

CHAPTER 3

COMPETENCY FRAMEWORK FOR ISLAMIC LEGACY PLANNERS

3.1 Introduction

This research focuses on the Islamic legacy planners' competency background. As mentioned earlier, there are gaps and limited researches on the KSAO that lead to competency issues amongst Islamic legacy planners in the full-fledged Islamic trust companies in Malaysia. This chapter firstly reviews related previous literature on competency and KSAO before relating it with the Islamic legacy planners. Secondly, this chapter acts as a 'bridge chapter' from the previous chapter to investigate the applicability of competency framework to be applied to the Islamic legacy planners. This chapter conceptualises the framework before further explaining on the operational methodology in the next chapter. This is important since competent Islamic legacy planners are the ones who will provide solutions on Islamic legacy planning and guarantee the sustainability of the industry.

A wide range of competencies has been elaborated in many areas of discussion through literature reviews. McClelland (1994) interpreted certain behavioural and psychological traits that lead to a person's compelling performance as competency. Boyatzis (1982) popularised competency as a concept to measure an individual's ability and mechanism to improve his or her performance.

Spencer and Spencer (1993), Ulrich *et al.* (1995), Blancero *et al.* (1996) and Mirabile (1997) characterised the idea of competency as comprehension, abilities, capabilities and other behavioural elements related to an outstanding achievement.

Boyatzis (2008) further elaborated the competency concept by enlisting an array of

competencies that distinguish the superior with mediocre achievements including competencies in the cognition process, emotional intelligence and social intelligence.

Punia and Bhardwaj (2013) discovered the commonly acquired competencies including communication skills, team-working, pro-activeness, self-management, persistence and risk-sharing. Competency is deemed as the minimum requirement besides developing a structure to ensure the competency of individuals (Hassall *et al.*, 2005) and is viewed differently by different professions, but the common feature is referring competency to the human capital performance from different aspects of assessment (Hoffmann *et al.*, 2010).

According to Hayton and Kelly (2006), competencies are series or collections of human characteristics engaged with the capacity to execute the information and personality characteristics necessary for motivating both the capacity and information to attain the targeted result, while Dessler (2010) defined competency as an individual's measurable attributes resulting in superior performance. The need for competent individuals will persistently motivate the industry in striving for a strategic position (Perrin, 2003). Organisations must hire individuals who fit the requirements and develop them to become leaders with aptitude expertise, besides offering assistance through comprehensive frameworks and planning (Wellins *et al.*, 2009).

Despite only a fragment of business and field encounter poor expertise, companies still fight for potential and eligible candidates (Miryala, 2015). For instance, financial services, customer service, clinical and computer support, including technology restorer are some of the fields foreseen to be filled with a lack of qualified workers (Lockwood, 2006). In view of workforce trends, a visionary company leader ought to revamp his approach for competency at its best to leverage his workers (Frank *et al.*, 2004). In such manner, these high-ranking officials should be better placed to gain sustainability in a

highly dynamic environment — the knowledge, skill, abilities, and others which contribute to both the effectiveness of the individual and performance of the organisation.

According to Burgoyne (1993), competency is adopted as a technical tool by individual managers to implement such strategic direction through several identified tactics. Research by Palmer *et al.* (2006) referred to the competency as the ability in performing tasks and roles expected from a professional accountant. Competency could also be recognised as a benchmark concerning the real work setting (Barac, 2009). On a side note, Hörmann and Kokoszka (2010) designed a commonly accepted definition of competency by using the European Qualification Framework (EQF). In the findings, EQF recognises KSAO as a component of competency and relates the qualities of knowledgeable, proven skills and personal capabilities contribute to the desired competent level set by the organisation.

McCall (1998) asserted competency as a set of KSAO combined, resulting in the effectiveness of a person and the opinion was supported by Rahman *et al.* (2014) in his research when he mentioned competency could contribute towards effectiveness. Competency must consist of elements including KSAO and measurable behaviours (Ogrean *et al.*, 2009). Spencer and Spencer (1993) highlighted competency plays an important role in accomplishments, delivering human services, imposing authority and making an impression.

As it is directly connected to an outstanding job accomplishment, competency becomes an integral part of organisation governance (Levenson *et al.*, 2006). The effectiveness of corporate performance, in addition, accounts for multiple variables including the competency of their talents individually (Hoge *et al.*, 2005). Since intelligence, attitude, expertise and other personal features influence a person's career,

the definition of competencies is also presented in a multidimensional context. According to Parry (1996), the competency of an individual is strongly related to his or her job success and could be strengthened through professional training.

Notably, competency plays a vital role to measure how excellent the work is performed within the organisation (Levenson *et al.*, 2006). Hoge *et al.* (2005) also debated this statement, when saying that the performance effectiveness in an organisation is highly dependent on the individual competency. The notion of competency could also be viewed in more than one dimension since it involves KSAO which can affect an individual's profession.

An extensive study on competencies was conducted by Palmer *et al.* (2006), whereby it highlighted relevant knowledge and skills to perform professional responsibilities. The study suggested three steps; examine the professional practice, determine the specific knowledge and determine the specific skills that are required to fulfil the professional requirements. The study also reiterates the needs of extensive on-the-job training and job fitness for professional purposes as well as validation on the pass-fail decision.

3.2 Competencies from Islamic Perspectives

Islam believes that competency is an important element as mentioned in chapter one. In Islam, Al-Qur'an and Al-Hadith, the most credible and primary sources of references offer substantial evidence in light of this discussion. Muslims are urged to deliver the best quality in their endeavour, while applying *ihsan* and *itqan* as the methods of competencies. Allah SWT says;

“And you see the mountains, thinking them rigid, while they will pass as the passing of clouds. [It is] the work of Allah, who perfected all things. Indeed, He is Acquainted with that which you do.” (Al-Qur’an. Surah An-Naml 27:88)

References from Al-Hadith also highlight the roles of merit and competencies as the key requirements to assign an individual for responsibility and emphasise to *ihsan* as narrated by Shaddad bin Aws that the Prophet Muhammad SAW said:

“Indeed, Allah has decreed ihsan in everything. So, when you kill, then do the killing well, and when you slaughter, then do the slaughtering well. Let one of you sharpen his blade, and let him comfort his animal (before slaughtering).” (Jami’ at-Tirmidhi, Volume 3, Book 14, Hadith 1409)

