

Islamic Financial Consultants among Young Graduates: Are they ready?

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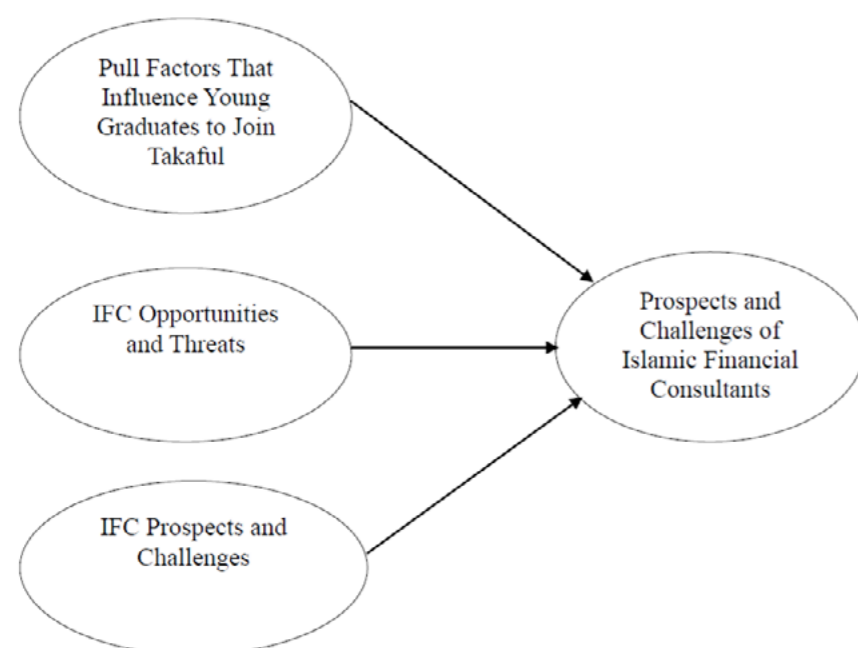
Abstract. Islamic Financial Consultant in Takaful is one of the parts in Islamic and Finance sectors. Islamic bank in Takaful industry has to enter into high competition with other insurance plans as to be number one in this sector. Therefore, the purpose of this research is to examine the Islamic Financial Consultant; the prospect and challenges among the fresh graduate in Malaysia. Besides, this study also piloted to identify the pull factors that influence young graduate to involve in Islamic Financial Consultant in Takaful as to explore opportunities, threat and understand prospect and challenges faced by Islamic Financial Consultant in Takaful. Moreover, a total of 9 informants which consist of 4 fresh graduate, 2 academician and 3 industry players who involved in Islamic Financial Consultant in Takaful industry also are selected for the purpose of this study. For the analysis, qualitative research was used to analyse the outcome and the underpinning theory in order to ensure the research objective be achieved.

INTRODUCTION

This research is carried out to analyze the Islamic Financial Consultant; the prospect and challenges among the fresh graduates in Malaysia. Basically, Islamic Financial Consultant (IFC) is a training and certification programmed especially for professionals and executives serving the retail segment of the Islamic Financial market (IBFIM, 2016). In this research, the determination of nine main sections which include the introduction, then introduces the background, the problem statement, the research objectives, and also the research questions. Then, it will continued by describing the significance of study and the operational definition of terms used as well as the limitations of this study. It will be ended by the summary at the end of this chapter.

LITERATURE REVIEW

The research proposes a measure of pull factors, opportunities and threats and prospects and challenges of Islamic Financial Consultant among young graduates in Malaysia



According to Atiquzzafar Khan (2017), Takaful is a type of insurance which means to join a guarantee. While the takaful operator is only a trustee on behalf of Takaful schemes which are the assets to the participants because the funds belong to them (Yon Bahiyah, 2009). The aim of the Islamic Financial Consultant is to understand the respondents or the customer financial profile in order to advise them for the best type of investment option they could enter and also that suits their circumstances, appropriate and also relevant towards the customers (Yehya, 2015). As some of the reasons for the fresh graduates to involve in the Takaful industry are because the Takaful industry itself is connected with the course that has been taken during university besides the percentage of market that has a Takaful is only 14% out of 100% (AzwanTaib, 2017).

