

CHAPTER 3:

RESEARCH METHODOLOGY

3.1 Introduction

According to Merriam (2009), the methodology chapter in a research proposal serves as guidance for graduate students. O’Leary (2017) reveals that it is a continuation of the battle of paradigms between quantitative and qualitative research, which is usually loaded with terms that point to belief systems and value judgments. Qualitative studies are conducted by researchers, students and practitioners ranging from education to social work to anthropology and management. It is therefore not surprising that various disciplines and fields have asked different questions and developed different strategies and procedures (Merriam, 2009). O’Leary (2017) believes that qualitative research has an assumption that is consistent with multiple structured and subjective truths and complexity.

Merriam (2009) shows that a fundamental interpretive study is the most common “type” of qualitative research. In particular, it is a challenge for new qualitative researchers to find out what they do and what their “theoretical context” is as a kind of qualitative research study. A central feature of qualitative research is that people build reality in interaction with their social worlds. The qualitative study that would be interested in qualitative researchers, such as (1) how people interpret their experiences, (2) how they build their worlds, and (3) how they give their experiences meaning. The overall objective in qualitative study is to understand the meaning of people’s lives and experiences.

According to O’Leary (2017), researchers should strongly support adopting a research approach that is not based on tradition, but aims to respond well to the questions of well-thought research. Access to research that relies heavily on qualitative data (unquantified words, images, experiences, observations), often tied to a series of assumptions about relativistic social-buildingism, subjectivism. O’Leary (2017) puts it simply, the “best type” studies do not exist. A particular research strategy is good or bad to the extent that it accurately fits the question in the study. A good question should coincide with the appropriate stage of the investigation. This is always driven by research, not methodology. The hiring and how to use it needs to be fluid, flexible and fractured so that it is necessary to answer the questions posed.

There is a difference between methodologies and methods to the design of a study. O’Leary (2017) explains to develop research plans in the study, researcher needs to understand a wide range of factors from relevant questions. The paradigm is specific only to the questions that address the underlying problem, who, where, when, how, and for what. It is not uncommon for today’s students to be not involved in the level of research methodology and want to dive into the details of research methods immediately. They want to fast forward to strategic design for data collection and cannot understand why it is important to understand, adopt, and apply higher macro-level frameworks.

However, methodologies are so important in the course of research that they actually provide researchers with more than a simple research strategy. They actually provide legality to the researchers for the production of knowledge. This study should show the outside world that the researcher is not just an opinion, but a researcher who participates in a cautious and rigorous process. Adopting various methodological

positions shows that researchers have undergone knowledge production and related responsibilities and discussions. Therefore, a reliable study design requires going beyond data collection and data analysis methods. These methods need to be nested within a more macro-level framework or methodology that works in a way that provides researchers with an airtight design that can withstand the highest levels of research.

O'Leary (2017) finds that the methodology provides both a strategy and rationale for the conduct of the study. However, the method is a real micro-level technique used for data collection and analysis, and includes interviews, surveys, observations, and unobtrusive methods, but analysis methods include quantitative strategies (i.e., statistics) and qualitative strategies (i.e., thematic exploration). However, the methodological design is a plan for conducting research projects, including all of the above.

Every researcher should understand and recognize the ways to find a proper answer based on the research questions by following the procedural research paradigm so that the assumptions can be translated as findings and mentioned in the thesis. For instance, each study has different functions depending on his/her area of research, so the researcher needs to understand more about research paradigms such as ontology, epistemology, and research methodology to answer the assumptions in the study. In this study, a research paradigm was identified to answer the research questions that focus on Bank Islam's capability of a turnaround based on the signs of distress by Yakola (2014) and the process of a turnaround in Bank Islam by using a model of Schoenberg et al. (2013). TerreBlanche & Durrheim (1999) provides simple explanations on these three dimensions of study analysis:

1. Ontology refers to the reality of the form and nature related to the philosophy concerned with the study.
2. Epistemology is the knowledge and understanding of people through different types of methods.
3. The methodology is the practice of humans to find out the answer that could give the understanding for the researcher themselves.

Moreover, Scotland (2012) states that the research paradigm has some components, such as ontology, epistemology, methodology, and methods that are used to explain the related relationships in the components. Each component of the research paradigm is as follows:

1. Ontology refers to the assumption or perception of the researcher related to the reality of the study.
2. Epistemology refers to the nature and forms of knowledge that can be created, acquired and communicated in the study.
3. Methodology refers to the strategic action from using particular methods consisting of some ways from why, what, where, when and how data will be collected and analyzed.
4. Methods are the specific techniques and procedures during the collection and analysis of processing the data.

Further explanation of these three dimensions in the research paradigm of this study is provided in the next subtopic.

3.2 The Interpretive Research Approach

According to Merriam (2009), the primary goal of a basic qualitative study is to uncover and interpret the meaning of this study. O'Leary (2017) states that one should

not doubt that to understand the world is through the rules given to interpret it. Now, for traditional scientists, like those who work in laboratories, this means putting aside all preconceptions and moving towards pure objectivity. Rigorous methodological processes and external “research” often make studying this indicator a manageable task. For social scientists, however, the challenge is a little more difficult. It is society itself that is the object of study, and as a product of society, social scientists must realize that their own worldview causes them to be bound by values.

This study sought to explore and explain the impact of the AFC and GFC on the performance of Bank Islam from the identification of distress by Yakola (2014) and figure out Bank Islam’s change process using the turnaround model by Schoenberg et al. (2013). The unit of analysis for this study is Bank Islam and data collection was done through documents published by Bank Islam (from 1984 to 2015) and BNM. The document used for this study to evaluate Bank Islam’s performance is old data (started from 1983), which can still be viewed publicly and legally by any researcher from the websites of Bank Islam and BNM. O’Leary (2017) states that the Internet is an amazing library where all the information provided by all organizations, government agencies, NGOs, researchers, etc. is online. Digital photos, records, databases, and government files are available at the fingertips. O’Leary (2017) also argues that the Internet is more than a library. It is also a data source. Since collecting primary data is a solid part of the research process, researchers sometimes forget the fact that the data they are looking for can already be collected. This was what this study did for the first time by demonstrating a decline in the performance of banks, in particular by comparing three conventional banks with Bank Islam through the information on ROA, ROE and NPF/NPL (listed in Figures 1.1 to 1.3). Merriam (2009) agrees that the Internet is a

“public” data source of public and private records, and that society creates material designed to entertain, inform, and possibly persuade people.

