ORIGINAL ARTICLE

Malaysian Islamic Banks and Human Resources


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ABSTRACT

The Islamic banks are considered modern institutions in the banking industry, it made noticeable steps in the banking area. Working Human resources had the distinguished impact in that development. Under the human resources, all essential activities of the institution are included such as planning resources, recruitment, training and development, performance evaluation, compensation, safety and health, and work relations. These involve the conventional bases for the human resources management which includes the management of change, culture, labour and organizational designing and human resources activities, internally and externally. The human resources represent the main element for work. It is considered to be the capital for any producing nation, in reality. Also, human resources come at the top of elements list of the administrative process which cannot do without it.

Key words: Human Resources, Islamic Banks, Malaysia.

Introduction

The human resources represent the main element for work. It is considered to be the capital for any producing nation, in reality. Also, human resources come at the top of elements list of the administrative process which cannot do without it. Although Islamic banks are considered modern institutions in the banking industry, it made noticeable steps in the banking area. Working Human resources had the distinguished impact in that development. Although accusations of neglecting taking enough care in that aspect, the facts proves to what extent these banks are eager to develop and activate their human resources in particular, because Islamic banking differs from the conventional banks and it requires special tools related to jurisprudence (Fiqh) and law together.

Human Resources:

The human resources represent the main element for work. It is considered to be the capital for any producing nation, in reality. Also, human resources come at the top of elements list of the administrative process which cannot do without it. Due to this importance, management of human resources is regarded as one of the most important organizational managements in our present time. With studies and theories the modern administrative sciences proved that a big percentage of the organization’s success relies on the concern paid for the human element. Thus, it is important for any organization to place that management within its organizational hierarchy so that it links the human resources management with the other managements and plays its role that it is established for. (Al-Karky, 2001)

Under the human resources, all essential activities of the institution are included such as planning resources, recruitment, training and development, performance evaluation, compensation, safety and health, and work relations. These involve the conventional bases for the human resources management which includes the management of change, culture, labour and organizational designing and human resources activities, internally and externally (Jackson, 2005).

Acknowledging the management of human resources as a center for strategic planning and executive strategy is increasingly carried out for the various companies and institutions nowadays.
The importance of analyzing and interpreting the institutions’ activities leads it success. This means an efficient participation for human resources management in equally designing, developing and executing the practical and vocational activities. (Alkarky, 2001)

**Defining the human resources:**

Defined it as performing functions and activities which include planning, organizing, developing and leading, and it is the management that is specialized to persuade employees to reach the highest level of productivity with efficiency and efficacy, and matching the company and the staff towards the direction and the contribution in realizing the goals of each.

Abu Ghazalah defined it as “Contribution to the increase of the company’s share in the market in all the practical aspects, and preserving it.” (Al-ghazal, 2010)

Vareta defined it as methodological analysis for the institution’s needs for insuring that the correct number of employees with necessary skills is available when needed.” (Vareta, 2010)

From these definitions, it is clear that the human resources is a special operation to attract individuals and develop them, preserve them in the frame of realizing the organization’s aims and workers’ aims. Or it is joining the human resources management to the comprehensive strategic planning for the organization.

**The Importance of Human Resources:**

The human resources is considered to be of the most important factors of the Islamic banking industry success. With the studies and researches, it became clear that qualifying the workers in the conventional financial institutions, and training them is one of the most important reasons for these institutions’ success and continuation in competition. The process of the human resources management is an important part in the planning process in the companies where its main responsibility is to make sure that the appropriate individuals are available in the appropriate time to fulfill the company’s aims. We can say that the human resources operation involves all the administrative decisions and procedures that effect the nature of the relation between the company and its workers. Thus, we can see the importance of the human resources management through the tasks it does. (Vareta, 2010)

**Tasks of Human Resources Management:**

1. **Work Analysis:**

   Work analysis is to know the activities and tasks constituting the role, describing the role properly, and defining the specifications of who is going to play it.

2. **Planning Manpower:**

   That is by defining the institution’s needs for the types and numbers of employees. This requires defining the institution’s need for the employees, finding out what is supplied and available and then comparing them to see the decrease and increase in the institution’s manpower.

3. **Choice and Appointment:**

   This task concerns about the search for employees in the work market, choosing the best and the most qualified through employment applications, tests, personal interviews and so on. All these are to ensure the suitable situation for the individual in the proper place. (Verta, 2010)

4. **Designing Wages Hierarchy:**

   This task concerns about the specification of value and importance proportionate to each job and defining its salary, and deciding the levels of wages for the other jobs. It is also concerned with the correct management of the wages system so that clear revenue can be assured for the values and different jobs.

5. **Designing the systems of incentives:**

   This task is related to donating just revenue for the distinguished performance, which can persuade employees to individually and collectively perform to deserve the individual incentives and collective incentives. Also, there are incentives for the performance of the individuals of an institution as a whole.
6. **Designing systems of features and services of the employees:**

The institutions are concerned with giving their employees certain features such as retirement pension, insurances for sickness, paralysis and unemployment. The institutions care for offering services for the employees in the form of financial, social and legal services which may include housing and transportation, and many others.

7. **Assessing Performance:**

Almost all the institutions are concerned with assessing their employees through certain ways which may be conducted by the direct bosses for the purpose of knowing the defects in their performance. (Verta, 2010)

8. **Training:**

The institutions exercise training activities to improve the efficiency, knowledge and skills of the staff, and direct them to certain activities. Through this task the institution can determine the employees’ training needs, use the appropriate methods and ways, and assess the efficacy of this training.

