests Musharakah Mutanaqisah (MMP) home financing facility as a better alternative to BBA because the former complies with al-Maqasid in form and spirit. Most of the studies on these issues have been perceptive in nature, through surveys. They do not get to the bottom of the problem. For example, at what stage in the development of the two products is al-Maqasid violated? Which stage achieves higher level of al-Maqasid relative to the other stages? How can we empirically prove that MMP achieves higher level of al-Maqasid than BBA? The present study adopts AHP to answer these pertinent research questions. The Goal is to rank the stages of developing the two Islamic banking products relative to al-Maqasid. The criteria are the four (4) stages used in the development of Islamic banking products, the sub-criteria are the five elements of al-Maqasid, and the alternatives are the two Islamic home financing products. The results of this study show that MMP conforms to al-Maqasid more than BBA. The study has concluded with suggestions for future research.

Key words: Al-Maqasid, Bay Bithaman Ajil (BBA), Musharakah Mutanaqisah (MMP), Rating, AHP

1. Introduction

The world has witnessed a steady growth of Islamic bank since its evolution in the 1960's to its boom in the 1970's and 80's and to great expansion towards the 20th century. Several Islamic banks have been established with quite a number of supports from regulatory bodies and organizations like Islamic Development Bank (IDB), Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI), International Islamic Financial Market and Islamic Financial Services Board (IFSB). These commitments have boosted the industry at the international level and promoted Islamic banking as a viable alternative banking system.

In Malaysia, Islamic banking has matured over the years and is well supported by regulators particularly Bank Negara Malaysia (BNM), which continue to facilitate for Islamic financial institutions to play major roles in products, Islamic concepts, operations and marketing, among others. Islamic banking and finance in Malaysia has rapidly developed in a few important stages and as of 2013, 16 Islamic banks have been given licenses to operate as full-fledge Islamic banks under the supervision of Bank Negara Malaysia (BNM) compared to only two banks a decade ago.

Similarly, product innovation activity has also been remarkable. There are now diversified products ranging from home financing, personal financing, vehicle financing, working capital financing, term

* Corresponding author

financing to trade financing (BNM, 2011a). The study focuses on home financing, one of the most important financing facilities sought for by customers. Islamic banks in Malaysia offer home financing facilities using al-Bay' Bithaman Ajil (BBA) financing or deferred sale, *Musyarakah Mutanaqisah* Partnership (MMP) or diminishing partnership, *Istisna'* (construction/manufacturing sale), *Murabahah* (Cost plus sale) and Tawarruq (personal financing). Statistics show that 65.23 percent of these home financing facilities is BBA, used mostly by the local Islamic banks, 21.75 percent is *Musyarakah Mutanaqisah* financing and 4.34 percent each for Tawarruq, *Istisna'* and *Murabahah* financing. Thus, in Malaysia, banks mostly offer BBA and MMP for Islamic home financing, which are the focus of the study.

BBA is the first home financing facility introduced in Malaysia in 1983. Over the years, there are claims that the practice of BBA mimics conventional interest based financing and hence does not conform to Maqasid al-Shari'ah (Objectives of Shari'ah) in terms of achieving Maslahah (public interest). MMP was later introduced in the market as a viable alternative home financing facility with the view that, theoretically, its features meet Maqasid al-Shari'ah unlike the BBA. This issue raises two pertinent questions. How can we empirically demonstrate that MMP conforms to Maqasid al-Shari'ah more than BBA? Is the problem of non conformity to al-Maqasid applicable at all the stages of product development of the two home financing facilities? Unfortunately, the literature has remained silent in answering these two important research questions. Hence, this paper has solicited the opinion of experts in Islamic banking and finance in order to compare and rank the two products at the various stages of their development based on Maqasid al-Shari'ah.

The paper is divided into six sections including the introductory section. The second section reviews the related works on the subject. The third section discusses the research methodology, followed by the discussion on data collection in the fourth section. Section five presents the findings and analyzes the results. The final section concludes the study and makes suggestions for future research.

