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DEVELOPING HUMAN CAPITAL FOR SUSTAINABILITY IN ISLAMIC FINANCE



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## Executive Summary

In recent years, Islamic finance has gained wide acceptance internationally. Having overcome initial hurdles in terms of building infrastructure, setting up policies, implementing sound governance structure and tackling operational issues, Islamic finance is fast becoming a competitive alternative to conventional finance. The demand for Islamic finance is strongly supported by the growing Muslim population, businesses in new jurisdictions as well as proliferation of cross-border transactions between Asia and the Middle East (INCEIF, 2015). In addition, the demand for Islamic finance products is enhanced by a growing appetite in the global financial markets for such instruments.

Given its highly specialized nature, Islamic finance requires talent, which has the technical understanding of conventional finance, along with comprehensive knowledge in Shariah. This unique requirement has given rise to various issues in meeting the human capital needs of the industry. Although much debate

and discussion have ensued, limited solution-based papers have been produced in the industry. The purpose of this white paper is to outline a framework of broad initiatives that can be adopted by various stakeholders in overcoming some of the human capital issues faced by the Islamic finance industry, based on a roundtable discussion between top industry practitioners.

The roundtable participants agree that in addition to nurturing technical and Shariah expertise, there is also an urgent need to develop dynamic leaders for the next phase of growth of Islamic finance. Hence this paper has (i) identified specific skills required across the technical, Shariah and leadership perspectives, (ii) developed a set of guiding principles to formulate initiatives for achieving the desired skills and (iii) Outline thirteen key strategic initiatives that are readily adaptable by various stakeholders in the industry.

## Introduction

The Islamic finance industry has grown steadily over the last few decades making it a worthy competitor to conventional finance in today's market. Global Islamic finance assets has increased from roughly USD150 billion in the 1990s to around USD2 trillion currently and is expected to surpass USD4 trillion by the year 2020 (Source: INCEIF, MIFC).

Globalization and cross-border businesses has further encouraged rapid development and acceptance of Islamic finance vis-à-vis the modern world, so much so that the growth continues to outpace the pool of human capital.

More importantly the availability and development of leaders is crucial to steering the industry into the next phase of growth.

In the early stage, industry leaders were focused on building infrastructure, setting up policies and handling operational issues to get things up and running. While the need for such abilities remain critical, the current challenges in the industry also call for more strategic leadership to drive innovation and offer more sophistication in its products and services in order to remain competitive.



A global survey carried out by the Financial Accreditation Agency (FAA) and Islamic Finance News (IFN) in 2014, found that almost 80% respondents agreed that the limited talent pool is a significant hindrance holding back the progress of the industry. Technical talent specifically with Shariah and finance expertise is lacking. There is also a lack of knowledge in the areas of legal and regulatory compliance as well as risk management. Unquestionably, the shortage of human capital

and talent has become a major topic of debate and discussion in the Islamic finance world. Although, limited solution-based papers have been produced by the industry to tackle the issues. Hence the purpose of this white paper is to outline a framework of broad initiatives that can be adopted by various stakeholders in overcoming some of the human capital issues faced by the Islamic finance industry.

The content of this white paper has been developed based on the ICD Human Capital Roundtable: Current State, Issues and Challenges to Islamic Finance Human Capital Development on 25 April 2016 in Dubai. The participants in the discussion were:

1. **Mr. Khaled Al Aboodi**  
Chief Executive Officer, Islamic Corporation for the Development of the Private Sector (ICD)
2. **Dr. Mohd Daud Bakar**  
Founder and Group Chairman, Amanie Group, Malaysia
3. **Mr. Khairul Nizam**  
Chief Executive Officer, Finance Accreditation Agency
4. **Mr. Ashar Nazim**  
Partner, Global Islamic Banking Center, Ernst & Young
5. **Dr. Celia de Anca**  
Director, Saudi-Spanish Centre for Islamic Economics & Finance, IE Business School
6. **Dr Hatim El-Tahir**  
Director, Islamic Finance Group & Islamic Finance Knowledge Center Leader, Deloitte & Touche, Bahrain
7. **Ms. Nida Raza**  
Director, Advisory Services, ICD
8. **Dr Jamal Zarrouk**  
Visiting Professor of Economics, New York University Abu Dhabi
9. **Mr. Naeem Nizar**  
Regional Director, Ethica Institute