9. **Planning the Career Track:**

This mission is concerned with planning the staff’s different career movements in the institutions, particularly those related to transportation, promotion, training. That requires knowing the points of weaknesses and strengths of the individual.

**Human resources Management in the Islamic Banks:**

Human resources Management is considered to be one of the most important features of the Islamic Banking Industry success. Human resources is seen as the essential element for the success and advancement of any banking, industrial or commercial institution.

So, the excellent quality and appropriateness of the human resources is the main requirement for any Islamic bank which hopes for promotion, development and spread. Among the important mechanisms for the success of the Islamic banks is selecting the quality with high specifications and quality, particularly with the stern confrontation of the conventional banks.

And Islamic banks do not differ in that; however, Islamic banking, in particular, needs to have special quality of qualified and trained staff bankingly and legally, to achieve the developmental objectives, and evaluate its investments, and determine what is appropriate for the work of Islamic banking, and what is far from it. (Al-Ghrbi, 2008)

From this standpoint, this indicator should be taken care of particularly because of its great importance in the banking business, in general, and Islamic banking, in particular. That is for several reasons, including:

1. The nature of the work of the Islamic banks’ cadres differ in specific proportions from work in the traditional banks, as the Islamically legitimate factor governs the banking business, and imposes special controls in which the employee of the Islamic banks must have the knowledge perfectly. The conventional banks are based on the legal aspect in organizing its business without paying attention to what is halaal (Legal) or haram (illegal). (Beltagy, 2010)

2. The Islamic banking business requires human cadres with specialized qualifications in accounting, managerial, economical and banking aspects. These specialists have little knowledge of the legitimate (Shariah) aspect, so a range of specialized training programs in Islamic Banking must be held by the Islamic parties before they exercise the work. That is because the numerous forms of Islamic financing which are effective in the Islamic banks and not implemented in the conventional banks. Islamic banks are different from the conventional funding in their concept, controls, procedures and risks, that is to say loans based on usury (interest). To prepare all workers in the Islamic banking to provide financial services characterized by the following:

   1. The ability to attract depositories, and to understand the nature of the relationship between the Islamic bank and the depositor.
   2. The ability to provide banking services with appropriate speed and quality and in accordance with the Islamic (Sharia) requirements.
   3. The ability to search for appropriate investment opportunities, and studying, evaluating and implementing its feasibility, and follow it up within the framework of Shariah controls. (Al-Gharbi, 2008)
Some researchers think that the human cadres in the Islamic banks has not received appropriate training to express the goals and directions of the Islamic Bank, as the values and principles of Islamic financial operation requires a degree of rehabilitation based on Islamic teachings. And from here the customers have the impression that they enter the Islamic Bank, they will find an employee who does not have the elements of Islamic banking business.

So, some Islamic banks in the Middle East and Arab Gulf proceeded to open special centres for Islamic economics and finance such as Islamic Development Bank, which focused, in the preparation of human resources, on:
1. technical qualification for the human resources, taking into account the compliance with Islamic law in the dealings and transactions
2. Islamic Law training
3. providing the employees to practice self-development to complete their banking and Islamic knowledge.
4. the moral and vocational rehabilitation
5. providing a climate that allows each worker to perform his work effectively
6. responding fully to the needs and feelings of the employee.
7. Linking motivation of the employee to his career performance and what individual and collective skills he provides to the institution through enabling him by the employing resolutions.
8. the role of the manager through offering him with career skills in the Islamic financial institution. (Abu Zeid, 1996)
9-Establishing alliance among the Islamic banks in different fields and benefiting from the deeply-rooted experienced banks with long-term work in the Islamic banking business. Their experience includes training.

The general council for banks and Islamic institutions founded the International Centre for Islamic financial training to be the main reference for the industry of the Islamic financial training so that it serves, protects and promotes the interests of the economy in the institutions. The centre offers various services such as:
1. Accreditation services: the center accredits all trained specialists of Islamic finance.
2. Certificate Services: the center issues professional certificates specialized in the Islamic finance.
3. Preparation of curricula and various training programs in the field of Islamic finance, and applying them in financial institutions, members of the Council.

Based on the council’s belief in the importance of the trainer and training in the development of Islamic financial institutions, the International center for Training have launched the Certificate Program of Islamic financial training to be the main reference for the industry of the Islamic financial training since it serves, protects and promotes the interests of the economy in the institutions. The centre offers various services such as:
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3. Preparation of curricula and various training programs in the field of Islamic finance, and applying them in financial institutions, members of the Council.

Also, the center inaugurated the first program for training the Islamic Specialist accredited in the financial markets in March. The program has focused on upgrading the staff of the Islamic financial institutions so that they understand the text and basics of the investment in the financial markets. In addition, the center established the first course for rehabilitating and training the trainers in the Islamic banks.

In addition to that, the bank held many agreements with different centers and institutions for training in the Islamic countries to train and qualify the staff in the Islamic banks. Of these banks is the Al-Imali Center specialized in accounting where the first batch has graduated in the course of the Islamic Specialist, accredited in the financial accounting in Dubai, Emirates in March in 2012.

Hence, we note that the role of human resources in Islamic banks is regarded as crucial to the process of development, modernization and spread. Islamic banks did not neglect this aspect, but it gave it the increasing concern through training, and stimulating and enabling the employee in the Islamic banking business. (Al-Gharbi, 2008).

Conclusion:

Have the human resources of great importance in most financial institutions, including Islamic banks, and despite the fact that many of the studies dealt with the negative side of the role of human resources in the development of Islamic banks, but most Islamic banks focused on this role and accorded appropriate care in the last ten years through the dispatch staff to study in different universities. Islamic Bank’s work on the development of different areas of the work of staff through conferences, seminars and various forums.

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