



**ISLAMIC
BANKING**

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Issues and Challenges of Human Resources Competencies in Islamic Banks

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Background

Issues arise (various sources):

Gatra
Peminat Perbankan Syariah di Indonesia Masih Rendah ...

Proshare Nigeria Limited
Human Capital Development Central To Islamic Finance ...

Nikkei Asian Review
Shariah banking: Indonesia's 'bold plans' for a troubled industry

KOMPAS.com
SDM Belum Mumpuni, Perkembangan Industri Keuangan Syariah Terhambat - Kompas.com

Investor Daily
SDM Unggul di Industri Keuangan Syariah Masih Terbatas

Republika Online
Pentingkah Manajemen Sumber Daya Insani di Lembaga Keuangan Syariah Indonesia?

Republika Online
Perbankan Syariah Kekurangan SDM

The Financial Express BD
High occupational stress grips most bank employees

Gulf Times
Rise of Islamic finance meets human capital gap



Fact & Figures



Issues (KNEKS, 2020):

1. Lack of understanding on the background of Islamic economics and finance
2. Lack of capability of human resources of technical analysis
3. The curriculum in Islamic economics studies is still lack in critical and technical analysis, whereby the industry need more who have a good analysis
4. Demanding for graduates from Universities (A/B) with good reputation/accreditation

Program Study

Islamic Economics

Islamic Law of Economics

Islamic Management & Business

Islamic Accounting

Islamic Insurance

Islamic Finance

748

Bachelor Degree in
Islamic economics

67

Masters' Degree in
Islamic economics

3

PhD/Doctoral Degree
in Islamic economics

4,500

HR are needed to
work every year in
Islamic banks

±30,000/Year

50 Graduates per every
program (Islamic
economics)

61,389

HR are working in
Islamic banks

Needs (Demand) & Availabilities (Supply) of Islamic HR - Indonesia



Year	Full Pledge Shariah Banks	Shariah Window Banks	Islamic Rural Banks	Total
2017	113,760	-344	1,057	114,819
2018	175,248	-330	1,212	176,460
2019	269,970	-317	1,389	271,369
2020	415,888	-304	1,593	417,481

VS

Formal Education* (Student)	Informal Education* (Student)	Total
44,933	41,513	86,446
76,385	70,573	146,958
137,494	127,031	264,525
261,238	241,359	502,597

*Projected Data from 54 Universities (PTN and PTAI) with 81 programs of Bachelor, Master, PhD Shariah degree, 39 training institutions of Islamic banks



78,156
Total number of education Islamic-based institutions (pre-school to University level)

3.9 Million
Total number of 'Santri' (pupils in Islamic Boarding School)

25,938
Total number of 'Pesantren' (Islamic Boarding School)

Why HR?



Number of Articles in Reputable Sources (2016 to 2020)

No	Keyword in Islamic banks	Number of article		
		Scopus*: Article title, Abstract, Keywords	Emerald Publishing**: Article title, Abstract, Keywords	Google Scholar in the title
1	Human Resources and Performance	317	1,295	7,790
2	Human Resources and Commitment	48	824	4,750
3	Human Resources and Satisfaction	83	737	4,080
4	Human Resources and Service Quality	67	1,175	6,570
5	Human Resources and Turnover	20	288	4,480
6	Recruitment in Islamic banks	8	226	1,490
7	Compensation in Islamic banks	12	438	3,890

15,100

Articles related to
Human Resources in
Islamic Banks

94,900

Searching on NEWS of
"Islamic banks"
employees"

<input type="checkbox"/>	Universiti Utara Malaysia	(21) >
<input type="checkbox"/>	International Islamic University Malaysia	(16) >
<input type="checkbox"/>	Universiti Teknologi MARA	(11) >
<input type="checkbox"/>	Universiti Kebangsaan Malaysia	(10) >
<input type="checkbox"/>	University of Plymouth	(8) >
<input type="checkbox"/>	International Islamic University Malaysia, Institute of Islamic Banking and Finance	(7) >
<input type="checkbox"/>	Universiti Sains Malaysia	(5) >
<input type="checkbox"/>	Brawijaya University	(5) >
<input type="checkbox"/>	Universitas Sebelas Maret	(5) >
<input type="checkbox"/>	Universiti Putra Malaysia	(4) >

