

SIMPLY
SHARIA
human capital

THE HUMAN CAPITAL CHALLENGE: SHAPING THE FUTURE

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ACKNOWLEDGEMENT

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Introduction



Stella Cox

MD, DDCAP Group & Chair of TheCityUK Islamic Finance Market Advisory Group

Stella Cox has worked as a practitioner within the Islamic financial marketplace for almost thirty years. A Fellow of the Institute of Islamic Banking and Insurance in the UK, Stella is Chair of TheCityUK's Islamic Finance Market Advisory Group and was a non-ministerial member of the Islamic Finance Task Force - set up by the UK Government to support the World Islamic Economic Forum, hosted by London in 2013, and the announcement of the inaugural UK sovereign Sukuk issuance. In 2008 Stella was recognised with the award for 'Outstanding Contribution to Islamic Finance in the UK.'



Founded in 1998 and headquartered in central London, with presence in the Middle East, DDCAP is majority owned and controlled by IPGL, the most significant shareholder in ICAP plc. An intermediary in the Islamic Financial Services Industry, providing structuring support, trade execution and value added services to its global clients, DDCAP is a facilitator across a diverse range of Sharia compliant products, asset classes and instruments in both the primary and secondary markets. DDCAP is a member of the International Islamic Financial Market.

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The necessity for the Islamic financial services industry to expand and develop its human capital resources, ranks as high in priority as resolution of certain of the technical market challenges that practitioners continue to address.

Our human capital pool is amongst the most valuable components of our industry's asset base and in recent years there has, rightly, been a market focus on the development and provision of education, training and academic and professional qualification, that is both specific and relevant to Islamic finance.

Supporting the aspirations of our new entrants, whilst retaining and developing the knowledge and skill sets of the existing human resources community, as the global footprint of our market evolves and expands, has been a prominent feature of our industry agenda.

From the UK's own perspective, Islamic finance education, training and qualifications were a core component of the Islamic Finance Task Force convened by the British government in 2013. Similarly, promotion of the UK's excellence in professional training and qualifications for global Islamic financial market practitioners is an important output for TheCityUK's Islamic Finance Market Advisory Group.

However, as we move towards a period during which market commentators expect further, significant growth for Sharia compliant financial services, the organisations and institutions that are central to steering and shaping our industry architecture must debate and reflect now on potential, future requirement. Given the high priority of implementing a strategy for the ongoing build of human capital resources that is current and relevant to the needs of the wider market, it's institutions and it's consumers, most informed observers consider that success is ultimately dependent upon it being a collaborative approach, in as far as it is practicable and possible - that is shared by the industry's stakeholders.

In producing The Human Capital Challenge: Shaping the Future, Simply Sharia HC has called upon leaders from across the educational and industry spectrum of global Islamic finance to provide perspective. Not only have they been tasked to explore the historical and current challenges that the industry faces, in particular they will offer their insight as to how we might best develop our talented human capital pool, so that it remains equal to the challenges ahead as Sharia compliant financial practice continues on its projected growth trajectory.

Sponsors



GSM LONDON

"Industry and University collaboration is vital for a growing and thriving economy. Universities must balance producing the work-ready graduates employers demand with encouraging the thinking required to meet future needs -the Thought Leaders of their day. Universities must also not be afraid of change. With the growth of Sharia compliant products the Financial Services sector has changed and so must how Universities teach and engage with it."



INCEIF

"The Human capital question is impacting Islamic finance today and its drive into the future. We hope this report will go a long way in steering the industry towards its true self, providing an environment for talent development and setting ourselves milestones for the future sustainability of Islamic finance."



FAA

"The FAA is committed to creating a sustainable ecosystem for Islamic finance, enabled by quality and skilled human capital. By developing a standardised and uniform curriculum for the sector which will be widely accepted, we will be that one step closer to making this a reality."



UEL

"At UEL we support the development, enhancement and progress of Islamic finance human capital. We believe the industry must re-evaluate the fragmented nature of education, where skills are a mismatch with industry expectations. We need nothing short of a global effort to define, develop and implement standards, determining a better value of human capital."

SIMPLY SHARIA HUMAN CAPITAL MESSAGE

The Human Capital Challenge: Shaping The Future Report is an open and unequivocal manifesto on the human capital and talent development challenges specific to Islamic finance; looking at key areas in the development of talent, recruitment, employment, skills, education, Sharia, human resource, gender, digital, data, marketing, Millennials and leadership.

Report contributors include some of the most dynamic, committed and enthusiastic champions of the industry with a footprint across the globe. They critically examine and define the important issues facing human capital and how as an industry we can motivate, nurture and retain talent.

Ultimately, we have established Islamic Finance Talent Development Goals (IF- TDGs) - to give the industry greater success and long-term sustainability.

At Simply Sharia Human Capital (SSHHC) we believe these goals are the start of industry transformation, as we face challenges from digital disruption, fintech innovations and competition. We need to look at investing in people who will bring their own disruptive innovation, ideas and skills to benefit Islamic finance.

We hope you will join us in embracing these goals and making them a part of the change you want to see and ultimately let them navigate Islamic finance towards sustainability, inclusion, profit-sharing and shaping the innovators of tomorrow.

Pledge your support to the Islamic Finance Talent Development Goals (IF TDGs)

1. BENCHMARKING GLOBAL ISLAMIC FINANCE EDUCATION
2. TALENT & LEADERSHIP PROGRAMMES
3. SHARIA SCHOLAR DEVELOPMENT
4. ISLAMIC FINANCE DATA BUILDING
5. MARKETING, PR & EDUCATION
6. FEMALE PARTICIPATION IN ISLAMIC FINANCE
7. HUMAN RESOURCE BLUEPRINT
8. SUPPORTING ENTREPRENEURSHIP

Thank you



Faizal Karbani
CEO & Founder,
Simply Sharia Human Capital



Nyra Mahmood
Director,
Simply Sharia Human Capital

"We must dare to be different and demonstrate that we have a real and workable alternative"

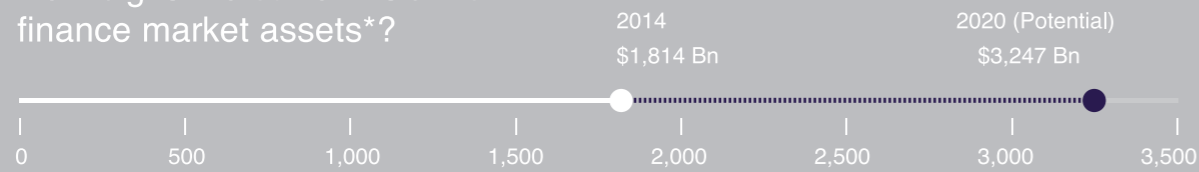
SSHHC survey respondent

Islamic Finance

MARKET SIZE¹

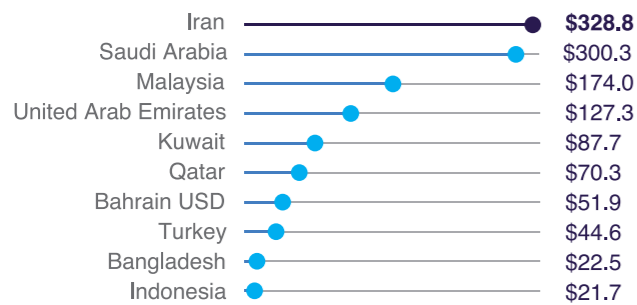
How big is the current Islamic finance market assets*?

*Does not include undisclosed assets of most Islamic windows

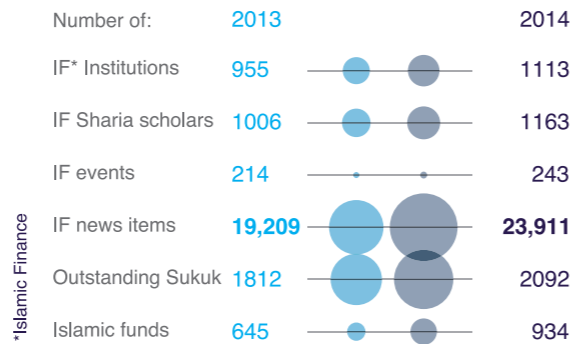


TOP MARKETS (2014 est., US\$ bill assets)

Top Islamic finance markets commercial banking

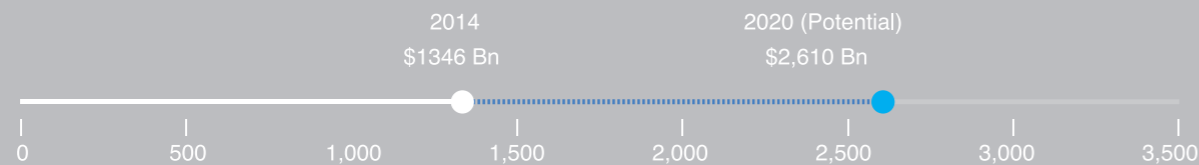


Select growth indicators



1. Source: Thomson Reuters Islamic Finance 2014-15 Data

How big is the current Islamic commercial banking assets?



THE ISLAMIC FINANCE INDICATOR

Which countries have the best developed Islamic economy for Islamic finance?



*CRITERIA (From a total of 73 select countries)
 1. Financial (Size Islamic Finance Assets and Number of Islamic Finance Institutions);
 2. Governance (e.g. Regulations for Islamic Finance and Disclosure Index Score);
 3. Awareness (Number of related News Articles, Islamic Finance Education Institutions, Research papers, and events);
 4. Social (Value of Zakat and Charity and CSR Disclosure Index Score).

© State of the Global Economy 2015

“Recognising the shortage of staff in Islamic banks and institutions, means the industry needs to design a long term human resource strategy”

Human Capital Outlook

Challenges Ahead



Islamic Finance Recruitment

Exploring the Global Landscape



Stephanie Ting

Recruiting Consultant, Ellwood Consulting

Stephanie is a highly motivated recruiter that brings over five years of experience in Audit, Research, Investor and Treasury Services to the field. Graduating from the University of Auckland with double majors in Accounting and Commercial and a CPA Australia qualified professional, her in-depth knowledge of financial markets and the challenges as well as opportunities faced by both employer and employee alike allow her to provide insightful consultation when it comes to securing long-term career relationships.



Ellwood Consulting is a specialised recruitment consultancy based in Malaysia and focused on mid to senior level placements in the functional areas of finance, financial services, human resources, IT and Sales & Marketing.

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Nyra Mahmood

Director, Simply Sharia Human Capital (SSHC)

Nyra is responsible for the overall management and performance of the UK's first online Islamic finance recruitment and knowledge portal. In her time at SSHC she has steered commercial awareness including new business development, generating long-term training partnerships with global organisations and establishing a digital presence for SSHC. Taking a pro-active role with the UK and the international Islamic finance space, Nyra has also initiated the creation of two Islamic finance reports on the human capital challenges facing the industry.



SSHC is a recruitment portal solely dedicated to Islamic finance jobs and knowledge - connecting the global jobseeker with Islamic finance employers and educators on one online site. SSHC aims to nurture and develop the global IF industry through collaborations, training, outreach, inspired expertise and international talent development.

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Recruitment is a challenging area for those working in the industry and for those wanting to find a position in Islamic finance. The difficulty arises from sporadic information on opportunities and job openings, to a lack of definitive, transparent and measurable data coming out of HR departments of Islamic Banking and Finance (IBF) institutions. In addition, it is prudent to remember that IBF still lacks the scalability and skills of conventional sectors. These issues somewhat set the tone when looking at an overview of the opportunities available in the Islamic finance recruitment space.

United Kingdom

Despite the UK's strength on the global stage as one of the fastest growing economies in the G7 in 2014 and it's unemployment at a record low – the face of Islamic finance job's market is still relatively small.

Omar Shaikh, Executive Board Member at UK Islamic Finance Council (UKIFC) receives numerous enquiries about jobs, internships and moving careers from the conventional to Islamic finance: "The reality is Islamic finance is a young industry still developing and growing. We need people with existing skills and experience, which is why Islamic banks tend to employ experienced staff from conventional institutions. Through reviewing the accounts, stand-alone Islamic banks indicate they have approx. 400 + headcount in total which is not a huge job market."

He adds: "Capacity gaps do remain, however, among Sharia scholars, which is where the sector needs to create internships and programmes to give scholars the transferable skills to work in Islamic banking and finance. UKIFC were pioneers with our Sharia Scholar conventional markets CPD programme. Now we need organisations to take on young scholars and train them to build future capacity."

Omar's advice to graduates is to gain experience in the conventional sector and look for opportunities abroad: "I do recommend, if you have the opportunity, travel to Malaysia and the GCC and work within Islamic financial institutions there. The depth and breadth of experience you will gain in those regions – living, working and being active in that space - will put you in a notable position to further your career within UK IF institutions afterwards."

GCC

The GCC is still the largest region for Islamic finance opportunities. QISMUT: Qatar, Indonesia, Saudi Arabia, Malaysia, UAE and Turkey commanded 78% of international Islamic banking assets in 2012, growing at a 5 year CAGR of 16.4%.¹

But how does this resonate into recruitment opportunities? Currently there is little definitive data from HR across IBF institutions in the region to really understand the recruitment landscape and also recognise which areas need what type of candidates from bankers and auditors to wealth managers and lawyers.

For foreign candidates, the issue of nationalisation will also play a part, as much of the GCC is looking at nationalisation policies to regulate the supply of expat labour in the long run. The Qatari government has put human capital development as one of their key objectives in the 'Strategic National Vision 2030, emphasising the need for skilled employees, training, "embedding international best practice in employment practices" and "providing value-added learning and employment opportunities for Qatari nationals."²

However, with skills shortages and inexperience among the national labour force³, the GCC is still looking at conventional and international candidates to fill senior positions in Islamic banking and finance.

"The reality is Islamic finance is a young industry still developing and growing We need people with existing skills and experience, which is why Islamic banks tend to employ experienced staff from conventional institutions"

With declining oil prices, changes in the global regulatory framework for banks and insurance companies, and "its own fragmented nature,"⁴ it is important to note that banking and financial service industry's online hiring activity in the Gulf region continued "to decrease for the second month, registering a negative growth of -8 percent in September 2015 as compared to the same month in the previous year."⁵

The IMF recently said structural reforms in the region, especially in areas of business and financial markets are "needed to foster private sector expansion and job creation."⁶

Malaysia

Malaysia has been identified as a rapid-growth market (RGMs) and a key reference centre to provide leadership for the next phase in the industry's progress⁷. Much of the country's success can be attributed to regulatory clarity, driven by the introduction of the Islamic Financial Services Act (IFSA) 2013, ensuring Sharia scholars are legally accountable for approved financial products and retail portfolios.

The need to focus on Sharia compliance is driven by the need to achieve socially responsible investment. Therefore in Malaysia, recruitment for Sharia compliance - as enforced by the IFSA - has the highest demand at present.

However, recruitment challenges remain when searching for experienced hires that are legally qualified and/or licensed to take more senior positions. The market has not been kind to graduates of Islamic finance; deterred by inexperience and fearful of liability for Sharia compliant products, Islamic finance institutes have acted accordingly in not hiring graduates. This has also extended to experienced hires who took gap years to further their studies in Islamic finance in the hopes of qualifying with enhanced knowledge. The situation is delicate, such candidates have higher salary expectations (in view of prior and new experience) but employers have yet to warm to meeting their expectations in senior positions. Now is probably the time for HR to consider devising talent development programmes, which are able to capitalise on talent within this pool in order to make a vital contribution to the future success of Islamic finance.