10. **Ms. Nyra Mahmood**  
Managing Director, Simply Sharia Human Capital, UK (Moderator)

11. **Dr Abdel Aziz Mustafa**  
Former Advisor to the CEO, ICD (Moderator)

From their discussions, the roundtable participants agree that three major skillsets have been identified as requirements in the Islamic finance industry as shown below:



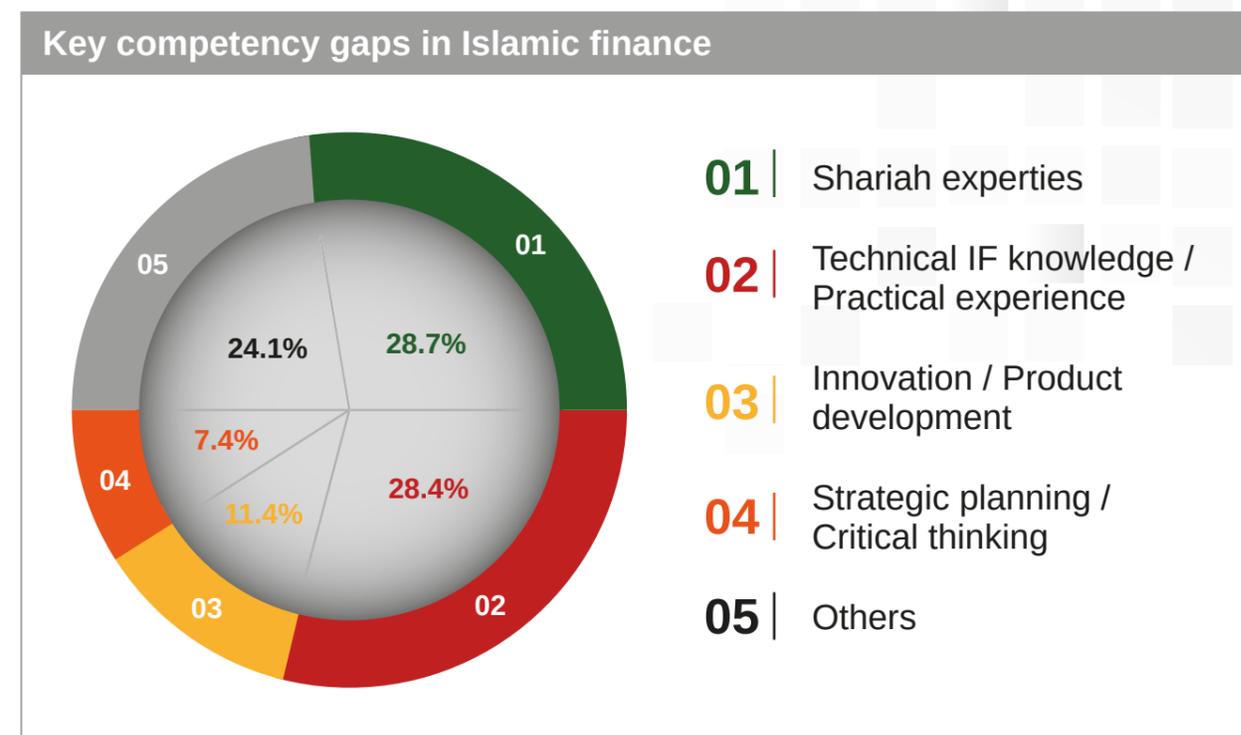
By definition, Islamic finance relates to the offering of financial products and services that comply with Islamic law or 'Shariah'. The industry therefore requires human capital with a combination of competencies in conventional finance and Shariah. As conceptualized in the triangle above, technical and Shariah skillsets are two cornerstones that form the base of the triangle which in turn will support the other more generic but highly essential skillset - leadership capabilities. The combination of these three factors would allow the cultivation of effective leadership in Islamic finance.

| Skillset          | Expectation   |
|-------------------|---|
| <b>Technical</b>  | Knowledgeable in conventional finance concepts. Also familiar with general financial products and services available in the market.   |
| <b>Shariah</b>    | Knowledgeable in Usul ul Fiqh (Rules of Islamic jurisprudence), Fiqh ul Mu'amalat (Islamic commercial jurisprudence). Shariah skills also include soft skills, communication, written / spoken Arabic and writing documentations / rulings etc.                         |
| <b>Leadership</b> | Being able to motivate, listen, enthuse and build respect is core to leadership skills. Good leaders think strategically, empower those around them, take the initiative, make difficult decisions and are able to create a vision bringing on board those around them. |

## Identifying Desired Skills

To clearly outline the right intervention for human capital development in Islamic finance, first it is crucial to examine the fundamental issues surrounding human capital in the industry.