2. Review of Related Works

Al-Bay' Bithaman Ajil (BBA) theoretically involves deferred sale price of an asset that is transferred on the spot. It is a sale-based financing. BBA is the oldest product offered by Islamic Banking Institution and also the most popular contract being used (Kuala Lumpur Business School, 2006). Bank Negara Malaysia (BNM) (2011a) reported that BBA dominated almost 86 % of total financing disbursed in December 2011. MMP on the other hand is a partnership-based financing facility. The phrase "*Musharakah Mutanaqisah*" means diminishing partnership in terms of joint equity, profit and loss sharing. This least popular product however has started getting attention of Islamic banks for its unique relationship and is claimed to conform to Maqasid al-Shari'ah compared to BBA (Mydin Meera Ahamed Kameel & Dzuljastri, 2005; Mydin Meera Ahamed Kameel & Dzuljastri, 2009 ; Dzuljastri & Fauziah, 2011; Dzuljastri, Mustafa, & Fauziah, 2008; Fauziah Md, Ramayah, & Dzuljastri Abdul, 2008; Haneef, Kunhibava, & Smolo, 2011; Razak & Abduh, 2012; Smolo & Hassan, 2011).

Both BBA and MMP have their strengths and weaknesses in terms of their conceptual underpinning and operation. Many literatures have reviewed both BBA and MMP on five issues, namely Shari'ah compliance, pricing, legal and documentation, financial institution administrative contention and product that determine the conformity of the two products Maqasid al-Shari'ah. BBA is criticized for being overpriced and unjust and hence seems to be unable to represent the true spirit of Islamic banking (Mydin Meera Ahamed Kameel & Dzuljastri, 2005; Mydin Meera Ahamed Kameel & Dzuljastri, 2009 ; Dzuljastri Abdul & Fauziah Md, 2011; Dzuljastri Abdul, Mohammed, & Fauziah Md, 2008; Fauziah Md et al., 2008; Md_Dahlan, 2010; Noreeta, 2008; Nuarrual Hilal & Sharifah Zubaidah, 2011; Razak & Abduh, 2012; Saiful Azhar, 2010, 2011; Smolo & Hassan, 2011). MMP on the other hand, which is claimed to be fulfilling the Maqasid al-Shari'ah, has upset financial institutions in profit calculation due to fluctuation of its rental price value (Osmani & Abdullah,

2010 ; Smolo & Hassan, 2011) and the limitation of IT system to support the MMP product (Mohd Izuwan Mahyudin & Nurul Huda Zainal, 2012).

The issues raised previously whether the two products fully conform to Maqasid al-Shari’ah is the area of interest in this study. Many literatures have made conceptual and theoretical claims that MMP conforms to Maqasid al-Shari’ah more than BBA. No empirical work has been conducted to substantiate that claim. Moreover, none of the literatures have indicated at what stage of the product life-cycle the problem begins.

There are limited literatures on product development (PD) of Islamic banking. Extensive attention was given to Shari’ah processes and most literatures have discussed selected product development activity of Islamic banks (Hassan & Lewis, 2007; Lahsasna & Hassan, 2011; Muda & Abdullaah, 2007). Furthermore, the literatures have conceptually mentioned several stages of Shari’ah approval process rather than discussing the overall process of product development in Islamic banks. Only recently, Ahmed (2011a, 2011b) breached the literature limitation by inducing a product development (PD) model adapted from Cooper and Brentani (1991) as shown in Figure 1 below. Besides Ahmed (2011a, 2011b), BNM (2011b), cited from Rusni (2012), included in its recently announced Shari’ah Governance Framework, a product development activity as shown in Figure 1 below, besides Ahmed’s (2011a, 2011b) model.

