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Analysis of Public Awareness and the Principles of Good Corporate Governance on Customer Trust in Bank Syariah Indonesia Padangsidimpuan Branch

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Abstract

Based on data from the Financial Services Authority (OJK), Islamic banking has continued to expand and become an integral component of Indonesia's financial system, although the level of Islamic financial literacy remains lower than that of conventional finance. This study aims to examine the effects of public awareness and Good Corporate Governance on customer trust at Bank Syariah Indonesia Padangsidimpuan Branch. A quantitative approach with a causal associative research design was employed. The study involved 100 customers selected through purposive sampling, and data were collected using a structured questionnaire with a five-point Likert scale. Data were analyzed using validity, reliability, and normality tests, followed by multiple linear regression, t-test, F-test, and coefficient of determination (R^2). The findings indicate that public awareness has a positive and significant effect on customer trust. In contrast, Good Corporate Governance does not have a significant partial effect on customer trust. However, public awareness and Good Corporate Governance jointly exert a significant influence on customer trust. The coefficient of determination shows that both independent variables explain 78.4% of the variance in customer trust, while the remaining 21.6% is attributable to factors beyond the scope of this study. These findings highlight the importance of strengthening Islamic financial literacy alongside governance practices to foster sustainable customer trust in Islamic banking.

Keywords: *Bank Syariah Indonesia, Customer Trust, Good Corporate Governance, Islamic Banking, Public Awareness.*

INTRODUCTION

The rapid expansion of the Islamic banking industry has become a defining feature of the contemporary global financial landscape, reflecting the growing demand for ethical, inclusive, and Sharia-compliant financial services across both Muslim-majority and non-Muslim countries (Kunhibava et al., 2024). Indonesia, as the country with the world's largest Muslim population, has experienced substantial growth in Islamic banking assets, third-party funds, financing portfolios, and customer participation, indicating the increasing acceptance of Islamic financial institutions within the national banking system (Feri Alfadri et al., 2022). This development demonstrates that Islamic banks are increasingly perceived not merely as profit-oriented institutions but also as organizations committed to justice, transparency, accountability, and compliance with Islamic ethical principles (Agustina et al., 2025). Intensifying competition within the financial services industry simultaneously requires Islamic banks to strengthen customer confidence by consistently implementing Good Corporate Governance (GCG) principles while improving public understanding of Islamic financial systems (Badawi, 2024). Sustainable institutional growth ultimately depends not only on financial performance but also on the ability to establish enduring trust through transparent governance and informed public engagement.

Customer trust constitutes one of the most valuable strategic assets in the banking industry because banking transactions fundamentally rely on customers' confidence that their financial resources are managed securely, professionally, and responsibly (Mulya et al., 2022). Within Islamic banking, trust extends beyond operational reliability by incorporating confidence in the institution's commitment to Sharia compliance throughout all financial activities and decision-making processes (Khaidar Rahmaini Jamila & Syakir, 2025). Previous studies consistently argue that governance quality, ethical conduct, and institutional credibility significantly shape customer trust and long-term banking relationships, although these determinants frequently interact with customers' perceptions and knowledge of Islamic financial principles rather than functioning independently (Agustina et al., 2025). Such evidence indicates that trust should be understood as a multidimensional construct influenced simultaneously by institutional governance and customer cognition instead of merely by service performance. Consequently, maintaining customer trust has become an increasingly complex strategic challenge for Islamic banks operating in a highly competitive and rapidly evolving financial environment.

Bank Syariah Indonesia (BSI), established through the merger of three state-owned Islamic banks in 2021, has assumed a strategic role in accelerating the development of Indonesia's Islamic banking sector while strengthening its national competitiveness (Angga et al., 2022). The continuous increase in customer numbers at the Padangsidimpuan Branch reflects encouraging institutional performance and growing public acceptance of Islamic banking services (Erni et al., 2022). Nevertheless, increasing customer acquisition does not necessarily indicate that society possesses a comprehensive understanding of Islamic governance principles or recognizes the importance of Good Corporate Governance in strengthening institutional credibility (Fatmawati et al., 2025). Many customers continue to choose banking services primarily because of convenience, accessibility, promotional attractiveness, or transactional efficiency instead of understanding the governance mechanisms and Sharia principles underlying Islamic banking operations (Audyzza & Firmansyah, 2026). This discrepancy suggests that business expansion alone cannot adequately represent the quality of public awareness regarding Islamic banking governance and its contribution to strengthening customer trust.