Also,

Narrated by Abu Hurairah and Abu Dharr said: (One day) we were sitting, and the Prophet Muhammad SAW was sitting in his spot, when a man came along who was the most handsome and good-smelling of all people, and it was as if no dirt had ever touched his garments,

He said: *“O Muhammad, tell me, what is Al-Ihsan?”* He said: *“To worship Allah [SWT] as if you can see Him, for although you cannot see Him, He can see you.”*

He said: *“You have spoken the truth.”* (Sunan An-Nasa’i, Volume 6, Book 47, Hadith 4994)

Muslims are commanded to deliver the best standard in performing anything. A hadith which was transmitted by Al-Hakim and quoted by Ibn Taymiyyah in *Al Siyasatus Shariah Fi Islaahir Raaie war Raiyyah* narrates how Prophet Muhammad SAW placed the importance of how Muslims should be competent and proficient, while executing any assignments (Beekun & Badawi, 1999). The same context was also discussed by Laldin (2011) describing that competency is the capability of an individual in the form of talent to generate sufficient competent officers, Shariah specialists, for instance, and sufficient supply of talent is required to maintain the credibility of Islamic financial products and services.

There are four Islamic principles in selecting an individual for an organisation; namely, justice, competence, honesty and compassionate (Hashim, 2010). The study explores its impact on the organisational commitment from the Islamic standpoint and reveals the establishments bound to Islamic practices are highly correlated with the organisational commitment. In Islam, individuals who have skills and competence are needed in helping society's growth (Alma'amun *et al.*, 2018). This philosophy is supported by the practice of Prophet Muhammad SAW, as narrated in one hadith;

Narrated Ibn 'Umar that Prophet Muhammad SAW sent an army and put Usamah bin Zaid in charge of them. So, the people contested his leadership, so Prophet Muhammad SAW said:

"If you contest his leadership, then you did contest the leadership of his father before him. And indeed, by Allah, he was certainly fit for leadership, and he was of the most beloved of people to me, and this one is among the most beloved of people to me after him." (Jami' at-Tirmidhi, Volume 1, Book 46, hadith 3816).

Allah SWT in the Al-Qur'an states the form of competencies regarding appointing personnel besides trustworthy through the narration of Prophet Musa AS and Prophet Shuaib AS;

“Said one of the (damsels): “O my (dear) father! Engage Him on wages: truly the best of men for thee to employ is the (man) who is strong and trusty ...” (Al-Qur'an. Surah Qasas 28:26)

The above verse clearly states the two forms of competencies, which must be considered when hiring workers — they must be strong and trustworthy. Mu'az bin Jabal AS, one of the companions, was interviewed by Prophet Muhammad SAW himself to become the *khadi* of Yemen in the presence of other companions and his competencies were verified;

Thus, Mu'az ibn Jabal departed for Yemen. He had to discharge the dual duty of governorship and jurist. Therefore, he had the position of an intellectual and a ruler. The Prophet told him that he must teach the army men the fundamentals of religion and the Al-Qur'an. He also had to collect the *zakat* funds and send them for spending on the Muslims. At the time when Prophet Muhammad SAW was sending this twenty-nine-year-old young man to Yemen, he asked, *“O Mu'az ibn Jabal! If a claimant comes to you for legal recourse, what judgment would you give?”* *“I would deliver the judgment in the light of the Holy Qur'an,”* replied Mu'az. Again, Prophet Muhammad asked him, *“What would you do if you do not find the judgment in the Al-Qur'an?”* Mu'az replied, *“I would act on the way the Messenger of Allah has done and deliver the judgment according to that.”* Once

more the Prophet asked, “*What if the solution is not found even in my practice?*” Mu’az said, “*In such a situation I would myself do Ijtihad (Derive the law).*” The Messenger of Allah stroked the chest of Mu’az and said, “*I thank Allah that the replies of Mu’az have pleased me.*” (Jami` At-Tirmidhi, Hadith 1227)

Competency is regarded by Islam as a key factor in intellectual resource growth, and we can further appreciate the significance of proficiencies by reflecting the titles granted by Prophet Muhammad SAW to his companions as mentioned earlier. A holistic outlook on human capital would arguably produce a reliable, knowledgeable and skilful talent who is not only academically competent, but possesses sound knowledge of the principles of Islamic practices (Natt *et al.*, 2009). Very few Islamic competency frameworks have been suggested by scholars until now. The most pertinent model by far was suggested by Al-Attas (2007), where they developed a detailed list of Islamic managerial competencies characteristics as described in Table 3.1:

Table 3.1: Islamic Managerial Competencies Characteristics

Competencies Characteristics	Actions
Result oriented	<ul style="list-style-type: none"> • Assure every measure in meeting the result conforming to the Shariah and is made to please Allah SWT. Personally, be accountable for the achieved results. • Exhibit commitment, sincerity and be serious about obtaining results. • Make the team accountable for the achieved results. • Reflect diligence and persistence in overcoming the challenges encountered in striving for obtaining outcomes. Foster excellence culture by levelling the bar high, a benchmark, for example, considering all job elements associated with the organisation, including system, structure and human resource. • Conduct meetings, exchange opinions, seek information and reference on a regular basis towards obtaining results.

Table 3.1: Islamic Managerial Competencies Characteristics (continue)

Competencies Characteristics	Actions
Process oriented	<ul style="list-style-type: none"> • Capable of recognising blessings or connections in circumstances that may not appear justifiable or having repercussions. • Capable of shaping and turning alternate and uncertain circumstances into coherent thoughts and strategies. • Capable to revise strategies that link the system, situations and series of actions. • Capable to concentrate on the specifics in a process without disregarding the principles.
Act Pragmatically and wisely	<ul style="list-style-type: none"> • Persistently regard the Shariah principle that something is permissive except when there is strong evidence that it is <i>haram</i> (prohibited). • Determine the thoughtful and sensible decisions in facing difficult situations. • Capable to reconcile idealism and scepticism in taking actions.

Source: Al-Attas (2007)

Al-Attas (2007) presented fascinating findings deliberated from the Al-Qur'an and Al-Hadith as well as the early age of Islam regarding the above competencies' characteristics. Adnan *et al.* (2013) have formulated ten principles of Prophet Muhammad SAW's triumphs which can be adopted as a benchmark in competency. Table 3.2 lists some of the principles based on Adnan *et al.*'s propositions.