Conclusion

Islamic finance recruitment needs a rethink. Across the GCC, Malaysia and the UK we see recruitment statistics for the financial services, but what percentage of those figures include precise Islamic finance data is difficult to ascertain. There needs to be a concerted effort by HR departments of IBFs to collate and share data in establishing an accurate picture of the opportunities available, the areas with talent shortage, salary trends and creating strategies to overcome recruitment hurdles. It is then that we can begin to create a true picture of recruitment needs in Islamic finance.

1. EY World Islamic Banking Competitiveness Report 2014.
2. http://www.qcb.gov.qa/English/AboutQCB/Documents/Strategic_Plan_Book_EN.PDF
3. Will Cooper and John Thompson, EY MENA: page 14-15 'The Human Capital Challenge: Shaping The Future' Report
4. S&P Global Head of Islamic Finance Mohamed Damak.
5. Sanjay Modi, Managing Director, Monster.com (India, Middle East, South East Asia and Hong Kong)
6. IMF World Economic and Financial Surveys: The Regional Economic Outlook: Middle East and Central Asia Oct 2015
7. EY World Islamic Banking Competitiveness Report 2014

Graduate Opportunities

Graduate Programmes, Internships & Mentoring



Daud Vicary Abdullah
CEO, INCEIF

Daud has been in the financial services industry for over 41 years, with significant experience in Asia, Europe, Latin America and the Middle East. He was previously Acting CEO of Asian Finance Bank, an Islamic bank based in Malaysia, and was the first Managing Director of Hong Leong Islamic Bank. Currently, he is President & Chief Executive Officer of INCEIF – The Global University of Islamic Finance. Prior to INCEIF, Daud was the Global Islamic Finance Leader with Deloitte. He holds an Economic and Social History Honours degree from the University of Bristol, UK.

INCEIF

THE GLOBAL UNIVERSITY OF ISLAMIC FINANCE

Established by Bank Negara Malaysia to develop talent for the global Islamic finance industry, INCEIF, is a respected leader in Islamic finance. Nearly a decade after its inauguration, INCEIF is consistently producing graduates in Islamic finance studies, the majority of who have found employment in regulatory bodies, academic and financial institutions all over the world.

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Let's be absolutely clear from the outset that Islamic finance is a new industry and is still adjusting to defining the requirements it has regarding education, professional standards, graduate programmes, internships and mentoring programmes. There have been some initiatives, but overall there is a long way to go and we must set realistic expectations with regard to the changes that will need to be made in order to match off against the conventional industry in this space.

No doubt we need a greater critical mass in the industry. We also need globally accepted professional standards and accreditation, somewhat akin to the accounting profession. However, let's remember that many of these professional organisations have been in existence for over a hundred years and have gone through the very same growing pains that we, as an industry are going through. Steps are being taken to address this through the likes of Association of Islamic Banking Institutions Malaysia (AIBIM), General Council for Islamic Banks and Financial Institutions (CIBAFI), Association of Chartered Islamic Finance Professionals (ACIFP), soon to be renamed, and the Financial Accreditation Agency (FAA), but these will take time to develop and implement. I very much understand that the need, however, is now.

There is a very pressing requirement with these organisations, and perhaps others, to develop international professional standards; provide input into curricula at all levels and to encourage and promote mentorship and internship, within both industry/student and academia/student relationships. Skills, competency and knowledge must be transferred in a proactive and constructive work environment as well as in the classroom. These activities are the very lifeblood of a growing and developing industry.

So do we wait until all our ducks are in a row? Until we have significant scale in the industry? Until we have a global professional body setting professional qualification standards and defining Continuing Professional Development (CPD) standards? Until markets for human capital in Islamic finance become inter-operative on a global basis? The answer is clearly a resounding No. Therefore, while a partial vacuum continues to exist, we must take control of our own destiny and do what we can, as effectively as we can, and as quickly as we can.

We must work the opportunities and engage with industry and associated professional services in order to make a difference now. We must be visible, vocal and well organised. My own institution, INCEIF, has been in existence for less than 10 years and now has close to 2000 students at post graduate level, both face-to-face on campus and online in over 80 countries. Here are some of the things that we have done and which are working to get our students, alumni and stakeholders closer together and to build towards the goals defined above.

“Let's be absolutely clear from the outset that Islamic finance is a new industry and is still adjusting to defining the requirements it has regarding education, professional standards, graduate programmes, internships and mentoring programmes”

Engagement with industry starts at the top. We have board members and members of our INCEIF Governing Council and Professional Development Panel, who are CEO's of Islamic financial institutions in Asia, the Middle East and Europe. We have managing partners of professional services firms and sovereign wealth funds also on these committees. Indeed, the majority of our key stakeholders are from industry and they help set the strategy and monitor the execution of that strategy. In addition they are proactive in setting up, suggesting and driving closer collaboration between industry, academia and students through a number of initiatives. They are also actively engaged in providing input into the development of our curricula. From my point of view, this collaboration, commitment and engagement has been vital in differentiating INCEIF.

Our curriculum is primarily set by industry practitioners from around the world. Our research is guided and very often financed by their input. We actively promote engagement between our students and industry leaders. They come and deliver lectures, they actively support our curriculum as SME's, they engage with small groups of students, both face to face and online, to discuss research and industry developments. We have called these activities the “INCEIF Mingle” under a broader title of ACTION LEADERSHIP. Just recently a major IFI selected 2 topics out of 20 submitted by our students, to be presented and discussed in detail by the students with the leadership team of the Bank. Both sides relished the opportunity to discuss, debate and explore. It was also an excellent shop window for the students to demonstrate their skills and their thought-leadership to potential employers.

As time goes on, over the coming weeks and months, we will do more of this. We will experiment, we will ADD, UPDATE and DELETE from programmes and initiatives. In the end, it is about taking effective action to make the CHANGE happen, rather than sitting back and waiting for someone else to make the change, or worse still comparing apples with pears and saying that “it's really tough to compete with the well-established conventional marketplace.” We take the stand that “The impossible does not exist!”

So, in that context, here are some of the things that we must do in order to create the right framework to develop an environment for graduate schemes, internships and mentorships:

- Form a global network of Industry associations to develop and agree on professional standards
- Encourage active interaction between academia, students and industry at all levels:

Mentorships
Research collaborations
Curriculum input
Lectures and talks etc.

- Integrate technical Islamic finance skills with soft leadership skills, using industry practitioners for input and instruction
- Develop courses that include industry attachments
- Encourage ‘Action Leadership’ initiatives within the curriculum and get industry to sponsor
- Broaden the scope beyond the Islamic Finance Industry to include Professional Services such as Accounting, Consulting and Legal

There is after all, much to do and not a moment to lose!

The Real Skills Gap

A GCC Outlook



Will Cooper
Partner, EY MENA

Will Cooper is a Partner in EY's MENA Advisory Business. He leads EY's Government Social Infrastructure practice in the region, covering Labour, Education, Youth Development, Social Welfare and Entrepreneurship. This focuses on the design and implementation of strategies to develop national capability as an enabler for GDP growth and economic diversification.



EY is a global leader in assurance, tax, transaction and advisory services. The MENA practice of EY has been operating in the region since 1923. For over 90 years, it has grown to over 5,000 people united across 20 offices and 15 countries. As an organisation, EY MENA continue to develop leaders who deliver exceptional services to clients and who contribute to local communities, reaffirming their position as the largest and most established professional services organisation in the region.

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John Thompson
Director, EY MENA

John Thompson is a Government and Public Sector Director based in Abu Dhabi. With over 15 years experience in designing and implementing transformational change in the public sector, he has worked on the full lifecycle of transformation from evidence-led policy through to implementation. His recent engagements have included undertaking detailed sectoral labour market research and analyses within Saudi Arabia.

The GCC continues to experience rapid economic growth, driven by economic expansion and diversification. Historically this growth has been supported by expatriate labour equipped with the necessary skills and experience lacking amongst the National labour force. The rapid growth and unique characteristics of the Islamic finance sector provide an opportunity for employers, educators, government and prospective employees to come together to address this critical skills gap.

To articulate these issues, EY defines seven pillars of the journey through employment, illustrating the challenges and opportunities relating to Islamic finance and the wider economy.

1. Labour Supply Strategy and Policy
Regulations such as quota tools (e.g. Nitaqat in Saudi Arabia) aim to regulate the supply of expat labour. Regulation is ineffective without initiatives to improve the availability and quality of Nationals, without such initiatives, growth may be inhibited and there is a risk of avoidance. Employers must be engaged and consulted in the development and implementation of such policies.

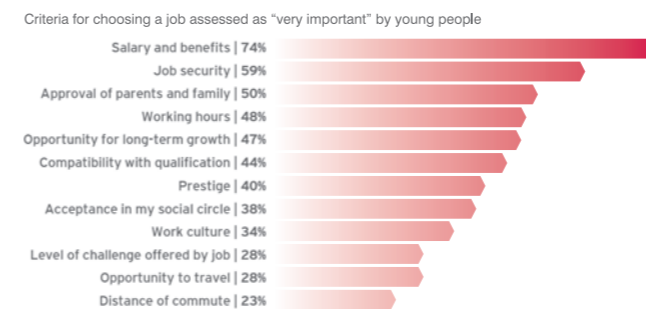
| The four pillars for sustainable growth | | | |
|---|---|--|---|
| Job Creation Pillars | 1. Reform the overall business culture to make it easy to do business | 2. Establish an integrated and sustainable national infrastructure | 3. Increase the attractiveness to the investments community and connect investors with business |
| | | | 4. Establish an holistic entrepreneurship ecosystem that supports both new start-ups and the expansion of SME's |

| INCREASED DEMAND : More jobs for Nationals | | | | | | | |
|--|---|---|---|--|--|---|--|
| INCREASED SUPPLY : Right skills, right numbers, right location | | | | | | | |
| Labor Market & Human Capital Development Pillars | Labor Supply Strategy & Policy | Attractiveness & Awareness | Education & Training | Incentives & Employment Support | Job Matching | Continous Professional Development | Retention |
| | 1. Set policies and regulations to govern the Labor market for the National and Expat workforce | 2. Promote the industry to enhance understanding and attraction amongst Nationals | 3. Build required skills and qualifications through pre-employment education and training | 4. Incentivise Nationals to enter the industry (as an employee or business owner/ SME) | 5. Match available Nationals to available jobs | 6. Provide continued professional development opportunities | 7. Encourage National retention & long term commitment to the industry |

The seven pillars of the journey through employment

2. Attractiveness and Awareness

Awareness is critical to increasing the supply of qualified Nationals. Lack of understanding of private sector opportunities restricts Nationals from developing an interest, and hinders the development of appropriate skills. Employment of Nationals in Islamic finance careers has increased in recent years, driven by greater awareness, and by meeting the key criteria Nationals use to select a career:



The Islamic finance sector offers a combination of reward, career development and cultural acceptance. These factors combine to encourage Nationals not only to seek work, but to develop relevant skills during their education.

3. Education and Training

EY have identified four key areas for interest within the fields of education and training that require attention to address the skills gap within the GCC, summarized below:



Educational content must be aligned with employer needs. Currently only 29% of GCC employers state that education systems prepare students with relevant skills for the workforce. Players must come together to address shortfalls from K-12 through to university and vocational training to meet specific sector needs.

Workforce experience can bridge the gap from education to work. Expectations can be aligned and interest developed, through work experience or internships.

Employers should work with education and training institutions to create partnerships to expand this current provision wherever possible.

Fewer than 30% of GCC students say they have sufficient information about job opportunities. Educating jobseekers about opportunities is as important as providing skills. Limited access to this information prevents Nationals from making effective choices towards the jobs that they want. Collaborative platforms to offer career information can close this information gap, aiding students to plan course selection and boosting interest.

There is an ongoing need to develop a culture amongst GCC Nationals in which work within the private sector is seen as rewarding. To create a dynamic private sector that support Nationals, players must work together to boost appetites to take on challenging work, including supporting individuals who wish to go into business themselves.

4. Incentives and Employment Support

Governments may elect to invest in incentives for Nationals to enter specific industries. Incentives may be tied to education (e.g. through university scholarships), or to counter the salary differentials between public and private sectors. However, in a period of increasing fiscal tightening amongst GCC governments, such incentives must offer long-term, sustainable benefits, including retention within the sector, and may be better delivered in partnership with employers themselves.

5. Job Matching

Effective and efficient matching of jobs to skilled Nationals is key to the effective functioning of the labour market. This provides clarity to jobseekers over the availability and requirements of given jobs, and ensures that employers get the right number of candidates with the right skills at the right time.

6. Continuing Professional Development

Ensuring that opportunities for career development are underpinned by provision of ongoing training, enables junior National resources to displace more experienced expat labour over time, whilst also aiding retention. This requires defined career structures, professional HR provision and investment in training.

7. Retention

Encouraging young Nationals to commit to long-term careers in industry is the key to reducing the dependence on expat resources. Role models can be created through highlighting the successes of Nationals in developing long-term successful careers within the sector, and senior positions can be filled with qualified, experienced staff.

Human Resources

Talent Programmes and Talent Teams in Islamic Banking & Finance



Dr. Tahreem N. Khan

Assistant Professor Al Yamamah University, Riyadh, KSA

Dr. Tahreem Khan, is a lecturer at Al Yamamah University, teaching Business and MBA candidates. She has written extensively on human capital challenges in Islamic finance for the *International Journal of Business and Social Science (IJBS)*. She completed a Masters in Islamic Banking Management at Loughborough University, UK and a PhD in Arabic and Islamic Studies from the University of Aberdeen, Scotland.



Al Yamamah University (YU) was established in May 2001 as a single college by the Al-Khudair family and received University status by the Saudi Ministry of Higher Education in 2008, following it opening its doors to female students two years prior. The University's main academic offering is in both undergraduate and postgraduate courses in Business, Computing & IT and Engineering and Architecture.

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There is a growing need for effective, sustainable and influential mechanisms to enhance the process of talent management within the Islamic banking and finance (IBF) institutions – the question remains, how do we do this?

Firstly, talent management is not a "product" or "solution" that banks and institutions can purchase; neither is it about simply attracting talent.

Talent management is about ongoing research, development and implementation of a series of business processes and human resource including strategic planning, recruitment and assessment, compensation and benefits, career development, engagement, mentoring and coaching, leadership maps, succession planning, retention, performance management and learning and development.

Prioritise the Talent Agenda

In the talent management process, execution is king. Careful planning at corporate level and coherent effort at departmental level should be applied to connect the overall business needs, strategies and culture.

The current narrative that thousands of career opportunities are available in Islamic finance is not an accurate picture. Islamic banks have failed to provide suitable jobs and opportunities, especially for non-experienced Islamic finance graduates. This approach restricts the ability to bring change to Islamic bank brands and their products.

There is a great need to build infrastructure to overcome the shortage of staff. IBF can build a breadth and depth of capability, by considering working with educational institutions to develop specific specialised skill requirements if they are not readily available in the labour market. To bridge the gap, syllabus and course content of universities and colleges offering Islamic finance programmes need to be reviewed and more practical-based knowledge introduced to the curriculum. It is essential for educational providers to identify what kind of skills and capabilities Islamic bank's need to be able to compete in an emerging financial market and how they can bridge specific gaps.

In the Trade Arabia Report 2015, 50% of the 60 banks surveyed, accepted that it is difficult to hire graduates for entry level positions. This is in part due to a lack of talent management development, which unfortunately eliminates young graduates from the Islamic banking HR selection process.