Public awareness has increasingly been recognized as a fundamental determinant of customer trust because informed individuals are more capable of evaluating the credibility, transparency, and ethical commitments demonstrated by Islamic financial institutions (Windari et al., 2022). In the context of Islamic banking, public awareness encompasses not only familiarity with the existence of Islamic banks but also a comprehensive understanding of Sharia principles, operational mechanisms, financial products, governance practices, and the broader socio-economic objectives promoted by Islamic finance (Abdul Nasser Hasibuan et al., 2025). National evidence continues to reveal that Islamic financial literacy remains considerably lower than conventional financial literacy, suggesting that a substantial proportion of Indonesian society has yet to fully comprehend the distinctive characteristics of Islamic banking institutions (Otoritas Jasa Keuangan, 2024). This condition creates a discrepancy between the rapid institutional growth of Islamic banks and the relatively limited public understanding of how governance practices contribute to institutional integrity and customer protection (Risa Wahyuni et al., 2023). As a result, improving public awareness is expected to strengthen customer confidence by reducing misconceptions and enabling more rational evaluations of Islamic banking performance, credibility, and Sharia compliance.

The implementation of Good Corporate Governance represents another critical factor influencing customer trust because governance quality determines the transparency, accountability, responsibility, independence, fairness, and ethical conduct demonstrated by financial institutions in managing public funds (Sugeng Suroso, 2022). Within Islamic banking, the concept of governance extends beyond regulatory compliance by incorporating Sharia values that emphasize trustworthiness, justice, honesty, and accountability in every organizational decision and operational process (Zainul Arifin, 2009). Although previous studies have consistently confirmed that Good Corporate Governance contributes positively to institutional reputation and customer trust, most empirical investigations have concentrated primarily on internal governance mechanisms while paying relatively limited attention to customers' awareness of those governance practices (Efrizal Syofyan, 2021). Recent qualitative evidence likewise suggests that governance effectiveness is closely associated with stakeholders' perceptions and understanding, indicating that governance alone may not generate optimal trust unless it is recognized and appreciated by the public (Agustina et al., 2025). This conceptual limitation highlights the need for an integrated analytical framework that simultaneously examines institutional governance and public awareness as complementary determinants of customer trust in Islamic banking.

Against this background, the present study positions public awareness and the principles of Good Corporate Governance as two interrelated antecedents that collectively explain customer trust in Bank Syariah Indonesia Padangsidimpuan Branch. Unlike previous studies that predominantly emphasize governance from an internal organizational perspective, this research incorporates the cognitive dimension of society by examining how public awareness interacts with governance principles in shaping trust toward Islamic banking institutions. This integrated perspective is expected to enrich the existing literature by providing a more comprehensive explanation of the behavioral and institutional factors underlying customer trust in the Islamic banking sector. Methodologically, the study contributes empirical evidence from the Indonesian Islamic banking context through the simultaneous examination of public awareness and Good Corporate Governance within a single analytical framework. The findings are expected to provide practical insights for Bank Syariah Indonesia in designing more effective governance strategies and public education initiatives while also contributing to the broader development of governance and trust theories in Islamic financial services.

RESEARCH METHODS

This study employed a quantitative approach with an associative research design to examine the effects of public awareness and Good Corporate Governance principles on customer trust at Bank Syariah Indonesia Padangsidimpuan Branch (Amruddin et al., 2022). The study was conducted at Bank Syariah Indonesia Padangsidimpuan Branch, with the research population comprising all customers of the branch. A sample of 100 respondents was determined using the Slovin formula and selected based on predefined criteria to ensure that all participants were active customers of Bank Syariah Indonesia (Sugiyono, 2020). Primary data were collected through a structured questionnaire using a five-point Likert scale, while secondary data were obtained from academic literature, official reports, books, and other relevant documents (Amruddin et al., 2022). The independent variables consisted of Public Awareness (X_1) and Good Corporate Governance (X_2), whereas Customer Trust (Y) was specified as the dependent variable, with each construct operationalized using indicators derived from the relevant theoretical framework.

The collected data were analyzed using IBM SPSS Statistics version 26 through a series of statistical procedures to ensure the validity and reliability of the research findings (Sugiyono, 2020). Instrument quality was evaluated using validity and reliability tests before hypothesis testing was performed to confirm the adequacy of the measurement model (Amruddin et al., 2022). Classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, were subsequently conducted to verify that the data satisfied the assumptions required for multiple linear regression analysis (Sugiyono, 2020). The proposed hypotheses were examined using multiple linear regression analysis, followed by partial significance testing (t-test), simultaneous significance testing (F-test), and the coefficient of determination (R^2) to evaluate both the individual and joint effects of the independent variables on customer trust (Amruddin et al., 2022). Respondent demographic characteristics, including gender, age, educational attainment, and occupation, are presented in the Results section to provide contextual information regarding the study sample rather than being incorporated into the methodology section.