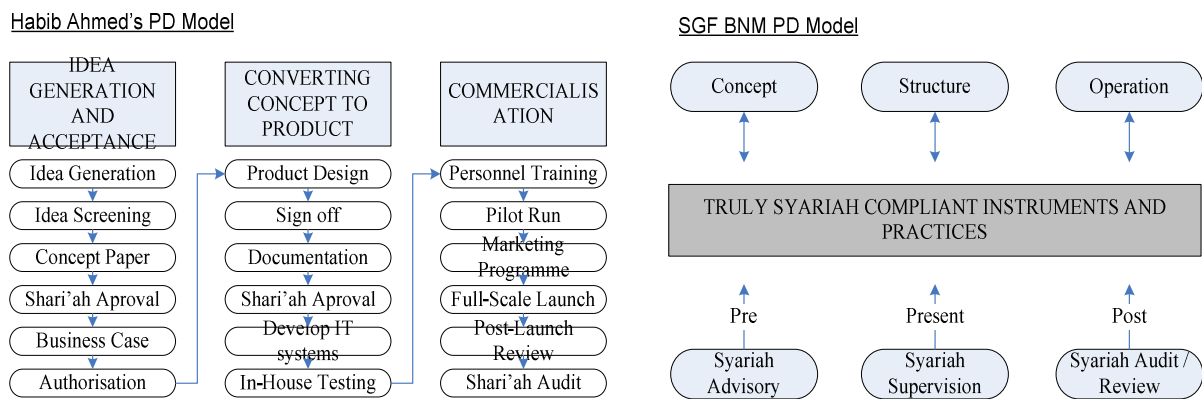


Figure 1: Referred PD Models in Ahmed (2011b) and Rusni (2012)

3. Research Method

As stated in section 1 above, this paper has solicited the opinion of experts in Islamic banking and finance in order to rank the two products at the various stages of their development based on Maqasid al-Shari’ah.

The authors have benefited from Thomas L. Saaty’s decision-making tool, popularly known as the Analytic Hierarchy Process (AHP), which is a multi-attribute decision making instrument for various fields including intangible criteria (Huu Phuong & Kar Yin, 2000). In the current study it is used to prioritize BBA and MMP home financing products in their PD stages based on Maqasid al-Shari’ah. There are three underlying principles of AHP namely (1) the construction of hierarchy; (2) the establishment of priorities; and (3) the logical consistency (Takala, Suwansaranyu, & Phusavat, 2006). Hence, it is a practical tool for breaking down a complex and unstructured situation similar to the case in this study that involves intangible concepts of Maqasid al-Shari’ah. Following the previous steps, these parts are arranged into a hierarchic order and numerical values are assigned to subjective judgments on their relative importance based on pair-wise comparisons. The judgment by the experts is finally synthesized to determine the highest priority (Saaty, 1990, 2008). To sum up, AHP organizes a multi-criteria decision making problem into a hierarchy consisting of the

relationships between goal, criteria, sub-criteria and alternatives. According to Saaty (2008), there are four steps to ensure that the prioritization process is organized accordingly as shown in the following Table 1.

Table 1: Adapting Saaty’s AHP Process (2008)

STEPS	SAATY’S	CURRENT STUDY
Step 1	Define the problem and determine the kind of knowledge sought	The problem is to investigate which of the two Islamic home financing product achieve the highest level Maslahah (welfare) based on Maqasid al-Shari’ah and at what stage of their PD.
Step 2	Structure the decision hierarchy from the top with the goal of the decision, then the objectives from a broad perspective, through the intermediate levels (criteria on which subsequent elements depend) to the lowest level (which usually is a set of the alternatives)	The goal is to rank BBA and MMP at their stages of product development based on Maqasid al-Shari’ah. The criteria are the four stages of product development in Islamic bank (see Figure 2 below); and the sub-criteria are the five elements of Maqasid al-Shari’ah as shown in Figure 3 below. The alternatives are the two prominent home financing products; BBA and MMP. Figure 4 depicts the decision hierarchy structure for the stated goal.
Step 3	Construct a set of pair-wise comparison matrices (PCM). Each element in an upper level is used to compare the elements in the level immediately below with respect to it.	The PCM for all the four criteria (stages), five sub-criteria (Maqasid elements) and two alternatives were constructed. A blank PCM forms were used to collect AHP data via face to face interviews with 9 respondents from Islamic banking experts.
Step 4	Use the priorities obtained from the comparisons to weigh the priorities in the level immediately below. Do this for every element. Then for each element in the level below add its weighed values and obtain its overall or global priority. Continue this process of weighing and adding until the final priorities of the alternatives in the bottom most level are obtained.	Synthesis of the weights was obtained using the Expert Choice software. Similarly, the overall priorities of the alternatives based on their individual importance ratings with respect to the criteria (PD stages) and sub-criteria (Maqasid elements) over the two alternatives (IB Products) were obtained as well.

