



THE COMPETENCY EFFECTS TOWARDS THE JOB
PERFORMANCE OF ISLAMIC BANKING EMPLOYEES IN
MALAYSIA : RELIGIOSITY AS A MODERATOR

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Research Highlights

The rapid growth and development of Islamic Bank should be aligned with the effective and efficient human capital development process. However, in the age of rising, there are still problems that create a public hesitation towards the Islamic banking system. No doubt, performance is related to the competency and job motivation and is quite popular whenever a discussion on the improvement of job performance. The term competency has been widely used in various industries. It relates to the knowledge, expertise and ability and values of the top performer in an organization. Past researches have been carried out on the Islamic banking especially in the areas of customer satisfaction, the selection factors of banking facilities among the consumers, analysis on the development and growth and liquidity requirement. However, there is still a lack of research on Islamic banking employees especially in relation to the elements of competency towards job performance among the employees and religiosity as the moderator. Hence, this study is conducted to fill the gap that exists in this existing knowledge. As such, the hypotheses were derived from the literature as follows:

Hypothesis 1: There is significant relationship between technical competency and job performance of Islamic banking employees in Malaysia

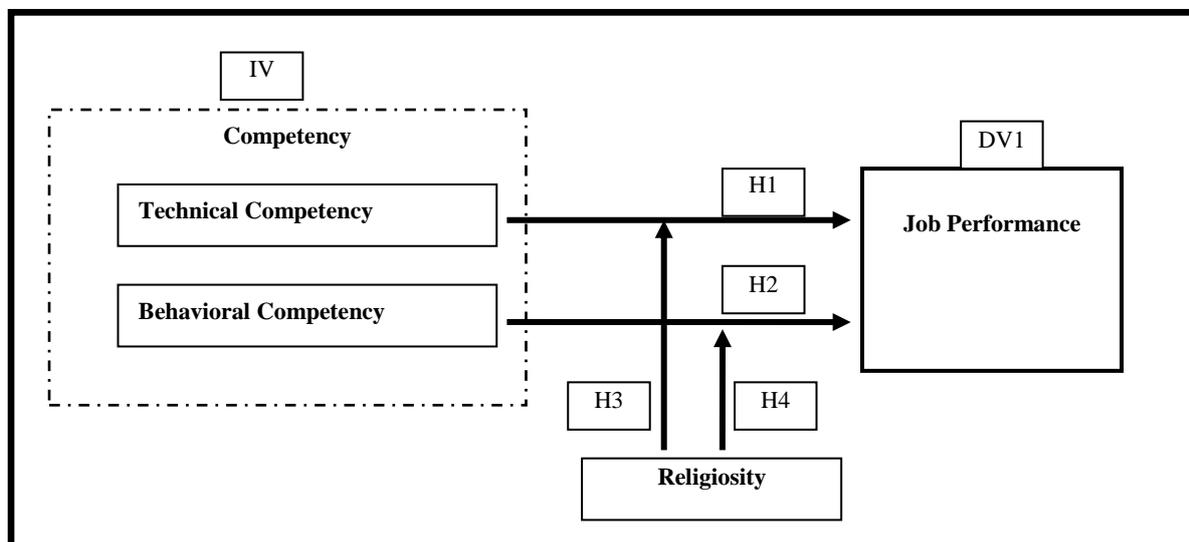
Hypothesis 2: There is significant relationship between behavioral competency and job performance of Islamic banking employees in Malaysia

Hypothesis 3: Religiosity has the moderator effect to influence the relationship between technical competency and job performance of Islamic banking in Malaysia

Hypothesis 4: Religiosity has the moderator effect to influence the relationship between behavioral competency and job performance of Islamic banking in Malaysia.