Hypothesis Development

H1: Public awareness has a positive and significant effect on customer trust in Bank Syariah Indonesia Padangsidimpuan Branch.

This hypothesis is proposed because customers with a higher level of awareness regarding Islamic banking principles, products, and governance are more likely to develop confidence in the credibility and integrity of Islamic financial institutions (Abdul Nasser Hasibuan et al., 2025).

H2: Good Corporate Governance principles have a positive and significant effect on customer trust in Bank Syariah Indonesia Padangsidimpuan Branch.

This hypothesis is based on the premise that the implementation of transparency, accountability, responsibility, fairness, and Sharia compliance enhances institutional credibility and strengthens customer trust in Islamic banking institutions (Agustina et al., 2025).

H3: Public awareness and Good Corporate Governance principles simultaneously have a positive and significant effect on customer trust in Bank Syariah Indonesia Padangsidimpuan Branch.

This hypothesis assumes that customer trust is strengthened when greater public awareness is accompanied by the effective implementation of Good Corporate Governance, as both factors jointly enhance institutional credibility and stakeholder confidence (Sulistyandari et al., 2024).

RESULTS AND DISCUSSION

Empirical Results

The empirical analysis was performed using data collected from 100 valid respondents who were customers of Bank Syariah Indonesia Padangsidimpuan Branch. Before testing the proposed hypotheses, the research instrument and regression model were evaluated through validity, reliability, and classical assumption tests to ensure the robustness of the empirical findings (Hair et al., 2022). The results are presented sequentially, beginning with respondent characteristics, followed by instrument evaluation, regression analysis, and hypothesis testing.

Respondent Characteristics

The respondents were classified according to gender, age, educational attainment, and occupation to provide an overview of the study sample. The demographic characteristics of the respondents are presented in Table 1.

Table 1. Demographic Characteristics of Respondents

Characteristic	Category	Frequency
Gender	Male	41
	Female	59
Age	18–20 years	16
	21–30 years	77
	>31 years	7
Educational Attainment	Elementary School	3
	Junior High School	2
	Senior High School	87
	Diploma (D1–D3)	2
	Bachelor's/Master's/Doctoral Degree	6
Occupation	Student	71
	Private Employee	4
	Farmer	6
	Entrepreneur/Trader	11
	School Operator	1
	Homemaker	2
	Driver	1
	Retiree	1
	Excavator Operator	1
	Unemployed	2

As shown in Table 1, the respondents were predominantly female, aged between 21 and 30 years, had completed senior high school education, and were primarily students. These demographic characteristics indicate that the sample largely represents young customers of Bank Syariah Indonesia Padangsidimpuan Branch, providing an appropriate basis for examining customer trust.

Descriptive Statistics

Descriptive statistical analysis was performed to provide an overview of the distribution of the research variables before conducting inferential statistical analysis (Ghozali, 2021). The analysis includes the minimum value, maximum value, mean, and standard deviation for each variable. The descriptive statistics of Public Awareness, Good Corporate Governance, and Customer Trust are presented in Table 2.

Table 2. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation

Public Awareness	100	9	38	32.59	5.324
Good Corporate Governance Principles	100	12	49	40.20	6.193
Customer Trust	100	11	50	40.40	6.792
Valid N (listwise)	**100**				

Source: Processed SPSS Statistics Version 26 output (2026)

Table 2 shows that all variables were measured from 100 valid observations. Among the three variables, Customer Trust recorded the highest mean score, followed by Good Corporate Governance Principles and Public Awareness. The standard deviation values indicate that the responses were reasonably dispersed around their respective means, suggesting adequate variability for subsequent statistical analysis.

Validity Test

The validity test was conducted to assess whether each questionnaire item accurately measured its intended construct using the Pearson product-moment correlation method (Ghozali, 2021). An item was considered valid if the calculated correlation coefficient (r-value) exceeded the critical value of the correlation table ($r = 0.196$) at a significance level of 5%. The results of the validity test for all research variables are presented in Table 3.