Bowen (2009) explains that document analysis requires data to be examined and interpreted in order to gain meaning, understand, and develop knowledge. experimentally (Corbin & Strauss, 2008; Rapley, 2007). Researchers often review previous literature as part of their research and incorporate this information into their reports. However, when a list of reviewed literature is provided, it usually does not include prior research. To be sure, previous studies are a source of data, requiring researchers to rely on description and interpretation of data rather than raw data as the basis for analysis. O’Leary (2017) describes that there is no computer program capable of accurately translating one language into another, and this is because the language is highly metaphorical, mythical, poetic and full of connotations, riddles and assumptions. Accurate interpretations, not to mention nuances of language and speech, are often lost by the interpreter or during translation. The researcher assumes that English can capture thoughts processed in another language with any fallacy that risks reducing the richness and complexity of people’s ideas and perspectives. Researchers working outside of their native language must seek to confirm that the accuracy and richness of their data is not lost during interpretation and translation. Therefore, when evaluating the performance of the Bank Islam, an interpretation of each indicator of the Yakola’s and Schoenberg’s et al models was carried out as in Figure 2.16.

3.2.1 Ontology of Study

Based on history, the origin of the word ontology is from the Greek present participle $\omega\nu/on/$ which means ‘to exist’. According to Dieronitou (2014), ontology in

social studies refers to the social world which means the kind of things that exist. Besides, Porta & Keating (2008) states that the qualitative study focuses on social value, in which the main subject is intrinsically related to humans.

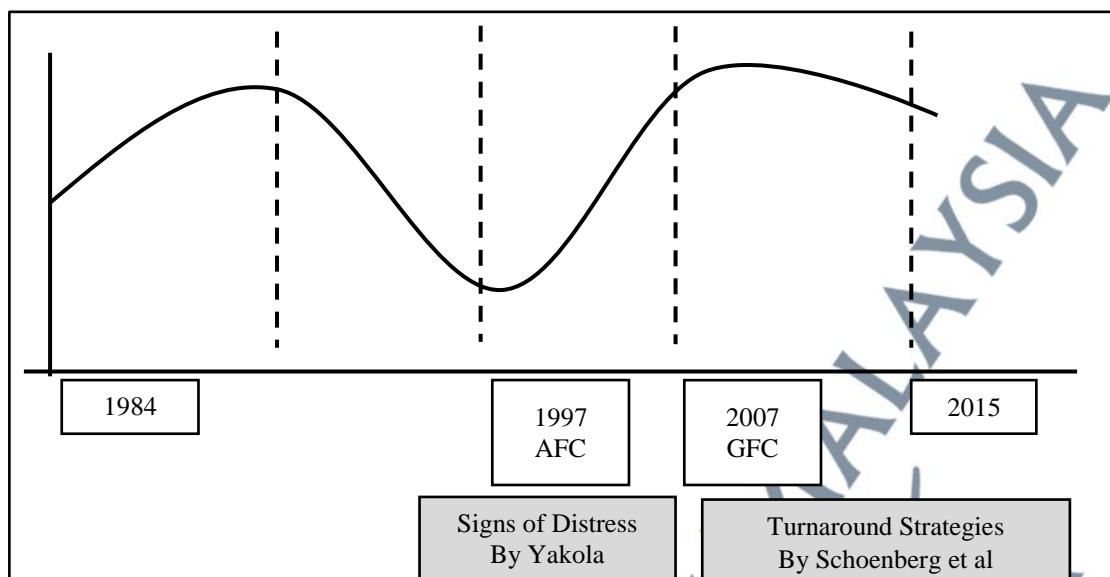
3.2.2 Epistemology of Study

Based on the epistemological perspective, the purposes of interpreting qualitative study are to describe, understand and interpret (Merriam, 2009). This study aimed to describe the situation of Bank Islam from 1984 (the year of establishment of the firm), understand the situation of financial crisis (AFC and GFC), and interpret the causes of financial crisis in Bank Islam by following the signs of distress by Yakola and the turnaround strategies by Schoenberg et al. The types of interpretive study are naturalistic or qualitative with multiple realities (Merriam, 2009) that relate to the situation of Bank Islam during the AFC and GFC.

3.2.3 Methodology of the Study

Rajasekar et al. (2013) states that research methodology is a systematic way of solving problems that contain the procedures involved in describing, explaining and predicting the phenomena of a study.

To illustrate the systematic one of the research, this study provides the timelines of the research concentration as shown in Figure 3.1 and the conceptual framework of the study in Figure 3.2.

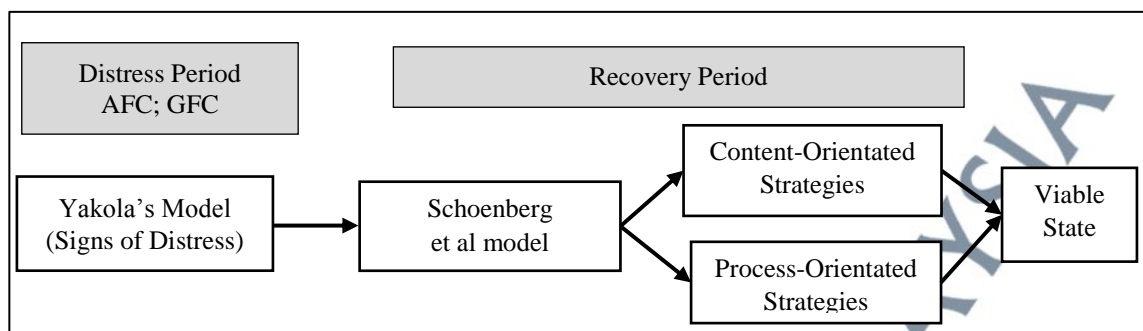


Source: Developed for this Study

Figure 3.1: Timelines of Research Concentration

Figures 1.1, 1.2, and 1.3 show Bank Islam's performance degradation is explained in Chapter 1. However, Figure 3.1 shows Bank Islam's performance from the year it was established in 1984 to the end of the 2013 observation period. As the result of the AFC and GFC, due to the changes in Bank Islam, the distress signal model of Yakola (2014) was used during the year to observe what caused the decline in Islamic bank's performance. It is important for this study to use Yakola's model to identify the declining performance in Bank Islam because the model is not only assessing it from the financial perspective, but is also considering management systems, such as employee indicators that may feel the impact of a dominant crisis.

