

INVESTING IN HUMAN CAPITAL IN ISLAMIC BANKS

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ABSTRACT

The Islamic banking sector is witnessing significant growth, which is necessarily accompanied by increased demand for qualified human capital to fill new jobs in Islamic banks.

This study aims to demonstrate the importance of investing in human capital in Islamic banks, Because the reality of the situation witnessed by human resources and manpower in the financial sector and banking Islamic suffers from weak legal and moral qualification, and Low operational capabilities of Islamic banking operations and various other challenges.

The study concluded that keeping up with the developments of banking work scientifically, religiously and technically requires the rehabilitation and development of existing human capital to perform this work, and that the achievement of Islamic banks for their objectives depends on the availability of qualified human capital legitimately, scientifically, technically and morally.

Keywords: *investment, human capital, Islamic banks.*

Introduction

Human capital serves as one of the important production elements. They have been receiving much attention by the researchers specialized in economy. The experts specialized in economy expanded the knowledge on human capital. They suggest that providing human capital with education is significant. For instance, providing education to human capital shall develop their professional personalities. It shall increase the degree to which the human capital contributes in the production process. It shall contribute to fostering the growth of economy. Much scientific effort have been exerted for exploring the relationship between education and human capital. Due to such efforts, the (human capital theory) emerged. Due to this theory, people started to perceive the process of providing education as a process that requires costs and offers revenues. However, what is the cost required for education? What is the revenue gained from providing education? Due to this theory, many scholars suggest that it's very significant to invest in human capital due the economic and social benefits gained from such investment.

The Study's Significance

The present study is significant because it sheds a light on a significant factor that affects the success of the Islamic banking sector. This factor is

represented in human capital. Human capital affects the success, excellence, and competitiveness of Islamic banks. Thus, it must be qualified enough to carry out the work in accordance with the work mechanisms adopted in such banks.

Statement of the Problem

The study's problem lies in the following points:

- 1)- The researcher realizes that the need of Islamic banks for qualified human resources has been increasing are needed. Such need has been increasing due to the increasing number of the branches of Islamic banks. It has been increasing due to the shift of many banks towards working in accordance with the provisions of Shariah. Human resources in Islamic banks must be highly qualified in order to meet the job requirements and deliver outcomes of high quality. They must be highly qualified in order to achieve the missions of those banks
- 2)- Human resources are in need for keeping up with the latest developments in the fields of technology, economy and Shariah. Thus, there is a need for developing the human capital working in Islamic banks. There is also a need for investing in the human capital in Islamic banks. Such investment shall enable those banks to meet their goals and raise their market value. It shall

enable those banks to improve their social and economic roles.

This study aims to answer the following questions:

- 1)- What is the meaning of (investment in human capital)?
- 2)- What is the significance of investment in human capital in Islamic banks?
- 3)-What are the means used for investing in human capital in Islamic banks?

The study's objectives:

This study aims to

- 1)- Identify the meaning of (investment in human capital)
- 2)- Identify the significance of investment in human capital in Islamic banks
- 3)- Identify the means used for investing in human capital in Islamic banks

The study's structure:

This structure of this study is identified below

Introduction

First part: Investment in human capital

First section: The emergence of the human capital theory

Second section: The meaning of human capital

Third section: The meaning of investment in human capital

Second part: Investment in human capital in Islamic banks

First section: Reality of human resources in Islamic banks

Second section: The significance of investment in human capital in the Islamic banking sector

Third section: Means for qualifying the human capital to work in Islamic banks

Conclusion

Recommendations

First part: Investment in human capital

First section: The emergence of the human capital theory

The human capital theory emerged due to a book titled (The Wealth of Nations). This book was

written by Adam Smith¹ in 1776. The latter book sheds a light on the significance of education and the impact of the employees' experience, knowledge and skills on the production process and the quality of outcomes. The latter books suggests that income must be determined based on the exerted effort. It suggests that human capital is the most valuable element in the organization. The same is suggested by Malthus. The latter scholar developed the (population theory). He believes that education significantly affects family planning. He believes that education is one of the elements of fixed capital. Fixed capital involves buildings, equipment and machines².