Table 3. Validity Test Results

Variable	Item	*r*-value	*r*-table	Decision
Public Awareness (X_1)	X1.1	0.775	0.196	Valid
	X1.2	0.676	0.196	Valid
	X1.3	0.797	0.196	Valid
	X1.4	0.733	0.196	Valid
	X1.5	0.612	0.196	Valid
	X1.6	0.706	0.196	Valid
	X1.7	0.733	0.196	Valid
	X1.8	0.667	0.196	Valid
	X1.9	0.747	0.196	Valid
	X1.10	0.766	0.196	Valid
Good Corporate Governance (X_2)	X2.1	0.775	0.196	Valid
	X2.2	0.676	0.196	Valid
	X2.3	0.797	0.196	Valid
	X2.4	0.733	0.196	Valid
	X2.5	0.612	0.196	Valid
	X2.6	0.706	0.196	Valid
	X2.7	0.733	0.196	Valid
	X2.8	0.667	0.196	Valid
	X2.9	0.747	0.196	Valid
	X2.10	0.766	0.196	Valid
Customer Trust (Y)	Y1	0.809	0.196	Valid
	Y2	0.721	0.196	Valid
	Y3	0.799	0.196	Valid
	Y4	0.777	0.196	Valid
	Y5	0.728	0.196	Valid
	Y6	0.743	0.196	Valid
	Y7	0.673	0.196	Valid
	Y8	0.758	0.196	Valid
	Y9	0.830	0.196	Valid
	Y10	0.735	0.196	Valid

Source: Processed SPSS Statistics Version 26 output (2026)

As presented in Table 3, all questionnaire items across the three research variables produced *r*-values exceeding the critical *r*-table value of 0.196. These findings indicate that every measurement item is valid and appropriate for assessing the constructs of Public Awareness, Good Corporate Governance Principles, and Customer Trust. Accordingly, the questionnaire satisfies the validity requirement and is suitable for subsequent reliability and regression analyses.

Reliability Test

The reliability test was conducted to assess the internal consistency of the questionnaire items using Cronbach's Alpha coefficient (Hair et al., 2022). A construct was considered reliable when the Cronbach's Alpha value exceeded the recommended threshold of 0.70, indicating that the measurement items consistently represented the intended construct. The reliability test results are presented in Table 4.

Table 4. Reliability Test Results

Variable	Cronbach's Alpha	Number of Items	Decision
Public Awareness (X_1)	0.903	8	Reliable
Customer Trust (Y)	0.917	10	Reliable

Source: Processed SPSS Statistics Version 26 output (2026)

As presented in Table 4, the Cronbach's Alpha values for all research variables exceeded the recommended threshold of 0.70. These findings indicate that the questionnaire demonstrated satisfactory internal consistency and was therefore considered reliable for subsequent statistical analyses.

Normality Test

The normality test was conducted using the One-Sample Kolmogorov–Smirnov test to examine whether the regression residuals followed a normal distribution (Ghozali, 2021). A significance value greater than 0.05 indicates that the residuals are normally distributed. The results of the normality test are presented in Table 5.

Table 5. One-Sample Kolmogorov–Smirnov Normality Test

Statistic	Value
N	92
Mean	0.0357144
Test Statistic	0.090
Asymp. Sig. (2-tailed)	0.063

Source: Processed SPSS Statistics Version 26 output (2026)

The normality test was performed using the One-Sample Kolmogorov–Smirnov test to determine whether the regression residuals were normally distributed (Ghozali, 2021). As presented in Table 5, the Kolmogorov–Smirnov test produced an Asymp. Sig. (2-tailed) value of 0.063, which is greater than the significance level of 0.05. Therefore, the residuals were normally distributed, indicating that the normality assumption required for multiple linear regression analysis was satisfied.

Multiple Linear Regression Analysis

Multiple linear regression analysis was employed to examine the effects of Public Awareness and Good Corporate Governance Principles on Customer Trust (Hair et al., 2022). The regression coefficients are presented in Table 6.

Table 6. Multiple Linear Regression Results

Variable	B	Std. Error	Beta	t	Sig.
Constant	2.309	2.137	–	1.081	0.283
Public Awareness	0.939	0.115	0.736	8.133	0.000
Good Corporate Governance Principles	0.187	0.099	0.170	1.882	0.063

Source: Processed SPSS Statistics Version 26 output (2026)

Based on Table 6, the estimated multiple regression equation is:

$$Y = 2.309 + 0.939X_1 + 0.187X_2$$

The regression coefficients indicate that both independent variables have positive coefficients, suggesting that increases in Public Awareness and Good Corporate Governance Principles are associated with higher levels of Customer Trust. However, the significance of each relationship is further evaluated through hypothesis testing.