After the study provided the causes of Bank Islam's performance decline, this study attempted to find out the extent the decision on the recovery process was enacted by Bank Islam by using the Schoenberg et al.'s (2013) after crisis, including content-orientated and process-orientated strategies. To simplify the process of this study, an overview of the conceptual framework is provided in Figure 3.2.



Source: Developed for this Study

Figure 3.2: Conceptual Framework of Study

As shown in Figure 3.2, this study sought more information on the impact of the AFC and GFC on the decline in the performance of Bank Islam. Figures 1.1 to 1.3 show Bank Islam’s diminishing performance based on ROA, ROE and NPL/NPF. In Table 3.1, the study shows the number of metrics that will be seen in assessing the causes of Bank Islam’s decline in terms of working capital/liquidity, financial, profitability and industry outlook, and employee.

Table 3.1: Number of Analysis Declining Performance in Bank Islam

Sign of Distress	Working Capital/ Liquidity	Financial	Profitability and Industry Outlook	Employee	Total
Many of Indicators	7	9	6	3	25

Source: Developed for this Study

After identifying the declining performance of Bank Islam, this study explored the strategies enacted by Bank Islam by exploring the changes using Schoenberg et al.’s (2013) model related to content and process-orientated strategies. Using the analysis method as shown in Table 3.2, it is possible to categorize the number of indicators to be searched for the recovery of Bank Islam.

Table 3.2: Number of Analysis Recovery Performance in Bank Islam

Turnaround Strategies	Content-Orientated Strategies	Process-Orientated Strategies	Total
Many of Indicators	4	2	6

Source: Developed for this Study

It can be concluded that the research methodology is very important for this study to answer all the problems summarised in the research questions to be able to assess the performance of Bank Islam. Following the conceptual framework, Table 3.3 shows the methodology of this study to answer the research question:

Table 3.3: Methodology of Study

No	Research Problems	Proposition	Methodology
1	What was the impact of the financial crisis on the banking industry as a whole and Bank Islam in specific? Were the impacts different compared to conventional banks?	Bank Islam was impacted by the financial crisis. There is a difference between conventional banks and Bank Islam.	There is an comparative analysis based on the collected financial statement during crises (AFC and GFC). The data were collected from published document from Bank Negara Library and Tun Sri Lanang Library.
2	Which aspects of assets and liabilities affected Bank Islam the most during the financial crisis on the banking industry? Was the impact on assets and liabilities similar between Bank Islam and the conventional banks?	It is different between assets and liabilities in Bank Islam. There is a similarity in the impact on assets and liabilities in the performance of Bank Islam and conventional banks.	Using signs of distress indicator by Yakola (2014).
3	How did Bank Islam react to and face the financial crisis in 1997 and 2008? Were there changes in organizational structure and did the systems meet the challenges? What was the emphasis of the changes in terms of risk management, business expansion, and growth?	There are some reactions to Bank Islam in the face of the financial crisis. There are some changes in the organizational structure and challenges in Bank Islam during the financial crisis. There are some challenges in risk management, business expansion and growth as Bank Islam does the recovery process.	Using signs of distress by Yakola (2014).

Source: Developed for this Study

Table 3.3: Methodology of Study

No	Research Problems	Proposition	Methodology
4	How did Bank Islam manage the assets and liabilities to prepare for recovery /turnaround after the financial crisis?	Bank Islam managed its assets and liabilities well by preparing for recovery or turnaround after the financial crisis.	Using signs of distress by Yakola (2014) and turnaround strategies by Schoenberg et al. (2013).
5	What was the management strategy that Bank Islam employed during and after the financial crisis to recover itself in growth and performance? Were there changes in business strategy, financial structure, and ownership?	Bank Islam has its management strategy during and after the financial crisis to recover for growth and performance. There were changes in Bank Islam in terms of business strategy, financial structure, and ownership.	Using signs of distress by Yakola (2014) and turnaround strategies by Schoenberg et al. (2013).

Source: Developed for this Study

Table 3.3 allows readers and researchers to understand the way of the study explored the facts on the changes in performance of Bank Islam by identifying signs of distress and recovery process. The study did the exploration based on a number of issues related to research question. This study only selected Bank Islam as a single case. Considering the change in performance observed from the year of its establishment (1984 to 2013). Three important situation were held in the year, the AFC and GFC happened, and Bank Islam announced plans for a Turnaround Plan in 2005. Therefore, single case study often exploit opportunities to uncover an important phenomenon under rare or extreme circumstances (Eisenhardt & Graebner, 2007).

3.2.3.1 Case Study Analysis and Phenomenology

According to Merriam (2009), the selection of case studies in qualitative research should be done before the data collection begins or while the data are being gathered (ongoing or theoretical sampling).

Eisenhardt & Graebner (2007) explain that the problem of presenting a wealth of qualitative data in a single case study can be easily solved by simply presenting a relatively complete rendering of the story in the text. The story generally consists of stories interspersed with citations from major sources and other supporting evidence.

This study is very interesting as it examines the performance of Bank Islam which was very capable through the crisis (which is considered phenomenal when the AFC and GFC hit Malaysia). This is because Bank Islam had introduced Sharia-compliant banking products and services that support *Maqasid Sharia* (a goal of Islamic law). Not surprisingly, the study is interesting by investigating and observing all management processes performed while operating Bank Islam businesses before, during, and after the crisis.

Merriam (2009) points out that several authors mentioned the usefulness of case studies (Guba & Lincoln, 1981; LeCompte & Preissle, 1993; Patton, 1990, 1996, 2002) that the evaluation of case studies involves description, interpretation, and judgment. Merriam (2009) inferred the idea of case study for them that case study is better because it provides dense description, grounded, holistic, realistic, simplifies the data for readers to consider, and is enlightening. This means that, it can convey tacit knowledge. Most importantly, however, this type of case study weighs “information to make judgments”. Judgment is the final result of the evaluation. Merriam (2009) mentions the advantages and limitation of a case study, such as:

1. A case study can conduct a deeper investigation to find the potential importance of understanding the phenomenon.
2. When a case study focuses on a single unit, it gives more opportunities for generalization issues.

3. The weakness of a case study analysis is that there is a possibility of many analyses and descriptions into the study that the researcher should be able to focus on the main objectives of the study.