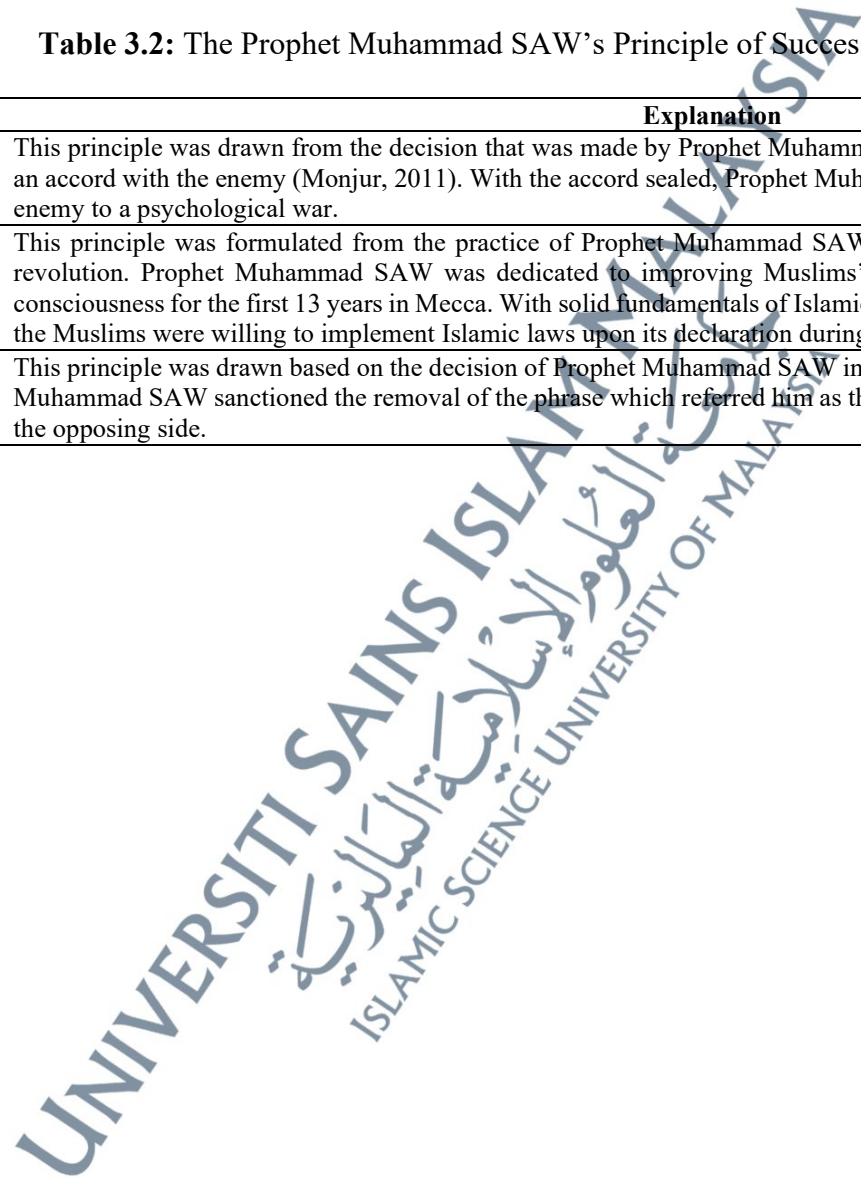
Table 3.2: The Prophet Muhammad SAW's Principle of Success

Principle	Explanation
Initiate task from the basic	This principle correlates with an individual's ability to prioritise a justifiable and straightforward option when handling assignments by aiming for greater responsibility or a more demanding task. It is quoted as depicted by Saidatina Aishah RA: " <i>Whenever the Prophet had to choose between two options, he always opted for the easier choice</i> " (Sahih Al-Bukhari and Sahih Muslim).
Always perceive value or potential in the event of failure or loss	This principle is echoed from Surah Al-Insyirah verses 5 to 6 in the Al-Qur'an. The moral from these verses is the opportunity to be grasped with all the difficulties one goes through. Contextually, a proficient leader would concentrate his efforts on the possibilities that come with a challenge and remain constructive.
As an external opportunity	This principle is excerpted from the significant event of Prophet Muhammad SAW's migration that demonstrates a lesson whereas a leader, one should constantly consider external opportunities to achieve greater results.
Make enemies your ally	This principle highlights the quality of perseverance and emphasises the ability to be patient and always deal with enemies with decency, as depicted in Surah Al-Fussilat verse 34 in the Al-Qur'an: " <i>The good deed and the evil deed cannot be equal. Repel (the evil) with one which is better, then verily he, between whom and you there was enmity, (will become) as though he was a close friend.</i> "
Turn negative situation into positive	Islamic history recorded Prophet Muhammad SAW once faced the first war, the Battle of Badr that took place on 17th of Ramadhan in Badr. The Muslims won this battle and claimed 70 prisoners from the enemy. To be free, these prisoners were assigned to teach Muslim children literacy.
Go for peace rather than animosity	This principle reflects the preference of Prophet Muhammad SAW that rather be 'gentle' than 'harsh' when coping with foes. With this personality, Prophet Muhammad SAW had pacified his enemies and moved their hearts.
Do not apply dichotomy, but visionary in decision-making	This principle was drawn based on Prophet Muhammad SAW's approach in handling with mockeries faced by Khalid Bin Walid who was called a coward when he commanded the Muslim army to back off rather than engaging the enemy during the battle of Mu'tah (Laldin, 2011. Prophet Muhammad SAW displayed a visionary trait in this situation and perceived the retreat as revisionary planning to regroup. This opinion was in contrast to the dichotomous view of some of the Muslims at that time which only saw two options; win or lose the war.

Table 3.2: The Prophet Muhammad SAW's Principle of Success (continue)

Principle	Explanation
Refrain from physical war to win an opportunity or advantage	This principle was drawn from the decision that was made by Prophet Muhammad SAW in the battle of Hudaibiyah to sign an accord with the enemy (Monjur, 2011). With the accord sealed, Prophet Muhammad SAW turned a physical war with the enemy to a psychological war.
Adopt gradual reform rather than sudden change	This principle was formulated from the practice of Prophet Muhammad SAW who favoured evolution in his quest over revolution. Prophet Muhammad SAW was dedicated to improving Muslims' knowledge and faith, along with creating consciousness for the first 13 years in Mecca. With solid fundamentals of Islamic teachings received during that early period, the Muslims were willing to implement Islamic laws upon its declaration during the period in Medina.
Adopt pragmatic measures on controversial issues	This principle was drawn based on the decision of Prophet Muhammad SAW in dealing with the Hudaibiyah treaty. Prophet Muhammad SAW sanctioned the removal of the phrase which referred him as the Messenger of Allah SWT as demanded by the opposing side.