Thus it is imperative for Islamic banks to take significant steps to improve its brand attraction and fill its talent pipeline by initiating talent programmes through bank recruitment channels such as websites, career fairs and local universities. It can be an effective strategy for growing the pool of agile learners, ambitious Millennials and devoted graduates (Islamic finance, Islamic studies, Islamic law, Marketing, Accounting, Fiqh studies etc) from recognised colleges and universities.

"Firstly, talent management is not a "product" or "solution" that banks and institutions can purchase; neither is it about simply attracting talent"

Create Inclusive Successive Opportunities

Succession planning is one of the most important areas for business today. In Islamic finance the approach to succession planning is sporadic at best and non-existent at worst.

Ahmed Ali Siddiqui, Product Development Specialist at Meezan Bank, Pakistan reiterates how certain areas of Islamic finance have suffered due to a lack of succession planning and employee retention: "Specialised areas like Sharia audit, product development and Sharia compliance are very hard to retain talent in. The industry has a [higher demand] for Islamic bankers – who are usually employed from abroad and are paid premium salaries."

Furthermore, according to Professor Rodney Wilson, winner of the 2014 International Development Bank (IDB) prize in Islamic banking and finance: "Talented employees are often the most difficult to manage as they have high expectations of promotion and salaries. They are often more disruptive than the less talented. Despite these challenges Islamic banks need to recruit such people for their businesses to prosper."

A survey¹ of 70 UAE Islamic banking employees, examining the links between organisational climate and employee turnover, found employees did not purely look at the salary, but wanted genuine developmental opportunities in the workplace to remain at an organisation.

When new vacancies open up in Islamic finance institutions and there is a lack of internal candidates, all too often the positions are filled by outsiders and in many cases, specifically with Islamic banks, by candidates from the conventional space.

Here is where Islamic banks need to support and maintain internal talent by determining which positions need a succession plan and based on that identify appropriate competencies and groom employees for higher level responsibility according to that specificity. To make the succession process effective, all level of employees in Islamic banks should be aware of available succession opportunities.

Connecting the Dots

Internally IBF can put in place measures that work towards developing talent and creating 'talent teams' to enhance organisations and employees. One of the investments that will pay dividends is internal training programmes. Key employees, speakers, and experienced Sharia advisors should be involved in conducting training sessions to communicate crucial operational issues and offer young new talent enhanced business insight, operational awareness and a way to accelerate Islamic finance development. This activity becomes a part of the talent management process.

There have been some success stories with similar programmes in Islamic banks:

- Following the launch of a mentoring programme for new employees in 2012, Dubai Islamic Bank (DIB)² launched the 'High Potential Employee Program' providing 'high-potential' staff the opportunity for career development and leadership options.
- Qatar Islamic Bank (QIB)³ introduced a bank-wide e-learning programme to increase awareness on branch operational risks. All bank employees are required to pass an exam at the end of the course.
- Bahrain's Al Baraka Banking Group have begun a year-long campaign to empower women by giving them leadership positions, while promoting the role of women in the Islamic financial sector.⁴

It's important to consider employee commitment is increased if IBF empower their employees by involving them across functions including in structuring products, participating in decision making, assigning them to challenging tasks and projects and creating new positions

Extensive research has been carried out on Islamic banking products and their authenticity, but there has hardly been any research looking at talent management within the IF space. Islamic institutions need to identify internal inconsistencies obstructing the development of a talent process, only then can they begin to generate a new breed of leaders taking Islamic finance into the next decade.

1. Suliman, A. M., Al Obaidli, H. (2011). Organizational climate and turnover in Islamic banking in the UAE. *International Journal of Islamic and Middle Eastern Finance and Management*, 4(4), 308-324.
2. <http://www.trainingmagazine.ae/dubai-islamic-bank-launches-bank-wide-high-potential-employee-development-program/>
3. QIB website 2015
4. Arab News. ABG becomes women empowerment partner for Islamic banking. 20 August 2015.

ICD Talent Development Programme

A Success Story



Mohamed Magdy Tantawi
HR Lead Expert, ICD

Mohamed Tantawi joined the Islamic Development Bank (IDB) through their Youth Professional Programme (YPP) in 2007, rotating through the Group's different internal departments. Before his current position he was the ICD Head of HR. Mohamed has a bachelors in Business Administration & Finance from the American University in Cairo, and a Masters in Organisation Psychology from Teachers College Columbia University, New York, USA.



The ICD is a multilateral organisation a part of the Islamic Development Bank (IDB) Group. Its authorised capital was doubled to \$4.0 billion in 2015 and its shareholders consist of the IDB, 52 member countries, and five public financial institutions. Established in 1999, as part of IDB's strategy recognising the private sector's critical role in the socio-economic prosperity of its member countries, the ICD is mandated to offer long-term and short-term financing and advisory/arrangement services. These include offering leveraged finance to partners to extend their capabilities, establishing partnerships at the strategic or tactical level, targeting direct financing of the private sector, and injecting selective equity and debt products into projects that demonstrate strong potential to develop the private sector world.

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In 2011, the Islamic Finance Talent Development Program (IFTDP) was established by the Islamic Corporation for the Development of the Private Sector (ICD), a member of the Islamic Development Bank Group.

The Islamic Finance and Banking Industry has grown significantly over the last few years. However this growth is unmatched - in both quantity and quality – from a human capital perspective.

At one time, it was sufficient to have a conventional banking experience to move into the Islamic finance industry; today, with industry development, maturity, and increasing product complexity and uniqueness, such movement between conventional to Islamic finance will become more difficult.

With this in mind, the ICD realised the inevitable need for a specialised talent development programme supporting the Islamic finance industry. The ICD at that time decided to operate through financial institutions' intermediaries with the aim of having better developmental impact in its member countries. In time the strategy was promising, though a key challenge was finding the skilled calibre of leaders, equipped and ready to lead the newly formed financial institutions.

Though the initial trigger to establish the programme was company specific, the programme was however, established with the whole industry in mind - given the mandate and mindset of the ICD as a developmental institute.

Since inception the programme is in a continuous development mode, becoming better and better in terms of relevance, practicality, robustness, and selectivity.

Twelve IFTDP Associates join the programme every year to learn more about Islamic finance, and themselves. The programme is a two years programme, where associates complete two one-year rotations in one of the business units in the ICD or IDB Group. During the rotations, the Associates are assigned tasks/projects as fully-fledged employees. Associates, undergo a 15 months Masters programme in 'Islamic Finance and Leadership' with one of the top business schools in the world, IE Business School.

Feedback and guidance opportunities are a compelling part of the programme, through performance appraisal, 360 feedback, and mentorship. Some of the latter is still a work in progress – again in part due to the continuous development nature of the programme.

As the IFTDP matured and our vision expanded, we opted to collaborate with one of the best learning institutions and co-design our own course of choice. We believe the Masters in Islamic Finance and Leadership is in itself a contribution to the Islamic finance industry, given its unique blend of conventional and Islamic finance skills and teachings and the intense practical nature of the programme concluding with a case study in the field of Islamic finance. Thus, the IFTDP is

not only grooming executives for the industry, but also enriching and strengthening the intellectual footprint of Islamic finance.

The IFTDP was developed with the industry in mind. We began it as a support mechanism to our strategy and it has resulted in the growing ambition to champion the ideas of Islamic finance and ultimately change lives.

Our aim has always been to work with industry insiders; offering them the ways and means to participate and partner with us in this programme. We envisage things like staff exchanges, IFTDP Associates rotating with partner companies and sponsorship of Associates in the programme. We also want to offer the ICD-IE Masters in Islamic Finance and Leadership as an open course for other institutions to join and enable their staff with knowledge that will help to propel Islamic finance.

In the end we understand that there is a lot more to a talent development programme than grooming talent. Good talent development programmes and talent teams current employees as well as prospective ones, drive organisational culture, prosper business and ignite positive internal change. To make these programmes a success, firstly you need an erudite mindset enabling programme designers to be flexible and agile and secondly offer candidates the independence to demonstrate their ethics, values, and passion for their field.

If you are a stakeholder in the Islamic finance and banking industry, talent programmes are well worth an investment. You are accountable to one another as programme designer and programme candidate; adding value to one another – ultimately it is the most Sharia-compliant of transactions.

“If you are a stakeholder in Islamic finance... talent programmes are well worth an investment. You are accountable to one another as programme designer and programme candidate; adding value to one another – ultimately it is the most Sharia-compliant of transactions”



Diagram Source: Dr. Tahreem N. Khan, Ass Prof, Al Yamamah University, KSA

“Delivering the employment promise of the Islamic economy will require bold and innovative thinking, questioning longstanding practices and habits”

An aerial photograph of a city skyline, likely Dubai, featuring several prominent skyscrapers and a complex highway interchange. The scene is captured during the golden hour, with a bright sun in the upper left corner creating a hazy, atmospheric effect. A large red rectangular box is superimposed over the center of the image, containing the text "Radical Rethinking".

Radical Rethinking

of Islamic Finance

Islamic Economy

Bold, Innovative Thinking Critical to Success



Abdulla Mohammed Al Awar

CEO of Dubai Islamic Economy Development Centre (DIEDC)

Abdulla Mohammed Al Awar joined Dubai Islamic Economy Development Centre (DIEDC) as CEO in 2013, where he has been tasked with implementing the overall strategy of the Centre, business development activities and efforts to create an environment of entrepreneurship, inclusivity and hub of financial investment. Abdulla has also led Dubai International Financial Centre (DIFC) and served on several committees and boards including the Economic Committee of the Executive Council of Dubai and Bourse Dubai. Abdulla holds a Bachelor of Science Degree in Business Administration from the University of Colorado, Boulder, USA and is a graduate of the Mohammed Bin Rashid Programme for Leadership Development (MBRPLD).



Dubai Islamic Economy Development Centre (DIEDC) was established in 2013 to transform the City into a global hub for the Islamic Economy, under the auspices of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. DIEDC is mandated to implement and promote a seven-pillared strategy comprising finance, the 'halal' industry, tourism, digital infrastructure, art, knowledge and Islamic standards. Equipped with financial, administrative and legal tools, the DIEDC is directed to create a comprehensive framework to drive strategy, conduct research on the contributions of Sharia-compliant activities and explore new services to boost the economy.

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As we move from asking what is the Islamic economy, to how can we best benefit from it, there is a recognition the Islamic economy's diverse sectors, ranging from finance to food, tourism to fashion, pharmaceuticals to cosmetics, have an inherent relationship with each other, defined by the values that underpin them and their consumer base. This interconnectedness is creating previously overlooked opportunities, not just for market growth but also employment.

According to the State of the Global Islamic Economy Report for 2015/2016, Muslim consumer spending, excluding Islamic finance, topped \$1.8 trillion in 2014 and will rise to \$2.6 trillion by 2020. With a consumer base of 1.7 billion, predominantly young, Muslims, the Islamic economy is one of the fastest developing markets in the world. But with rapid growth comes challenges, not least of which is job creation, training and education. How we meet the employment aspirations of a young population, growing at twice the rate of the rest of the world, will be a major tipping point for the Islamic economy.

As the Islamic economy matures the need for a highly competent, motivated and involved work force, with the necessary understanding of business, as well as knowledge of Sharia, increases. For example, continued double-digit growth in the Islamic finance sector will create tens of thousands of new jobs over the next decade in the Middle East alone, according to AT Kearney. Similar employment opportunities will also emerge across the Islamic economy. But while the demand for skilled and experienced employees is increasing, the supply of those with the right skills, knowledge and experience is lagging. A report produced by Thomson Reuters and ICD, the Islamic Corporation for the Development of the Private Sector, based on a survey of 60 Islamic banks in 15 countries, said that half had reported difficulties in hiring suitably skilled graduates for entry-level positions.

The Islamic finance industry is one of its fastest growing sectors within the Islamic economy. Yet the sustainability of the industry is being challenged by the reliance of Islamic financial institutions on staff recruited from the conventional sector. While recruitment in the conventional financial sector is not difficult, the story is the polar opposite in Islamic finance. The lack of cooperation between academia and industry to develop a wholesome curriculum in Islamic finance has resulted in a mismatch between the graduates produced and the skills required by the industry. A good illustration of the shortcomings of the existing system is that very few Sharia scholars become bankers, while many conventional lawyers become bankers.

There are signs that things are starting to change. According to a report produced by Thomson Reuters and the Islamic Corporation for the Development of the Private Sector, more than 530 institutions worldwide now offer courses, or degrees, in Islamic finance. The UAE, in third place behind Britain and Malaysia, has 31 course providers and nine fully accredited degree providers. Among these is the Dubai Centre for Islamic Banking and Finance. The centre is a result of the mutual cooperation between Hamdan Bin Mohammed e-University and the 'Dubai: Capital of Islamic Economy' initiative.

Nevertheless, the learning and development challenge remain and it is not unique to Islamic finance. It is common across the Islamic economy value chain. According to Deloitte's Global Human Capital Trends 2015 report learning and development is considered the most important talent-related challenge faced by organisations in the Middle East. Despite this, only 37 percent of them believe their organisations have the necessary tools and programmes to meet this challenge.

If the gap between need and capabilities is to be bridged, a multi-dimensional and inter-disciplinary human resources strategy is required for the education and training of the future leaders of the Islamic economy. A more comprehensive approach and close collaboration between the industry and academia is essential to ensure a steady stream of competent and versatile talent to support greater innovation and dynamism across the breadth of the Islamic economy. At the same time, the existing workforce's knowledge and skills must be enhanced and businesses should treat leadership development as a long-term investment across all levels, rather than a discretionary training expenditure when times are favourable.

With young people increasingly making up more of the Islamic economy's workforce, it is imperative businesses meet their own and employees needs through accelerated leadership paths, a greater sense of purpose and mission, human capital development and greater flexibility in work places, schedules, and tasks. Meanwhile, universities and other learning centres need to ensure courses reflect the real world needs of employers.

“A more comprehensive approach and close collaboration between the industry and academia is essential to ensure a steady stream of competent and versatile talent to support greater innovation and dynamism across the breadth of the Islamic economy”

It will not be easy to achieve the necessary transformation to meet the aspirations of future generations. Delivering the employment promise of the Islamic economy will require bold and innovative thinking, questioning longstanding practices and habits, and a greater focus on developing people as a key element in driving both employment opportunities and business success. Businesses and academia need to seize ownership of these challenges and show leadership in addressing them.



GLOBAL ISLAMIC ECONOMY

\$1.8 trillion of food & lifestyle sector expenditure (2014) projected to reach \$2.6 trillion (2020)
\$1.35 trillion in Islamic banking assets (2014) projected to reach \$2.6 trillion (2020)

TOP 10 COUNTRIES



| | |
|--|--|
| Total Global Market (2014, USD) \$6,755 Bn | TOP 5 Countries for the Halal Food Indicator |
| Global Banking Asset (2014, USD) \$ 105.7 Tn | TOP 5 Countries for the Islamic Finance Indicator |
| Total Global Market (2014, USD) \$1,304 Bn | TOP 5 Countries for the Halal Travel Indicator |
| Total Global Market (2014, USD) \$2,119 Bn | TOP 5 Countries for the Modest Fashion Indicator |
| Total Global Market (2014, USD) \$3,543 Bn | TOP 5 Countries for the Halal Media & Recreation Indicator |
| Total Global Market (2014, USD) \$1,111 Bn | TOP 5 Countries for the Halal Pharma & Cosmetics Indicator |
| Total Global Market (2014, USD) \$742 Bn | TOP 5 Countries for the Halal Pharma & Cosmetics Indicator |

All estimates by DinarStandard Research & Advisory as follows (Islamic Finance current estimates ThomsonReuters 2014 Data). The GIE Indicator model at: <http://www.zawya.com/GIE/>. Projections were determined by regressing historical annual growth of the relevant industry metrics on GDP growth for each country, showing high correlation. The regression determined a line of best fit that, using IMF GDP forecasts, projected industry growth. IMF Outlook Oct 2014 Database for baseline projections. DinarStandard Muslim market estimates & analysis.