The 2014 FAA & IFN survey highlighted competency gaps in Islamic finance as shown below:



Source: Talent Development Survey 2014, FAA & IFN; ISRA; MIFC

According to this result, the largest deficiencies have been identified in Shariah expertise and technical knowledge, followed by more "generic" skills such as product innovation and strategic planning.

Some of the critical job functions within Islamic finance are as follows:

| Job function  | Responsibilities  |
|---|---|
| <b>Product developers and financial engineers</b>                       | Structuring innovative solutions to fulfill customer needs and current market demands   |
| <b>Shariah auditors, reviewers, researchers and compliance analysts</b> | Handle contemporary Shariah issues such as those relating to risk mitigation, liquidity management, hedging, alignment of Maqasid al Shariah with United Nation Sustainable Development Goals, etc. |
| <b>Business leaders</b>   | Promote and gain acceptance of Islamic financial products to the wider market   |

From the roundtable discussions we have identified the specific skills required by Islamic finance professionals in order to be able to perform their respective job functions:

|                 | Technical  | Shariah   |
|-----------------|--|---|
| Leadership      | <ul style="list-style-type: none"> <li>• Innovative</li> <li>• Diverse background</li> <li>• Strategic thinking</li> <li>• Delegation</li> <li>• Proactive</li> <li>• Visionary</li> <li>• Cultural awareness</li> </ul> |   |
| Specific Skills | <ul style="list-style-type: none"> <li>• Treasury</li> <li>• Legal</li> <li>• Organizational</li> <li>• Resilient</li> <li>• Basic Shariah knowledge</li> </ul>  | <ul style="list-style-type: none"> <li>• Shariah knowledge</li> <li>• International law</li> <li>• Communication</li> <li>• Problem solving</li> <li>• Confident</li> <li>• Integrity</li> <li>• Accountability</li> <li>• Multi-Languages</li> </ul> |

The widely-discussed dilemma in the industry has been to come up with the 'perfect formula' for creating a well-qualified leader. Since ideally Islamic finance requires talents who not only have the technical knowledge of conventional finance, but also comprehensive knowledge on Shariah, the solution to achieving this is either by equipping finance-trained people with Shariah knowledge ('Technical track'), or training Shariah-qualified people in conventional finance ('Shariah track'). At the same time, it is also important for people in both the Technical track and the Shariah track to have leadership skills across the board. As highlighted during the roundtable, the biggest challenge currently is to find talent with the right

leadership skills to steer the industry to the next phase of growth. There is a critical need for leaders with skills in strategic thinking who are able to apply new business insights and reinforce differentiation in the marketplace to achieve competitive advantage. A leader who is proactive, with a forward-thinking mindset and is able to anticipate the market's appetite and inspire his/her team to move one step ahead of others. All this, while understanding the unique cultures and sensitivities of the different markets that Islamic finance is currently operating in, would be the major ingredients in the making of a leader in the industry.

However, operating in the highly regulated field of finance and bound by the rules of the Shariah, a dynamic leader in Islamic finance would need to also have a good technical understanding in finance and an in depth appreciation of the Shariah. Hence, the identification of the Technical track and Shariah track as two of the most common 'career paths' in Islamic finance. Talents in the Technical track are expected to have sound grounding in conventional finance especially in treasury functions and product development. They also need to be familiar with legal requirements and basic tenets of the Shariah in order to be able to

drive innovation in the development of Islamic financial products and services. The Shariah track, on the other hand, is commonly taken by those who have a pre-requisite formal qualification in Shariah. This, coupled with an understanding in finance and problem-solving ability, would allow them to be subject-matter experts and perform advisory roles in the development of Islamic finance. Additional language and communication skills would be a great advantage in helping to foster understanding and appreciation of Islamic finance among the general public.