Source: Adnan *et al.* (2013)



Every legacy planner should understand and master the comprehensive financial planning knowledge before serving the client. Since Islamic legacy planning instruments are unique and have its legal framework, comprehension of the legal frameworks is part of the competencies required for Islamic legacy planners (Hassan & Yusop, 2006; ZAR Perunding Pusaka, 2004b;). In addition, the instruments in legacy planning for Muslims are formulated from the Al-Qur'an and Al-Hadith (Mohd & Awang, 2008). Hence, Islamic legacy planners need to deepen and understand every religious reference to be presented so that it helps the client in property distribution based on Islamic laws, which will be granted the benefits and rewards for life in the world and the Hereafter (Yahya *et al.*, 2013).

3.3 Relationship between Knowledge, Skills, Abilities and Others with Competency Framework

According to Woodruff (1997), competency is also related to knowledge and technical skills of the job especially if the job has professional elements. Various definitions of competency suggest it as a person's ability to execute specific assignments in his or her profession as well as the commitment by the industry to recognise specific competency framework to ensure professionalism is maintained. McClelland (1994) discussed competency as a vital element in guaranteeing the efficient performance of a person on the assignment. The definition of competency can also be discussed in the form of a competency framework, of which the related knowledge, skills, abilities and other characteristics combined (Campion *et al.*, 2011) and argued that the model is the ideal competency framework. The formulation of the competency framework usually begins by pre-defining the business goals and

objectives to ensure the best standards are implemented. With this guiding framework in effect, competencies crucial in attaining those goals and objectives are recognised.

The competency framework is an important breakthrough in a way of bringing businesses to draw attention to task details and staff expertise in human resource management (Campion *et al.*, 2011). The competency framework generally tends to intercede organisational development targeting wide-ranging systemic improvement than a straightforward data collection initiative. Outlining competency framework includes how its project is performed and how the employees are drawn to the tasks as they seek to bring about meaningful progress.

The competency framework is regarded as a mechanism to adapt the changes of the management for organisations, and employees are required to enhance their knowledge on a regular basis and continuously attend relevant training to meet the expectation and demanding assignments set by the organisation (Heilmann, 2007). The competency framework is therefore of vital importance, and this applies to all practices carried out by the organisation and its members to retain or improve their purpose, knowledge acquisition and career competencies (Annakis *et al.*, 2014). In addition, the performance in professional, management and leadership functionalism can be predicted through the emotional, social and cognitive intelligence competencies (Boyatzis, 2009).

Businesses comprehending competency framework is foreseen to be well prepared for sustainability in the workforce performance for the upcoming years. The complex and continually evolving competency framework will be offering prodigious business proposition. They are affected by outside influences such as the specialised training, industry evolution and dynamism of the industry. The key topics that recur are predominantly accountability, business participation, culture and processes (Lockwood,

2006). For instance, the organisations that have been successfully implementing the competency framework are extensively elaborated in studies by Campion *et al.* (2011). Notably, Microsoft and Boeing structured the competency framework in order to evaluate performances, while Honda used competency framework as part of its 'pay-for-skills' programmes that incorporate education, evaluation, career advancement and wage systems.

The primary reason for the adoption of a competency framework is due to the many advantages to professionalism, and the need for having a structured competency framework in various professional disciplines has been discussed by scholars. More empirical studies focused on the effectiveness of human resource's competency framework of organisations (Markus *et al.*, 2005). Ulrich *et al.* (1995) emphasised the need of human resource professionals would be perceived to be more efficient if they were able to display various competencies concerning knowledge in the business areas and capable of adapting the changes of management requirements. Usage of the competency framework is the rationale behind the improvement of human performance (Sutton & Watson, 2013).

As a component in managing talent, a good competency framework is adopted to regulate specific events in the business activities (Bethke-Langenegger *et al.*, 2011). The strategic benefit of an organisation is driven by the skills of its talented individuals constituting human resources (Cheese *et al.*, 2008; Wright *et al.*, 1997). Hence, the organisation must treat any initiative in promoting such expertise and competencies as an investment (Natt *et al.*, 2009). Subsequently, the competency framework offers diversity and inclusion perspectives. Procter and Gamble, an American multinational consumer goods corporation, believes the critical part of an organisation's competency is by incorporating the right mix of people (Carter, 2020). Useful competency

framework calls for strongly engaging leaders, consensus, employee participation and career track record with talent management metrics (De Long & Davenport, 2003).

Setting-up or establishing a competency framework to govern the Islamic legacy planners could be part of the game-plan. The KSAO must tactfully being addressed or the quality competency framework for the Islamic legacy planners may be compromised. The competency framework is referred to combined KSAO (Green, 1999; Kochanski, 1997; Lucia & Lepsinger, 1999; Mansfield, 1996; Mirabile, 1997; Parry, 1996; Rodriguez *et al.*, 2002; Schippmann *et al.*, 2000) and required for career's effective performance (Johnson, 2014). The individual element of KSAO or their combination as a whole is regarded as the competencies, while the competency compendium is normally specified as the competency framework.

The competency framework is predominantly adopted to coordinate human resource systems (Green, 1999; Lawler, 1994; Lucia & Lepsinger, 1999; Schippmann *et al.*, 2000). According to Natt *et al.* (2009), the knowledge, skills, abilities, and other characteristics are illustrated in the players of the corporate world. The competency framework pre-determines top players from mediocre players (Olesen *et al.*, 2007) and the KSAO are normally associated with the firm's target and planning (Campion *et al.*, 2011).

The roles of competency frameworks emphasise the coordinating function of competencies and fine-tuned competency frameworks do more than aligning the industries concerning the same set of KSAO, as the competency frameworks are usually very organisationally oriented. The orientation not only involves the proficiencies acquired in particular, but also the proficiencies identified (Cilliers *et al.*, 2016).