Takaful specialists could effectively satisfy their duty to showcase the items and to instruct the general population. In this review, there are a few variables that affected youthful graduates to include in Islamic Financial Consultant which are identity, information and obligation (Ma'sum, 2012). Identity of the consultant is connected to the three measurements which is first, the individual physical appearance, second is individual's close to home style of unmistakable or qualities examples of thought, feeling and conduct which likewise impact his or her connections with the earth (Atkinson, Smith and Bern, 1993), and the third is accomplishment in brain research which clarifies about the mental capacities, for example, verbal knowledge, numerical capacity and melodic introduction. It is significance for takaful specialists to be cautious and in charge of misfortunes emerging from heedlessness (Frenz and Soualhi, 2010). Takaful operators ought to be straightforward, capable, convey on guarantees, clever, astute, persistent and devoted by uncovering all the item points of interest to their client and recommending the best items, appropriate to clients' needs in future (IBFIM, 2011). According to HairulAzlan (2004), agents are given by Takaful industry the road to energize their entrepreneurial aptitudes by building a kind of a smaller business than expected business on which Islamic Financial Consultant can capitalize.

The agency system has become the main distribution channel for the insurers and the main sales have always been that of Takaful agents. The open doors they get was accomplishing more noteworthy market infiltration because of their scope and portability (Hairul Azlan, 2004). Islamic Financial Consultant have the opportunity and potential to extend the Takaful markets adequately (Naail and Norsham, 2014). The hardworking and high self-efficacy Islamic Financial Consultant will get more opportunity to gain the most benefits and incomes (Fauzilah and Abdul Razak, 2011). Islamic Financial Consultant have high awareness of public perceptions and expectations which enables them to have opportunity to give relay feedback to the Takaful company (Marhanum, Nurdianawati, Siti Salwani and Saodah, 2012). According to Naail and Norsham (2014), Islamic Financial Consultant has to compete with insurance agents because Takaful industry has lower specialized efficiency than insurances.

Takaful are more required than ever especially in the Islamic states because people point to insufficiency in the level of protection and the scope of insurance coverage, and began to realize that in times of increased joblessness and other forms of labor insecurity (Takaful Ikhlas, 2015). In prospect and challenge may result a variety of innovations, but in the short term an effective means of managing policyholders' expectations and for ensuring the industry continuing solvency and lists the interests of all stakeholders, it is required constructing and devising a standard Takaful contract (ZainalAbidin, 2012). However, the bit of Shariah scholars with experience and skilful in both Islamic jurisdiction and insurance is inadequate (Swartz, Coetzer, 2010).

METHODOLOGY

Researcher has decided to use qualitative as the data collection technique. The researchers should be able to collect the information in order to answer the researchers' research questions by using the data collection methods (Royer & Zarlowski, 1999). The availability of data is curial to the successful outcome of researchers' research (Collins & Hussey, 2003).

There are two sources type of data which is primary sources data and secondary sources data. Primary sources of data are those data which the researcher has collected directly from people and organization and this type of data is unpublished. Primary data include all data from interview, fieldwork and unpublished documents such as minutes of meeting and so forth. While for secondary sources of data refer to any data which the researcher has gathered based on the previous published. Secondary sources of data are including the previous published books, from newspaper, journals, articles and others (Myers, 2009). So, for this research, both primary and secondary sources of data are used.

PROBLEMS

Our society nowadays prefer to have insurances rather than Takaful. This is because they are not aware about the disadvantages in insurance involvement. Before attempting such a feat, community should understand the disadvantages of conventional insurance is prohibited. Society must aware and concern towards this issue as to know how to invest at the same time gain benefit for their life and also for their family's life in future (Naail and Norsham, 2014).

In addition, there are several fresh graduates involve in Islamic Financial Consultants career. The main factor in which

Once analyze, the results of the exploring the opportunities and threats in IFC found that career development and soft skills has the highest factor that contribute at 77%. Justification of the results was obtained after a process of review the triangulation by selected experts. Based on the findings, career development and soft skills has the majority of respondents followed by the income, knowledge, existence of competitors and etc. respectively. It can be simplified that most of informants feel that Takaful is one of job that can help them in the career development and can enhance also improve their soft skills. There is four results at 11% on the lowest sub-theme which is the networking, low competition not fixed income and also family against. Only few of informants agreed on the gaining networking, low competition with others, does not has fixed income which can be high if effort, also the pressure from family that contributed in the pull factors that influenced them to join IFC.