### The Guiding Principles

In its effort to formulate initiatives on how best to realize the desired skills identified in the previous section, the roundtable discussants developed a set

of guiding principles for an optimal implementation of the initiatives for the different phases within the framework.

### FRAMEWORK



The guiding principles are underpinned by a complete competency framework which specifies the level of proficiency that needs to be incorporated at the three different levels of initiative; Acquiring, Practicing, and Contributing. The framework will anchor the initiatives to be carried out at industry level and provide the right ecosystem for the three

interrelated initiatives to come full circle for professionals in the Islamic finance industry. The three different stages of initiatives aim to provide a structured interaction and intervention strategy to address the needs arising from the different stages of a career in the industry.

## FRAMEWORK

Given that the proposed initiatives form an integrated structure that is dependent on each component, an all-encompassing framework is needed to ensure a structurally sound and strong foundation to support the entire effort.

The industry will have to work at developing an institutional infrastructure that can support and track human capital initiatives at industry level and being the impetus towards further growth of Islamic finance. The framework also provides industry participants with the emotional linkage to engage their intrinsic motivation and passion for the benefit of the industry as whole. Implementation of the initiatives will be tracked at this level to ensure that efforts by industry players are aligned to the guiding principles established. The initiatives related to the framework will provide effective and enforceable self-regulatory solutions that are human capital related akin to those established by Accounting and Auditing Organization for Islamic Financial Institutions, (AAOIFI) for example. More significantly, it will assure smooth transition from one phase to another, i.e. acquiring stage to practicing stage in the Islamic finance industry. The clarity and structured setup will entice greater talent into the industry as well as retaining the best of talent within the industry.

## Acquiring Stage

Acquiring stage is the first level of the initiative where industry participants are expected to gain the competencies and experience required to become fully qualified in their profession. It is an important stage where industry participants are focused on fostering learning and innovation to develop a depth of interest in the Islamic finance industry. Much of the acquiring stage will be aimed at developing technical and shariah knowledge as well as instilling the right traits and ethos. Early acquisition of these skills is the foundation for the development of higher, more complex skills which are needed to drive creativity and innovation which are very much needed in the Islamic finance industry. While it is a crucial stage that must not be overlooked, it is even more important for stakeholders in the industry to ensure that industry participants do not only spend their careers at the acquiring stage but progress to the second level, which is the Practicing Stage.

## Practicing Stage

The Practicing stage is where the competencies gained from the acquiring stage are put to the test and people are able to innovate. It is where talent is unlocked and harnessed to produce leaders and torch bearers for the Islamic finance industry. Seeing how the Islamic finance industry is still very much in its early stages of development, it is important to have a stream of innovative people to push the envelope further. This stream of talent is a critical element for the Islamic finance industry as this pool of skilled individuals are expected to contribute the most to the industry. Not only is it imperative for the Islamic finance industry to maintain this reliable and consistent internal source of talent, but it is essential to provide clear guidance to assist their career growth. How can this be achieved and what is expected of industry leaders from here on? Industry leaders are expected to engage in concerted efforts to provide work systems and training that enable identified industry participants to apply the knowledge they have acquired from the previous stage in real life settings. Industry leaders must be willing to assign a certain level of responsibility and accountability to this pool of talent to allow them to experience taking risks and provide support to them, which is the precursor to effective leadership development.

## Contributing Stage

The final stage of the initiative will bring the trained Islamic finance professionals back full circle to the start, where they can give back to the industry particularly in developing the next cohort of Islamic finance professionals. This final stage is the most important as it is where seasoned industry experts who have gone through the various stages under the initiative can give back by mentoring and training new entrants to the industry. This transfer of knowledge will eliminate the need to reinvent the wheel and industry participants can instead focus on shaping the next direction for Islamic finance. How will this be achieved in this last stage? Big data warehousing of the knowledge to be acquired and transferred within the initiatives will be key in ensuring the sustainability of such efforts. Regular knowledge sharing sessions among various stakeholder will also identify any gaps in knowledge and skills and endeavor to fill them. In the next chapter, we will elaborate on the key strategic initiatives discussed during the roundtable. There are 13 broad initiatives discussed during the roundtable in order to establish a fertile human capital development in the Islamic finance industry. Three of the initiatives are related to the framework, two for acquiring stages and four for practicing and the contribution phase.