More specifically, KSAO are essential in meeting the organisational goal. By practice, they tune the team's focus and efforts towards the goals. The correlation

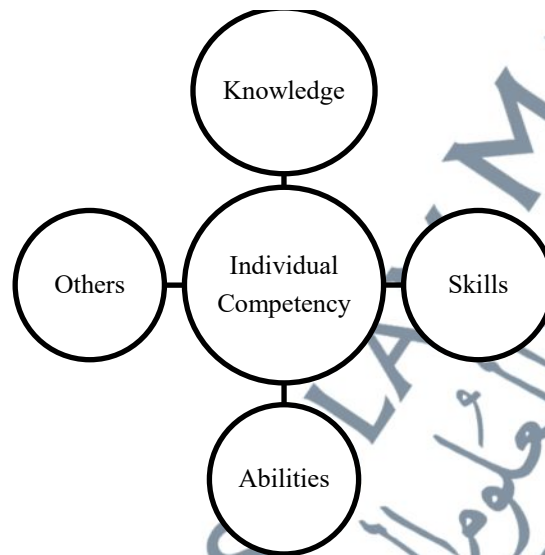
between organisational goals with competency frameworks is essential to senior management's involvement and engagement. Also, the business correlation differentiates competency frameworks from job analysis, whereby it hinders the mannerism of how KSAO affect organisational goals directly.

Indeed, the development of the competency framework needs substantial support from the relevant parties, for instance, established regulators or professional bodies in the industry. Ali *et al.* (2016) mentioned that there is also a need for linkages between the industry and learning institutions to create the right blend of the curriculum to complement the industry's needs. Dewa and Zakaria (2012) also stressed the same issues have also raised the holistic approach as fundamental for any proficiency mismatch within the Islamic financial products and services.

The individual competencies that represent specific characteristics would demonstrate the appropriate specific actions. A competency is a person's underlying attributes comprising either the applied motivation, traits, abilities, self-image or intelligence. The integration of KSAO is the fundamentals of competency based on the Theory of Efficient Job Performance or the Theory of Action and Job Performance (Boyatzis, 2009). The theory was introduced earlier by Boyatzis in his book entitled 'A Model for Effective Performance', which consists of individual competencies, job demands and organisational environment as its components.

According to the above-mentioned theory, optimal competency is achieved when an individual's capacity is in tandem with the demand for his job and the industry's environment (Boyatzis & Saatioglu, 2008). This research, however, purports to discuss the antecedents of the 'individual competencies' of the whole theory. The theory was highlighting the integration of KSAO as the elements that encompassed individual competencies as shown in Figure 3.1. Other researchers supported the theory and

recognised KSAO as the elements of competencies, including Spencer and Spencer (1993) and Levenson *et al.* (2006). According to them, an individual's performance must always be associated with KSAO requirements and also suggested the need to develop a competency framework as a guideline in assisting the organisation or industry to improve the performance.



Source: Boyatzis (1982)

Figure 3.1: Elements of Competencies

The individual's competencies explain the capability of a person in executing and performing as required. Boyatzis (1982) highlighted the integration of KSAO as the contributing elements for competency. As mentioned earlier, the above elements have been outlined by FSPB when designing the standards for the industry. As noted by the FSPB Board Member; Ng Keng Hooi (2018), *“Professionalism and ethical standards start from the top. Hence, the corporate leaders must be courageous in committing to the highest standards and be great exemplars in implementing the knowledge, skills, abilities and other elements in the competency framework.”*

Hence, the theory of KSAO is relevant and remain current as it provides the full suite of capabilities, standards and responsibilities that must be fulfilled in the industry. The same approach has been implemented by other similar sectors like takaful and appropriate for Islamic legacy planning industry to consider. A review of the competency framework based on KSAO by similar sectors in Malaysian's Islamic financial planning ecosystem is as shown below:

Table 3.3: A Review of the Competency Framework Based on KSAO by Similar Financial Services in Malaysia

Segment	Knowledge	Skills	Abilities and Other
Islamic Financial Planning	IFP or Shariah RFP is a pre-requisite before practice as a licensed financial planner. FPAM and MFPC are the responsible bodies.	Continuous education (CE) has been introduced to ensure the practitioners develop their skills professionally and maintain competence at a level required.	Code of Ethics and Standard of Practices has been introduced to ensure the abilities, ethics and values of financial planner is current.
Takaful	Takaful Basic Exam is a pre-requisite before practice as a Takaful agent. MTA is the responsible body.	Continuing Professional Development (CPD) Guidelines with the objectives to raise the standard of competency of the Takaful agents and to maintain and enhance their existing professional skills.	Code of Ethics and Conducts to strengthen universal moral values of the Agent. Chartered Professional in Islamic Finance (CPIF) in Takaful is offered.
Islamic Unit Trust	Unit Trust Examination (CUTE) is a pre-requisite before practice as a Unit Trust consultant (UTC). FIMM is the responsible body.	Continuing Professional Development (CPD) Framework is designed to cultivate Unit Trust Consultants to develop and maintain their technical and professional competencies in providing sound financial advice and services to their clients.	UTC must comply the Code of Conducts to provide a regulatory environment that protects the interests of the investing public.

Source: Financial Planning Association of Malaysia (FPAM) (n.d.), Malaysian Financial Planning Council (n.d.), Malaysian Takaful Association (n.d.), Federation of Investment Managers Malaysia (FIMM) (n.d.)

Returning to the Islamic legacy planning, Muslims in Malaysia are granted the option to appoint any licensed legacy planner they prefer. According to Basaruddin and Vijaindren (2018), each party in the legacy planning industry needs to have a strong comprehension of knowledge and other elements to deliver the understanding and

marketing-related offerings to customers, as the industry is expected to continue to be a significant sector in the future. Islamic legacy planning industry requires a different set of competency or skills and the industry has different preferences compared to takaful or unit trust industry. The imperative for a legacy planner is he or she must be a competent, effective people person and capable to provide information in layman's term. Islamic legacy planner functions in a higher privacy setting and it is vital for a client to only hire a professional Islamic legacy planner he or she prefers.

As the pieces of training conducted by the B4 are merely driven towards achieving individual objectives, B4 firms as the industry engine in providing the Islamic legacy solutions for the clients, are suggested to establish an industry-wide standard of Islamic legacy planners' development. The most recent initiative taken by the B4 in attempting the issues of incompetency among the Islamic legacy planners was the development of Islamic Legacy Management programme by MyAngkasa Amanah Berhad (MAAB) in collaboration with IBFIM for their corporate agents.