Theme 3: Understanding the prospects and challenges faced as Islamic Financial Consultant (Takaful)

Informant/ Prospects and challenges	Sub-theme									Results (%)
	1	2	3	4	5	6	7	8	9	
Market segmentation and penetration	/	/								22%
Awareness	/		/		/	/				44%
Lack Information	/									11%
Realization of Importance of Takaful		/						/		22%
Challenge to attract customers		/	/			/			/	44%
Competitors in the same industry			/							11%
Family against				/		/	/			33%
Race with each other to achieve target				/				/		22%
Financial factors (afraid of losing money, high cost etc)					/	/				22%
Consistency				/			/			22%
People's bad perception					/				/	22%

Once analyzed, the results of the understanding the prospects and challenges faced as Islamic Financial Consultant (Takaful) has been found that there's both answer from the informants that are same in understanding the prospects and challenges faced as Islamic Financial Consultant (Takaful) that is the awareness and also challenge the attract the customers at 44%. Justification of the results was obtained after a process of review the triangulation by selected experts. Based on the findings, the sub-theme that has a majority informants vote are on the awareness and also the challenge to attract customers. This result shows that the informants understand that the awareness in the society is one of the main contributor also with the challenge to attract customers. Then, the sub-theme results that has the same six vote is the market segmentation and penetration, realization of Importance of Takaful, race with each other to achieve target, financial factors (afraid of losing money, high cost etc.), consistency, and also people's bad perception. Moreover, there are also some informants claimed that the concept of sub-theme is just the same, it is just difference in the term only.

Therefore, based on the three findings of each 3 themes and sub-theme that has been presented, it has clearly shows a significant answer to the questions and also problem that has been arises. However, the study was also verified by a group of experts. In general, finding of this research has indirectly given a clear justification for the lack or decrease in people demand in being the Islamic Financial Consultant (Takaful).

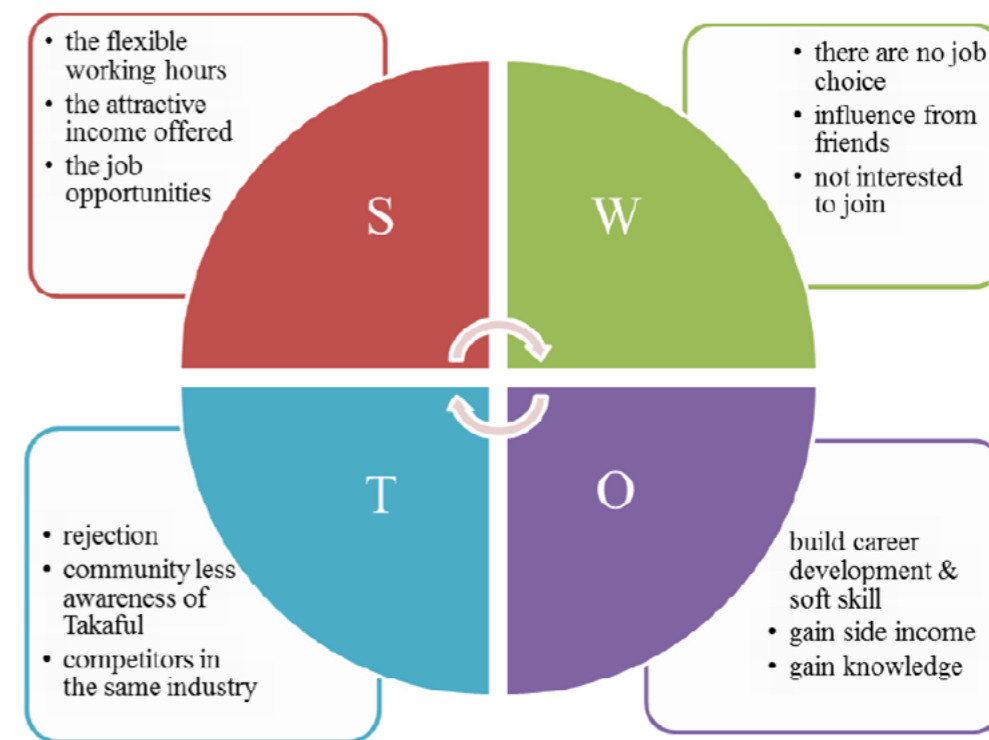
OVERCOMING METHODS

In order to overcome this problem, the study proposed that a comprehensive mechanism should be established. The mechanism is to strengthen the understanding toward Islamic Financial Consultant in facing the prospects and challenges among the fresh graduates in Malaysia. Hence, the study suggested that the fresh graduates can get an enough information if the Takaful agents itself exposed all the information and knowledge towards the fresh graduates. With this, the fresh graduates gain their own perception and think the good side to involve as the Islamic Financial Consultants.