Most of Universities in Malaysia published papers indexed by Scopus than Indonesia on HUMAN RESOURCES/EMPLOYEES IN ISLAMIC BANKS

*Scopus: the highest and popular bibliographic index

**Emerald Publishing: reputable publisher focuses on Islamic economics and finance

The Importance of Human Resources



Prof. Dr. Euis Amalia,
M.Ag –
*Professor in Islamic
Economics*

There are problem of link & match of Islamic economic and finance (FGD – MES Education Division). There must be a collaboration in academic, applied research and community services

Professor Datuk Dr. Syed
Othman Alhabshi –
VP of Academic INCEIF

Proposed for Human Capital Development in the Islamic
Financial Services Industry

Dr. Irfan Syauqi Beik –
Scholar/Director BAZNAS

To open the recruitment program and training for the Islamic
finance



The Capital Market Regulators Forum revealed, 82% of the countries which responded experience shortage of talent in the IFSI (Islamic Finance Services Industry) areas such as Shariah and Takaful, and 60% of Islamic finance professionals require further training and skills development

ITFC & IRTI

The International Islamic Trade Finance Corporation (ITFC) and Islamic Research and Training Institute (IRTI), both members of IsDB Group have signed a MOU for collaboration to develop innovative trade finance solutions and enhance human resources for Islamic financial institutions.

Global Concern on HR-Shariah



IRTI Report 2019



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 - Future Knowledge Leaders

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 - IRTI Portal & Social Media
 - Publications Dissemination
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GIEI	Islamic Finance	Halal Food	Travel	Fashion	Media & Recreation	Pharma & Cosmetics
111	147.9	74.3	95.5	35.6	64	60.6

The reasons of Malaysia being rank no.1 in the world in Islamic Economics due to the a strong education and research

Dhar, B. K., Masruki, R., Mutalib, M., Rahouma, H. M., Sobhani, F. A., & Absar, M. M. N. (2018).

Nienhaus, V. (2007)

Wako, H. J., Kamaria, J. K., & Kimani, J. (2014)

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Khan, T. N. (2015).

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Nawaz, T. (2019).

Nawaz, T., & Haniffa, R. (2017)

Yusuf, B. (2015).

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Almutairi, M. A., & Alsawalhah, A. A. (2020).

Imanirrahma, S. (2017).

Madanat, H. G., & Khasawneh, A. S. (2018).

Tipu, S. A. A. (2014).

Fesharaki, F., & Sehat, S. (2018).

Ousama, A. A., & Fatima, A. H. (2015)

Setianto, R. H., & Sukmana, R. (2016)

Rafiki, A., & Al Qassab, M. A. (2014)

Nasution, F. N., & Rafiki, A. (2019).

Zakaria, S., & Dewa, N. (2012).

Competencies and Qualification Standards



1. Product Knowledge (PK)
2. Fiqh Muamalah Maaliyah (FMM)
3. Risk Management (RM)
4. Customer Relationship Management(CRM)
5. Legal & Compliance (LC)
6. Data Analytic (DA)
7. Strategic Banking Management(SBM)
8. Financing Analysis (FA)
9. Operations (OPS)
10. Product Development and Pricing(PDP)
11. Digital Banking (DB)
12. Investment & Portfolio Management (IPM)
13. Asset & Liability Management(ALM)
14. Stakeholder Management(SM)
15. Business Capabilities(BC)
16. Human Capital Management (HCM)
17. Audit (AUD)
18. Accounting and Finance (AF)
19. Information & Communication Technology(ICT)
20. Project Management (PM)
21. Procurement & Logistics Management(PLM)



Technical Competencies
in Islamic Finance sector

Qualification
Standard & Work
Competencies in
Islamic Insurance
sector



Source: Islamic Insurance Society (IIS)

Basic
Fiqh Muamalah
Introduction to Islamic Insurance
Akad in Islamic insurance
Sharia Insurance Regulations
Sharia Insurance Operational Principles
Sharia Insurance Products
Marketing & Development of Sharia Insurance
Finance, Accounting and Sharia Insurance Reporting

