

SHARIAH TALENT AMONG GRADUATING STUDENTS OF ISLAMIC BANKING AND FINANCE

Norazmi Anas, Universiti Teknologi MARA
Siti Khadijah Ab. Manan, Universiti Teknologi MARA
Muhammad Shukran Yang Amri, Universiti Teknologi MARA
Noorfazreen Mohd Aris, Universiti Teknologi MARA

ABSTRACT

Islamic finance is one of the fastest growing sectors of the global financial industry. This industry rapid growth undoubtedly creates a huge demand of talents and expertise. It is reported that there is a dire need of highly skilled and talented human capital that can drive the future development of the industry. This study therefore aimed to examine the shariah talent among graduating students of Islamic finance. They were selected as samples of the study as they are the potential feeders that would fill in the shortage of such talent in the workforce. The study adopted survey method where questionnaires were distributed to the respondents in order to collect the acquired data. A total of 112 questionnaires were returned as useable for analysis of the study. Mean analysis was used to indicate the competency level of the respondents in the context of knowledge, applied knowledge, analytical skill, inter-personal skill and shariah knowledge. Findings of the study indicate that the respondents have the competency that may qualify them to meet the need of shariah talent shortage in the industry.

Keywords: Shariah Talent, Graduating Students, Islamic Finance.

INTRODUCTION

Islamic finance is becoming one of the fastest growing industries in global financial system. It was reported that the total assets of the industry in 2015 was around US \$2 trillion and is estimated to surpass US \$4 trillion by 2020 (Mahbubi, 2017). The industry has undergone a long journey over the past few decades and undeniably faces numerous challenges that need to be addressed in order to expand further. Among the challenges is to have sufficient human capital in various fields and expertise. Bank Negara Malaysia's Financial Sector Blueprint 2011-2020, the financial sector would require an additional 56,000 employees of whom 22,400 are specifically needed to support the Islamic sector by 2020.

The industry has shown a remarkable growth as Islamic Financial Service Industry (IFSI) Stability Report 2015, indicated that the Islamic finance industry has experienced robust expansion between 2009 and 2014; recording a 17.3% Compounded Annual Growth Rate (CAGR). This industry's rapid growth undoubtedly creates a huge demand for new expertise (Mahbubi, 2017). As Islamic finance industry continued to experience growth, there is a dire need in highly skilled and talented human capital workforce that can drive the future development and innovations of the industry. This study aimed at examining the shariah talent requirements of students in meeting the need of the industry.

SHARIAH TALENT CRITERIA

Previous studies indicated several required elements of shariah talents. Among others are knowledge, skills and other characteristics. Knowledge refers to the basic understanding of a person over something, be it information or a certain process. Knowledge could be divided into acquired knowledge and revealed knowledge. Acquired knowledge could be general and specific where the general knowledge is obtained through formal education while specific knowledge is acquired through certain training or learning a specialized area (Aishah et al., 2015).

The standard knowledge for shariah talent that works in finance institution is the knowledge toward finance. Additional knowledge required for shariah talent includes Fiqh Muamalat, Qawaid Fiqh and most importantly regulation, acts or standards pertaining to Islamic finance operation under IFSA 2013. The need for in-depth knowledge in a specialized area is also to be emphasized even though it is a trend in the worldwide market for graduates to have a wider knowledge in multidisciplinary areas (Mohamed & Lashine, 2003). Competence-based education approach can be the alternative option as there is a necessity to align the university curricula to the needs of the society and the labor market (Mulder et al., 2009).

Another important element of shariah talent is skills. Skills refer to the ability of an individual to apply knowledge and apply such know-how to complete tasks and problem solving (Miller, 1990). Hoffman et al. (2010) described skills in the form of cognitive involve the use of logical, intuitive and creative thinking or practical such as involving manual alertness and the use of methods, resources, kit and instruments. Technical and communication skills are considered crucial by Woodruffe (1992) as part of being a competent worker.

Other ability for shariah talent is the ability to communicate in universal languages, and written communication. Working in group is also essential for a future shariah talent to appreciate human relations at different age and learning stages by counseling them through listening and encouragement. This is possible if the new generations of shariah talent are willing to open their mind to new ideas, new know-how, new cultures, and willingness to adapt (Mohamed & Lashine, 2003).