Therefore, the study suggests that the understanding on the prospect and challenges faced by fresh graduates can be created

through the continuous seminar or program. By doing a continuous seminar or program will help the fresh graduates to become more experienced and increase their confidence level. Furthermore, the study also suggests that in order to explore the opportunities and threats that exist in the Islamic Financial Consultant, marketing of the Takaful company should take part and play their role. As people used to misunderstand about Takaful and conventional insurance, they should be able to deliver to people especially fresh graduates about the differentiation between Takaful and insurances. The Figure 1 below shows the SWOT Analysis which covers the pull factors, opportunity and threats, also the prospect and challenges that influenced fresh graduates to become Islamic Financial Consultant.

Figure 1: SWOT Analysis of the factors that influenced young graduates to involve in Islamic Financial Consultant



Based on Figure 1 above, there are four aspects to analyze the understanding of Islamic Financial Consultant in facing the prospects and challenges among fresh graduates in Malaysia which are strength, weaknesses, opportunity and threats. Each segments consists three factors that have to be considered to become Islamic Financial Consultant. Based on the findings that have been obtained, the study found that the factors that strengthen the understanding of Islamic Financial Consultant in facing the prospects and challenges among fresh graduates in Malaysia are the flexible working hours, the attractive income offered and the job opportunities. These are the factors that influenced fresh graduates to become Islamic Financial Consultant. The flexible working hours have attracted the fresh graduates to involve in this career. These will make them feel enjoy with their work and task given for them rather than packed working hours. Moreover, the reason why fresh graduates tend to involve in Islamic Financial Consultant is because the attractive income offered. This factor influences fresh graduates or students who want to make side income even though they're not finished yet their study at the university. In addition, seeking for the job opportunities after graduate is also the factor that influences fresh graduates to involve in Islamic Financial Consultant. They believed, if they join Islamic Financial Consultant, they will gain job opportunities and will make higher income with this career.

In addition, the study also found that the weaknesses aspects whereby the factors that get low percentage for the fresh graduates to involve in Islamic Financial Consultant. The factors are no job choice, influence of friends and not interested to join. The reason of no job choices is the unemployment rate nowadays is increasingly high and employment is limited to get a job. So, they have to fight to get a job. Also, not many fresh graduates involve in this sector because they are influenced by their friends. They probably interested in seeing their friends earn a lot of commissions without have to work hard. However, some of fresh graduates do not interested to join in Islamic Financial Takaful. This is because of their lack of confidence when facing people or lack of communication skills. These are the reason why they are not interested to become Takaful agents.

Moreover, the aspect of understanding also managed to the opportunity as Islamic Financial Consultant. This aspect discusses on the opportunity of fresh graduates when joining the Islamic Financial Consultant. The opportunities they get are builds career development and soft skill, gain side income and gain knowledge. Fresh graduates can build their career development and soft skill when they join the Takaful industry. Takaful concept itself gives a chance for the fresh

graduates to gain their side income and to join the field work. Besides that, fresh graduates also gain more knowledge when they involve in the Takaful. It is also their platforms to deliver their knowledge that have been gain towards the peoples out there about the importance of having Takaful in our life. They also have opportunity to get a higher income if they consistently do their work and task.

Finally, studies also have shown that there are threats of the fresh graduates to become Islamic Financial Consultant. This aspect consists of the community rejection, community less awareness about Takaful and competitors. When involve in Islamic Financial Consultant, fresh graduates must be ready on any circumstances especially the community rejection. Not all of them will accept to be protected and covered. Some of them will reject and some of them will accept. So, Takaful agents must be strong and not easily giving up to offer protection to them. Also, they have to face the community that have less awareness about Takaful. They must explain with detail to one by one of them about the importance of Takaful. Lastly, the fresh graduates must face the competitors either in Takaful itself or in conventional insurance. Hence, yaoung graduates must acquire enough knowledge in represents their Takaful companies in explaining the differentiation between Takaful and conventional insurance to the public.

CONCLUSION

Based on the study that has been conducted, the main objective is to explain the overview of Islamic Financial Consultant (Takaful) among young graduates in Malaysia. The researchers have conducted interviews on nine research informants consisting of fresh graduates, industry players and academician. The data collected was analyzed by the triangulation process in which from the industry players, academicians and previous literature review. To conclude, this research has proven that fresh graduates were playing their important role in the industry of Islamic Financial Consultant (Takaful) to increase the awareness of customers on the importance of Takaful, to improve the knowledge and understanding of people and to help them to develop their career and soft skills. This recommendation to overcome the problem also had been discussed. Hope all the parties involved could take immediate step to overcome these problem because Islamic Financial Consultant (Takaful) helps many people in the scope of protection. As a Muslim country, we have to do our best to follow the Shariah Law.

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