## Key Strategic Initiatives (KSI)

The discussants of the roundtable elaborated on 13 KSI which are tabulated in the matrix below:-

|                    |                                    |   |  |
|--------------------|------------------------------------|---|--|
| Guiding Principles | Framework                          | Shariah Scholar Code of Conduct                           | Shariah Competency Framework for Non-Shariah Professional  |
|                    |                                    | Expansion of Shariah Committee Terms of Reference         |  |
|                    | Acquiring                          | Islamic Financial Institution Graduate Internship Program |  |
|                    |                                    | Real Set-up Training / Master Program                     |  |
|                    | Practicing                         | Shariah Scholar Mentorship Program                        | Innovation Avenue for Islamic Finance Development          |
|                    |                                    |   | Rotation Policy  |
| Contributing       | Written Fatwa Articulation         | Advisory Roles for Retired IF Professional                | Compilation of Failure Stories in Islamic Finance Industry |
|                    | Weekly Shariah Scholar Live Stream |   |  |
|                    | Shariah                            | Technical   | Leadership   |
|                    | Skillsets                          |   |  |

## FRAMEWORK

### i) Shariah Scholar Code of Conduct

There is a need to establish a global code of conduct for Shariah Scholars as an effective independent oversight to protect the Shariah fraternity from being tainted and to ensure that best practices are applied by all Shariah Scholars. The code should be developed to address issues that would enhance the integrity, professionalism and credibility of scholars of the industry. This could include the conduct relating on public discourse, for example, where public debates on fatwa usually end up confusing the public and industry players. The conduct shall establish

appropriate due processes to avoid the occurrence of such instances in the future.

In the absence of a regulatory body to oversee the implementation of the code, the challenge is how the evaluation of these scholars to be conducted. Would it be through self-assessment or collective assessment at the national level?

There is a risk of the code not being implemented with the self-assessment route but this could be mitigated by developing a system and a clear set of guidelines to monitor compliance with the code.

## ii) Expansion of Shariah Committee Terms of Reference

It was argued that the current terms of reference governing the Shariah scholars are rather limited thus limiting the involvement of Shariah scholars in various other facets of the industry.

In order to expand the roles of the scholars beyond endorsing Shariah pronouncements, the terms of reference need to be reviewed and updated to empower them with appropriate powers and authorities on other matters that could benefit the institutions and industry at large. This includes company policy regarding staff, culture and matters such as CSR.

In human capital matters, for example, experienced

Shariah scholars could be made responsible for the development of the next generation of scholars or Islamic finance professionals through their guidance. A wider scope of practice for the Shariah scholars would allow this highly specialized set of professionals to take up leadership roles and in the long run enhance the credibility of Islamic finance institutions.

It is important, however, to draw the line between new roles to be played by Shariah scholars and that played by the Board of Directors of Islamic financial institutions to prevent redundancy and clash of roles.

## iii) Shariah Competency Framework for Non-Shariah Professional

In order to maintain a certain standard of compliance and professionalism in the Shariah space of the industry, it is proposed that a basic Shariah competency framework be established for non-shariah professionals in the industry to ensure that they, at least possess the basic Shariah knowledge and skills. Not only will this broaden the expertise of new entrants but it will also ensure that they are familiar with the necessary Shariah laws that are all too relevant in discharging their duties as Islamic finance professionals. This competency framework can also be used to assess the competencies of industry professionals and consequently track their career progression and trajectory in the long run. The challenge, however, is to determine the right body to take charge of the development and

enforcement of the Shariah competency framework. Should this responsibility be left to a regulatory authority or/and an association within the industry? There are samples of both model in the financial industry currently, e.g. portfolio managers are required by the regulator to meet certain training hours in a year while chartered accountants are obliged to adhere to certain standards by professional accounting bodies. For the proposed competency framework perhaps the combination of both would be the better solution at this stage of industry development - with the regulator to provide the ignition for the adoption of the competency framework while letting the industry define and outline the Shariah requirement at each stage.

## Acquiring Stage

### i) Islamic Financial Institution Graduate Internship Program

The discussants of the Roundtable also elaborated in length about the need for a short stint internship for students during their term break or right after completing their studies. The benefit from this would be two-fold; firstly it would serve to attract talent from diverse educational backgrounds into the industry and secondly it would provide the foundation for the new entrants into Islamic finance which will accelerate their appreciation and understanding of the industry.