Interpersonal skills and other attributes related to personal development such as ethical responsibility, self-motivation, self-esteem, self-management and integrity also contribute the elements needed as part of competency requirements (Mohamed & Lashine, 2003). These interpersonal skills assist the working process in teams besides facilitate other people from diverse backgrounds. Seol and Sarkis (2005) argued that other characteristics or the behavioral skills such as personal skills which are handling solely in challenging situation, under time pressure and organizational change and interpersonal skills are the attributes that need to be focused in selecting candidates for shariah talent.

Analytical skills are the ability to collect, gather, visualize and analyze information in details that allow you to solve complex problems by making decisions in the most effective way (Kaila, 2017). This skill incorporates many skills like attention to detail, critical thinking ability, decision making, and researching skills in order to analyze problem and reach a solution. Attention to detail could be understood as the ability of shariah talent to notice, retain, and keep track of details where it trained shariah talent to follow instructions properly, avoid mistakes in written work, and carefully evaluate complex. Therefore, the work will be done with accuracy and precision.

METHODOLOGY

This study adopts quantitative method through survey. The population of this study comprises of final year students who are taking Degree in Muamalat at Academy of Contemporary Islamic Studies (ACIS), Universiti Teknologi Mara Shah Alam. A proper sampling technique is important in order to have a precise and unbiased sample that represents the whole populations. In this study, simple random sampling was used to draw the samples. Questionnaires were distributed to all the students and luckily all 112 of them responded and returned the completed set. The whole totals of 112 questionnaire sets were useable for the study.

Questionnaire was distributed to each of the selected sample via on-line survey. Several sets of Likert-scale statements were posed to the respondents to get their self-reviewed assessment on shariah talent. Statements relating to knowledge competency, applied knowledge competency, analytical skill, inter-personal skill and Islamic knowledge competency were expected to be responded by indicating the chosen scale of 1=Strongly Disagree up to 5=Strongly Agree. The internal consistency and reliability of the instrument used in this study is good as Cronbach Alpha values of all the variables are above 0.7 and therefore acceptable for the study.

RESULTS AND DISCUSSION

This study aimed to investigate the competency that graduating students of Islamic finance have in fulfilling the requirement of shariah talent shortage. Respondents were assessed based on several qualities comprising of knowledge, applied knowledge, analytical skill, inter-personal skill and shariah knowledge. A total of 112 questionnaires were returned and useable for analysis of this study.

Demographic Profiles of Respondents

Since the population of this study comprised of Degree in Muamalat students who are still in their tenure of study, they were only asked on their sex, CGPA as well as their parents' education. Their profiles are displayed in Table 2. Female respondents (65.2 percent) outnumbered male (34.8 percent) in this study. This is considered sensible as the total enrolments of students for the program is dominated by females. The trend of more female enrolment in public higher education institutions is indeed omnipresent in the country. This might indicate that females are more excellent academically than males. Students' academic performance is often measured by their Cumulative Grade Point Average (CGPA). In this study, more than half of the respondents (62.5 percent) academically performed quite well as they could maintain their CGPA above 3.0 (second class). Impressively, almost one third (27.7 percent) of the respondents are attaining their CGPA above 3.5, which can be considered excellent. The rest are those who have their CGPA below 3.0 (9.8 percent). Parents' education background was also asked in order to see the academic environment of the respondents' family. It is assumed that parents with higher education would give higher motivation, thereby creating more conducive learning environment to the family. Figure in Table 2 shows that the majority of respondents (73.2 percent) are from families whose parents had lower education background.

Analysis on Respondents' Talent

Respondents were asked to give their agreement or disagreement on the statements that capture the measurement of each variable. The variables; comprising of knowledge, applied knowledge, analytical skill, inter-personal skill and Islamic knowledge, represent the shariah talent requirement as examined in this study. Mean output of each variable is analysed based on the following measurement (Table 1).

Table 1	
INTERPRETATION OF MEAN	
Mean value	Interpretation
1.01–2.00	Low competency
2.01–3.00	Moderately Low competency
3.01–4.00	Moderately High competency
4.01–5.00	High competency

Respondents who have high competency (mean score of 4.01 to 5.00) are considered to have the required shariah talent as expected by the industry. Table 2 below displays the mean output for each variable of the study.

Table 2		
MEAN OUTPUT OF THE VARIABLES		
Variables	Mean	Std. Deviation
Knowledge	4.032738	0.704239
Applied knowledge	3.958333	0.593659
Analytical skills	4.035714	0.547101
Interpersonal skills	4.105357	0.522330
Islamic knowledge	4.223214	0.583143

In capturing knowledge competency of the respondents, they were asked to assess the knowledge they acquired from the program, the relevance of the program content to the industry, knowledge enhancement from the assessment method of the program, their confidence on shariah knowledge received from the program and their believe that the knowledge they acquired from the program has potential for employment. Mean output for knowledge (mean=4.033, S.D=0.704) indicates that the respondents have high competency in terms of knowledge.