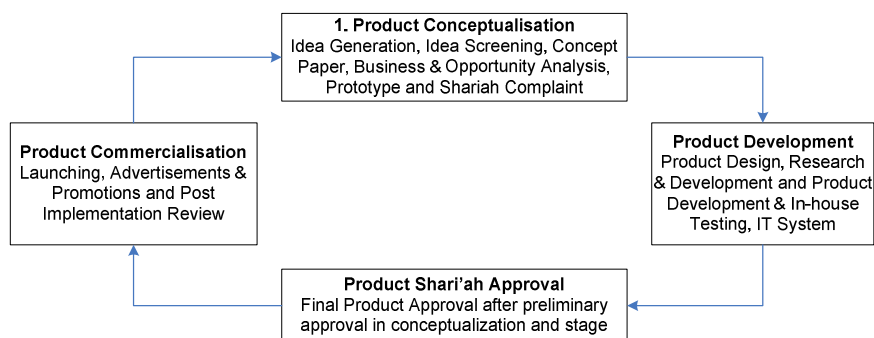


Figure 2: The four stages of product development in Islamic bank adapted from Ahmed (2011b) and Bank Negara Malaysia (BNM) (2011b) and Wan Ismail (2011)

These four stages shown in Figure 2 above are considered for criteria in Saaty’s Hierarchical Process as mentioned previously. Meanwhile Figure 3 below shows the five elements of al-Maqasid that have been used as sub-criteria in Saaty’s Hierarchy.

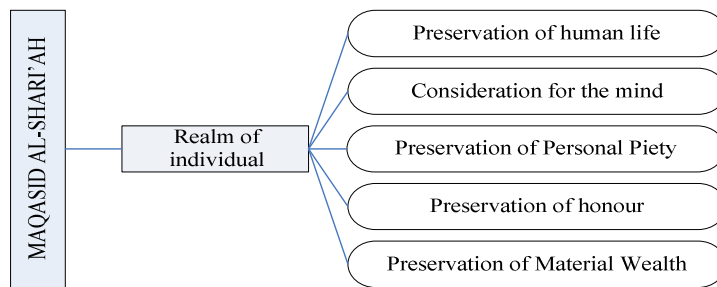


Figure 3: The realm of individual of the Maqasid al-Shari’ah (Attia, 2010)

Attia (2008, 2010) classified al-Maqasid into four realms: individual, family, Ummah and mankind. He adopted the five elements of al-Maqasid depicted in Figure 3 above from Al-Ghazali (1997) original five essential elements, namely the preservation of religion, life, intellect, progeny and wealth. Attia (2010) included al-Ghazali’s five essentials at the individual realm, modified the priorities and substituted the fourth element of progeny for honor. Attia’s (2010) five elements of al-Maqasid as shown in Figure 3 above are: preservation of human life (Hifa al-Nafs), preservation of the mind (Hifz al-‘Aql), preservation of personal piety (Hifz al-Tadayyun), preservation of honor (Hifz al-‘Irdh) and preservation of material wealth (Hifz al-Mal). In the context of our study, preservation of human life refers to preservation quality standard of living; preservation of the mind denotes public awareness; preservation of piety means preserving Shari’ah compliance; preservation of honor means preserving human dignity and preservation of wealth refers to good savings and investment. Hence, from al-Maqasid perspective, the two home financing products (BBA and MMP) are supposed to preserve quality standard of living, enhance public awareness, Shari’ah compliance, human dignity and preserve people’s savings and investment. Therefore, our study examines how these five elements are prioritized at each of the four stages of product development in Islamic bank in relation to the two home financing products (BBA and MMP). For example, at the first stage (product conceptualization) of developing the BBA product, where is the priority given based on al-Maqasid? Is priority given to the preservation of savings and investment over Shari’ah compliant, human dignity over awareness, etc?