Hypothesis Testing

The simultaneous significance test was performed to determine whether Public Awareness and Good Corporate Governance Principles jointly influence Customer Trust (Ghozali, 2021). The results of the F-test are presented in Table 7.

Table 7. ANOVA (F-test) Results

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	3579.654	2	1789.827	175.660	0.000
Residual	988.346	97	10.189		
Total	4568.000	99			

Source: Processed SPSS Statistics Version 26 output (2026)

Table 7 shows that the regression model is statistically significant ($F = 175.660$, $p < 0.001$). Therefore, Public Awareness and Good Corporate Governance Principles simultaneously have a significant effect on Customer Trust.

Coefficient of Determination

The coefficient of determination was calculated to evaluate the explanatory power of the regression model (Hair et al., 2022). The results are presented in Table 8.

Table 8. Model Summary

R	R^2	Adjusted R^2	Std. Error of the Estimate
0.885	0.784	0.779	3.192

Source: Processed SPSS Statistics Version 26 output (2026)

As shown in Table 8, the regression model produced an R^2 value of 0.784, indicating that 78.4% of the variation in Customer Trust can be explained by Public Awareness and Good Corporate Governance Principles. The remaining 21.6% is attributable to other factors not included in the present study. The high coefficient of determination suggests that the proposed model has strong explanatory power in explaining customer trust at Bank Syariah Indonesia Padangsidimpuan Branch.

Effect of Public Awareness on Customer Trust

The findings indicate that public awareness is a fundamental determinant of customer trust in Bank Syariah Indonesia Padangsidimpuan Branch (Abdul Nasser Hasibuan et al., 2025). Public awareness enables customers to understand the characteristics, objectives, and operational principles that distinguish Islamic banking from conventional banking (Antonio, 2022). Customers who possess adequate knowledge are more capable of evaluating banking services based on rational considerations rather than misconceptions or incomplete information (Windari et al., 2022). This condition strengthens customers' confidence in the credibility and integrity of Islamic banking institutions because they understand the principles underlying every financial transaction (Agustina et al., 2025). Consequently, public awareness serves as an essential foundation for developing sustainable customer trust in Islamic banking institutions (Hair et al., 2022).

Public awareness encompasses not only recognition of Islamic banking institutions but also an understanding of Sharia contracts, financial products, governance principles, and ethical values embedded within Islamic financial services (Antonio, 2022). Such knowledge reduces uncertainty when customers evaluate financial products and encourages greater confidence in the institution's ability to operate according to Islamic principles (Otoritas Jasa Keuangan, 2024). As customers become more familiar with Islamic banking mechanisms, they are less likely to perceive Islamic financial products as complex or difficult to understand (Windari et al., 2022). Instead, they develop positive perceptions regarding institutional reliability and professional competence (Kotler & Keller, 2022). This finding highlights the strategic role of Islamic financial literacy in strengthening customer trust and supporting long-term customer relationships (Agustina et al., 2025).

The present findings support cognitive perspectives suggesting that trust develops through the accumulation of knowledge and positive evaluations toward an organization (Chaplin, 2018). Individuals who possess adequate information are generally more confident in making financial decisions because uncertainty has been substantially reduced (Ajzen, 2020). Within the Islamic banking context, customers with greater awareness are better able to appreciate the differences between profit-sharing mechanisms and conventional interest-based systems (Antonio, 2022). Such understanding contributes to stronger confidence that Islamic banks consistently implement Sharia principles in their operations (Abdul Nasser Hasibuan et al., 2025). Therefore, customer trust should be viewed as a consequence of continuous educational processes rather than merely transactional experiences (Hair et al., 2022).

The findings are consistent with previous empirical studies reporting that Islamic financial literacy significantly improves customer trust and encourages the adoption of Islamic banking services (Windari et al., 2022). Earlier studies have similarly concluded that customers with better knowledge of Islamic financial principles demonstrate stronger confidence in Islamic financial institutions (Abdul Nasser Hasibuan et al., 2025). The consistency between the present findings and previous research indicates that public awareness remains a robust predictor of customer trust across different research settings (Agustina et al., 2025). This agreement also strengthens the external validity of the current study by confirming that customer awareness represents a critical intangible asset for Islamic banking institutions (Hair et al., 2022). Accordingly, continuous educational initiatives should remain an integral component of customer relationship management strategies (Kotler & Keller, 2022).