Competency of respondents in applied knowledge was measured based on the respondents' assessment towards their ability to use critical thinking in performing task, ability to work with technical uncertainty, ability to work in group and also ability to demonstrate knowledge attained in program into industry context. In this regard, the mean output (mean=3.958; S.D=0.593) indicates that the respondents are not competent enough in applying the knowledge that they acquired from their study into industry context. This is sensible as they are yet to apply their knowledge into practice.

Analytical skill is one of the generic skills that a person should have if he is to serve service industry effectively. In this study, the skill is captured by assessing the ability to retrieve and analyze information, ability to self-critic, capacity to apply knowledge into practice, capacity to analyse issues, problem-solving skill and ability to generate new ideas. Self-assessment of the respondents on their analytical skill implied that they have high capability to analyze issues and solved problem (mean=4.035; S.D=0.5471).

Having inter-personal skill would allow a person to be effective in working with others apart from preserving professional relationship constructively. The skill is of course important in banking and finance industry that provide services as the main product. In this study, inter-personal skill of the respondents was captured by requesting them to assess their ability to communicate with others, their tolerance in accepting opinion and working in group as well as their understanding of others' culture and custom in making any decision. The mean output above four (mean=4.105; S.D=0.522) showed that the respondents have high competency in inter-personal skill.

As the study focused on Islamic finance industry, competency of Islamic knowledge is also examined. In this context, respondents were assessed on their understanding on maqasid shariah (objectives of shariah), shariah legal framework, qawaid fiqh (Islamic legal maxims), understanding of the Qur'an and Sunnah, aqidah (faith and belief) as well as understanding in Islamic finance. This study found that the mean output for Islamic knowledge is the highest among all the variables (mean=4.223; S.D=0.5831). This is sensible as the respondents had taken all the required Islamic subjects; sufficient to enable them to become shariah talent for the industry.

CONCLUSION

This study examined the competency of graduating Islamic finance students in meeting the requirements of shariah talent for the industry. Findings of the study indicate that the respondents have high competency in knowledge, Islamic knowledge, analytical skill and inter-personal skill. Nevertheless, they have moderately high competency in applied knowledge. The study implied that, in general, graduating students of Islamic finance in the university have the competency in meeting the shortage of shariah talent requirement in Islamic finance industry. In other words, the students have the potentials to be considered as feeders of the industry. While findings of the study seem favorable in the context of examining the competency of the students, self-assessment of the variables might not give accuracy to the measurement. Perhaps, some other measurements could be used to improve the accuracy of the variables' measurement.

REFERENCES

- Aishah, N.M.A, Zakiah, M.M, Shahida, S., & Zurina, S. (2015). Competency of shariah auditors in Malaysia: Issues and challenges. *Journal of Islamic Finance*, 4(1), 22-30.
- Hoffman, M.H.W., Hampe, M., & Mueller, G. (2010). *Knowledge, skills and competences descriptors for engineering education*. In Education Engineering 2010—The Future of Global Learning Engineering Education, 639-345.
- Kaila, K. (2017). *What are analytical skills and why are they important in your job?* Retrieved from <https://www.ziprecruiter.com/blog/what-are-analytical-skills-and-why-are-they-important-in-your-job/>
- Mahbubi, M.A. (2017). *Islamic finance calls for more talent*. New Straits Times. Retrieved from <https://www.nst.com.my/opinion/columnists/2017/11/306947/islamic-finance-calls-more-talents>
- Miller, G.E. (1990). The assessment of clinical skills/competence/performance. *Academic Medicine*, 65, 63–67.
- Mohamed, E.K.A., & Lashine, S.H. (2003). Accounting knowledge and skills and the challenges of a global business environment. *Managerial Finance*, 29(7), 3–16.
- Mulder, M., Gulikers, B.H., & Wesselink, R. (2009). The new competence concept in higher education: Error or Enrichment? *Journal of European Industrial Training*, 33(8/9), 755–70.
- Seol, I., & Sarkis, J. (2005). A multi-attribute model for internal auditor selection. *Managerial Auditing Journal*, 20(8), 876–92.
- Woodruffe, C. (1992). What is meant by competency? *Leadership & Organization Development Journal*, 14(1), 29-36.