Leadership

Millennials Redefining the Islamic Finance Leadership Gap



Dr. Sayd Farook

Vice Chairman and CEO of Middle East Global Advisors

Dr. Sayd Farook is Vice Chairman and CEO of Middle East Global Advisors. He also serves as the Vice Chairperson of the Board of Trustees for the Responsible Finance Institute. He is an Advisor to the Executive Office of HH Sheikh Mohammed Bin Rashid Al Maktoum, Ruler of Dubai and Vice President and Prime Minister of the UAE and also serves as a Projects Advisor to the Dubai Islamic Economy Development Center.

MIDDLE EAST GLOBAL ADVISORS

Middle East Global Advisors (MEGA) is an intelligence platform connecting to opportunities in the rapidly developing emerging markets of the Middle East North Africa Southeast Asia (MENASEA). With a 22 year-old history in the MENASEA economies, MEGA facilitate the development of knowledge through the production of research and insights and technology and connectivity platforms accelerating the dissemination of information and knowledge.

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Islamic finance has a bright future if only it can harness the power of Millennials.

Serious scarcity in energy, water and natural resource has its own damning consequences, but a lack of leadership impedes any resolve to counter such colossal issues. Nowhere is this more evident than across business – big and small. For Islamic finance the question remains can we change the way we think in order to embrace a new generation of leader? A generation, which is innovative, values-driven and the universal activist – the Millennial.

In the age of information, most barriers to entry that once protected and guaranteed the longevity of the largest organisations are now slowly chipped away. Whether it is recruitment services (LinkedIn), car hire services (Uber), consumer retail (Amazon), information itself (Google) or even banking, there are few sectors where the pervasive influence of technology has not reshaped the dynamics of the industry. The only way for companies to stay on top of these challenges is credible and agile leadership; reacting to the ground shifts and dynamically deploying company assets to remain relevant. Yet, leadership and all the qualities it imbues – vision, an ability to inspire, detail orientation and courage – is in short supply.

Leadership remains the number one talent issue facing organisations around the world, with a Deloitte global survey citing 85% of companies rating it as “urgent” or “important.” But only 14% of companies said they do an excellent job developing global leaders - the largest readiness gap in Deloitte’s survey.

The Islamic finance industry is no exception to this rule and its need for leadership to craft a distinct vision for the industry’s future is, in my opinion, even more acute.

Every company relies on offering a differentiated value proposition that allows it to extract value which customers are happy to pay for. The Islamic finance industry collectively relies on a unique social contract to attract a captive customer base, the legitimacy of which is determined by its perceived adherence to the Sharia – Islamic legal code – in both form and substance. This social contract based on the religion is its differentiator and the differentiator needs to continuously evolve based on the needs and preferences of the company’s customers.

Yet, for a good part of the past decade, the Islamic finance industry and many of its customers have collectively voiced concerns over the growing chasm between the ideal and the reality. The ideal, as agreed by most industry thought leaders, is one of genuine profit and risk sharing and the financing of real enterprise, whereas the reality is the overuse of legal stratagems such as commodity Murabaha and the widespread practice to follow the letter of the law or the form; this without consideration to the ultimate spirit or objectives of the law – the substance.

“...there are very few existing leaders that have recognised they need to be at the forefront of crafting a new reality for the industry’s prospects. Alarming, even fewer of the industry’s incumbent leaders appreciate the importance of grooming a new generation of leaders who can carry the mantra of Islamic finance forward and craft a reality of Islamic finance that is forward thinking, innovative and values based”

Still, there are very few existing leaders that have recognised they need to be at the forefront of crafting a new reality for the industry’s prospects. Alarming, even fewer of the industry’s incumbent leaders appreciate the importance of grooming a new generation of leaders who can carry the mantra of Islamic finance forward and craft a reality of Islamic finance that is forward thinking, innovative and values based.

Having taught and led several hundred professionals across Islamic finance, nowhere is this disillusionment more apparent than in the youth – especially among Millennials (also known as Generation Y). They have the potential to alter what we now know as Islamic finance or fulfill the true potential of Islamic finance. But perhaps not the style and nature of Islamic finance we see today.

So who are Millennials and how significant are they?

Millennials, those born between 1980 and 2000 represent a marked shift from the attitudes of previous generations. Across most of the world, Millennials make up at least a quarter of the total workforce (In India that number is significantly higher at over 50 percent). Deloitte estimates Millennials will make up 75 percent or more of the global workforce in little more than 10 years¹.

Their importance in the Islamic ‘world’ is even more significant. According to Pew Research Center study in 2011, more than 62% of the world’s Muslim population is under the age of 30 (i.e. falling squarely into the millennial category) in contrast to just 40% in the United States, 43% in China and 51% globally.

What this implies is that Millennials will determine the kinds of products on offer and more importantly what they seek from their careers in / outside of the financial world. Understanding Millennials can therefore unlock significant productivity gains and leadership firepower. Notably, their attitudes may drag the industry closer to the ideals of Islamic finance, willingly or unwillingly.

Hence, it is vital to ensure we are able to harness their potential for powering the economic development across the Islamic ‘world.’

Some of the key characteristics of Millennials as identified by a global survey undertaken by INSEAD, Head Foundation and Universum titled ‘Understanding a Misunderstood Generation’ include:

CRAVING LEADERSHIP – Millennials are interested in leadership positions and rapid career advancement

CHALLENGING WORK – Millennials desire challenging work, which for them is not merely working long hours

WORK LIFE BALANCE – Millennials care deeply about work life balance over money and status

PRIVATE SECTOR INFLUENCE – Millennials genuinely believe that the private sector has the power to influence the world and significantly more so than the government sector

These attributes reveal Millennials want to engage their time and effort in something they believe in, not just a 9 to 5 job. They want to know that the work they are doing has a positive impact on the world around them. Therefore, a record number of them are not seeking positions in large corporations, but rather looking for roles in start-ups and small institutions where they can experience and feel the impact of their contribution.

They also want to be appropriately recognised and have the opportunity to grow in their positions rapidly. They rebel against the concept of advancing through years of dedicated and unquestioned loyalty to institutions and leaders with lofty business titles. Rather, they are on the look out for institutions that actively cultivate open and inclusive leadership, maintain minimal bureaucracy and provide assignment-based career opportunities. Time is precious to Millennials who view “experience” differently from previous generations.

Millennials also want to work when they want and how they want. This doesn’t mean they don’t want to make an effort, but rather they want to do so on their own terms, balancing their work life commitments.

So what does this mean for the Islamic finance industry?

Millennials are not going to be convinced by legal ruses which plague most of the industry’s practice. They believe Islamic finance has something interesting to offer at its core because of its focus on ethics, but they don’t see leadership embracing these elements.

They need to be engaged with a vision and passion bigger than the institution and themselves. They need current leadership to focus on universal values and see Islamic finance as they do - a powerful force to address the world’s challenges and support economic and social development for their economies. They also want positions that fast-track them towards leadership and management.

Some practical recommendations for current Islamic finance leaders:

1. Genuinely embrace the universal and inclusive social responsible principles of Islamic finance and start living them in the culture of the organisation – ‘Profitable by doing good’ – should be the mantra and culture for the organisation

2. Promote a flat organisational structure with an open door policy to senior management and active engagement by senior management. Senior management should have direct contact with team members, build a relationship of common values, trust and shared vision

3. Set up Graduate Leadership Development Programmes which fast-track the best candidates towards management positions if they out-perform on their own metrics

4. Offer fast track management positions for all employees as long as they demonstrate ‘Outstanding’ or ‘Outperformance’ achievement in their annual review (perhaps after two years in a row)

These are not necessarily all inclusive rules but merely suggestions to engage with a generation that doesn’t want to be bound by the rules of large bureaucratic and layered organisations. If Islamic financial institutions can harness the talent of Millennials, it may accelerate the development of Islamic finance towards its true ideals while making it one of the most innovative and dynamic industry sectors in the world.

However, if we fail to engage this generation, their disenchantment will likely move them away from Islamic finance and from the finance industry altogether, resulting in them focusing on industries that can make a difference – such as technology, marketing or consulting. Worse still, Millennials may eventually see a loss of faith in Islamic financial institutions and what they represent (other than custodians of funds) and ultimately, a disruption of the existing business model.

5. Offer objectives based performance assessment that are SMART (Specific, Measurable, Attainable, Realistic and Timely), designed by the employees themselves but guided by their direct report line manager, which provide incentives for employees

6. Offer ‘flexible hours of work’ as long as each employee achieves their objectives. Employees can be required to come in between certain hours and even alternate those hours

7. Provide a ‘cool’ and flexible work environment that provides alternative to desk based working. The objective is to make the work environment as natural and intuitive as possible to employee interests and preferences

8. Offer employees the opportunity to innovate whether by setting up competitions, which recognise innovation or setting up a small ‘innovation group’ such as Google X that allows the brightest and most talented employees to work on the most innovative and potentially disruptive product offerings for the financial institution

The onus is on the Islamic finance industry to engage Millennials now so as to rapidly evolve from the inside rather than be disrupted from the outside.

Millennials

My Perspective



Akhtar Mohammed

Founding Member of Islamic Finance Ethics Society (IFES)

Akhtar graduated from the University of British Columbia in 2011 with a BA in Political Science and History. He also has an LLB from SOAS, where he co-founded the Islamic Finance Ethics Society (IFES). He has a LLM in International Financial Regulation and completed the CIMA Diploma in Islamic Finance in 2012. He is currently working on writing a popular book on Islamic finance due to be published in late 2016.



The Islamic Finance and Ethics Society (IFES) consists of a consortium of member universities from the following institutions: SOAS, King's College London, the LSE, and CASS Business School; all located in London, UK. The Society intends to explore the solutions Islamic finance can provide to the current social, economic, and environmental problems.

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Millennials are contesting the modus operandi of modern day Islamic finance – and with good reason.

Born between the early 1980s and early 2000s, Millennials fit into a large age range, thus making it difficult to pinpoint views of this entire group. However they share a common experience.

A Millennial myself, I embarked on my university years in 2005 - 4 years after 9/11 and 3 years prior to the Global Financial Crisis of 2008. These two events shaped the global Muslim Millennial enormously, yet differently. The first event raised a critical consciousness amongst Muslim Millennials, due to living through an era of fear, war and constant scrutiny. The second event, demonstrated the

weakness of the ‘Western’ banking system as unstable and those at the top as incapable of understanding how to fix it.

Hence for Millennials, Islamic finance was the promise of an alternative to the conventional system.

However, many elder practitioners of the industry seem to feel that the Islamic finance industry is validated by increased involvement of Western banks. This in my view is the generational departure between the two groups.

Over the past two years as the President of the Islamic Finance and Ethics Society (IFES), our team of members have attended numerous Islamic finance conferences and spoken to dozens of high-level executives in the industry from all over the world. The consensus among our team is that the underlying attitude is not a departure from the conventional approach. It is as equally corporate with very little manifestation of Islamic and ethical ideas.

I believe the next step for the industry is to develop a second sector for itself. The current practice I will call Islamic ‘luxury’ finance: billion dollar Sukuk, luxury real estate purchases and the financing of behemoth towers built around the holiest sites of the Muslim world.

The second industry should be called the Islamic ‘moral’ economy describing financial transactions that meet the social benefit of its contractual arrangements and the manifestation of Sharia compliance and motivation.

Muhammad Yunus and the Grameen bank can be seen as a catalyst for this movement as it inspired the development of KIVA, the world’s largest interest-free micro-finance crowd sourcing platform, providing access to capital for low income individuals in the rural parts of the world.

This is the nature of opportunities many Millennials are looking for.

Currently Islamic finance is providing opportunities for many British students to work for conventional banks and law firms within their Islamic finance departments. This does offer necessary opportunity for training within the conventional system and our needs dictate that Islamic finance practitioners must know how the conventional system works in order to structure an alternative. However, I feel there is a disproportionate emphasis on working in an Islamic finance department within the conventional sector. There is an obvious overlap between the venture capital industry and Islamic finance. The venture capital industry has focused on profit and loss sharing financial products to invest in entrepreneurial activities – this is the most successful model in recent history in creating tangible economic growth.

Here is where the opportunity lies for Millennials and the elder generation to break from the past and focus on ideas of entrepreneurship.

In the internet age we have the ability to access knowledge and peoples from across the world quicker and cheaper than the previous generation. Islamic finance can improve the situation by looking at the needs of society rather than solely the bottom line. There needs to be a cognitive shift away from the mere shuffling of money across one international hub to another.

If the industry does not change or respond, the Millennials will continue to carve their own space by using new technology, innovation and a global mindset.

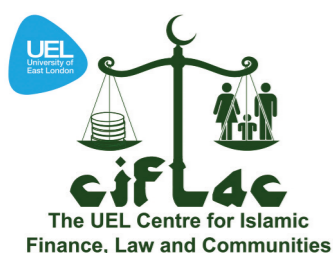
Empower Women, Empower Islamic Finance

Financial Inclusion and Women's Participation in Islamic Finance



Prof Siraj Sait
CIFLAC, University of East London (UEL)

Professor M. Siraj Sait is the Director of the Centre for Islamic Finance, Law and Communities (CIFLAC) at the School of Business and Law, University of East London. A graduate of Universities of Madras, Harvard and London, he is a well known human rights lawyer and development expert who has worked for civil society, the UN and international governments. Published widely in the fields of human rights, gender issues and Islamic studies, his publications on Islamic law and gender were highly ranked for impact in the Research Excellence Framework 2014.



The Centre for Islamic Finance, Law and Communities is a part of the University of East London's Business & Law School. A leader in Islamic development law, providing global training on Islamic land law, CIFLAC also offers PhD and Masters programmes, short courses and consultancy in the areas of Islamic finance.

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As Islamic finance expands, so do the expectations that its sustainability will be driven not merely by risk management and regulatory frameworks but equally through financial inclusion and participative governance models. As an estimated 72% of people living in Muslim-majority countries do not use conventional banking¹, it is anticipated that Islamic finance would seek to reach sections under-represented in conventional banking including the poor, women, youth, rural residents and micro and small business.² In developing Islamic finance products responsive to a range of clients and contexts, the industry also confronts challenges of ensuring a diverse management workforce at multiple levels to ensure increased participation from all stakeholders, including women.

Women often face additional barriers in accessing finance, especially entrepreneurs or small start-up firms with unproven or nonexistent cash flows³. While Islamic finance products are generally popular with women, some studies show that women are less likely than men to choose Islamic options (43% to 48%)⁴, particularly due to lack of information and confidence. In some markets, where there is gender segregation or customary obstacles, pioneering models such as the Dubai Islamic Bank Johara reaches out to women through highly profitable female-only branches. The Islamic finance industry is becoming more alert to economic power of women who drive aggregate demand and global consumer spending. A more complex endeavour is understanding whether or what distinctive Islamic finance products or arrangements are sought by women⁵.