Graphical Abstract

According to Spenser & Spenser's theory, the skills and knowledge competencies can be viewed and valued and known as technical competency while self-concept, attitude and motives are more personal and known as behavioural competencies that are quite difficult to see and value (Spencer and Spencer, 1993). Hence, the conceptual research framework was underpinned by the theory of performance and the theory of competency and taking into consideration the moderator effect of religiosity as follows:





Research Objectives

The study is to explore the effect of competency elements i.e technical competency and behavioral competency on improving the performance of Islamic banking employees in Malaysia and to investigate the effect of religiosity as a moderator in influencing the relationship between the competency and the job performance of the employees. Therefore the objectives of the study are as follows:

1. To determine the relationship between the competency factors and job performance of frontline employees in Islamic Banking Industry in Malaysia.
2. To measure the level of religiosity among the frontline employees of Islamic Bank in Malaysia.
3. To study the moderator effect of religiosity towards the competency level among the frontline employees of Islamic Bank in Malaysia.

Methodology

The study is using a quantitative method whereby the self-administrative questionnaire was distributed among the employees of Islamic Banking in Malaysia. Data will be collected from a sample size of 280 respondents. The unit of analysis is the frontline employees at the branch level of Islamic Bank in Malaysia inclusive of the manager, marketing staff, front desk staff and customer service officers. They have direct contact of service with the customers. Frontline employees' performance would be much complex within a service sector context especially financial services such as banking. They are also the ones that sell services and also responsible for post sales services such as answering customers' questions, or adjusting policies based on customer demands (Mengesha, 2015). Prior to the real data collection, a pilot study was conducted to examine the reliability and validity of the constructs and are reliable to be used in the real study.

A pilot study is one of the important stages in a research project and is conducted to identify potential problem areas and deficiencies in the research instruments and protocol prior to the implementation during the full study. The pilot study was conducted among the 30 workers of Agro Bank and Bank Kerjasama Rakyat Malaysia. Both banks are governed by Bank Negara Malaysia under Development Financial Institution Act 2002 operating as a full-pledge Islamic Bank in Malaysia. Issues that were observed among the staff in the pilot test included: the ability to comprehend the instructions in the covering letter, the ability to understand the questionnaire items, the terms used, the sequence of questions and the flow of statements, the format, including the font and lay out, also the length of the questionnaire (i.e. the time taken to complete the questionnaire). The result from the pilot test was entered into SPSS software and recorded under the unique codes of each participant. Several scale response questions were recorded to simplify the analysis of results.

Results

Since the measurements for each variable are adjusted from the previous study, the pre-test has been conducted to ensure that each questionnaire is understood by the respondent and each item can represent the variables for the study conducted. It is also important to determine the validity and reliability of the elements studied before the real test is conducted (Sekaran, 2000). Based on the pilot test conducted, the overall result reveals the following data:





No	Variable	Cronbach Alpha
1	Job Performance	0.86
	Competency	
2	Technical Competency	0.75
	Behavioral competency	0.92
	Religiosity Factors	
3	Ritual Religiosity	0.88
	Behavioral Religiosity	0.92

Based on the above result, it shows that each item in job performance and technical and behavioral competencies as well as religiosity have high reliability with Cronbach alpha ranging from 0.75 to 0.92. This shows that each item in the construct has high reliability and it is reliable to be used in the actual study.

Findings

The study aims to offer itself as guidance and sheds light on its benefits to the policy makers and the Islamic banking institutions either in Malaysia or other countries to have a better plan on formulating a retaining program for their employees by looking into the competency level of employees, particularly the frontline employees. In fact the success measurement of the Islamic banking industry does not solely lie in the monetary aspect, but also in the overall performance which includes human capital and the acceptance of the public towards the products and services (Vazirani, 2010). The study would also like to give some feedback to the authority, learning institutions as well as the industry so that they can enhance their module and program by assessing into the real performance of the employees in the field. In addition, the previous studies have highlighted the important role of religiosity to develop individual attitudes and behaviours (Osman-gani et al., 2007). Thus, the study aims to look into the effect of religiosity towards the competency and performance of the employees and to ensure that the employees of Islamic banking especially the frontline staff to be able to portray the real image of Islam, especially in terms of distinguishing Islamic banking from the conventional banking system. Finally, the study would like to contribute to the existing literature in predicting the influence of competency towards the job performance of the frontline employees in Islamic banking, and to look into the effect of religiosity as the moderator.

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