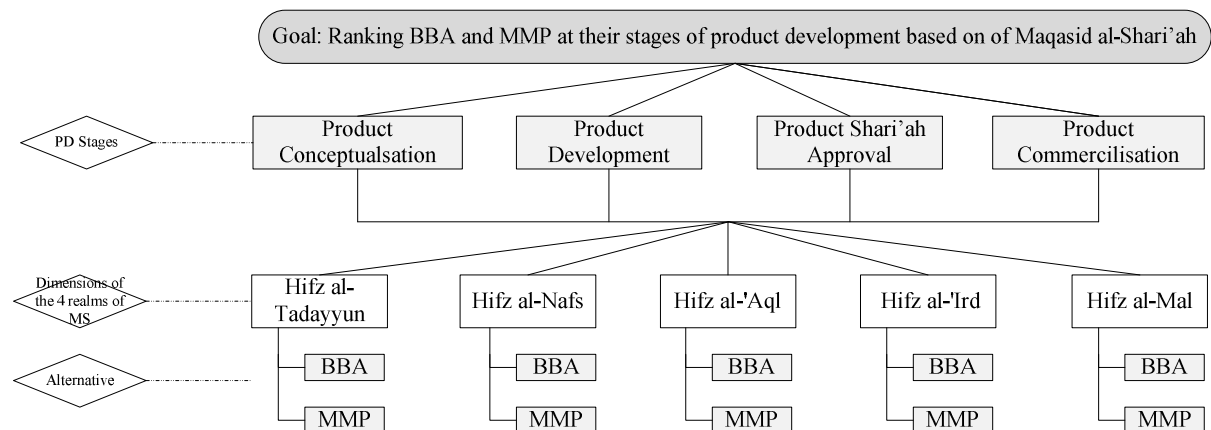


Figure 4: Hierarchy Structure for Prioritizing BBA and MMP Home Financing Products

From Figure 4 above, the goal is ranking BBA and MMP in their stages of product development based on Maqasid al-Shari'ah. The criteria are the four stages of product development in Islamic bank, namely product conceptualization, product development, product Shari'ah approval and product commercialization. The sub-criteria comprise the five elements of al-Maqasid, Hifz al-Nafs, Hifz al-'Aql, Hifz al-Tadayyun, Hifz al-'Ird, and Hifz al-Mal. Lastly, the alternatives are the two Islamic home financing products (BBA and MMP).

4. Data Collection

Selection of the Respondents

The weights in the pair wise comparison matrices of the AHP depend on the experience of the participants or the experts. The survey hence would allow small number of participants since experts opinions are counted (Takala et al., 2006). In the current study, nine experts were interviewed based on their experience with Islamic banking concept and operation and the Shari'ah. Quite a substantial number of them are Shari'ah advisors in banks, have related publications at their credit and they teach courses related to Islamic finance industry. This rich profile lends credibility to the authors on their choice of the respondents to the study. The profiles of the respondents are provided in the following Table 2.

Table 2: Profiles of the Respondents

Variable		<i>n</i>	%
Gender	Female	4	50
	Male	4	50
Academic qualification	Master	3	37.5
	PhD	5	62.5
Area(s) of specialisation (interviewees are allowed to choose more than 1 specialisation)	Economics	2	25
	Shari'ah	7	87.5
	Finance	2	25
	Fiqh & Usul al-Fiqh	2	25
	Islamic Banking	1	12.5
Shariah Advisor	Yes	4	50
	No	4	50
Number of publications and research papers in the area(s) of Islamic economics, banking and finance	Below 10	3	37.5
	10-20	3	37.5
	20-30	1	12.5
	30-40	1	12.5
	Above 40	0	0
Number of conferences, seminars, workshops, meetings in the area(s) of Islamic economics, banking and finance attended	Below 10	1	12.5
	10-20	4	50
	30-40	1	12.5
	20-30	1	12.5
	Above 40	1	12.5

Administering the Survey Questions

A survey questions for the face to face interview session were developed based on the multi-criteria decision making hierarchy structure shown in Figure 4 above. The interviews were self conducted by the researchers. The questionnaires contained ten (10) pair-wise comparison matrices (PCMs). The matrices comprise one (1) PCM for all the four stages of PD; four (4) PCMs for the five Maqasid al-Shari'ah elements and finally five (5) PCMs for the two home financing products in relation to the five Maqasid al-Shari'ah elements for each four PD stages. All the interview sessions were conducted in the offices of the interviewees. An average of 45 minutes was taken to conduct the session. The interviewees were given introductory notes on the objectives of the study and the purpose of conducting the session. They were repeatedly reminded that their views as experts in the field of the study were extremely important. Saaty's ratio scale rating shown in Table 3 below was used to prioritize the elements in the PCMs.