The establishment of integrated legislation to regulate Islamic legacy planning areas and competency framework for Islamic legacy planners within the full-fledged Islamic trust companies in Malaysia is a significant step that must be taken to make sure that the business is thriving with competent legacy planners. Islamic legacy planners need to have the competency and obligation to maintain professional knowledge and skills as expected by the clients. Besides that, other elements to consider in upholding professionalism (Cheng *et al.*, 2002) are qualifications, experience and speciality in specific components of Islamic wealth management.

In regard to this matter, competency development is defined as how an employee broadens his or her competencies by heavily participating in various forms of professional growth initiatives provided by the firm (De Vos *et al.*, 2011), such as the

normal structured learning activities, like training, as well as unstructured learning and on-the-job learning (Annakis *et al.*, 2014).

Customising for the industry is specifically important in picking initial competencies from the database rather than table brainstorming (Campion *et al.*, 2011). The United Nations (UN) (2008) regarded competency framework as the key to their success in striving and delivering mandates and developed the Core Competency Framework programme to support their efforts to strive for a high-performance culture, where development is nurtured and encouraged.

Additionally, the Islamic legacy planning industry should emphasise on improving the knowledge in Shariah among the planners (Dewa & Zakaria, 2012) and having a skilled talent will affirm the competitiveness of this business (Mustafa & Che, 2013). Founding from the above literature, the research began by looking at the potential competency framework for the Islamic legacy planners by looking at the current practices of the companies and finding the competency gaps among the current Islamic legacy planners within the full-fledged Islamic trust companies in Malaysia. Other criteria based on Islamic values are also considered in setting up the competency framework to be adopted by the full-fledged Islamic trust companies.

3.4 Proposed Conceptual Framework

The development of the research framework was derived from the idea by Boyatzis (2009), which emphasised that competency is a vital element in guaranteeing the efficient performance of a person on the assignment. This research will incorporate the element of KSAO as formulated by the framework on elements of competency as highlighted before in formulating a competency framework for Islamic legacy planners in the full-fledged Islamic trust companies in Malaysia, considering the qualitative input

from the respondents. Hence, the researcher has elaborated and segregated the KSAO elements in the conceptual framework of this research. The figure below exhibits the conceptual framework of this research with the interaction of KSAO as the component of the competency framework:

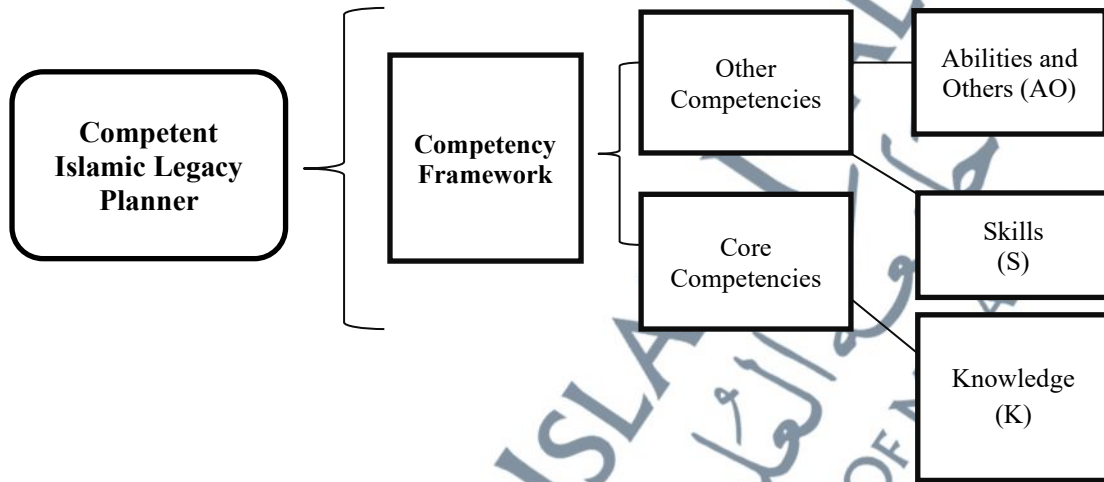


Figure 3.2: Proposed Conceptual Framework

This research overviews the relevance of the KSAO as the structural competency components in building the competency framework for Islamic legacy planners within the full-fledged Islamic trust companies. Thus, the following sections discuss the main components that encompass competency as illustrated above.

3.4.1 Knowledge

Knowledge could offer businesses a strategic edge along with the importance of knowledge workers, management expertise and knowledge-intensive firms (Blackler, 1995). Knowledge is widely recognised as a critical, but hidden asset and primary intangible resource in any industry and profession in today's global competition. Consequently, many definitions of knowledge are available in the literature.

Knowledge is defined as the compilation of expertise, experiences, information and capabilities utilised in problem-solving (Hanisch *et al.*, 2009). Beveren (2002) asserted there are those who would claim that knowledge does not exist external to the human brain, although it can be obtained, retained and applied outside of it. For them, only information and data can exist outside of the brain. Furthermore, Pathirage *et al.* (2007) contended that knowledge is the product of information and data that have been processed, combined with the latent quality of an individual's skills, competencies, insights, intuition, commitment and motivation (de Haas & van der Kwaak, 2017).

These definitions, as highlighted by the above authors, stress the involvement of knowledge with human beings. Ahmad *et al.* (2003) classified a number of organisational knowledge aspects, namely individual and collective information, internal and external information, and implicit and explicit information. Despite various definitions and classifications of knowledge, the most common and practical are implicit and explicit (Grant, 2007; Nonaka & Takeuchi, 1995).

Implicit information is acquired through a member or the team as a whole, points of view and perspectives, commitments, and motivation stored in the head of individuals (Nonaka & Krogh, 2009). Explicit information, in contrast, is a non-human interaction which is stored out of individuals' head and can be transformed into a few ways of an organisation's manuals, documents, databases, information technology and other methods of procedures that make it easy to communicate and transfer (McCall *et al.*, 2008; Smith, 2001; Teerajetgul & Chareonngam, 2008).