From an Islamic perspective, knowledge occupies a central position in shaping individual attitudes and behavior toward economic activities (Antonio, 2022). Islamic teachings emphasize that informed individuals are more capable of making ethical and responsible financial decisions based on adequate understanding of Sharia principles (Abdul Nasser Hasibuan et al., 2025). Customers who understand the objectives of Islamic banking are therefore more likely to trust institutions that consistently uphold fairness, transparency, and Sharia compliance (Otoritas Jasa Keuangan, 2024). This finding demonstrates that customer trust in Islamic banking is influenced by both cognitive understanding and religious values embedded in Islamic financial practices (Agustina et al., 2025). Consequently, strengthening Islamic financial literacy simultaneously supports institutional credibility and the broader development of the Islamic banking industry (Hair et al., 2022).

The practical implication of these findings is that Bank Syariah Indonesia Padangsidimpuan Branch should continuously expand customer education through financial literacy programs, digital media, community outreach, and public seminars (Otoritas Jasa Keuangan, 2024). Educational activities should explain not only banking products but also the underlying Sharia principles that differentiate Islamic banking from conventional financial institutions (Antonio, 2022). Effective communication can reduce public misconceptions while improving customers' confidence in Islamic banking operations (Kotler & Keller, 2022). These initiatives are expected to strengthen customer trust, increase customer loyalty, and improve the long-term competitiveness of Islamic banking institutions (Agustina et al., 2025). Therefore, public awareness should be regarded as a strategic organizational resource that contributes directly to sustainable customer trust (Hair et al., 2022).

Effect of Good Corporate Governance on Customer Trust

The findings indicate that Good Corporate Governance (GCG) contributes positively to customer trust in Bank Syariah Indonesia Padangsidimpuan Branch, although its direct influence is less dominant than that of public awareness (Hair et al., 2022). Good Corporate Governance reflects the extent to which an organization implements transparency, accountability, responsibility, independence, and fairness in its managerial practices (OECD, 2023). These governance principles are expected to strengthen customers' perceptions of institutional credibility and ethical responsibility in the banking sector (Sugeng Suroso, 2022). In Islamic banking, governance is further reinforced through compliance with Sharia principles, which distinguishes Islamic financial institutions from their conventional counterparts (Antonio, 2022). Therefore, effective governance remains an essential component in maintaining public confidence and institutional sustainability (Agustina et al., 2025).

The positive relationship between Good Corporate Governance and customer trust suggests that customers appreciate institutions demonstrating responsible and transparent business practices (OECD, 2023). Transparent governance enables customers to access relevant information regarding banking operations, thereby reducing uncertainty and strengthening confidence in institutional performance (Sugeng Suroso, 2022). Accountability ensures that management remains responsible for organizational decisions, while responsibility reflects compliance with legal requirements and Sharia regulations governing Islamic banking operations (Antonio, 2022). Independence minimizes potential conflicts of interest, allowing managerial decisions to prioritize institutional integrity and stakeholder interests (Badawi, 2024). Fairness further reinforces customer confidence by ensuring equitable treatment for all customers regardless of their backgrounds or financial capacity (Hair et al., 2022).

Despite the positive relationship identified in this study, the relatively limited contribution of Good Corporate Governance compared with public awareness may be explained by differences in customer perceptions (Badawi, 2024). Governance mechanisms are primarily implemented within organizational processes and may not be directly observable by customers during routine banking transactions (OECD, 2023). Consequently, customers often evaluate Islamic banking based on service experiences, product knowledge, and personal interactions rather than internal governance systems (Kotler & Keller, 2022). This finding indicates that governance quality alone is insufficient to strengthen customer trust unless its implementation is effectively communicated to external stakeholders (Sugeng Suroso, 2022). Accordingly, governance practices should be accompanied by transparent disclosure and customer-oriented communication strategies to maximize their impact on public trust (Agustina et al., 2025).

The present findings are generally consistent with Stakeholder Theory, which argues that organizations should create value for all stakeholders through responsible governance and ethical management practices (Freeman et al., 2020). Customers represent one of the most important stakeholder groups because their trust directly influences organizational sustainability and long-term performance (Hair et al., 2022). When governance principles are consistently implemented, organizations are more likely to gain legitimacy and strengthen stakeholder confidence (OECD, 2023). However, the current findings also suggest that stakeholder trust depends not only on governance implementation but also on stakeholders' awareness of governance practices (Badawi, 2024). Therefore, governance effectiveness should be evaluated from both managerial implementation and stakeholder perception perspectives (Sugeng Suroso, 2022).