Assumptions ranging from the female emphasis on ethics, likelihood of loyalty to caricatures of risk aversion and ambivalence to technology detract from the complex, diverse and rapidly changing profile of women. The growing educated urban female workforce, for example in the GCC, respond to changing demographics and family structures in making economic choices that are vastly different from earlier generations. Rather than the default 'family' category that some Islamic finance providers use, involving women in developing Islamic finance would likely yield greater dividends. For a mature and optimising Islamic finance industry, the other half of the world's population also needs to be fully involved. As Stella Cox, MD of DDCAP notes often "women tend to prefer female financial advisers"⁶.

Obstacles to women participating in multiple roles as clients, consumers, entrepreneurs, investors, managers, advisors, researchers, policy makers and leaders are well acknowledged. Female participation is not just intrinsically important for empowerment, family and social justice. Recent McKinsey research substantiates earlier findings that businesses with the highest proportion of women significantly outperform others as they understand and respond to markets better⁷, and are generally more innovative, competitive and are less corrupt. As in the conventional finance business, women are notoriously under-represented in the Islamic finance world - a 'leaking pipeline' where women are forced to walk away owing to a culture of masculinity and lack of opportunities, particularly at senior levels.⁸

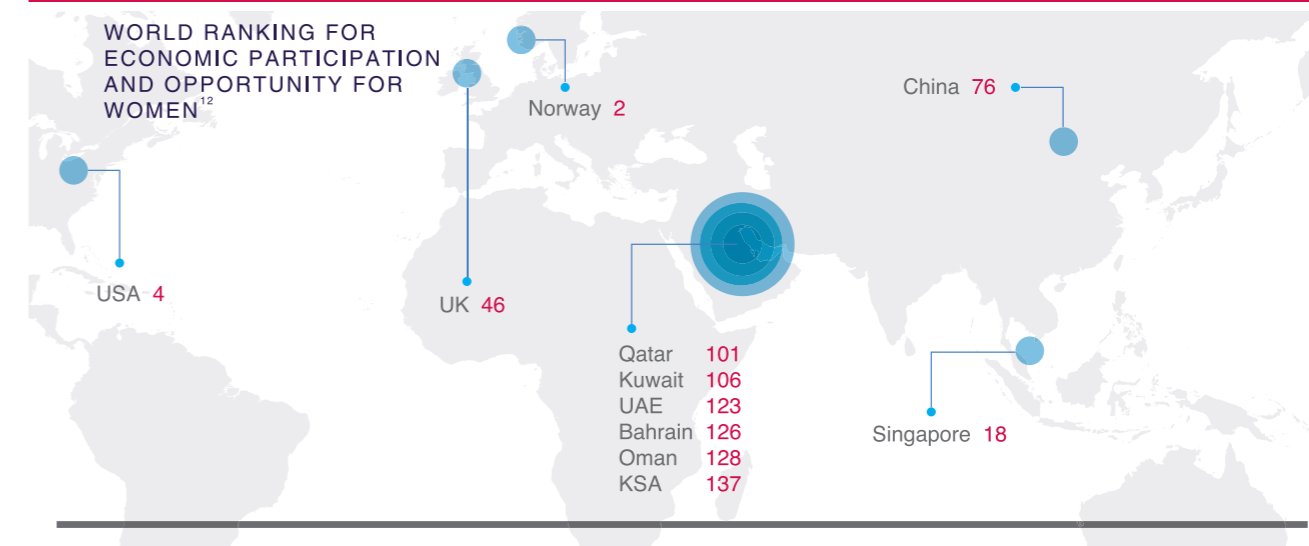
This is changing. The breakthroughs that women have made in the Islamic finance industry, particularly in Malaysia and Indonesia as female Bank Governor, CEOs, Sharia Advisory Board members and general workforce is now well celebrated. By replicating these successes in other countries, change needs to be expedited and scaled up at all levels. There is momentum to achieve gender balance and financial inclusion. For example, in a recent interview with the Islamic Banker, Samina Akram notes that the Women in Islamic & Ethical Finance Forum (WIEFF) has over 7000 members⁹. Projects such as the Abu Dhabi Islamic Bank (ADIB)'s Tamkeen Women in Leadership Program to prepare and develop a new generation of leaders need to be more widely implemented across the industry.

The general components of gender responsive strategies at multiple fronts are already well known. On the supply side, the industry must address the causes of the gender gap and capacity by refuting cultural patriarchy and disseminating positive Islamic narratives that would promote female participation. A bigger problem is the pervasive culture of corporate masculinity in the finance industry that must be counteracted by asserting strong correlation between gender participation and economic competitiveness¹⁰. Related feeder routes from education providers to land professionals (planners, surveyors, valuers and lawyers) need to shatter the glass ceilings for women. Practical measures such as incentivising women entrants through internships, enabling a flexible working environment, opportunities for promotion and policies geared toward prioritising recruiting, retaining and rewarding female talent.

Gender diversification measures potentially benefit not only women and their families but also other under-represented categories such as the poor, youth and rural residents. Women too have subcategories ranging from the privileged to disadvantaged that may require a differentiated approach. Women in conflicts or disasters or facing health or personal crisis must be prioritised, as the positive experience with Islamic microfinance demonstrates¹¹. A qualitative growth in Islamic finance would be when its impact ceases to be restricted to well-positioned elites, men or women, and extends its reach universally and to all.

“...the pervasive culture of corporate masculinity in the finance industry...must be counteracted by asserting strong correlation between gender participation and economic competitiveness....”

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“If you want technically skilled and expert talent, then maybe it’s time we began looking at talent from outside the core banking fraternity”



Innovation In

Islamic Finance

Big Data, Big Opportunities

A Need for Building and Creating Islamic Finance Data



Emmy A Alim

Editor, Thomson Reuters

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The calls from within the Islamic finance industry for a comprehensive and publicly-accessible databank of Islamic finance statistics has been growing louder in recent years.

The timbre of these calls resonate those that have been made for global unified standards for the Islamic finance industry itself. This perceptible trend has arisen from a fragmented global Islamic finance fraternity desperate to forge a truly integrated global industry in the blur of competition and self-interest (for various qualitative and quantitative reasons).

For now, a centralised comprehensive big database for Islamic finance can only be built by a party that is at once a stakeholder in the global financial industry and who is, at the same time, positioned external enough as to have sufficient impartial oversight. Organisations such as the International Monetary Fund or the World Bank are the closest candidates.

WORLD BANK DATABASE

The World Bank understands the need for this big database. In 2014, the Global Financial Development Report (GFDR) of the World Bank released its first version of a publically-available Islamic Banking database, obtained from financial statements of financial institutions, central banks, the Islamic Development Bank, and other regulatory and supervisory bodies.

Data is presented at the individual bank level, which is a goldmine for researchers and analysts who constantly seek the micro-Est of data blocks. However, the first release of the data offers only a rudimentary set of data: total assets, total liabilities, total income, and number of branches.

The World Bank, though, has the resources and skills necessary to improve on this database (including to constantly update data that will give users what they need to crunch comparative growth numbers) and most crucially – offer the database as a free publicly-available resource for the wider finance industry (Islamic or otherwise) to use as it requires, including for human capital purposes.

The first limitation of the World Bank Islamic Banking database is that it only covers Islamic banks and not all sectors of the Islamic finance industry; it hence misses out on the capital market, takaful, asset management and funds data. However, Islamic banking assets account for approximately 70-80 percent of global aggregate Islamic finance assets and so even with only Islamic banking data, users would gain a fairly good estimation of the size of the industry overall. But sizing the industry is only one use for big data and moving forward, the World Bank should build on its database to include all other sectors of Islamic finance.

The second limitation is that the World Bank can only rely on publicly-available sources of data provided by central banks and individual financial institutions. Different jurisdictions use different accounting and auditing standards and so comparing like-for-like is a challenge.

“.....glowing [human capital] figures certainly uplift the perception of Islamic finance as a growth industry, but it is ill-advised to accept them at face value. We must ask the tough questions: What are these projections based on and how can we assess their methodology? This, again, takes us back to the issue of transparency, or lack thereof”

IFSB DATABASE

There are other data pools serving up Islamic finance numbers.

The Islamic Financial Services Board (IFSB) launched a databank of industry indicators in April 2015 – the Prudential and Structural Islamic Finance Indicators (PSIFIs) -- which covers 15 of its member countries. Data is collected directly from regulatory bodies and is meant to be updated on a quarterly basis, while adding more countries and sectors. The aim of the PSIFIs, according to the IFSB website, is: “to document the structural development and soundness of Islamic finance. This database will help monitor resilience and stability of the Islamic financial system as well as enhance comparability of Islamic finance within and across jurisdictions.”

IFSB's PSIFIs provide country-level aggregate numbers, as opposed to the World Bank's individual bank-level data. The PSIFIs, however, do provide granularity that the World Bank database does not offer – for example the PSIFIs set out to capture the number of employees in Islamic banks, and the value of financing by type of Sharia-compliant contracts, which is a highly useful resource for users tracking the balance of debt and equity structures.

DATABASES NOT FREELY OR PUBLICLY-AVAILABLE

There are three other big databases but which are not free to access by the public.

Since 2013 Thomson Reuters, in collaboration with the Islamic Corporation for the Development of the Private Sector (ICD), has been producing the Islamic Finance Development Indicator (IFDI) which is meant to give a more 'holistic' picture of the health and development of the Islamic finance industry; the indicator is underpinned not only by quantitative measures of all Islamic financial sectors it also quantifies four other pillars: knowledge, CSR, governance, and awareness. The most critical drawback of the IFDI is that its raw data is not available publicly and hence there is no open and transparent way for the wider industry to assess the veracity and robustness of the indicator.

There are other data pools, but they live behind pay-walls. The Banker's Top Islamic Financial Institutions Report provides bank-level data and Ernst & Young compiles the World Islamic Banking Competitiveness Report. Both require subscription premiums. These three are not freely and publicly-available because these companies need to be able to monetise their databanks.

TRANSPARENCY

Until such time that the World Bank's database covers all Islamic banks and windows and expands to also cover the other sectors of the global Islamic finance industry, there will be no centralised, comprehensive and free publicly-available Islamic finance data to benefit all users of the global financial industry, including for human capital purposes. The Islamic finance industry will continue to be associated with some level of opaqueness, which is a substantial stumbling block for more robust empirical research and analysis.

HUMAN CAPITAL NEEDS

Over the last few years, the Islamic finance human capital space has seen its fair share of statistics, especially in relation to the 'talent gap' or 'talent need.'

The Malaysia International Islamic Financial Centre (MIFC) projected that for the 2011-20 period, a total of 22,400 individuals would be needed to support the Malaysian Islamic financial sector; Indonesia estimated that it would need 17,000 additional practitioners in the short-term; the UAE projected about 8,000 new Islamic finance employees for 2015 for Dubai alone; and perhaps audaciously, KFH Research said the Islamic finance industry as a whole would need up to a million graduates by 2020.

These glowing figures certainly uplift the perception of Islamic finance as a growth industry, but it is ill-advised to accept them at face value. We must ask the tough questions: What are these projections based on and how can we assess their methodology? This, again, takes us back to the issue of transparency, or lack thereof.

Creating the building blocks of big data available to the industry would empower HR and workforce intelligence departments to use them to better build their respective human capital and talent strategies.

However, gaining a more accurate big picture would require the whole industry to subscribe to a two-way process: a centralised big database can give out data to individual users and institutions for free but more accurate top-line growth projections for human capital needs in the Islamic finance industry can only be made if institutions return the favour and submit their big numbers to a collective pool that could then be re-constructed to form a whole.

Ultimately big data means gaining insights, which will empower the industry and give it a competitive advantage.

The views expressed in this article are the author's own and do not necessarily reflect the views of Thomson Reuters.

The New Frontier

Islamic Banking & the Digital Revolution



Raja Teh Maimunah
MD & CEO, Hong Leong Islamic Bank Berhad

The MD and CEO of Hong Leong Islamic Bank, Raja has over 20 years experience in banking and finance focusing on areas of Islamic and investment banking. She has been instrumental in the digital innovation at Hong Leong, steering the bank's digital platform. An Adviser to the World Islamic Economic Forum Foundation (WIEF), Raja has also served as the Global Head of Islamic Markets at Bursa Malaysia, CCO and Head of International Business at Kuwait Finance House, Malaysia, CEO of Bank AlKhair Malaysia (previously Unicorn Investment Bank) and Head of Investment Banking at RHB Sakura Merchant Bank (now RHB Investment Bank). She is a board member of IBFIM (Islamic Banking and Finance Institute Malaysia), and a member of the Islamic Finance Committee for the Malaysian Institute of Accountants. She also sits on the Board of Hong Leong MSIG Takaful. Raja holds an LLB (Hons) from University of East London (UEL).



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Islamic banking assets; spread over 110 countries and 50 million customers reached \$2.1 trillion last year. This trend reveals that many Muslims and Islamic finance customers have become more affluent and taking advantage of tourism, fashion, health and beauty. In addition they are also armed with the latest tech gadgetry as part of their daily routines.

Recognised globally as a trailblazing hub for Islamic finance, Malaysia has 140% mobile penetration with 14.3 million individuals using internet and mobile banking platforms. Today, Malaysians have a slew of choices via services offered by banks as well as non-banks in the provision of financial services to suit their lifestyles, particularly with regards to payment options.

Disruption in lending and peer-to-peer payments by non-financial institutions has brought about many changes to the way traditional banking has always operated. One main change is the emergence of digital retail banking. It brings forward completely new propositions encompassing not only new and improved products and service offerings, but also requires a more technologically savvy workforce to cater for a technologically advanced society - one which is very much dependent on using the smartphone and tablet. In fact, digital banking is much more than mobile and internet banking on the go; it is also a new lifestyle proposition that suits Millennials.

Millennials, unlike any generation before, have little or no desire for bricks-and-mortar branches to provide them with banking services. They are an age group that relies on the 'digital wallet' and producing a digital footprint in financial services.

In response to the digital disruption, at Hong Leong Islamic Bank, we have organised ourselves to prioritize the development of digital products and services to cater for the changing demands of customers who want better and faster access to digital/mobile payment systems and transactions, without compromising on security.

Adapting to change is imperative to ensure relevance. So we developed mobile payment solutions on our Hong Leong Connect (our digital brand) mobile application allowing users to do away with ATM cards and pay individuals or merchants using their phones. Our digital banking platform has received global recognition and we believe it epitomises customer outreach based on relationship building powered by consumer technology.

We have also extended our mobile banking products and services across our regional footprints in Malaysia, Vietnam, Singapore, Cambodia and Hong Kong, and are able to simplify and accelerate the delivery of multi-dimensional mobility services to our customers.

For Islamic banking and finance, the use of technology is no longer an option, it's a necessity. This requires a need for digital innovators who are always racing ahead of the curve to ensure that superior customer experience will win the hearts and minds of Millennials, who make 60% of the Malaysian population.

With that in mind, at Hong Leong, we have hired from outside the industry and among non-bankers who are largely tech-oriented and social media confident to facilitate the digitisation of our business.

I do not believe it is possible to change the way Islamic banking and finance currently works, without bringing in such diversity of talent, particularly in areas which are simply not endemic to banking.

We feel hiring from outside the banking sector has helped us acquire the right skillsets to facilitate the transformation needed to serve our customers better. Only by tailoring the way Islamic banks and finance use the process of digitisation to include human capital development, can they meet and exceed their customers' digital-banking expectations.