As explained in the previous chapter, this study began by looking at the performance of Bank Islam when the AFC and the GFC attacked. Based on the phenomenon of the AFC and GFC, Bank Islam is compared with three other conventional banks. However, this study chose a single case study of Bank Islam because the observation has a long year (1984 to 2013) and many indicators to look for (25 indicators of signs of distress by Yakola and 6 indicators of turnaround strategies by Schoenberg et al.). Many previous studies may provide similar information about Bank Islam's performance, but the large difference in the results provided by this study is that it also sets the information apart from previous research. Specifically, by providing information not only on the causes of the decline in performance, but also the recovery process of Bank Islam after the crisis.

Merriam (2009) points out that in the process of explaining the phenomenon, quality is recognized and described. Each perception is given the same value, and the non-repetitive components of the experience are linked on the subject and a complete description is derived. Phenomenology is a philosophy that can guide all qualitative research or phenomenological research, which means that researchers try to discover the essence of personal experience. It focuses on the profound and vivid meanings of events to individuals, assuming that these meanings guide actions and interactions.

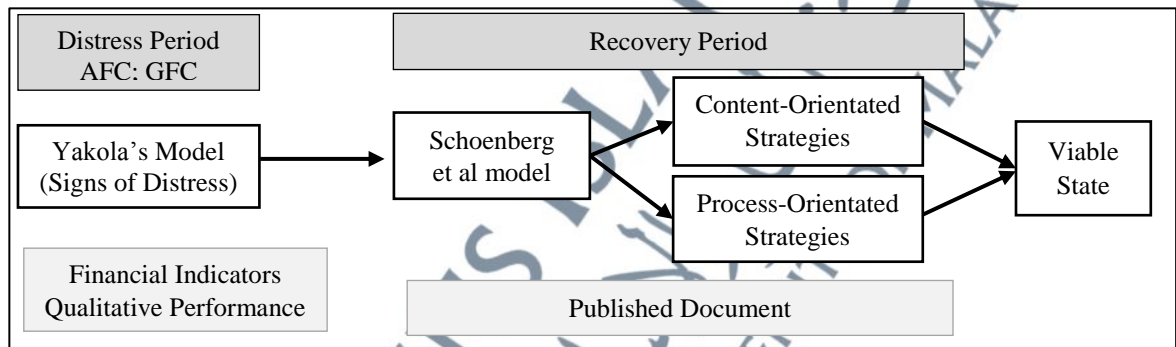
Van Manen (2014) explained that indeed, the basic method of phenomenology must be thought of as the exercise of a certain attitude and the exercise of a certain attentive perception towards the things of the world when one lives them instead, than

when researcher conceptualize or theorize them. “Doing phenomenology” as a method of reflection is the practice of enhancing, or “reducing” what prevents researcher from entering into primitive contact with the concrete of living reality (Mereau-Ponty, 1962; Van Manen, 2014) .

O’Leary (2017) opines that the main strength of phenomenology is very important in understanding the social world, it will provide a way to explore this, a “phenomenon” that is often neglected in the study of society. Although the research team has a tendency to explore people’s demographics, opinions, attitudes, beliefs, and behaviors, some researchers study the composition of the ideology that constitutes the social world, but the study of phenomena is marginalized and often goes undiscussed as a potential research strategy available to student researchers. O’Leary (2017) posits that most methodological approaches in social science have three basic elements. They are the researcher’s participant, data collection method, and intended mode of analysis. Of course, the final product is a “report”. Nonetheless, in phenomenology, it does not work that way. The product of phenomenological research is a phenomenological explanation. Gathering explanations, understanding explanations, and creating explanations are not necessarily separate activities. Therefore, this study examined and explored the distress signal model of Yakola (2014) to assess the phenomena of the financial crisis (eg, AFC and GFC) of Bank Islam. Bank Islam announced a Turnaround Plan in 2005 (see Table 2.27). The purpose of using Schoenberg et al (2013) in Bank Islam’s Turnaround Plan (2005), was to identify, examine, explore, and intpret the changes in bank performance in terms of content and process-oriented strategy.

3.3. Research Design

According to Merriam (2009), the type of qualitative research is created as well as framing the question or interest, stating the research problem, selecting a sample, focusing on data collection, and data analysis. Merriam (2009) emphasises the importance of understanding the philosophical foundations in order to select a study design that corresponds with the research question. It will enable the researcher to make an informed decision about designing and carrying out a research study that is compatible with the worldview, personality, and skills of the researcher. The research design of this study is provided in Figure 3.3.



Source: Developed for this Study

Figure 3.3: Research Design of Study

This research design aims to give a clear picture of every step that has been done in this study, which is described in Figure 3.5. Research design is the construction of a study based on the theory and the questions to export the study problems and illustrates a particular situation.

This study aimed to investigate the causes of decline in Bank Islam performance. Figure 3.5 shows how performance loss based on indicators such as working capital/liquidity, financial, profitability and industry outlook, and employee, explored Yakolá's signs of distress (2014). A diagram of the arrow is defined as a tool used to schedule

and determine sequence of and the connectivity of events (ASQ, 2021). In the light of the study's findings. As shown in Figure 3.5, this study shows the variations based on Bank Islam's recovery performance by using Schoenberg et al.'s (2013) model by dividing it into two turnaround strategies, i.e., content and process orientated strategies.

3.3.1 Data Collection

Data collection is the gathering and measuring of information following the research problem (or research question) based on the phenomenon or theory, and it focuses on answering the relevant question and evaluating the findings. The study provides a theoretical framework in Figure 2.16 (in Chapter 2) on the indicators to find the data related to this study. The data were collected by using published documents, such as the annual reports from the banks and databases from UKM's Library. Table 3.4 provides the information on data collection based on the research questions.