As the Workforce Planning Study revealed, 50% of the 60 banks surveyed commented that they found it difficult to hire graduates for entry level positions. Islamic Finance Institutions shall play a part in sharing the responsibility in fulfilling the talent need of the industry through the provision of genuine on the job training as well as the financial resources for it. The participants of this internship program should come from different backgrounds and be given the opportunity to train at Islamic financial institutions.

### ii) Real Set-up Training / Masters Program

A joint venture training program involving both Shariah and Islamic or conventional finance program is also part of the key strategic initiatives discussed during the Roundtable to provide Islamic finance professionals with bona fide on the job training. As an example, a trainee with a Shariah background could be tasked to train as a Shariah scholar alongside a trainee with a finance background who plays the role as the management of a financial institution proposing new products and initiatives.

Adequate exposure to genuine situations in business shall be given to trainees to allow

familiarization with established business practices. This would require collaboration and coordination between various stakeholders within the Islamic finance industry. It could be a collaboration between academia and the industry where both parties could gain access to each other's resources of knowledge and skills. The academia to provide all the theoretical knowledge required for both Shariah and finance trainees, while the Islamic financial institutions to provide the platform to practice real case studies for both learners.



## Practicing Stage

### i) Shariah Scholar Mentorship Program

The Shariah scholar mentorship program will see experienced Shariah scholars providing up-close coaching and tutelage to the less experienced Shariah professionals. Senior Shariah scholars shall be encouraged to recruit a certain number of apprentices on a yearly basis under this program. The tutelage and mentorship should not only be limited to meetings, discussions and interaction outside the Shariah Committee meetings, but as part of the tutelage, junior Shariah scholars could be brought into Shariah Committee meetings to observe and learn from the discussions among the experts. The transfer of knowledge and expertise between members of the Shariah Committee and the young scholars would equip

these next level of scholars with the necessary industry-specific knowledge that they need to shape the direction of the industry in the future. In order to materialize this initiative, the buy-in from experienced Shariah Scholars, regulators and Islamic financial Institutions is paramount. Apart from the willingness of the Senior Shariah Scholars, the supervisory authority might want to impose the recruitment of young scholars by expert scholars on a yearly basis, which will be key to ensuring the success of this program. In addition, Islamic Financial Institutions must also be willing to allow these young scholars to sit through their respective Shariah Committee meetings.

### ii) Innovation Avenue for Islamic Finance Development

The Roundtable discussed the importance of innovation in pushing the body of knowledge envelope of Islamic finance. For the sustainability of the Islamic finance industry, it is crucial for the industry to continue innovating and improving. To do so, the industry demands more innovative talent amongst the Islamic finance professionals. As a very well regulated industry, Islamic finance players need to establish an avenue whereby the industry and academia can interact, discuss and facilitate each other in producing innovation for the future.

During the discussion, it was envisioned that the innovation avenue would be the meeting place whereby the practitioner and academia can come and work together on specific ground breaking projects. The question however is how Islamic financial institutions can finance this kind of exploratory and innovative project - with an Islamic bank in particular subject to capital and liquidity requirement of Basel III. It was highlighted that such initiatives to be done outside the ambit of Islamic banks but through Islamic capital market products.

### iii) Importing Talents from Other Industries

In light of the emergence of disruptive technologies within the financial industry, Islamic finance needs to adopt outside-in approach throughout its value chain. Therefore, it is crucial for Islamic finance players to develop a well-defined and structured mechanism which attracts, recruits and facilitates talent from other industries.

Importing talent from other industries will assure the required diversity of leadership in Islamic finance not just professionals from different countries but from different backgrounds. Some of the conventional banks have been practicing this approach in order to have an outside perspective for their business.

### iv) Rotation Policy

The best leaders grow from specializations to globalization. Therefore to acquire the relevant skills and knowledge, talent must acquire experience within different sections of the organization. As such, Islamic financial institutions should establish a rotation policy within its entity to foster staff development.

In certain financial institutions there are 2+2+2 rules whereby the professional is required to complete assignment in 2 different geographies, 2 different departments and 2 different functions. This rules will enable to transform a specialist to generalist and eventually to a well-balanced leader with a broad knowledge on the operation of Islamic financial institutions.