The tool of social media forms a crucial channel in reaching out to Millennials, as they demand direct access and immediate response to their needs, without having to walk into a branch or call their local bank manager. For many Islamic banks, including ourselves, this has been rather revolutionary as in the past our branches had been the first and predominant point of contact with customers - now we connect through technology platforms.

Ultimately, Islamic banking must recognise that digital disruption is real.

In order to respond robustly and collectively, the industry needs a game-plan, which includes creating a digital strategy for customers and the operations of the organisation.

When it comes to the Islamic banking and financial sector, they must be clear about the shifting of resources, technology and people - with people playing a vital part.

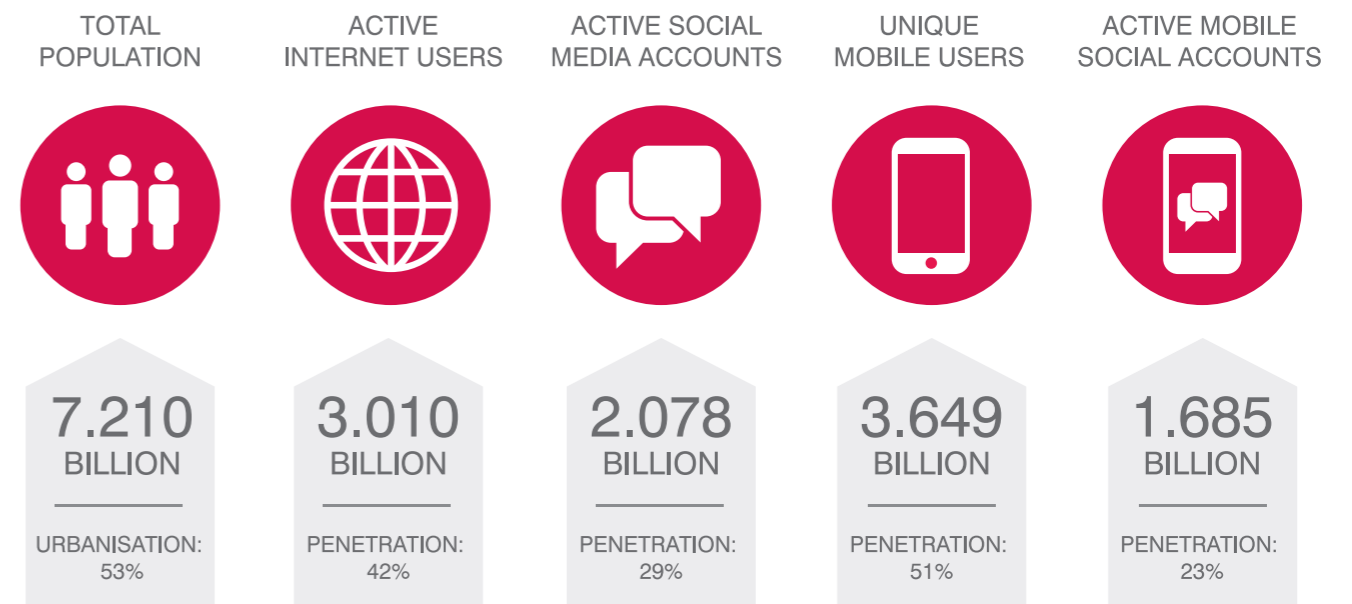
To create the best digital footprint, our industry must begin to look outside the box. If you want technically skilled and expert talent, then maybe it's time we began looking at talent from outside the core banking fraternity.

"I do not believe it is possible to change the way Islamic banking and finance currently works, without bringing in such diversity of talent, particularly in areas which are simply not endemic to banking"

JAN 2015

GLOBAL DIGITAL SNAPSHOT

A SNAPSHOT OF THE WORLD'S KEY DIGITAL STATISTICAL INDICATORS



Islamic Finance Marketing

Put Branding in the Driving Seat



Dr Jonathan A.J. Wilson

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University of Greenwich, London

Dr Jonathan A.J. Wilson joined the University of Greenwich in 2008, where his area of specialism is Marketing: Advertising, Branding, Communications, and Digital. With a career spanning over 20 years, he has produced over 100 conference talks internationally and 200 publications. Dr Wilson is Editor-in-Chief of Emerald Publishing Group's, the Journal of Islamic Marketing; an Executive Trainer for Al Jazeera Media Network in Qatar; and an Associate Member of the UK All Party Parliamentary Group (APPG) on Islamic Finance and Diversity in Financial Markets.



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Edward Bernays, considered by many to be the father of Public Relations, published a book in 1928 called Propaganda. In it he shed light on the technique that he had pioneered of shaping and manipulating public opinion, which he called 'engineering consent'.

Interestingly, in a revised version of Bernays' book, published in 2004, Mark Crispin Miller provides an introduction; in which he cites how the term propaganda was coined in 1622 by Pope Gregory XV and the Vatican. Their mission was to establish The Office for the Propagation of the Faith (Congregatio de propaganda fide) and to spread Christianity throughout the world. Bernays' work, Max Weber's book The Protestant Ethic and the Spirit of Capitalism, and the strategic galvanisation of public opinion during the First World War signalled the migration of Christianity into the engine room of business, driven by branding and PR. Heaven on earth and success in the hereafter was to be achieved through the creation of global brands and corporations, as vehicles of worship.

Decades later, this was also a concept that linguist, intellectual and political activist Noam Chomsky revisited with a much more chilling appraisal - in his documentary and book Manufacturing Consent. Similarly, in Edward Said's book Orientalism: they and other scholars present compelling treatises in which they express their concerns on the effects of Western foreign policy on perceptions of the East, and in particular Muslim and Islamic thought.

It is under the shadow of these widely expressed concerns that I reflect upon the challenges faced by Islamic finance and banking when trying to break free of these invisible handcuffs. A key question that follows these thoughts is - beyond what appears to be constant navel-gazing, where industry professionals and scholars work on perfecting Sharia compliant product offerings: how much time is dedicated to brand building, public relations, and seeking consumer insight?

In order to celebrate the spirit of Muslim spirituality, harness profiting from Prophethood, and ultimately win the hearts and minds of not only the faithful, but also wider communities, this is a necessary pursuit, and I would argue a critical success factor that is often overlooked. Comparable to other business functions, how many dedicated experts and courses are there in the market? Sadly, the answer appears to be few. There seems to be a sentiment of Sharia compliance and competitive product offerings almost selling themselves. However, I argue that if this mindset were applied in the technology sector to smartphones for example, then it would lead to failure. Functional factors are a given, and product innovation is expected - branding and social engagement deliver exponential success.

My arguments are simple:

Everyone is talking about branding and talking in brands. Of all the areas of business it seems to make sense to focus on the brand - as brands are meaning creators, language shapers, and game changers. If you get branding right, then your product or service offering stands out and it can command a premium. If you get it really right, then it weatherproofs your activities from recession, it can allow you to carry over equity and brand currency into new product lines and markets, and your brand may just become a word that enters the dictionary as a new verb or noun - for example to 'Google' or 'Wiki'.

Branding is one of the most popular business courses in business schools today. Students all over the world are signing up and business people are picking up books off the shelves of airport shops to sharpen up their thinking and practice.

However, Western brands, advertising agencies, marketing professors, brand gurus, and celebrities dominate Global rankings; and English is the lingua franca of global business. Inevitably, this means that success for 'the rest' is judged next to that of the West.

With 60% of the 7 billion world's population hailing from Asia, notably with Indonesia being the most populous Muslim nation, alongside other widely practiced religions throughout Asia, a similar pattern is observed. In short, the majority of the world draws from religious guiding principles that are underrepresented in brand theory, development and practise. It is for these reasons that the Islamic finance and banking industry needs to focus its attention on developing human capital, expertise and excellence in this field.

At the time of the Prophet Muhammad (peace be upon him) his leadership assured a clear and consistent message from one source, and executed branding par excellence. However the landscape today is much more complicated and lacking any real brand leadership.

Thought and practice should be restricted to the notion that you can brand a person, product, service, experience, company, city, nation - something with a shape and form, and something that you can own, but not wider Islamic concepts, because their ownership is shared and leaderless. Rather, these 'Islamic' rely upon strategic public relations, punctuated with brands - both of which need financial investment and a new generation of qualified experts.

Therefore, the focus should be on developing professionals, scholars, and corporate brands that collectively bring meaning, new concepts, and exemplars of excellence. Future competitive advantage will result from authentic brands that resonate with more emotional and human traits, sophisticated storytelling, and Islamic attributes derived explicitly from guiding first principles - as opposed to upstream consumer targeting hung on basic classifiers of demographics and geographics; and cosmetically adapted advertising.

So, the practise of branding, public relations, marketing communications, and consumer behaviour is due an injection of fresh blood from a new generation of qualified experts. This needs financial investment and new curricula. Islamic finance and banking are not only the powerhouse of an Islamic economy, but this fraternity too needs to focus its attention on developing human capital and excellence in branding, PR and marketing, as essential core business functions. Too long have courses and vacancies concentrated on finance and banking at the expense of expertise in these other areas.

"Islamic finance and banking are not only the powerhouse of an Islamic economy, but this fraternity too needs to focus its attention on developing human capital and excellence in branding, PR and marketing, as essential core business functions"

“London with the support of the British government has managed to successfully become one of the leading Islamic finance centres in the world”

Redefining Islamic Finance

Knowledge

Islamic Finance Education

Fit for Purpose?



Nora Ann Colton

Professor & Deputy Vice Chancellor (Academic),
University of East London

Professor Colton leads on academic matters with a particular focus on research, innovation, student recruitment strategy and enterprise development at the University of East London. She has published and lectured on issues relating to education, having spoken at higher education institutions in Brazil, China and India. A specialist on Middle Eastern economies, Nora speaks fluent Arabic and has conducted fieldwork in Egypt, Jordan, Syria, Lebanon and Yemen. She received a Ph.D. from St. Antony's College, Oxford University.



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Islamic finance has grown at an exponential rate over the past several years. The UK Islamic finance sector, often cited as the leading western country with London as its hub, is reported to be over US \$20 billion in terms of assets

A growing portion of large accounting firms, financial services companies and banks have Islamic finance departments. With the growth of the industry comes the need for more experts.

Are human resource investments keeping pace with this growing industry? Where will the innovations come from in terms of advancing knowledge and best practice in this field? Is it good to have a sector very much based on religious doctrine driven by a class of professionals who often have not studied Islamic fiqh? And where and how should those who aspire to be Islamic finance professionals train? This essay sets out to provide an overview of the challenges this growing sector faces in terms of developing the human resource capital that will not only work in this industry, but ensure its integrity and innovation.

In 1977, there was a conference held at King Abdul Aziz University in the Kingdom of Saudi Arabia to explore the challenges of education in the Muslim world. These challenges were a product of the dual education system that had evolved with a national system based on the British education system and a religious system based on Islam. This conference called for major reforms in the education system in Saudi Arabia in light of the need to embrace their Islamic culture and society in a post-colonial period. Today, we see a similar challenge emerging around the study and discipline of Islamic finance. Although the subject matter is taught in a number of universities throughout the world including a high number of programmes located in the UK, there is a debate about whether such programmes really offer a "third way" and if the curriculum is grounded sufficiently in the doctrine of Islam.

London and the UK make for a telling example of the dilemma that Islamic financial education is facing. London with the support of the British government has managed to successfully become one of the leading Islamic finance centres in the world. It was the first western sovereign nation to issue a sukuk in 2014. This issue was not only impressive, but the structuring of the issue added to the notion that London is a centre for Islamic finance. What is also important in the case of the UK is that Islamic finance sits alongside conventional banking. Consequently, there is significant pressure in this growing industry to create financial innovations that will allow it not only to contribute as an alternative to conventional financing, but compete. Given the fact that Islamic financial instruments must be Sharia compliant the scope for new financial derivatives can appear limited. Consequently, we cannot continue to have this significant industry understood and engaged in by the self-selected few. Therefore, it is not surprising to find that many of the "trailblazers" of this industry were trained as conventional bankers and then learned on the job about Islamic finance.

Today however, it is estimated that there are over thirty masters' programmes in Islamic finance in the UK. These programmes are postgraduate studies aimed at people who have completed an undergraduate degree. In addition to Islamic finance there are degrees in Islamic law and economics as well. The UK prides itself in being a place for Islamic finance education and many institutions of higher education have found it a good way to attract international students from Muslim countries. There are also a number of foundational courses that offer Islamic finance qualifications for those who want a bridge from conventional financial education into the industry through a professional qualification. Institutions also offer training certificates in Takaful and Sukuk.

In spite of all these programmes, the level of education often is Islamic finance light. There is concern that many of these programmes lack the rigour of a conventional finance degree and, subsequently, are not valued in the labour market even for jobs in the Islamic finance industry. There is also criticism of these programmes because they often do not have much interaction between practitioners and academics. As a result, students often either have a basic understanding of Islamic finance or a very scholarly understanding. Both groups are not meeting the industry's needs. Law faculties are better in terms of Sharia training; however, the education sector is populated with business and finance programmes where the Islamic finance portion of the programme is a light touch at best.

The country that has been more proactive in this space is Malaysia. Malaysia is one of the few countries that not only recognised this need for human resources for the industry, but has invested in them heavily. Almost all the institutions of higher education in Malaysia offer at least some modules or programmes that contribute to this industry. There has recently been a push from Malaysia to develop standards for training for the industry. The Finance Accreditation Agency (FAA) was established to set standards for the industry. Although on the one hand, this appears attractive to have a standardisation of training and degrees, there is the stark reality that the Muslim 'World' community is not so homogenous in its interpretation of religious doctrine particularly in the case of what constitutes Sharia compliance.

There are also inherent risks for the industry of focusing too much on the pedagogy without recognising the unique challenges teaching Islamic finance has in a conventional institutional setting where many of the instructors may not be experts. Other challenges are that the curriculum remains too theoretical when the industry is calling for more practical based education.

The challenge for Islamic finance is providing students with the right instruction so they can develop and identify appropriate solutions for this emerging industry. All of these issues must be addressed if Islamic finance is to grow from a bolt-on industry to conventional finance to something sustainable and integrated. We need a concerted effort not only on the part of the industry, but governments that recognise that Islamic finance is part of a wider discourse of creating financial choice in a sector that has been dominated by asymmetrical relationships. Islamic finance also finds itself in a world where digitalisation is opening other alternative financing routes, so if we are going to educate the next generation about crowd funding and microfinance, we need to ensure Islamic finance has a place in the classroom as well.

".....if Islamic finance is to grow from a bolt-on industry attached to conventional finance to something sustainable and integrated....we need a concerted effort not only on the part of the industry, but governments that recognise that Islamic finance is part of a wider discourse of creating financial choice in a sector that has been dominated by asymmetrical relationships"

Consequently, we cannot continue to have this significant industry understood and engaged in by the self-selected few. We need a much more ambitious approach that sees it added to textbooks and a much more integrated part of an education on the financial sector. It will be through this approach and a better understanding of the context of the basic principles of Islamic finance that practitioners, employers and academics can ensure the standards and quality of the offering.

Raising the Bar

Quality Talent Can Pave the Way for Growth in Islamic Finance



Dr Amat Taap Manshor
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With a 20 year record in leadership, developing talent for the financial services industry, Dr Amat Taap Manshor has been the CEO of the Finance Accreditation Agency (FAA) since its inception in 2012. Prior to joining FAA, Dr Amat was the Chief Accreditation Officer and Senior Director of the Asian Institute of Finance (AIF). He has also held senior positions in institutions of higher learning and several multinational companies providing strategic business planning and leadership. His areas of expertise include human capital development, quality assurance and best practices, as well as learning and development.