Table 3: Saaty’s Ratio Scale of Judgment

Verbal Judgment of Importance	Numerical Rating
Equal importance	1
Equal to moderate importance	2
Moderate importance	3
Moderate to strong importance	4
Strong importance	5
Strong to very strong importance	6
Very strong importance	7
Very strong to extreme importance	8
Extreme importance	9

Note: If any factor F_i has importance strength over F_j as any of the above non- zero numbers, then F_j has the reciprocal importance strength with F_i , i.e., $a_{ji} = 1 / a_{ij}$.

Data Collection and Analysis

The current study involves multiple experts that require the researchers to aggregate the responses. According to Johnson, 1980 in Zahedi (1986) the last step after collecting pair-wise comparisons data and assigning weights for the elements by using the "eigenvalue" method, researchers are required to aggregate the relative weights of decision elements from the multiple respondents to arrive at a set of ratings for the decision alternatives (or outcomes). Forman and Peniwati (1998) state that there are two approaches frequently used in AHP to aggregate the group decision making; aggregation of individual judgments (AIJ); and aggregation of the individual priorities (AIP). AIJ is normally operated using the geometric mean and AIP is usually performed using the arithmetic mean. In the present study, the geometric mean of AIJ has been chosen to aggregate the group judgments. A sample of two sets of duly filled AHP questionnaires is provided in two tables below.

Table 4: A Sample of two sets of AHP Questionnaires

	PConceptualisation	PDevelopment	PShaApproval	PCommercialisation
PConceptualisation	1	4	1	6
PDevelopment		1	5	8
PShaApproval			1	8
PCommercialisation				1

Product Conceptualisation	Hifz al-Tadayyun	Hifz al-Nafs	Hifz al-‘Aql	Hifz al-‘Ird	Hifz al- Mal
Hifz al-Tadayyun	1	7	7	5	6
Hifz al-Nafs		1	1/7	1	5
Hifz al-‘Aql			1	6	7
Hifz al-‘Ird				1	1/8
Hifz al-Mal					1

Expert Choice software was utilized to compute from the PCMs the priorities of the BBA and MMP based on Maqasid al-Shari’ah at all the four stages of their product development. The consistency ratio (CR) computed for all the pair-wise comparison (PCMs) for the current study is 0.12 or 12%. According to Saaty (citing Islam (2009) if the CR value is less than 0.10, then the amount of inconsistency present in the PCM is acceptable. However, if $CR > 1.0$, then amount of inconsistency is not acceptable; in this case, the decision maker needs to revise the PCM so that CR is brought to less than 0.10.” The high rate of inconsistency above 10% could not be avoided in the present study, which is basically part of a pilot test. Accordingly, in such cases,

inconsistency is unavoidable because the respondents might not understand the different effect in the choices given and they might not be able to evaluate and compare accurately the relative importance of the elements (Dahari & Abduh, 2011). The inconsistency might also result from lack of information and concentration about the criteria (Huu Phuong & Kar Yin, 2000) or confusion between the closely attributed criteria. Hence, the authors in future study will revise the subjective judgment to make the compared criteria more significant and comparative to one another. As it is, the present results can still be considered indicative, sufficient to achieve the objectives of the study.

4. Findings and Discussion

All the PCM's data collected were computed, synthesized, rated and ranked through the Expert Choice software program. The ratings and rankings produced will be discussed at the following three levels:

- a) Overall standing that provides rating and ranking of the two home financing products – BBA and MMP home financing facilities.
- b) Rating and ranking of the two products with respect to the five Maqasid elements.
- c) Rating and ranking of the five Maqasid elements with respect to the four PD stages.

Overall Standing or Global Weight

The output from Expert Choice software of the global weights of the two Islamic home financing products of BBA and MMP is shown in Table 4 below.