People perceive education as a thing that requires costs and provides one with revenues. They perceive education as an investment. The same is suggested by Theodore W. Schultz (1902 - 1998) through his article (Capital Formation by Education). The latter article is published in Journal of Political Economy. Following this article, Schultz wrote several works about the economic value of education and investment in human capital³.

¹ Adam Smith (1723 - 1790) is a well-known Scottish philosopher and economist. He is well known for his book (An Inquiry into the Nature and Causes of the Wealth of Nations). This book is one of the most influential books worldwide. It offers knowledge about economic principles from a modernist perspective / Eamonn Butler, Adam Smith. Translated by Ali Al-Hares. 1st edition. Hindawi Institution. Cairo. 2014, p. 21

² *ibid*, p.58

Al-Mutawe', Hussein Mohammad. Economics of education. The United Arab Emirates (UAE). Dubai. Dar Al-Qalam. 1987 AD

Saraj Wahebe and Seety Abed Al-Hameed. Methods and policies for investing in intellectual capital. A worksheet submitted to the fifth international conference on (Intellectual capital in Arab business organizations in the light of modern economies, University of Chlef, 2012: p.7

³ Al-Jahni, Mohammad. Education. Investment in human capital. Knowledge Journal. Issue No. 241, 2015, p. 3

Due to perceiving education as an investment, the term (economics of education) emerged. It refers to the scientific field that aims at identifying the most optimal method for delivering education to develop and train human resources, provide them with skills and improve their relationship with others in society⁴.

The works of Theodore Schultz, Gary S. Becker (1930-2014), and Jacob Mincer (1922 – 2006) shed much a light on the (human capital theory). Several other researchers shed a light on the relationship between education and human capital. They include: Martin Carnoy, John Fizzy and Wood Hall⁵.

The human capital theory suggests that economic development isn't attributed to the funds provided for developing the production process. It suggests that knowledge and skills of employees affects the extent of achieving economic development. It suggests that knowledge and skill are non-financial resources. It suggests that education is a type of investment that provides one and society with revenues that are greater than the costs incurred. Making a good investment in education shall contribute to reducing the current costs. That applies whether the current costs are direct or indirect costs. The current direct costs are represented in the funds and the efforts of human resources. The current indirect costs are represented in the opportunities that are not seized due to deciding to invest in human capital⁶.

Second section: The meaning of human capital

Human capital is an economic term that was proposed by Theodore W. Schultz. It was used by Gary Becker to interpret the economic outcomes of knowledge and competencies possessed by an employee or an organization⁷.

⁴ Al-Noori, Abed Al-Gani. New trends in the economies of education in Arab countries. Doha. Dar Al-Thaqafah. 1988

⁵ ibid

⁶ ibid

⁷ www .wikipedia.org

Several definitions were provided for the term (human capital). Some of them are shown below:

According to an American scholar named Schultz (1961), (human capital) refers to a set of human powers that can be used for utilizing the economic resources. It refers to the intellectual competencies, academic qualification, knowledge and experience of human resources in society⁸.

According to another scholar, human capital refers to personal knowledge, scientific experiences, skills, creative capabilities that are possessed by employees in an organization⁹.

According to another scholar, human capital refers to a set of employees in an organization who possesses knowledge, experience and willingness to learn, and develop themselves in various administrative levels. Those employees comply with ethics¹⁰.

Based on the aforementioned information, human capital refers to a set of scientific knowledge, practical experience and skills that can be acquired and turned into something valuable.

Third section: The meaning of investment in human capital

Investment refers to a set of in-kind and in-cash assets that are utilized for carrying out the

Claudia Goldin (Department of Economics Harvard University and National Bureau of Economic Research. "Human Capital" (PDF).

⁸Adnan Dawood Mohammad Al-Athari, Zuwair Mekhlef Al-Da'mi. Knowledge economy and its impacts on human development. Theory and analysis in certain Arab countries. Dar Jareer. Jordan. 2010. p. 116

⁹ Radi, Abed Al-Rahman Khalid. The impact of intellectual capital on the performance of the tourism offices in Jordan. MA thesis in the field of e-business. The Middle East University. Faculty of business. E-business department. Jordan. 2013, p. 8

¹⁰ Atef Udwan and Sahar Sulaiman. The intellectual capital and its role in achieving organizational creativity. A field study in the Jordanian insurance companies. Dirasat: Administrative sciences. Al-Balqa Applied University. Jordan. 39(2), p. 144

production process or preserving or updating the productive capacity¹¹.