Driving Quality Excellence in the Financial Services Industry

The Finance Accreditation Agency (FAA) is responsible for raising the standards and quality of professional learning and development in the financial services industry. FAA aims to create highly skilled and internationally mobile professionals for the global financial services industry by providing learning programme evaluation, accreditation, and institutional audits that will contribute towards the development of quality assurance and promotion of learning initiatives within the financial services industry. FAA is an independent quality assurance and accreditation body supported by Bank Negara Malaysia (Central Bank of Malaysia) and Securities Commission of Malaysia and executed by a committee of technical experts, industry professionals and leading academics from the international financial services industry.

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It has almost become a catchphrase within Islamic finance circles that quality talent is difficult to find. Although personally, this is hard to fathom; considering the number of bright, young individuals keen on exploring prospects within the industry, and the number of banking stalwarts already part of the Islamic finance ecosystem. Therefore, is this merely a matter of perception? Or perhaps a real stumbling block, hindering the growth of the Islamic finance industry? Based on our own research at FAA (Finance Accreditation Agency), it seems that although quality talent is aplenty, there are differing levels to their knowledge, which sometimes do not satisfy the needs of the Islamic finance industry at that particular point of growth.

It is therefore important for us as industry stakeholders to provide guidance to Islamic banking and finance to identify the skills gaps and enable further growth. As with any nascent sector, these gaps are visible across the board – whether it be in terms of product innovation, or market penetration. One element that is unique to Islamic finance compared to the conventional banking system is Sharia law and Islamic jurisprudence, which essentially governs the entire direction and structure of the industry. This is therefore another aspect that must be taken into consideration when analysing the knowledge gaps within the industry.

SKILLS GAPS

A Workforce Planning Study by Deloitte and the Dubai International Academic City (DIAC) identified in a survey of 60 banks, that 50% found it difficult to hire fresh graduates for entry-level positions, while 23% were unable to find suitable candidates for mid-level roles and 5% were struggling to fulfil senior-level positions. This was attributed to a lack of training, experience and qualifications¹.

In our own Talent Development Survey 2014, FAA identified several gaps in key competencies for Islamic finance professionals. Out of the 297 individuals surveyed – ranging across a variety of sectors from Takaful to Asset Management; Strategic Planning and Thinking, Innovation and Product Development and Sharia Expertise were cited as the top three skills which are currently most lacking in the talent pool (see fig.1).

Citing the report, we can see, although a deep and real appreciation of the fundamentals of Islamic finance is needed, respondents are demanding more Shariah experts, not just Islamic finance experts, with others identifying Sharia principles and relevant Sharia qualifications as being critical. A further 28.4% highlighted the need for specific technical Islamic finance knowledge: including Islamic finance contracts, Fiqh Muamalat and additional practical experience.

There is also an issue of general education, with 4.3% identifying academic qualifications as currently lacking, and are seeking employees who have graduated from the appropriate field of study. This is where the benchmarking of the relevant knowledge comes into play, and why accreditation is an incredibly crucial function in furthering the growth of the Islamic finance industry.

ACCREDITATION AND GROWTH OF THE INDUSTRY

Accreditation is a form of acknowledgement, and in essence signifies the assurance of quality in the products and services rendered by an educational institution and training providers. It creates a sense of confidence amongst employees hiring professionals who have undergone training by an accredited institution, and an assurance amongst students that their programme of choice is relevant to the industry they are looking to contribute to.

Of course, what forms the basis of accreditation are standards, which provides direction to course developers in terms of design and content, and assure employers that prospective and current employees have sufficient knowledge in their field of expertise. It is with this in mind that FAA created the FAA Learning Standards for Islamic Finance, which covers Islamic Banking, Capital Markets and Wealth Management, and Takaful. Within every Standard, are embedded the key principles of Sharia and Compliance, alongside ethics and leadership; all in the aims of creating quality talent to serve the industry.

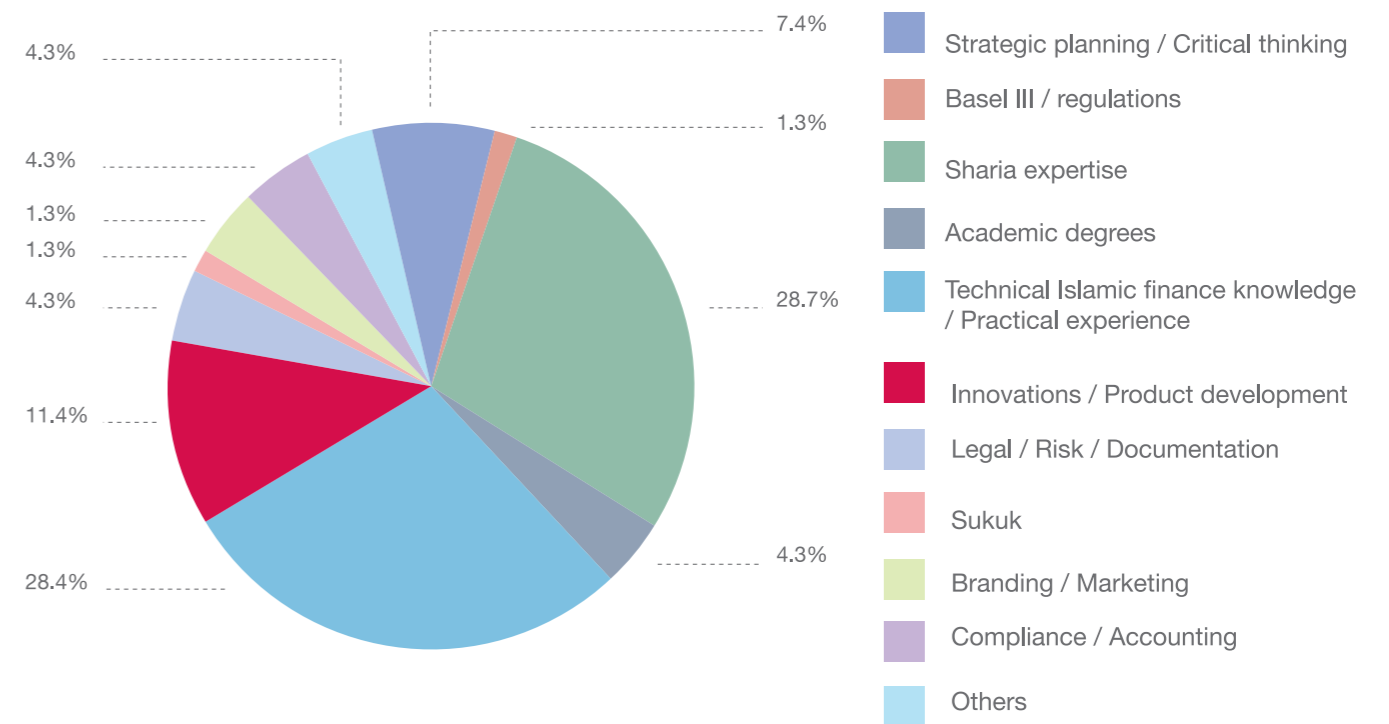
HUMAN CAPITAL DEVELOPMENT

The growth of the Islamic finance industry and its human capital base have to be in sync now, more than ever, as the industry reaches new heights in market penetration and participation from larger commercial banks. As growth unfolds with every passing day, new issuers and investors from previously untapped markets are also entering the picture, and a robust pool of talent is needed to support this growth and increased interest.

The need to have a standard minimum benchmark in Islamic finance is therefore becoming more evident, and this is also catalysed by the fact that more individuals are practicing across borders. Malaysia, for instance, has always been a hotbed for employers seeking talent in Islamic banking and finance due to the maturity of the market, and benchmarking Islamic finance knowledge will create a similar assurance amongst employees looking to hire from other markets worldwide. This will therefore enable more cross-border talent mobility, and allow the export of talent into new markets.

The key here is to create a sustainable ecosystem for Islamic banking and finance to thrive, while allowing for the ideal conditions to support a truly global economy. Quality talent is therefore key to enabling future growth and continued innovation to support this vision.

Figure 1: Current gaps in competencies for Islamic finance practitioners



Source: FAA Talent Development Survey 2014

¹ Banks face Skills Gap in Islamic Finance (Zawya, 2013) Url: https://www.zawya.com/story/Banks_face_skills_gap_in_Islamic_finance-GN_19112013_201168

Sharia Scholars

The Human Capital Imperative



Dr Engku Rabiah Adawiah

Sharia Scholar & Professor at IIUM Institute of Islamic Banking and Finance (IIBF)

A Professor of Islamic Capital Markets, Research Methodology and Contemporary Issues in Islamic Finance at the International Islamic University Malaysia (IIUM), Dr Rabiah has also served as a member of Sharia committees on various financial institutions. Currently, she is a member of the Sharia Advisory Council of Bank Negara Malaysia (Central Bank of Malaysia), Malaysian Securities Commission and Labuan Financial Services Authority (Labuan FSA), and an independent Sharia Advisor for Islamic securities (sukuk) issuance, approved by and registered with the Malaysian Securities Commission.



International Islamic University Malaysia (IIUM) aims to be a leading international centre of educational excellence which seeks to restore the dynamic and progressive role of the Muslim 'Ummah' in all branches of knowledge and intellectual discourse. The university offers bachelors, masters degree and PhD courses across its 13 faculties and is considered one of the most prominent universities in Malaysia with affiliations across the academic world.

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BACKGROUND

It is not an overstatement to suggest that Sharia scholars are the backbone of Islamic finance. Their presence and effective functioning confer the needed validation and credibility to Islamic financial practices, ensuring that they stay true to their label and original *raison d'être*.

In the early days of Islamic finance, there were admittedly only a handful of Sharia scholars who were active in the field. They were the pioneers in terms of Sharia advisory and research in Islamic finance. They literally grew together with the young industry, guiding it through obstacles and challenges; putting their heads together with the industry players to come out with solutions to meet the diverse needs and challenging demands of the market. The interaction between the Sharia minds and the market players has always been very dynamic though at times difficult, but eventually satisfying and productive. We see the evidence of this through the many 'firsts' in the market in terms of product breakthroughs and innovations. There were admittedly a lot of success stories and some pitfalls in these groundbreaking efforts. Ultimately, we cannot but commend the hard work and tireless efforts by these pioneers, without whom, Islamic finance would not be where it is now.

CHALLENGES FACING SHARIA SCHOLARS IN ISLAMIC FINANCE

As Islamic finance continues to grow and mature, we continue to hear complaints about scarcity of Sharia scholars especially with the increased demand and complexity of the Islamic financial market. This is despite the rapid churning out of new Sharia graduates with Islamic finance specialisations through various universities and colleges in recent times. In terms of numbers, Zawya keeps a database of over 400 Sharia advisors¹, with only 20 of them serving 55% of the industry². This leads to the realisation that it is not just about the number of Sharia-qualified persons and graduates, but more of how they are able to meet the levels of expertise and competency expected by the market. Islamic finance has advanced tremendously in the past decades. The technical diversity and sophistication of product offerings may be quite intimidating to new entrants, despite them having the necessary Sharia qualifications. The market players have also gained substantial experience and know-how that naturally raise their expectations on the level of competency, seniority and experience of the Sharia advisors whom they would like to work with.

Hence, whether we like it or not, there is a rising standard expected from Sharia scholars before they are able to give independent Sharia advisory or supervisory services to IFIs. Sharia scholarship is a must, but it is not the only requirement. Sharp and inquisitive minds that can quickly grasp technical aspects of finance and to some extent legal nuances are always the preferred traits. Past exposures to similar financing structures and transactions are always a bonus. The ability to keep track with new developments and market up-dates is another valued trait in a Sharia scholar.

Given the current approach towards Sharia education and training, it may require a few good years of experience before a new Sharia graduate can achieve the required stature to qualify to sit on Sharia boards of Islamic Finance Institutes (IFIs).

NURTURING NEW TALENTS

Nonetheless, the good news is, nowadays Sharia scholarship is not limited to Sharia boards only. As time passes and the market grows far and wide, we realise that the pattern of need for Sharia trained individuals has diversified. In the past, Sharia scholarship was needed mainly in the advisory or supervisory capacity, which is independent and external from the IFI's workforce. However, with the expansion of Islamic finance, IFIs start to recruit Sharia trained personnel directly into their workforce to meet internal needs as well as regulatory requirements. For example, when the Central Bank of Malaysia introduced the Sharia governance framework (SGF) of 2011, the recruitment of Sharia trained personnel became necessary to fill in the tasks required by the four functions under the SGF, i.e.: Sharia review; Sharia audit; Sharia risk management and Sharia research functions. In addition, we also see Sharia trained persons being engaged directly in various departments within the IFIs, such as, product development and structuring teams.

Thus, fresh Sharia graduates can look forward to a promising career in IFIs, where they can get brilliant exposures and opportunities to build-up their expertise and know-hows. Being Sharia qualified personnel within the IFIs, they will be the main link between the IFIs and their Sharia boards. The regular interactions between the young Sharia executives and the senior and more experienced Sharia board members serve as valuable 'mentoring' that will nurture the young executives into second and third generation scholars of the future.

Universities and education providers can also speed up the pace of talent development through provision of good programmes and modules that not only impart the basic knowledge and skill sets, but also blend in elements of analytical thinking and problem solving skills in their curricular. Industry linkages and internship programmes would definitely help in minimising the gaps between the industry and academia. In addition to that, the inculcation of positive attitude, resilience and stimulation of the inquisitive minds in these graduates will work wonders in getting the right aptitude and propensity that is much valued by the market.

CONTINUOUS DEVELOPMENT AND ENHANCED PROFESSIONALISM

Additionally, the continuous development of veteran scholars in the field should not be neglected. They must also build up their talent, knowledge and professionalism through continuous learning and re-training so as to remain relevant in the fast growing industry. In Malaysia, the Association of Sharia Advisors in Islamic Finance (ASAS) is the first industry-based body established with the main objective to be a global entity to ensure professionalism among Sharia advisors and experts of Islamic finance. ASAS was officially registered on 12 April 2011 and had since worked hard towards promoting itself as the body responsible for enhancing qualification and professionalism of Sharia advisors, locally and internationally. This is to be achieved through training and Continuous Professional Development (CPD) as well as the fostering of professional relationship and establishment of a strong social web for Islamic finance practitioners.

“The continuous development of veteran scholars in the field should not be neglected. They must also build up their talent, knowledge and professionalism through continuous learning and re-training so as to remain relevant in the fast growing industry”

FEMALE PARTICIPATION IN SHARIA SCHOLARSHIP IN ISLAMIC FINANCE

Sharia scholarship is never the exclusive right of one gender to the exclusion of the other. The history of Islam is evidence of this fact. Islamic civilization of all ages had their fair share of female scholars who had contributed well, became renowned teachers and whose views were referred to throughout the Muslim world. Thus, gender should never be a hindrance in advancing in this sphere. Equal opportunities should be given to all, regardless of gender. If any discrimination is observed, it is more of culture or convenience, rather than religion. If this does happen, efforts must be made to overcome the problem. At the end of the day, Sharia scholarship in Islamic finance should be purely based on merit and professional qualifications, not gender.