## Contributing Stage

### i) Written Fatwa Articulation

Shariah is the key element in Islamic finance and fatwas issued by the Shariah scholar have become a major reference for Islamic finance professionals. As such, it is crucial for a well written articulated fatwa to be stored and indexed for future reference. The practice of having a proper well written and articulate fatwa by Shariah committees or scholars individually would not only develop a credible database of knowledge

for Islamic finance but it will also assist the industry combating the instant fatwa practice particularly in the social media. In order to implement this initiative, it has to be a top down approach from the regulators to industry players. Regulators from other countries may want to follow in the footsteps of Malaysia whereby the Securities Commission requires an in depth Shariah reasoning when issuing Sukuk.

### ii) Weekly Shariah Scholar Live Stream

In the era of social media and free flow of information, as the key stakeholders in Islamic finance industry - Shariah scholars need to disseminate their knowledge and wisdom on matters pertaining to Islamic finance to public and other professionals in the industry in a speedy and accurate manner. As such, the discussants in the roundtable explored the idea of bringing Shariah Scholars to into the virtual sphere - by

organizing a weekly live stream to talk on Islamic finance and Shariah matters. This initiative will ensure appropriate and clear information can be assessed by other stakeholders easily and accurately. In order to have the maximum exposure and impact, this initiative might need to be championed by either regulators or big Islamic financial institutions for funding and influence purposes.

### iii) Advisory Roles for Retired IF Professional

It has been almost two generations of Islamic finance professional practicing in the industry since the resurgence of Islamic finance industry in the early 1970s. The earlier generation of Islamic finance professional witnessed the forming of Islamic finance infrastructure from ground zero while the current generation of Islamic finance professionals have been heavily involved in growing the industry to a more sustainable platform. As such, noting the difference in experience and exposure by every generation of industry players, it is crucial for the retired Islamic

finance professional to be assigned advisory roles within the current operation of Islamic finance institutions.

This initiative will assist the transfer of knowledge internally from the top to the rest of the organization. This presents a win-win situation to the institution and the retired professionals as it is quite a challenge for the key management in the Islamic financial institution to share their knowledge and experience with their staff while performing their job steering the company forward and resolving issues within the operation.

### iv) Compilation of 'Failure' Stories in the Islamic Finance Industry

With the similar intention as the initiative on written fatwa articulation which is to develop a knowledge warehouse on Islamic finance for future reference, a compilation of 'failure' stories in the Islamic finance industry will provide an important compass for future leaders in the industry. Academia within Islamic finance should start widening their focus to how we can learn from our

mistakes and failures, rather than just looking at the successes. Compiling the unsuccessful attempts in the early stage of the industry development will be a great learning curve for practitioners. In fact failures may be due to the nascent phase of the industry, rather than a product or structure - some of which we may be able to revisit in 21st century Islamic banking.



## Conclusion

Human capital development in Islamic finance is an issue that needs to be addressed holistically by industry players. It cannot be resolved by having piecemeal solutions that only focus on certain elements of the industry - an industry that still is in the stabilizing and formation stage, while globally fragmented. Therefore, the stakeholders need to step back and take an eagle-eyed view of the situation and formulate the right solution for the human capital conundrum within Islamic finance.

From the discussion in this white paper and the roundtable it is apparent that there is a need for every stakeholder in the Islamic finance industry to play his/her part and enhance collaboration between jurisdictions and Islamic hubs in resolving issues and ultimately cultivating human capital and the next generation of Islamic finance practitioner.

In today's fast moving, disruptive and skills-hungry business environment, the Islamic finance industry cannot afford apathy in the face of competition

and innovation. Neglecting to invest in human capital means we will lose the focus on the future sustainability of the industry. By creating people focused strategies, Islamic finance will be able to support its current and future capabilities; aligning its long term vision with impactful outcomes. Talent investment benefits reputation, creates competence, cultivates innovation and helps identify our strengths and weaknesses.

As indicated earlier, the intention behind this white paper is to make an attempt at developing a broad solution based paper that covers different aspects of the value chain in Islamic finance. Expectantly, the guiding principles and key strategic initiatives are developed to form the foundation for the establishment of future programs and solutions on human capital in Islamic finance. We hope this white paper will be the beginning of creating concrete steps by CEOs, HR departments in IFIs, stakeholders and practitioners; enabling to cultivate, recruit and retain human capital for the future of the industry.