Table 4: Rating and Ranking BBA and MMP Islamic Home Financing Products

No.	Product	Rating	Ranking
1	BBA Islamic Home Financing	0.260	2
2	MMP Islamic Home Financing	0.740	1

As shown in Table 4, the experts have ranked MMP higher than BBA in terms of achieving Maqasid al-Shari'ah at the four stages of their product development. This means, in all the four stages, MMP will be able to preserve quality standard of living, enhance public awareness, Shari'ah compliance, human dignity and preserve people's savings and investment better than BBA. This result supports findings by previous studies (Mydin Meera Ahamed Kameel & Dzuljastri, 2005; Mydin Meera Ahamed Kameel & Dzuljastri, 2009; Dzuljastri Abdul & Fauziah Md, 2011; Dzuljastri Abdul et al., 2008; Fauziah Md et al., 2008; Md_Dahlan, 2010; Noreeta, 2008; Nuarrual Hilal & Sharifah Zubaidah, 2011; Razak & Abduh, 2012; Saiful Azhar, 2010, 2011; Smolo & Hassan, 2011). This implies that the industry should give priority to offering MMP home financing facility compared to BBA. Furthermore, the potential of MMP to foster Maqasid al-Shari'ah in the overall product development process in Islamic bank will promote Maqasid theory in larger scale. This inadvertently will also help to improve the Maqasid ranking of BBA.

Rating and Ranking of the two products with respect to the Five Maqasid elements

When the two products were rated and ranked according to the five Maqasid elements; *Hifz al-Tadayyun*, *Hifz al-Nafs*, *Hifz al-'Aql*, *Hifz al-'Ird* and *Hifz al-Mal*, the Expert Choice software generated the following findings presented in Table 5 below.

Table 5: Ratings and Rankings of the Major Islamic Home Financing Products to Maqasid elements

No.	Home Financing Products	Elements of Maqasid al-Shari'ah			
		Hifz al-Tadayyun	Hifz al-Nafs	Hifz al-'Aql	Hifz al-'Ird

1	BBA	0.15 [1]*	0.054 [2]	0.024 [3]	0.017 [4]	0.015 [5]
2	MMP	0.448 [1]	0.128 [2]	0.079 [3]	0.045 [4]	0.041 [5]

* The number in parentheses shows the ranking for each product with respect to the five Maqasid elements

In Table 5 above, it is observed that in developing the two products at all the four stages, the first priority is to ensure that the two products preserve Shari’ah compliance (Hifz al-Tadayyun). The second priority goes to the preservation of quality standard of living (Hifz al-Nafs), followed by promotion of awareness (Hifz ‘Aql). The fourth priority is given to the preservation of human dignity (Hifz al-‘Ird) and finally the preservation of savings and investment (Hifz al-Mal). The ranking is also supported by the views of Muslim scholars in many classical literatures. The ranking of these scholars is produced in the following Table 6.

Table 6: Ranking of Maqasid elements by Classical Muslim Scholars

Muslim Scholars	C.E. / A.D.	Ranking				
		No. 1	No. 2	No. 3	No. 4	No. 5
Al-Ghazali	1111	Deen	Hayah	‘Aqal	-Nasl/‘Ird	Mal
Ibn al-Subki	1369	Deen	Hayah	‘Aqal	Nasab/‘Ird	Mal
Al-Shatibi	1388	Deen	Hayah	‘Aqal/Nasl	Nasl/‘Aql	Mal/Nasal
Ibn Ashur	1973	Deen/Hayah	Deen/Hayah	‘Aql/Nasl/Mal	‘Aqal/Nasl	Nasal/ Mal

Source: Adapted from Auda (2010). Note: Deen=religion, Haya=life, Nasl, Nasab=progeny

Rating and Ranking the Five Maqasid elements with respect to the Four PD Stages

The software rated and ranked the five elements of Maqasid with respect to the four PD stages; Product Conceptualisation, Product Development, Product Shari’ah Approval and Product Commercialisation. These ratings and rankings are shown in Table 7 below.

Table 7: Ratings and Rankings of the Maqasid elements with respect to PD Stages

No	PD Stages	Maqasid Elements				
		Hifz al-Tadayyun	Hifz al-Nafs	Hifz al-‘Aql	Hifz al-‘Ird	Hifz al-Mal
1	Product Conceptualisation	0.609 [1]*	0.161 [2]	0.116 [3]	0.058 [4]	0.056 [5]
2	Product Development	0.524 [1]*	0.237 [2]	0.124 [3]	0.059 [4]	0.055 [5]
3	Product Shari’ah Approval	0.624 [1]*	0.167 [2]	0.094 [3]	0.061 [4]	0.053 [5]
4	Product Commercialisation	0.630 [1]*	0.147 [2]	0.102 [3]	0.060 [5]	0.061 [4]

* The number in parentheses shows the ranking for each Maqasid element with respect to the PD stages

The data tabulated in Table 7 show that in all the four PD stages, except the commercialization stage, priorities should be given to the preservation of maqasid elements in the sequences previously listed as shown in Tables 5 and 6. For example, at conceptualization, development and Shari’ah approval, the priority for both products is the preservation of Shari’ah compliance (Hifz al-Tadayyun). At the commercialization stage, Hifz al-Mal and Hifz al-‘Ird are given the fourth and fifth priorities respectively.