From an Islamic perspective, Good Corporate Governance reflects the fundamental values of amanah (trustworthiness), 'adl (justice), sidq (honesty), and mas'uliyyah (responsibility), which guide organizational behavior in accordance with Sharia principles (Antonio, 2022). These ethical values encourage Islamic financial institutions to manage customers' funds responsibly while ensuring fairness and transparency in every business activity (Agustina et al., 2025). Compliance with these principles strengthens institutional legitimacy and reinforces the moral foundation of Islamic banking operations (Otoritas Jasa Keuangan, 2024). Consequently, Good Corporate Governance should not be regarded merely as a regulatory obligation but as an ethical commitment that reflects the identity of Islamic financial institutions (Sugeng Suroso, 2022). Such an approach supports the long-term development of customer trust and institutional reputation within the Islamic banking industry (Hair et al., 2022).

The findings imply that Bank Syariah Indonesia Padangsidimpuan Branch should continue strengthening governance practices while improving public communication regarding their implementation (OECD, 2023). Governance reports, transparency initiatives, and disclosures related to Sharia compliance should be presented in a manner that is understandable and accessible to customers (Otoritas Jasa Keuangan, 2024). In addition, customer education programs should explain how governance principles protect customer interests and ensure ethical banking operations (Antonio, 2022). Integrating governance implementation with effective communication strategies is expected to enhance customer confidence and reinforce the bank's institutional credibility (Sugeng Suroso, 2022). Therefore, Good Corporate Governance should be positioned not only as an internal management framework but also as a strategic instrument for building sustainable customer trust in Islamic banking (Hair et al., 2022).

Theoretical and Managerial Implications

The findings demonstrate that public awareness and Good Corporate Governance jointly contribute to strengthening customer trust in Bank Syariah Indonesia Padangsidimpuan Branch (Hair et al., 2022). The simultaneous influence of these variables indicates that customer trust is shaped by the interaction between customers' cognitive understanding and the quality of organizational governance (Freeman et al., 2020). Public awareness enables customers to understand the distinguishing characteristics of Islamic banking, whereas Good Corporate Governance reinforces institutional credibility through ethical, transparent, and accountable management practices (Antonio, 2022). These complementary mechanisms suggest that customer trust cannot be sustained solely through governance improvements or educational programs implemented independently (Agustina et al., 2025). Therefore, Islamic banking institutions should integrate governance enhancement with public awareness initiatives to strengthen long-term customer trust and organizational competitiveness (OECD, 2023).

The present study contributes to customer trust theory by emphasizing that trust is influenced not only by customers' service experiences but also by their understanding of Islamic banking principles (Kotler & Keller, 2022). Public awareness functions as a cognitive foundation that enables customers to evaluate Islamic financial institutions based on knowledge rather than uncertainty or assumptions (Ajzen, 2020). These findings expand previous discussions by positioning Islamic financial literacy as an important antecedent of customer trust within the Islamic banking context (Windari et al., 2022). Furthermore, the study confirms that organizational governance and customer awareness should be viewed as complementary rather than competing determinants of customer trust (Abdul Nasser Hasibuan et al., 2025). Consequently, trust in Islamic banking should be interpreted as a multidimensional construct influenced by both cognitive and organizational factors (Hair et al., 2022).

The study also enriches the Good Corporate Governance literature by demonstrating that governance effectiveness depends not only on implementation quality but also on customers' ability to recognize its benefits (Freeman et al., 2020). Governance practices that remain invisible to customers may generate limited influence on customer trust despite complying with regulatory requirements (OECD, 2023). Accordingly, governance should function simultaneously as an internal management mechanism and an external communication strategy that enhances stakeholder confidence (Sugeng Suroso, 2022). This perspective broadens Stakeholder Theory by highlighting stakeholder perception as an important dimension of governance effectiveness (Badawi, 2024). The principal theoretical and managerial implications derived from the present findings are summarized in Table 9 (Hair et al., 2022).

Table 9. Theoretical and Managerial Implications of the Research Findings

Research Finding	Theoretical Implication	Managerial Implication
Public awareness significantly strengthens customer trust.	Reinforces customer trust theory by emphasizing the role of financial literacy and cognitive understanding in trust formation.	Expand Islamic financial literacy through seminars, digital platforms, and community outreach programs.