Islamic point of view requires the types of obtained and revealed knowledge to be impartial (Natt *et al.*, 2009). The obtained knowledge is acquired through structured learning in academic institutions, while the revealed knowledge is the main source of knowledge unveiled by Allah SWT. By integrating both sources of knowledge, Muslims

will become proficient and intelligent, subsequently prepared to perform in the Islamic legacy planning industry (Mustafa & Che, 2013). The obtained knowledge is divided into two; general and specific knowledge. General knowledge is acquired through formal education during the university years (Ali *et al.*, 2016). Therefore, related courses should be enriched across all significant universities and made part of the mandatory subject offering in Islamic finance-related degrees. Looking at the current offerings by the universities, Islamic legacy planning is only included as a minor or elective subject. It is only made compulsory for students majoring in wealth management. The local institutions that offer the relevant Islamic legacy planning subjects in their academic syllabus are Universiti Tun Abdul Razak (Unirazak), Universiti Utara Malaysia (UUM) and Universiti Sains Islam Malaysia (USIM).

For the Islamic legacy planners, the only approach to gain specific knowledge is by attending training held by training providers like IBFIM and FPAM. Nonetheless, there is still no standardised nationwide Islamic legacy planner's competency assessment being developed. The current Islamic legacy planners are only required to sit for an entry-level assessment and they could start their business representing the companies and looking for prospects. The industry currently needs an extensive measure as the market's demand grows and leading towards the formulation of a specialised competency framework, along with a more favourable partnership of the industry with universities. Extra financing is required to be channelled towards promotional and educational programmes on the nature of Islamic legacy planning.

The well-informed millennials call out for a wide selection of economical and practical financial planning offerings, whether online or through the mobile platform. Responding to this type of consumer, it is imperative to adopt financial technology or fintech as a channel for distribution. Fintech refers to the technology used to make

financial services more available to the public. Today, it is commonly viewed as the new merger of financial services with information technology. Its evolution presents challenges on businesses, specifically in juggling between the prospective advantages with its risks. The fintech ecosystem is then discussed in the wider evolutionary sense; vital in recognising its current position and potential future growth (Arner *et al.*, 2019).

The surge of innovative digital technologies needs to be harnessed by the Islamic legacy planning industry. Thus, knowledge in technology is vital for Islamic legacy planners when the issues of incompetent and less knowledgeable planners could be solved through the introduction of robo advisor. The term robo advisor offers an assortment of specific definitions (Arner *et al.*, 2019). According to Ludwig (2020), a robo advisor is an automated platform running with a computer algorithm functioning customised to manage assets in investment. Extensively, a robo advisor might as well incorporate human as the financial advisors, but only in the functions where human assistance is needed. Hence, to overcome fintech disruption in the industry, Islamic legacy planners that could apprehend new technologies and employ it for innovation on existing banking products are in great demand.

Dewa and Zakaria (2012) highlighted the need to develop Islamic knowledge to strengthen the talent's capability in the Islamic finance industry. They thought that talents who have the needed skills and are effectively guided by the firm are likely to be more committed to performing their task and promoting the quality of the services. The findings are consistent with another study done by Mustafa and Che (2013) which reported how competent workers should guarantee a business survival.

3.4.2 Skills

The capability to associate the acquired knowledge and apply it to complete the tasks and solve the problems define what skills are. It may occur in the cognition process, requiring the implementation of rational, intuitive and creative thinking, that is, attentiveness and the use of methods or tools (Hoffmann *et al.*, 2010). Skills are deemed as gained accomplishments and behaviours from experience and learning (Cardno & Piggot-Irvine, 1997). Command in communication and technical skills are also regarded as essential in a competent employee (Woodruffe, 1992). Nonetheless, Darling-Hammond and McLaughlin (1995) asserted the necessity to combine multidiscipline of knowledge and skills to craft the linkage theory and practice.

Failure to align the academic background with the prescribed expertise set by the industry will harm the developing Islamic legacy planning market. This view stems from the reality in colleges or universities, where majority of these institutions instil theoretical learning rather than the practical. Subsequently, this reality disunites the linkage between what the graduates have to offer with what the industry demands of them. Despite specific skills could only be acquired on-the-job, it is fairly necessary to identify the need for such skills during the early phase; for example, the ability to inquire particular questions capable of presenting valid and detailed facts, the ability to recognise important details, and the ability to be sensible and logical to explain the connection between incidents, issues or even individuals.

Producing competent Islamic legacy planners is a challenging task. Islamic legacy planning is fundamentally more dynamic than the other equivalents, and the expertise whereby an Islamic legacy planner is needed including Shariah-compliant product developing those structures Muslim-oriented innovative legacy planning solutions.

Mohamaed and Lashine (2003) alluded critical thinking skills as the ability to draw

rational conclusions to questions that cannot operate correctly in a situation where sufficient knowledge is not accessible. This characteristic is referred to as the capability of reviewing process and employing acquired skills to better understand and assess situations.

To examine their mode of thought, practitioners require expertise and training for strategic, structured inquiry and objective reflection. Feiman-Nemser (2001) asserted practitioners must integrate their professional identification regarding their principles, beliefs and behaviours, which form and affect their deliberative process. “Practical theorising”, as coined by Hagger and McIntyre (2006), is the development of analytical skills by collective analysis of which they may discuss their concepts objectively alongside those from others. Therefore, great command in people skills is required of Islamic legacy planners so they could participate in effective dialogue and grow synergic value with the business.

Legacy planners need to be adaptive and subsisting in managing various aspects, such as timing efficiency, objective defining, strategising, and setting priorities for the well-functioning advisory services (Darling-Hammond & Bransford, 2017). Additionally, they need to conduct their research to test new approaches and exemplify the values they want to transmit to clients, including tolerance and flexibility, as well as intelligence such as sound reasoning, rational thinking, analytical thinking and problem-solving (Darling-Hammond, 2006). Islamic legacy planners are anticipated to perform multitasking most of the time (Puad, 2014). Therefore, they are required to pick up analytical skills, where they could decide rationally, analyse issues and understand clients’ needs.

3.4.3 Abilities

Abilities are lifelong skills that accommodate people in doing their job. According to Stahl *et al.* (2019), ability is defined as the potential to participate successfully in a task and can also be associated with personal and social traits, which are intrinsic or picked up in everyday social intercourse. Abilities are also referred to as the power to carry out a measurable operation. This indicates that abilities have been exemplified from the actions or behaviours identical to those expected on the job, such as tasks planning and management. Abilities are simply the qualities needed to perform certain behaviours and whether someone is able or not, is dependent on their pre-existing qualities.