In summary, as shown in Table 8 below, MMP home financing product must be given priority over BBA when developing the two products. This is because MMP conforms more to Maqasid than BBA. Furthermore, at the first three stages of developing the two products, priority should be given

to the preservation Shari'ah compliance, then the preservation of quality standard of living, followed by the promotion of awareness, then the preservation of human dignity and finally the preservation of savings and investment

Table 8: Prioritization of BBA and MMP based on Maqasid elements in the four PD Stages

No.	Product	PD Stages				Maqasid elements
		PConcept	PDevelop	PShaApp	PCommercial	
1.	BBA	0.296	0.219	0.3	0.256	Hifz al-Tadayyun
2.	MMP	0.704	0.781	0.7	0.744	Hifz al-Tadayyun

5. Conclusion

The study finds that MMP is a highly accepted product in terms of conforming to the five elements of Maqasid al-Shari'ah in all its PD stages. The study also finds that the respondents have not totally rejected BBA as not complying with the five elements of Maqasid al-Shari'ah in all its PD stages but to a lesser degree compared to MMP.

For the future direction of the study, at least two important points needs to be observed: the process of data collection using PCMs and the model used for the data collection. The use of PCMs in AHP survey is relatively a new experience to all the respondents. Making the respondents understand the matrices and Saaty's ratings was time consuming. Most of the observations in the current study are similar to Islam (2007) where he points out, among others, that the respondents keep revising elements in a PCMs and keep repeating one particular number several times.

In terms of the model, prior knowledge of the respondents on the classical ratings of the five elements in Maqasid al-Shari'ah has affected the result of the study. The model needs to be modified to better compare the five elements of Maqasid al-Shari'ah relative to the operational activities in the banks. Hence, it is suggested that operational terms rather than the classical terms like *Hifz al-'Ird* be used in the model to reduce biasness.

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Appendix 1: A sample set of individual pairwise comparison matrices

	PConceptualisation	PDevelopment	PShaApproval	PCommercilisation
PConceptualisation	1	4	1	6
PDevelopment		1	5	8
PShaApproval			1	8
PCommercilisation				1

Product Conceptualisation	Hifz al-Tadayyun	Hifz al-Nafs	Hifz al-'Aql	Hifz al-'Ird	Hifz al- Mal
Hifz al-Tadayyun	1	7	7	5	6
Hifz al-Nafs		1	1/7	1	5
Hifz al-'Aql			1	6	7
Hifz al-'Ird				1	1/8
Hifz al- Mal					1

Product Development	Hifz al-Tadayyun	Hifz al-Nafs	Hifz al-'Aql	Hifz al-'Ird	Hifz al- Mal
Hifz al-Tadayyun	1	1/6	1/7	6	7
Hifz al-Nafs		1	7	7	6
Hifz al-'Aql			1	7	7
Hifz al-'Ird				1	6
Hifz al- Mal					1

Product Shari'ah Approval	Hifz al-Tadayyun	Hifz al-Nafs	Hifz al-'Aql	Hifz al-'Ird	Hifz al- Mal
Hifz al-Tadayyun	1	7	6	6	7
Hifz al-Nafs		1	6	1	7
Hifz al-'Aql			1	7	7
Hifz al-'Ird				1	1/2
Hifz al- Mal					1

Product Commercilisation	Hifz al-Tadayyun	Hifz al-Nafs	Hifz al-'Aql	Hifz al-'Ird	Hifz al- Mal
Hifz al-Tadayyun	1	7	7	7	7
Hifz al-Nafs		1	1/6	6	1/7
Hifz al-'Aql			1	6	6
Hifz al-'Ird				1	1/5
Hifz al- Mal					1