Table 3.4: Data Collection on Research Questions

No	Research Problems	Data Collection	Note
1	What was the impact of the financial crisis on the banking industry as a whole and to Bank Islam in specific? Were the impacts different compared to conventional banks?	Based on Figures 1.1 to 1.3 by using Annual Report of Bank Islam, Public Bank, Maybank and Affin Bank since 1990 to 2013.	The data were collected from published document from Bank Negara Library and Tun Sri Lanang Library
2	Which aspects of assets and liabilities affected Bank Islam the most? Was the impact on assets and liabilities similar between Bank Islam and the conventional banks?	Annual Report of Bank Islam, Public Bank, Maybank and Affin Bank since 1984 to 2013.	Looking for the risk management policy and find the performance of ALM and ALCO from Bank Islam, Public Bank, Maybank and Affin Bank
3	How did Bank Islam react to and face the financial crisis in 1997 and 2008? Were there changes in organizational structure and did the systems meet the challenges? What was the emphasis of the changes in terms of risk management, business expansion, and growth?	Annual Report of Bank Islam 1984 to 2013. Database Osiris Tun Sri Lanang 2007 to 2013.	This was by using signs of distress by Yakola (2014) with 25 indicators based on 4 criteria, which were: Working capital/ liquidity, financial, profitability and industry outlook, and employee

4	How did Bank Islam manage the assets and liabilities to prepare for recovery/turnaround after the financial crisis?	Annual Report Bank Islam since: 1. 2006 to 2009 2. 2010 to 2012 3. 2013 to 2015	This was using turnaround strategies model by Schoenberg et al (2013) with 6 indicators from 2, which were: content and process-orientated strategies
5	What was the management strategy Bank Islam employed during and after the financial crisis to recover itself in growth and performance? Were there changes in business strategy, financial structure, and ownership?	Annual Report Bank Islam since: 1. 2006 to 2009 2. 2010 to 2012 3. 2013 to 2015	Bank Islam produced three strategies, which were: 1. Turnaround Plan (TP) (2006 to 2009) 2. Sustainable Growth Plans (SGP) (2010 to 2012) 3. Hijrah to Excellence (H2E) in early 2013 to 2015

Source: Developed for this Study

Table 3.5 contains more detailed information on data collection based on Research Questions 4 and 5, which are itemised in the model by Yakola and Schoenberg et al.

Table 3.5: Data Collection on Research Question Four and Five

Sign of Distress	Published Document	Turnaround Strategies	Published Document
Working Capital/Liquidity		Content-Orientated Strategies	
1. Declining or negative free cash flow 2. Large contingent liabilities 3. Unresolved near-term debt maturities 4. Revolver draw-down 5. Contracting vendor terms 6. Increase in account receivable agent	Annual Report on Bank Islam of the Year 1997 to 1999; 2003; 2007 to 2009; 2013.	1. Cost Efficiencies 2. Asset Retrenchment 3. Focus on Core Activities 4. Build for the Future	Annual Report on Bank Islam: 1. 2006 to 2009 2. 2010 to 2012 3. 2013 to 2015
Financial		Process-Orientated Strategies	
1. Declining stock price 2. Declining bank or bond price 3. Inability to meet debt covenants 4. Resignation of key finance staff 5. Diminishing liquidity 6. Repeated bank amendments 7. Downgrades in debt ratings	Point 1 and 2 are published data from Database Osiris UKM Library Annual Report on Bank Islam 1997 to 1999; 2003; 2007 to 2009; 2013.	1. Reinvigoration of Firm Leadership 2. Culture Change	Annual Report on Bank Islam: 1. 2006 to 2009 2. 2010 to 2012 3. 2013 to 2015

8. Accounting restatement	
9. Inability to file a financial	
Profitability and Industry Outlook	
1. Shrinking EBITDA margin	Annual Report on
2. Reduced capital-investment programs	Bank Islam: 1997 to 1999; 2003;
3. Going concern opinion	2007 to 2009;
4. Deteriorating industry fundamental	2013.
5. Adverse regulatory environment	
Employee	
1. Large or unplanned reduction in workforce.	Annual Report on Bank Islam: 1997 to 1999; 2003;
2. Management turnover	Disruption in unionized workforce
	2007 to 2009; 2013.

Source: Developed for this Study

The researcher visited the Bank Negara Library using a student's letter for a response to Research Question 1 to obtain data from the published document. This study was based on the First Research Question, to ensure that this study was able to determine the declined performance of Bank Islam due to the AFC and GFC.

Merriam (2009) noted that although case studies may include quantitative analysis and historical data, the focus on case studies is a form of qualitative research. Therefore, this study is not a mixed study. This study used the basic qualitative study that focuses on a single case study, namely, Bank Islam and the phenomenology of the AFC and GFC. Merriam (2009, page 149) affirms that "quantitative data produced by the investigator also fall into this category of documents. Projective tests, attitudinal measures, content examinations, statistical data from surveys on any number of topics — all can be treated as documents in support of a qualitative investigation."

The researcher requested a confirmation letter for data collection from the Center for Graduate Studies (Pusat Pegajian Siswazah USIM) in 2015. With the help from the front desk staff of BNM library, on the ground floor, the researcher was invited to the second floor of the BNM Library. There is a rack to store the annual statements

of all banks. However, some annual report books are no longer provided by Bank Negara because the reporting years are old, so the researcher enlisted the help of the BNM librarian to get a solution. The researcher inquired about the availability of electronic copies of the annual report. As it turned out, the request was approved, provided that the researcher could only request an annual report based on the study. Therefore, the researcher requested electronic reports on Bank Islam for the years 1984 to 2013, Public Bank, Maybank and Affin Bank. After collecting the evidence and processing it to find evidence of a decrease in performance, the researcher continued with her qualification test (QT).

After completing the qualification test (the status letter in the Appendix 25) on June 29th, 2016 and making corrections for 3 months, until September 28th, 2011, the researcher returned to Bank Negara to look up for the information from the database because Yakola's financial indicators were not found in the Bank Islam annual report that includes information on stocks and bonds. The researchers then received a suggestion from the staff BNM that there is a database that can be accessed at the Tun Seri Lanang Library, Universiti Kebangsaan Malaysia. Researchers can access Osiris data to obtain data on stocks and bonds belonging to Bank Islam. After collecting all the data, the author began attaching detailed information to Chapters 4 and 5 of the thesis.

3.3.2 Method of Analysis

Data analysis is an activity in a qualitative study involving inspecting, cleansing, transforming, modeling data processes to discover useful information as findings, obtaining the conclusion, and support the decision-making process. This study used

content analysis. Potter & Donnerstein (1999) revealed three types of content analysis, which are:

1. The latent content covers a lot of ground. There is a difference between the two types. The first latent content of the type focuses on the pattern of the content itself, while the other types focus more on the coder's interpretation of the meaning of the content. Of course, it depends on both types of content clues and coder schemas. The distinction focuses on which of these is more emphasized.
2. The pattern content. The content analysis designer gives priority to the content and believes that there are objective patterns that all coders should discover by classifying symbols and identifying the connections between them.
3. The projective content prioritizes the judgment of the coder, and the content element are symbols that the viewer needs to access the pre-existing mental schema in order to judge the meaning in the content.