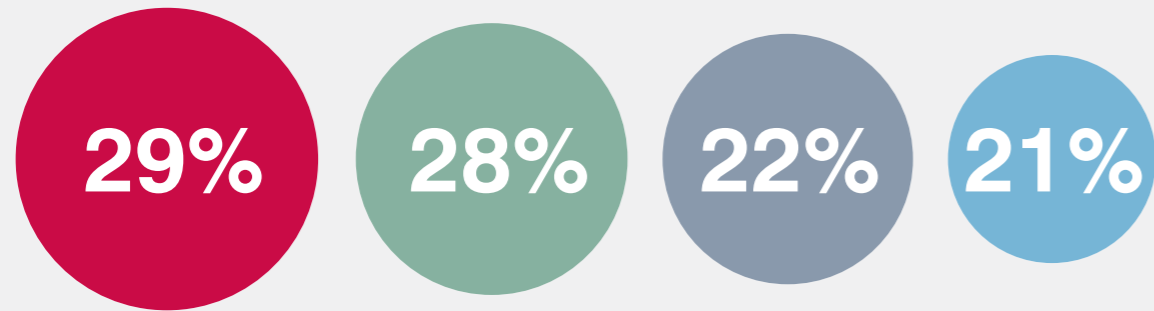
Islamic Finance Human Capital

Talent Development Goals

Human capital is the greatest driver of success and innovation for an organisation. Islamic finance must look to preserve, maintain and develop this critical resource and in doing so build a more productive, nimble and innovative industry. Simply Sharia Human Capital (SSHC) hopes our survey will be a step closer to achieving that objective

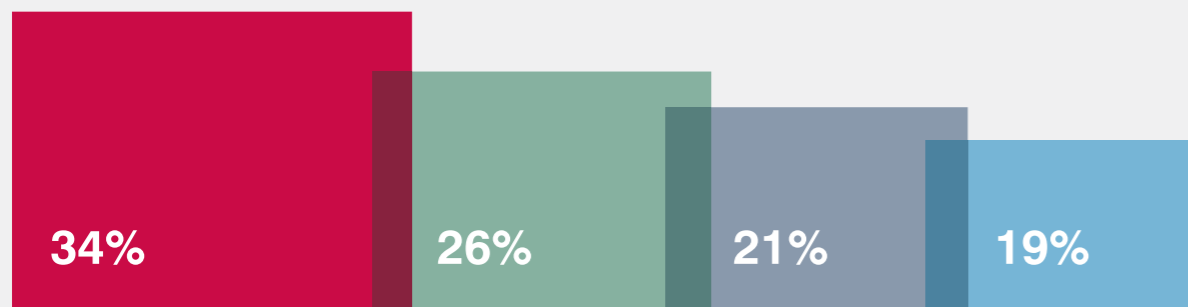
through the setting of goals. Our online survey was created through the ideas and support of industry stakeholders, practitioners and educators invested in the future of human capital in Islamic finance and the Islamic economy. This survey was conducted among these practitioners across the board in the IF space.

1. Please rank each of the following objectives in order of importance with #1 being the most important objective to #4 being the least important objective for the area of **EDUCATION** in Islamic Finance



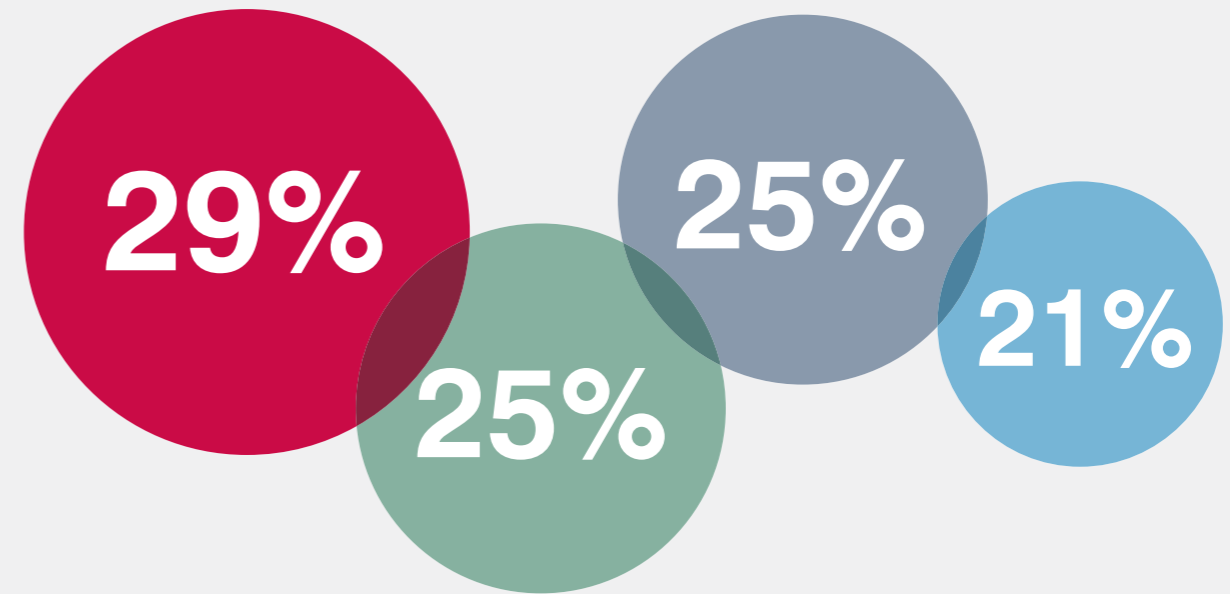
- 1. A Need for Benchmarking /Standardisation of Global Islamic Finance Education
- 2. Developing Talent & Leadership Programmes
- 3. Establish Expert & Professionally Recognised Open Source IF Knowledge
- 4. Establish Professionally recognised/required certified CPD Programmes in Islamic finance

2. Please rank each of the following objectives in order of importance with #1 being the most important objective to #4 being the least important objective for the area of **CAREER PATHWAYS** in Islamic Finance



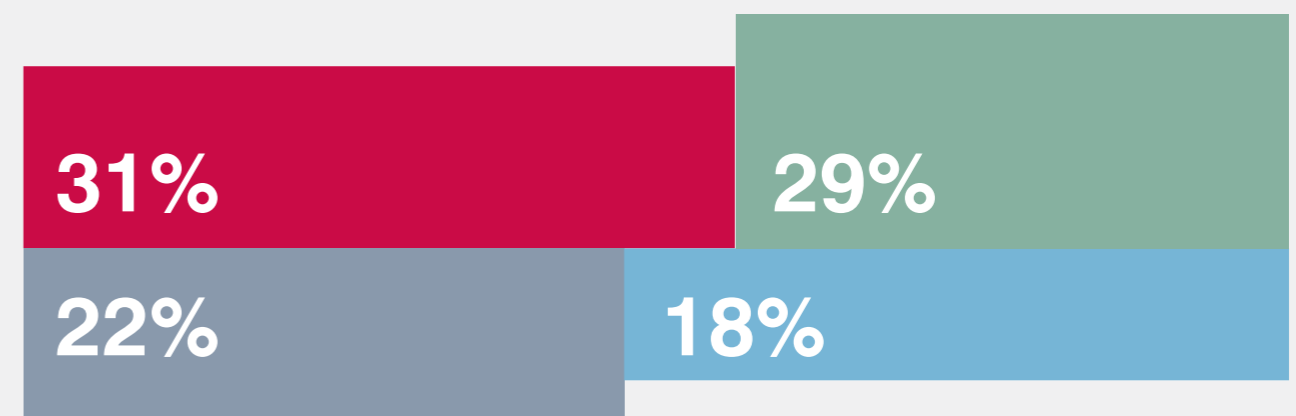
- 1. Create Graduate Schemes & Internships
- 2. Creating Sharia Scholar Programmes (offering technical/financial/digital competences)
- 3. Islamic Finance to Provide Clear Channels of Support to Entrepreneurs
- 4. Marketing of IF careers as a compelling career choice within financial services sector

3. Please rank each of the following objectives in order of importance with #1 being the most important objective to #4 being the least important objective for the area of **STRATEGIC BUSINESS NEEDS** in Islamic Finance



- 1. Industry-wide Investment in Marketing, PR & Education of Islamic Finance
- 2. Female Participation & Empowerment in Islamic Finance (and through Islamic Finance)
- 3. Data Creation/Data Sharing for Better Analytics & Metrics Across IF
- 4. Create Digital Strategy Across IF While Attracting a Global Digital Generation

4. Please rank each of the following objectives in order of importance with #1 being the most important objective to #4 being the least important objective for the area of **HUMAN RESOURCES** in Islamic Finance



- 1. Employee Training & Skills Development Programmes
- 2. Establish A Blueprint Human Resource Rethink for IF Institutions
- 3. Employee Engagement and Retention Programmes
- 4. Succession Planning

These percentages measure the weighted importance of the categories according to respondent preferences.

ISLAMIC FINANCE TALENT DEVELOPMENT GOALS (IF –TDGs)

BENCHMARKING GLOBAL ISLAMIC FINANCE EDUCATION

- Form a global network of industry associations to develop and agree on professional standards
- Create a quality code with set criteria to maintain IF education standards; defining (a) the conceptual framework for the academic subject; (b) the curriculum, assessment, consistency and delivery of the programme; and (c) the competencies and skills graduates are expected to gain against the 'real' needs and skills gaps of the industry
- Every IF course should commit to signing up to at least five criteria benchmarks by 2020

1

TALENT & LEADERSHIP PROGRAMMES

- Commit to Talent Development, making it a part of the company culture, HR strategy; aligning it to the workforce skills gap, training support, mentoring and succession plans
- Create Pilot Leadership Programmes with an 'open call' to employees looking for fast track leadership pathways. Include training and orientation, increased awareness of structures and processes, strategic input/direction and knowledge and understanding of the key issues confronting the organisation and surrounding business landscape
- Collaborate to create Internship/Industrial Placement Programmes of varying durations (3 months, 6 months, 1 year) which allow rotation between institutions – for instance in the UK, 15-20 interns could rotate among the six fully-fledged Islamic banks working across functions and departments from retail, treasury, asset management, corporate banking/financing, legal, compliance, operations, Sharia etc
- Pool funds to create a 'Graduate Programme'- similar to the Waqf Fund created by Central Bank of Bahrain (CBB) as an initiative to sponsor, nurture and train graduates; partnering with top universities and selecting candidates through a rigorous process

2

MARKETING, PR & EDUCATION

- Make marketing and branding a key function of your business
- Build Islamic finance perception; raising awareness of the sector through its business and shared DNA; create an industry narrative inclusive of Islamic attributes, highlight crucial values of responsibility and be creative
- Create and promote a framework consistent with internationally recognised best practice in the overall global finance industry; promoting transparency, governance, openness etc
- Educate consumers about 'brand Islamic finance' through the underlying principles of the proposition; use technology and innovative platforms and channels: blogs, social media, events, media, corporate social responsibility (CSR), training; create brand ambassadors, thought-leaders; motivate staff, potential employees and Millennials

5

FEMALE PARTICIPATION IN ISLAMIC FINANCE

- Make female inclusion in the workplace a strategic priority at all levels
- Commit to supporting female business owners through Sharia-compliant funding, start-up surgeries, mentoring, specialist relationship managers and dedicated networking events
- Build inclusive workplace policies for women including incentivising female entrants through internships, offer flexible hours, identify and remove obstacles to female inclusion in the workplace, train women employees to harness female business owners and create career pathways to leadership
- Set and monitor annual targets that increase the number of women at all levels of the organisation

6

SHARIA SCHOLAR DEVELOPMENT

- Collaborate with international Sharia regulators and industry bodies to create a framework offering CPD training to all Sharia scholars
- Create a pre-requisite for Sharia scholars to take a set number of CPD hours a year
- By 2020 make it mandatory for Sharia scholars on boards and working in their individual capacity to be up-to-date on industry developments. Furthermore, Central Banks and regulators of local economies to 'screen' Sharia Supervisory Board's (SSB) and individual scholars with a set criteria of minimum financial qualifications covering the relevant industries and/or sectors in which they are seeking to serve; ensuring scholars are aware of the latest industry developments and trends
- By 2020 central regulators for Sharia scholars to have all potential scholars registered at their platform and set a quota for local Islamic Finance Institutes (IFIs) to have their Sharia Supervisory Board (SSB) to mentor the junior scholars over a two year period

3

ISLAMIC FINANCE DATA BUILDING

- Create strategy, policy and governance to breakdown data in different areas within HR functions relating to human capital: skills shortage, capacity, recruitment projections, means of recruitment, salary guide according to job specificity and scale, dedicated hiring managers, interview application process, interview process etc
- IBF institutions should commit to sharing data for research and development purposes via their websites, annual reports or through a collective forum for Islamic finance human capital for example, creating a cross-border intranet portal to share information. Relevant data can be compiled and uploaded onto this portal for greater accessibility through utilisation of NDA and/or domestic patent rules to prevent intellectual theft. This in-house/cross-border R&D data sharing is exceptionally important for banks to meet the growing threat from fintech
- Create Data driven marketing strategies. Market research is pertinent to measure and assess consumer needs and preferences across segments given change and digitalisation of the global landscape. Market research needs to be based on a sampling frame for greater accuracy that can only be in existence if there exists relevant transparent data

4

HUMAN RESOURCE BLUEPRINT

- Make HR visible, aligned and proactive as a strategic partner in the business needs of IF institutes
- Identify and establish employee development needs, training shortcomings, performance gaps and an annual development process for employees
- Translate HR activity into a detailed process: having the right number and level of people, in the right structure and location, supported by the right data and technology

7

SUPPORTING ENTREPRENEURSHIP

- Commit to start-up hubs, mentorship schemes for entrepreneurs; allocate dedicated advisors within institutes to help develop ideas, finance scholarships for entrepreneurs and nurture entrepreneurship and social enterprise as a part of CSR
- Banks and other Islamic institutes must be proactive in sponsoring incubators for entrepreneurs, digital innovations across fintech and workshops to help entrepreneurs in developing and bringing ideas to market
- Work with Government to pool funds specifically for the purpose of encouraging, supporting and nurturing Islamic entrepreneurship

8

SIMPLY SHARIA HUMAN CAPITAL

Nurturing and connecting talent for the Islamic finance industry

Simply Sharia Human Capital (SSHC) is a recruitment portal solely dedicated to Islamic finance jobs and knowledge; connecting the global jobseeker with Islamic finance employers and educators on one online site.

We offer an 'end-to-end' solution; engaging employers with candidates and enabling site users to enhance their knowledge, seek career advice and connect with jobs directly. Our aim is to nurture and develop the global IF industry through collaborations, training, outreach, thought-leadership and international talent development.

SSHC is led by Faizal Karbani and Nyra Mahmood, who together impart commercial awareness, Islamic finance knowledge proficiency, marketing, brand awareness and strategic thinking.

Core Services

Recruitment

Our goal is to facilitate the right match between candidate and employer, creating opportunities through a job vacancy platform dedicated to Islamic finance, where the employer can directly connect with the jobseeker.

SSHC Training

We offer in-house training programmes for both the Islamic Finance Qualification (IFQ) and Bespoke Programmes, seminars and workshops, which are tailor-made for both individual and company needs.

Global Islamic Finance Education

We have built an international roadmap of educators offering training and degree courses from across the globe. This directory of courses will allow users to pick the relevant learning opportunity from anywhere in the world. Our database is a work in progress and continuously growing.



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#ShapingTheFuture #TDGs



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