Ahli Asuransi Syariah
Islamic Economics
Legal Aspects of Sharia Insurance
Sharia Insurance Regulations
Sharia Economics Ethics Code
Operational Aspects of Sharia Insurance
Sharia Insurance Marketing
Financial Reports of Corporate Funds and Sharia Insurance Participants Investment Funds
Financial Report of Sharia Insurance Tabarru Fund

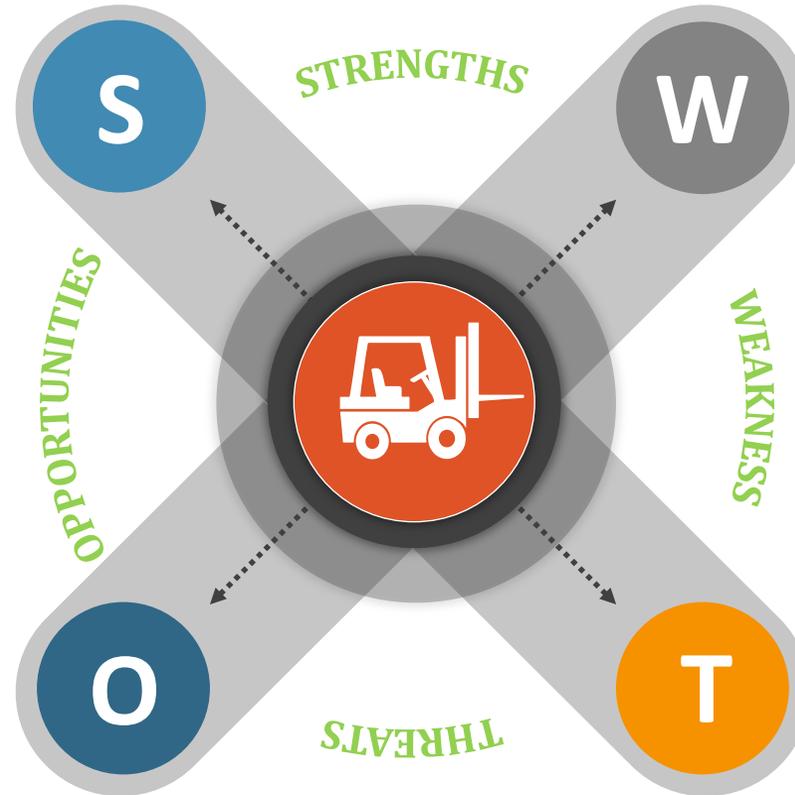
Ajun Ahli Asuransi Syariah
Insurance in the view of Islamic Sharia
Financial Transactions in Islamic Law
Development of Comparison of Sharia Insurance Business Models
Licensing and Organization of Sharia Insurance
Risk Management & Good Corporate Governance for Sharia Insurance
Sharia general Insurance and Sharia Life Insurance Operational Report
Financial Health of Sharia Insurance & Reinsurance Company

SWOT (Challenges)



- Various Islamic Studies Programs
- Individual Awareness
- Extra Knowledge
- Basic Principle of Islamic religion

- Government Support
- Number of Graduates
- Global acceptance of Islamic banks



- Unqualified HR
- Incompetence; technical analysis, practical exposures
- Attitude / Commitment

- Industry Negative Perception; trust/expectation
- Competition; better offer & stability/security
- Low demand of industry

Possible solutions to developing human capital



IRTI's Major Initiatives

Source: World Islamic Economic Forum Foundation (2018)

Success Factors of Developing HR-Shariah



Design ideal curriculum according to the pure Islamic science and banking



Recruit qualified lecturers in the fields of pure economics and sharia



Islamic tertiary institutions must promote research on human resources, thus can be beneficial to industrial development



Build communication with stakeholders (Islamic) to develop *link & match*



Individual HR-Shariah



Upgrade knowledge



Do the best



Inspire others & society



Tawakkul & Du'a

Thank You / Shukron
Wassalamu'laikum