According to Neuendorf (2017), the interpretation on projective latent content relies on coders' individual schema. This study used a projective content to analyse the code based on the model indicators provided by Yakola and Schoenberg et al. Yakola's model shows signs of distress of business. The model can be used because Yakola has been executing recovery plans in more than a dozen situations as a chief restructuring officer or chief financial officer for 20 years. This study used the model provided by Yakola to explore the reasons for the decline in the performance of Bank Islam. At the same time, the turnaround strategies provided by Schoenberg et al. (2013) is the result of many studies, which are summarized and classified in Tables 2.24 and 2.25.

Potter & Donnerstein (1999) points out that coding tasks vary with content types. When there are enough indicators or there is a correct combination of indicators, the coder concludes that the mode exists and records its existence in its coded form. For projected content, the coding task is mainly focused on the construction of judgments from one's own schema. The coders facing the projection content coding start by looking for elements on the surface of the content. However, coders do not limit their search for content patterns, but view the content patterns as signals leading to their own internal patterns, which are usually the original definition of the coded concept. Potter & Donnerstein (1999) explain that projective content projected could not provide all the guidance needed for designers to reduce coding with the simple task of instance recording. The coder needs more on an interpretation. So, coding of the finding focuses on the meaning that can reach the readers of the study.

The processes of data analysis in this study were based on the research questions:

1. The study founds the facts by collecting some evidence of Malaysia's macroeconomic performance that has been described in Chapter 1 after the crisis and declined performance that primarily impacted banking performance. After that, the study carried out the ROA, ROE, and NPL analyses of between conventional banks and Bank Islam to find the differences in performance during and after the crisis.
2. The comparative performance in the first analysis provides finding, which is the real fact between crisis performances into banking development. There was a lot of information used as supportive data in this study. This information was gathered by reading various articles, journals, and books and the study found a suitable model as one of the compilations to many

indicators from the declining financial performance. The models can be seen from Yakola's study in 2014.

3. After recognizing the declining performance, the study started to look at the recovery process. After multiple reviews on many articles, journals, and books, the study found a suitable model as one of the compilations to many indicators about turnaround or recovery process in strategic management decisions by Schoenberg et al. (2013). The study utilized the turnaround strategies in comprehensive ways compared to other studies.
4. The coding in this study follows the signs of distress from Yakola (2014) from four criteria (such as working capital/liquidity, financial, profitability and industry outlook, and employee) and turnaround strategies of Schoenberg et al. (2013) (involving content and process-orientated strategies.)
5. Based on the finding, the study would be adjusted into the existing theory and some justification to seek new evidence to strengthen the study.

According to Merriam (2009), the analysis of qualitative data differs from each type of analysis which includes content analysis with a basic strategy of inductive and comparative. Potter & Donnerstein (1999) point out that inductive use of theory begins as if theory is not used. In other words, there is no identifiable theory that guides the design of coding schemes. The difference is shown in the way the results are presented to readers. For example, for checklist content, the researcher can simply report the count or percentage of the variable and keep it at the descriptive level. However, researchers working in an inductive mode will put their findings in general context. One way to do this is to use the findings to demonstrate the general definition of certain variables.

Perhaps the research found that there are a few expected values, and the intuitively

derived definitions used to guide the pattern design are too broad. Another way to place the findings in a more general context is to argue that the findings are included as an extension of an existing theory. In short, the researcher who plays the role of induction will transcend the observation itself and try to construct theoretical features from this work.

Porter (2009) explains that a researcher who plays an inductive role in the content of the structure has been described as observations exceeding one of the two methods. One solution is to replace the variables on the configuration of the obvious element we have learned from the content analysis experience. Perhaps the coderrade model has not been able to know the diagram formed from the trained schema, and it has been made up of many more (or less) than expected elements. Another way to go beyond the observations is to focus on the model of coded variables, which consists in developing general declarations on the relationship between coding variables. These statements can take the form of shared theoretical propositions so that future research can start from these propositions and derive an actionable plan to further test them.

According to Altheide (1987), the content analysis focuses on looking for insights depending on the situations, settings, styles, images, meanings, and nuances in the process of qualitative research. The process of content analysis is by doing the simultaneous coding of raw data and the construction of categories for capturing the relevant characteristics of the document's content (Merriam, 2009). The process of content analysis from this study included:

1. Identifying the problem from the performance changes of Bank Islam during the financial crisis.

2. Compiling and identifying signs of distress that caused the declining the performance by following the model of Yakola (2014) for Bank Islam.
3. Compiling and identifying the recovery process of Bank Islam after the crisis by following turnaround strategies from Schoenberg et al. (2013).
4. Interpreting the impact of the signs of distress in Bank Islam during the AFC and GFC.
5. Interpreting the performance of the changes Bank Islam after the turnaround strategies, including the three strategic management such as: TP, SGP, and H2E.
6. Concluding the viable state of Bank Islam.

Potter & Donnerstein (1999) propose the challenge of projective content to make coders aware of certain symbols as triggers to access specific pre-existing scheme in their minds. Therefore, the key to a good coding of the projective content is not that the designer builds more rules and elaborates more of the pattern content procedures, but rather, the key is to effectively enable access to the architecture. This is the reason for maintaining the ecological validity of the coded projective content. Potter & Donnerstein (1999) state that some content analysis does not start or end with a theory. The purpose of these content analysis is to provide a description of some content in the analyzed content. Something is usually reported in a single variable; multiple variables can be used in an analysis, but a report is a description of the count or percentage of one variable at a time. Potter & Donnerstein (1999) explain that a reseracher can design a good content analysis and produce useful results without a theoretical intervention. However, when one theory is not used, different challenges are faced and different decisions must be made. Potter & Donnerstein (1999) propose that by projecting

content, researchers playing an inductive role obviously hope to discover how a group defines something and how sensitive the group is to the occurrence of that thing. Designers do not start from theory, but from the belief that the people in the crowd share a pattern; designers choose coders from the crowd. Researchers write some rules to remind the coders, when there are certain symbols in the content, and the coders' certain modes accessed. The result of this type of content analysis is a set of statements about generalized patterns and how certain content signals access them.

