

Graduate employability for UMS Islamic Finance Programme graduates improving

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As of 14th July 2019, our current finding suggests that about 67.8 % of the Islamic Finance Programme graduates were employed in various sectors and such figure is increasing over time. This percentage is greater than the threshold value of 40%.

This result is significantly improving compared with graduate employability (GE) in 2015, which is only stood at 38 per cent. The former holds a long-term perspective whilst the latter only acknowledges a short-term perspective.

There is a tendency that the GE increases within two years after the students' graduation. Time is a leeway. It needs a longitudinal measure for deliberation and accuracy.

This write-up intends to answer two questions. (1) Are there any issues associated with the current measure of GE? (2) Is Islamic Finance Programme relevant? Analytical perspectives are provided.

In its laymen term, GE is defined as the ability of graduates to be hired by employers in the discipline of knowledge they registered at universities. GE stands for graduate employability.

The ability of universities to create value to students through the latter employment in the industry related is a measure of contemporary GE.

Today, however, the current practice of GE brought some conflicting issues but are not confined to:

The measure used is not holistic – Typically, graduates are only asked to fill up the form during the graduation and the results obtained from this quantitative survey is employed as the final measure for GE.

The contemporary measure is short-term and one-side in nature;

Lack of qualitative results – When the measure used is quantitative in nature, the results obtained are not reflective and can be biased.

Two important things that need attention but are missing. (1) Does the measure of GE is based on compatibility objective, that is the course that graduates enrolled and the sector where they are hired are in tandem? (2) What are the factors that hinder their employment? These questions are in need of more explanations;

Lack of longitudinal measure – In order to meet some gains, the significance of short-term measure is examined profoundly at the expense of a longitudinal measure. Thus, the outcome generated is not accurate and if the worst comes to the worst, it is abused by insignificant stakeholders for personal gains at the expense of the university's public image; and

No specific database to

pinpoint GE accurately – The current form of GE practice is relied on a questionnaire survey and not a holistic measure about GE is established.

This has led to various perspectives not only from politicians alone but also to the public at large as if universities are not really working for generating a positive impact of GE.

Evidently, graduates for Islamic Finance Programme have been exposed to various soft skills, research and development, current issues and industrial training related to Islamic banking and finance (IBF).

They have been exposed to all disciplines of IBF including comparative finance issues, not only on theories but also on practices.

Consequently, their marketability and employability are explicitly shielded. More importantly, we are humanising graduates with Tawheed along with their sacred worldly acquisition of knowledge and skill. Does it matter?

Importantly, the UMS Islamic Finance Programme is unequivocally relevant to the world of academia and the industry. On one hand, the programme produces well-versed manpower to the Islamic banking industry. On the other hand, the programme produces future scholars in Islamic finance by promoting

lifelong learning through research in master and doctor of philosophy. In fact, Islamic Finance Programme at UMS is stalwartly demanded – be it enrolment or employment.

The programme is obviously significant to the industry and the world of academia.

There are three justifications that can support this assertion but are not restricted to:

The growing talent of the Islamic banking industry in Malaysia – Continuity in the form of talent supply to the industry can help to maintain the position and performance of Islamic banking industry in Malaysia.

This is in light with the Financial Sector Blueprint (2011-2020) that requires a pool of skilled talent that can drive the development of Islamic finance in the country. Following the Blueprint, it is expected that over the next 10 years, the industry requires a workforce of about 200,000 to meet the demand of well-versed employees in high growth and niche areas;

Global acceptance – Following Islamic Finance Development Indicator (IFDI), Malaysia is ranked first in the world with an index score of 131.86, followed by Bahrain (74.25) and United Arab Emirates (71.1) inter alia.

In the South-East Asia countries, Malaysia has the highest score for IFDI (131.86), followed by Brunei (50.45) and

Indonesia (49.96), to mention some.

If Islamic Finance Programme is abolished, the national agenda to be an international hub for Islamic finance tends to be tarnished. In fact, the index suggests that the industry is consistently growing in various fields that include Islamic banking, takaful, fund management and Sukuk, to mention some.

This trend indicates that there is an opportunity for new employment and demand for Islamic Finance Programme graduates; and

Growing trends of Islamic funds and wealth management – This trend is in tandem with Islamic Fund and Wealth Management Blueprint that was departed in 2017. Malaysia is aimed at becoming a leading international hub for Islamic fund and wealth management.

Malaysia has leading experience in Islamic banking and such an experience is found in the Islamic fund industry given the balanced pool of talents.

This requires a sufficient number of employees to work with Shariah-compliant investments.

Besides, unemployment is also instigated by the insolence of the employers who hire candidates who are not from disciplines of Islamic finance as if we short of Islamic finance graduates supply. You may find

some hire conventional finance graduates to manage Islamic financing portfolio who then are unable to convert customer's query to actual demand.

Going forward, the GE concept should be described in a holistic view rather than a narrowed view – where everything is all-inclusive for all parties' well-being.

The term GE should be longitudinal, workable, and explainable. For that, a GE database should be established by the university to obtain accurate results of the employment of its graduates. But somehow, the ranking of the university and ethnicity can also determine the perceptions of employers in Malaysia to hire the graduates.

Whether this is correct or not subject to action research to improve our interpretation rather than a misconception.

Needless to say, the university has the experience, expertise and equilibrium to work with this possibility, where the GE comes into play, at least.

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