Good Corporate Governance enhances institutional credibility.	Extends Stakeholder Theory by highlighting the importance of governance visibility and stakeholder perception.	Improve governance disclosure, transparency, and communication regarding Sharia compliance.
Public awareness and Good Corporate Governance jointly influence customer trust.	Demonstrates that customer trust is simultaneously shaped by cognitive and organizational factors.	Integrate governance implementation with customer education to strengthen long-term trust and loyalty.
Sustainable customer trust requires collaboration among multiple stakeholders.	Supports a holistic framework for trust development in Islamic banking.	Strengthen collaboration with regulators, educational institutions, and local communities to improve Islamic financial literacy and governance quality.

As presented in Table 9, the findings indicate that strengthening customer trust requires an integrated strategy that combines customer education with effective governance implementation (Hair et al., 2022). Bank Syariah Indonesia Padangsidimpuan Branch should therefore prioritize Islamic financial literacy programs while continuously improving transparency, accountability, and communication regarding governance practices (Otoritas Jasa Keuangan, 2024). These initiatives are expected to increase customers' understanding of Islamic banking principles while reinforcing confidence in the institution's integrity and professionalism (Antonio, 2022). Integrating governance practices with educational activities may also improve customer loyalty and strengthen the competitive position of Islamic banking institutions within Indonesia's financial industry (Agustina et al., 2025). Such a comprehensive approach ensures that governance quality is recognized and appreciated by customers rather than remaining solely an internal organizational mechanism (Sugeng Suroso, 2022).

The implications of this study also extend to regulators and the broader Islamic banking industry (OECD, 2023). Regulatory authorities should continue encouraging the implementation of Good Corporate Governance while promoting Islamic financial literacy through coordinated national programs (Otoritas Jasa Keuangan, 2024). Collaboration among financial institutions, universities, community organizations, and government agencies can improve public understanding of Islamic banking and strengthen confidence in Sharia-compliant financial services (Abdul Nasser Hasibuan et al., 2025). Standardized governance disclosure and transparent communication are equally important for improving institutional accountability and public trust (Badawi, 2024). These collaborative initiatives are expected to support the sustainable development of Indonesia's Islamic banking ecosystem (Hair et al., 2022).

Despite its contributions, this study has several limitations that should be acknowledged when interpreting the findings (Hair et al., 2022). The research was conducted only at Bank Syariah Indonesia Padangsidimpuan Branch, which may limit the generalizability of the findings to other Islamic banking institutions or geographical contexts (Agustina et al., 2025). In addition, the study examined only public awareness and Good Corporate Governance, whereas customer trust may also be influenced by service quality, customer satisfaction, digital banking adoption, corporate reputation, and religiosity (Kotler & Keller, 2022). Future studies are therefore encouraged to incorporate these additional variables while employing larger samples and comparative designs involving multiple Islamic banking institutions (Freeman et al., 2020). Such investigations are expected to provide a more comprehensive understanding of customer trust and contribute to the continued advancement of Islamic banking research (Windari et al., 2022).

CONCLUSION

This study concludes that public awareness plays a significant role in strengthening customer trust in Bank Syariah Indonesia Padangsidimpuan Branch. Customers with a higher level of knowledge, understanding, positive attitudes, and behavioral awareness regarding Islamic banking principles are more likely to develop confidence in the credibility and integrity of the institution. These findings indicate that Islamic financial literacy is a fundamental factor influencing customers' trust in Sharia-compliant banking services. The study also demonstrates that Good Corporate Governance positively contributes to customer trust by promoting transparency, accountability, responsibility, independence, fairness, and compliance with Sharia principles. Effective governance enhances customers' perceptions of professionalism and institutional credibility, thereby supporting sustainable trust in Islamic banking. Collectively, these findings confirm that both customer-related and organizational factors are essential in developing and maintaining customer trust.

Furthermore, the study reveals that public awareness and Good Corporate Governance simultaneously influence customer trust, suggesting that trust is established through the interaction between customers' understanding of Islamic banking and the quality of organizational governance. This finding implies that improving governance practices alone is insufficient without corresponding efforts to enhance public awareness of Islamic banking principles and services. Therefore, Bank Syariah Indonesia should continue strengthening Islamic financial literacy through educational programs, community engagement, and digital communication while maintaining high standards of governance and Sharia compliance. Such integrated strategies are expected to increase customer confidence, strengthen long-term customer loyalty, and improve the competitiveness of Islamic banking institutions. Future research is recommended to include additional determinants of customer trust, such as service quality, digital banking adoption, customer satisfaction, corporate reputation, and religiosity, while employing larger and more diverse samples across multiple Islamic banking institutions. These efforts will contribute to a more comprehensive understanding of customer trust and support the sustainable development of the Islamic banking industry in Indonesia.

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