3.4 Validity and Reliability

Merriam (2009) notes that there are many types of qualitative research, and there are also differences in the standards of validity and reliability. Cresswell (2007) explains that there are different standards for evaluating the degree of comparison between narrative research and phenomenological research, grounded theoretical research, ethnographic research, or case research. In narrative research, there is a standard that adopt of “telling persuasive stories in a literary way” for a good ethnography, a standard is “a detailed description of cultural groups.” Walcott (1994) proposes another direction and considers “the absurdity of validity”. What he wants “is something else, a quality that points more to identifying critical elements and wringing plausible interpretations from them, something one can pursue without becoming obsessed with finding the right or ultimate answer, the correct,” instead of validity (Merriam, 2009, page 211).

Merriam (2009) states that a research design aims to prove the assumptions as a basic study and answer questions. The validity of a research design is the level of legal things in a qualitative study, but the reliability shows the level of facts or reality related to the study.

Potter & Donnerstein (1999) state that when reliability is high, validity is high. It is only when there is consistency in interpretation between the codes that a standard can be established. This norm is the criterion. Therefore, the fact that a criterion is created is also an evidence that there is a high degree of consistency in the coding. Potter & Donnerstein (1999) state that the norm becomes the standard in projective content and the most important task is to demonstrate ecological validity. Researchers need to show that the coding scheme they develop is consistent with the specified scheme to analyse the content. To do so, researchers must show evidence that those schema are widely held among members of the general public (as determined by a sample of coders) who will be consuming the findings.

Yakola's and Schoenberg et al.'s models were used in this study for the model of distress and turnaround model. Both models provide a link between the detection process during declining performance and the changes in performance following the implementation of Bank Islam's Turnaround Plan. The findings of this study should be well presented. Previous research has also revealed consistent results in the Bank Islam's performance degradation and recovery process. Even though the previous study did not use the model of Yakola and Schoenberg et al., the indicators used in both models were nearly identical. The study confirms the validity of data. Most content analyses, according to Potter & Donnerstein (1999), assume an expert standard and objective coding in order to establish data validity, which is based primarily on social science principles. However, that norms based on intersubjectively constructed norms are also useful. Norm-based standards are critical when working with projective content. According to Merriam (2009), validity must be measured against something other than reality itself (which can never be grasped).

The reliability of the findings of a qualitative study has been replicated from existing research and it is proven that the study results are still the same (Merriam, 2009). However, the reliability in qualitative studies uses the assumptions of the existing reality and has been already studied repeatedly, resulting in a similar outcome from the discovery of causal relationships and uncovering laws to explain the phenomena.

Table 3.6: List of Studies with the Same Indicators in Sign of Distress by Yakola (2014)

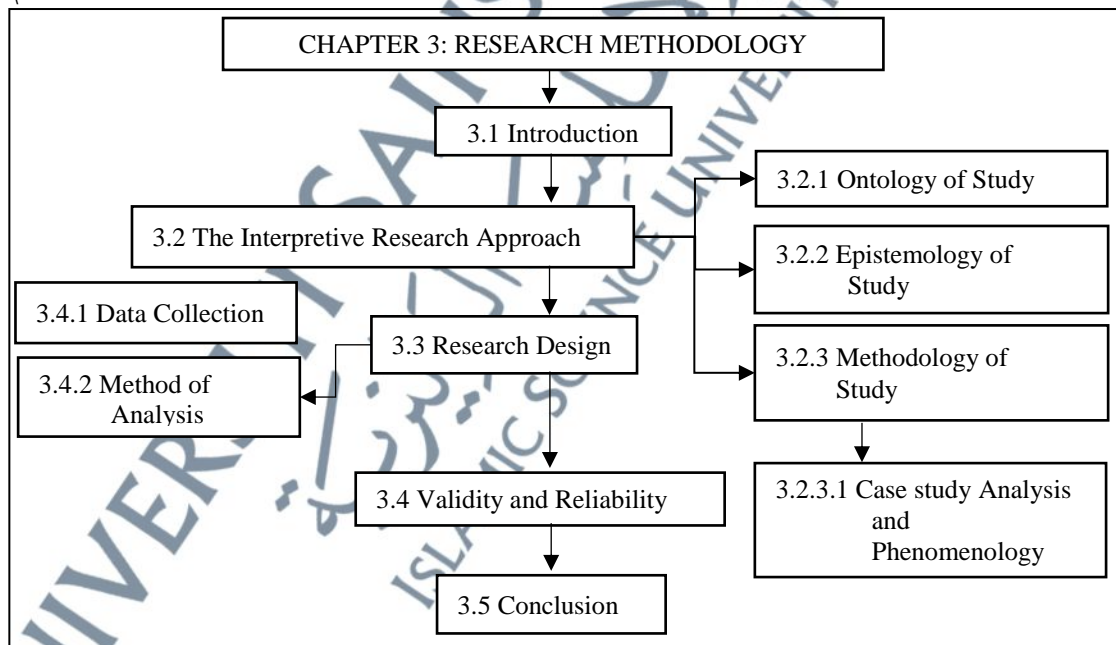
No	Researchers	Title	Analysis
1	Samad & Hassan (1999)	The Performance of Malaysian Islamic Bank During 1984–1997: An Exploratory Study (2006)	Liquidity
2	Karwowski, E. (2010)	Financial Stability: The Significance and Distinctiveness of Islamic Banking in Malaysia. Minsky, Crisis, and Development	Liquidity (Liabilities)
3	Nor Hayati et al. (2010)	Measuring Islamic Banks Efficiency: The Case of World Islamic Banking Sectors	Efficiency Content-Orientated
4	Asma' Rashidah et al. (2011)	Determinant of Islamic Banking Institutions' Profitability in Malaysia	Profitability
5	Norhayati & Mohamad (2011)	The Impact of 1998 and 2008 Financial Crises on the Profitability of Islamic Banks	Profitability
6	Said (2011)	Does the Use of Sukuk (Islamic Bonds) Impact Islamic Banks Performances? A Case Study of Relative Performance during 2007-2009	Financial (Sukuk)
7	Abdul Aziz et al. (2012)	Perception of Non-Muslims Customers Towards Islamic Banks in Malaysia	Firm's Core Activities
8	Siti Rohayaet al. (2012)	Islamic vs. Conventional Bank Stability: A Case Study of Malaysia'	Liquidity, Financial, Profitability
9	Badrul & Rohani (2013)	Camel Analysis of Islamic Banking and Conventional Banking in Malaysia	Liquidity
10	Grassa & Matoussi (2014)	Is Corporate Governance Different for Islamic Banks? A Comparative Analysis between the Gulf Cooperation Council and Southeast Asian Countries.	Employees Proses-Orientated Content-Orientated (CEO)
11	Fadzlan Sufian et al. (2014)	Revenue Efficiency and Returns to Scale in Islamic Banks: Empirical Evidence from Malaysia	Efficiency Content-Orientated
12	Muhamad & Aizat (2014)	Factors Determine Islamic Banking Performance in Malaysia: A Multiple Regression Approach.	Profitability
13	Chowdhury & Rasid (2015)	The Determinants of the Profitability of Islamic Banks: A Cross-Sectional Study from Asia and Africa	Profitability Financial
14	Rod et al. (2015)	Conventional and Islamic banking: Perspectives from Malaysian Islamic Bank Managers	Corporate Culture
15	Jan & Marimuthu (2016)	Bankruptcy Profile of Foreign versus Domestic Islamic Banks of Malaysia: A Post Crisis Period Analysis.	Profitability Liquidity
16	Setianto & Sukmana (2016)	Intellectual Capital and Islamic Banks' Performance: Evidence from Indonesia and Malaysia	Profitability Human Resource
17	Wanke et al. (2016)	Predicting Efficiency in Malaysian Islamic Banks: A Two-Stage TOPSIS and Neural Networks Approach	The efficiency of Economic Growth