Meanwhile, according to Hoffmann *et al.* (2010), abilities are human behaviour that influences their characteristics, making them appear different from one another. Mohamed and Lashine (2003) identified elements in competency requirements, listing ethical responsibility, self-motivation, confidence, self-management and honour. Other abilities to be stressed are the ability to communicate in universal languages and negotiate. These interpersonal skills accommodate organisational operation besides facilitating diversified team component.

3.4.4 Other Characteristics

The traditional approach in formulating the competency framework is directed to the worldly organisational objectives, in contrast to the Islamic approach, in which the overall target is centred for the world and Hereafter. Besides, managerial skills such as the ability to organise and delegate tasks would be a value-added skill to the professionals. Besides knowledge, skills and abilities, other characteristics would be focused on Islamic ethics, ethical values or cultures as the scope of this research. Since

the industry is still in the embryonic stage (if to compare with other industries in Islamic finance), there is no specific code of ethics for the industry developing so far. To date, the Islamic legacy planners in Malaysia is still harping on the principles within their companies. Seol and Sarkis (2005) argued that “*other characteristics of the behavioural values such as personal skills (handling oneself in a challenging situation, pressure and organisational change) and interpersonal skills are the abilities that need to be focused on selecting candidates for internal auditors’ position*”. These findings are later supported by Endaya and Hanefah (2016), who argued that ethical values, which this research will only focus on, the Islamic ethical values that contribute significantly to performance.

Islamic legacy planners must adopt Islamic ethics, ethical values or cultures at all times in their dealings, whether with clients or in confronting issues. Beekun (2006) highlighted essential self-development activities for managers in his compelling leadership model including the ability to be critical to the process, ability to prioritise team’s and public’s interests above their own, ability to become a good example and capability to be persistent (*istiqamah*). These attributes were the values upheld by Prophet Muhammad SAW as stated in the Al-Qur’an:

“O my sons, go and find out about Joseph and his brother and despair, not of relief from Allah. Indeed, no one despairs of relief from Allah except the disbelieving people.” (Al-Qur’an. Surah Yusuf 12:87),

Also,

“So, lose not heart nor fall into despair: for ye must gain mastery if ye are true in faith.” (Al-Qur’an. Surah Āl-i- ‘Imran 3:139)

The implementation of competency framework for Islamic legacy planners in the full-fledged Islamic trust companies in Malaysia will promote a more favourable atmosphere, while simultaneously achieve a Muslim’s goals in this world and Hereafter. To reach these goals, it is imperative to incorporate Islamic-based competencies within the industry. To begin with, legacy planners should first appreciate the importance of constructing the competency concept based on Islamic ethical values.

There is no separate discipline of ethics in Islam. For example, they must have a good understanding of some of the criteria and ethical values which are related to competencies, including accountability, responsibility and trustworthiness (Tayeb, 1997). Ahmad (2010) described ethical values as the collection of moral principles, which differentiate right from wrong, and Beekun (1996) stated *khuluq*, a term in the Al-Qur’an, that connotes the closest meaning to ethics.

A much broader perspective is needed for Boyatzis' theory to be applied in accordance with Islamic views as the framework would carry Islamic ethical values such as the duties and responsibilities set out in the Shariah (*akhlaq*), the manners associated with good breeding (*adab*) and the qualities of character possessed by a good Muslim, following the example of the prophetic values of Prophet Muhammad SAW which is truthful (*siddiq*), trustworthy (*amanah*), intelligent (*fathonah*) and delivering good messages (*tabligh*) (SAFT) (Rahman & Shah, 2015). The characteristic of SAFT is regarded as influential in shaping Islamic spiritual intelligence to become an excellent or to be a successful Islamic legacy planner. Specifically, the Prophet Muhammad SAW's qualities, which are the SAFT, can become the foundation in setting up the

competency framework for Islamic legacy planners to have a balanced emotional and spiritual intelligence to provide solutions to the clients.

Based on the Al-Qur'an and Al-Hadith, Islamic ethical values play an essential role in coordinating Muslim competencies and promoting good social relations. According to Liu (2011), Islamic ethical value mainly refers to coordinating the relationship between Muslim individuals and society, taking on social responsibilities and duties and functioning as spiritual power for the Muslims in their subsistence. The Islamic legacy planners must follow and uphold the ideals of Islamic ethical values during a consultation, as well as mirror good reputation and integrity, subsequently raising public confidence and trust in the future. Shariah mindset is also an important element in building a competency framework for Islamic professionals, in this context, Islamic legacy planner. As an individual who understands the responsibility of being the caliph of Allah SWT (*khalifatullah*), every practise and task will be based on divine consciousness. It is a challenge to change a person's thinking to accept changes that need to be done within the industry. As mentioned in Al-Qur'an;

“For each (such person) there are (angels) in succession, before and behind him: They guard him by command of God. Verily never will God change the condition of a people until they change it themselves (with their own souls). But when (once) God willeth a people's punishment, there can be no turning it back, nor will they find, besides Him, any to protect.” (Al-Qur'an. Surah Ra'd 13:11)

The prominent Shariah Advisor supports the importance of having a Shariah mindset within the Muslim professionals as per highlighted by Mohd Daud Bakar (2016) in his book entitled *Shariah Minds in Islamic Finance*. Hassan (2017) also

highlighted the same concern by emphasising that having a good Shariah mindset as competency elements can help the Islamic organisation and its players change their attitude or sets of opinions in achieving the objective of Shariah.

SAFT characteristics, as explained earlier, can help the Islamic legacy planners to fulfil their role as the vicegerent of Allah SWT. In Islam, legacy planning is not merely a process of administration and distribution, but it has a broad definition that relates to the concept of vicegerent (*khalifah*). For an individual, an event that is certain to happen is death. This is such a crucial event as many matters will come to a halt, and without proper planning, hardship is a certainty to a deceased in his afterlife and to the surviving beneficiaries (*waris*) as well.

3.5 Conclusion

The integration of KSAO as competency components involves detailed study on job roles and requirements. The KSAO are identified from those characteristics, followed by the development of the competency framework. This chapter provides the review on relevant literatures concerning competencies to relate with the development of the competency framework for Islamic legacy planners within the full-fledged Islamic trust companies that are servicing the Muslim clients in Malaysia. There is also discussion on the main components of competencies, which comprise the KSAO elements to be further analysed in this research. This chapter concludes by proposing the conceptual framework upon which the research is designed and from which the research is carried out.