18	Nashirah & Sofian (2017)	Robust Pearson Correlation Analysis of Volatility For The Islamic Bank In Malaysia: An Arithmetic Approach in Islamic Financial Engineering	Financial (Stock Market)
19	Sarah Syahirah et al. (2017)	Transformation of Bank Islam Malaysia Berhad: Leading & Managing Strategically	Turnaround Strategy Balance Scorecard

Source: Developed for this Study

3.5 Conclusion

This chapter describes and justifies the appropriateness of the methodology to examine the performance of Bank Islam. The chapter is presented in five sections. Section 3.1 introduces the chapter and provides a graphical outline of its contents. Section 3.2 explains the interpretive research approach that is divided into ontology, epistemology, and methodology in the qualitative study. Section 3.3 explains the research design that is divided into two sections, namely, data collection and method of analysis. Section 3.4 explains on validity and reliability of this study. Finally, a conclusion of Chapter 3 is presented in Section 3.5.



Source: Developed for this Study

Figure 3.4: A Diagram Outline of Chapter 3

Qualitative research elucidates the theoretical context by attempting to comprehend the significance of people's lives and experiences. A good research should not only focus on the powerful of adopting a research approach, but it should also aim to respond well to the questions of well-thought research. Ontology refers to the reality of form and nature in relation to the philosophy under consideration. Epistemology is the study of people's knowledge and understanding through various methods. The methodology includes both a strategy and a rationale for the study's execution.

Every researcher should understand and recognise the methods for finding a proper answer based on the research questions by following the procedural research paradigm so that the assumptions can be translated as findings and mentioned in the thesis. Furthermore, Scotland (2012) states that the research paradigm has some components such as ontology, epistemology, methodology, and methods that are used to explain the relationships in the study.

The primary goal of a basic qualitative study is to discover and interpret the meaning of this study as an object of study and a product of society. This study aimed to investigate and explain the impact of the AFC and GFC on the performance of Bank Islam, beginning with the identification of distress by Yakola (25 indicators include working capital/liquidity, financial, profitability, and industry outlook, and employee) and ending with the identification of Bank Islam's change process using the turnaround model by Schoenberg et al. (6 indicators include in content and process-orientated strategies).

The unit of analysis for the study was Bank Islam, and the data were collected through documents published by Bank Islam and BNM. Merriam (2009) agrees that the Internet is a "public" data source of public and private records, and that society creates

material to entertain, inform, and possibly persuade people. This study demonstrates a decline in bank performance, specifically by comparing three conventional banks with Bank Islam using the information on ROA, ROE, and NPF / NPL (listed in Figures 1.1 to 1.3). Researchers working outside of their native language must ensure that the accuracy and richness of their data is not lost during the interpretation and translation. As a result, when evaluating the performance of Bank Islam, an interpretation of each indicator of the Yakola's and Schoenberg et al.'s models was performed as shown in Figure 2.16. The document used to evaluate Bank Islam's performance was old data that can still be viewed publicly and legally by any researcher on the websites of Bank Islam and BNM.

Bank Islam was chosen as a single case study for its performance to be examined during the crisis (which is considered phenomenal when the AFC and GFC hit Malaysia). Case studies are better, according to Merriam (2009), because they provide dense description, are grounded, holistic, and realistic, simplify data for readers to consider, and are enlightening. The researcher was able to focus on the study's main objectives because the case study analysis has the potential for many analyses and descriptions. This study did not only identify, investigate, and interpret the causes of Bank Islam's declining performance, but it is also the recovery process following the crisis. According to Merriam(2009), quality is recognised and described in the process of explaining the phenomenon,

Merriam (2009) asserts that many types of qualitative studies produce differences in the criteria of validity and reliability. The validity of the research design is the extent to which what is legitimate in a qualitative study, but reliability indicates the extent to which the facts or facts are relevant to the study. Researchers must show

that the coding scheme they develop matches the scheme specified for content analysis. The two models the distress signs of Yakola (2014) and the recovery strategy of Schoenberg et al., (2013) provide an association between detection during a loss of performance and changes in performance after the implementation of the Bank Islam's recovery plan. A summary of this chapter is presented in Table 3.7 by highlighting the major decisions to conducted in this study.

Table 3.7: Summary Chapter 3

Level of Decision	Choice
Epistemological and Ontological Assumptions	Interpretive
Research Strategy	Single Case Study/ Bank Islam
Research Techniques	Content Analysis
TimeLine of Study	1984 to 2015
Theoretical Framework	Signs of Distress (Working capital/liquidity, Financial, Profitability and Industry Outlook, and Employees) Turnaround Strategies (Content and Process-Orientated Strategies)

Source: Developed for this Study