Investment has two types, which are: 1)- conventional investment and 2)- investment in human capital. The conventional investment refers to the investment carried out through establishing buildings and making projects. The investment in human capital refers to spending funds for developing one in cognitive and physical aspects and developing one's skills. It may involve developing one through providing him/her with education, healthcare services, and good nutrition. It aims at developing one's productive capacity.¹²

Thus, investment in human capital can be defined as:

(the process of utilizing assets in order to develop the capabilities, skills and behaviours of one and expand his/her knowledge in the aim of raising his/her productive capacity. That is done in the aim of raising the productive capacity of one in the aim of improving one's wellbeing and turning him/her into a good citizen¹³

Second part: Investment in human capital in Islamic banks

First section: Reality of human resources in Islamic banks

Islamic banks aim at meeting the needs of Muslims. For instance, all Muslims are in need for having Islamic banking institutions that comply with the provisions of Shariah and refrain

from carrying out Riba-based transactions. Islamic banking institutions seek gaining Halal profit through the services they deliver for their customers. In contrast, commercial banks carry out Riba-based transactions in the aim of gaining profits and achieving development in economic and social areas.

For sure, Islamic banks were recently established in comparison to the established of commercial banks. Therefore, the employers in Islamic banks were forced to employ the ones who have experience in working for commercial banks that carry out riba-based transactions. That led to having many employees at Islamic banks who don't believe in the goals, and mission of those banks. It led to having many employees at Islamic banks who aren't used to the work mechanisms adopted¹⁴.

Based on a study conducted in 2005, there are 250,000 employees working in the Islamic financial institutions in the Middle East. 85% of those employees have experience in working in commercial banks¹⁵. Some of those employees get promotions and reach high administrative positions. Having such employees working at Islamic banks shall negatively affect the way customers perceive Islamic banks¹⁶. It led to having customers who believe that there aren't major differences between Islamic and commercial banks. It led to having customers who believe that employees at Islamic banks don't comply much with the provisions of Shariah. It led to having criticism made against the way Islamic banks carry out their works. It led to having criticism made against the failure of the

¹¹ Hussein Omar. Principles of economic science: Micro and macro-analysis. Dar Al-Feker Al-Arabi. Cairo. 1989. P. 65

¹² Buladi, Ali. The significance of investing in human capital as a requirement for developing the tourism sector in Algeria. An international conference on (Economics of tourism and its role in achieving economic development). Faculty of economic, management and business sciences. The University of Abou Bakr Belkaïd. Baskara University. Algeria

¹³ Saraj Wahebe and Seety Abed Al-Hameed. Methods and policies for investing in intellectual capital. A worksheet submitted to the fifth international conference on (Intellectual capital in Arab business organizations in the light of modern economies, University of Chlef, 2012: p.7

¹⁴ Ershaid, Mahmoud Abed Al-Karem. Islamic economic activity and its impact on values and ethics. 1st edition. 2008. Dar Al-Kotob Al-Elmeje. Beirut, p. 523

¹⁵ Khojah, Izz Al-Deen. Islamic banking. The Global Islamic Commission for Economy and Finance. 2007. p. 53

¹⁶ Hadari Daleelah Baghdawi Jameelah. The necessity of investing in human capital in the Islamic banking industry for handling the challenges derived from the global financial crises. p. 21

managements of Islamic banks in providing their employees with knowledge about the way they ought to work¹⁷.

Doing the operations of the Islamic banks requires having human resources who possess the required technical and banking expertise and knowledge about the provisions of Shariah. Therefore, there must be pillars and criteria set for recruiting employees at Islamic banking and financial institutions. Based on the exploratory study conducted by the International Institute of Islamic Thought, the personal considerations is the first criterion taken into consideration when recruiting employees at Islamic banks, followed by competencies. However, competencies should be the first criterion taken into consideration when recruiting such employees¹⁸. Therefore, the International Islamic Fiqh Academy recommends (providing more attention to the process of qualifying the leaders and employees who work at Islamic banks. It recommends providing training programs for those employees. It suggests that such programs should be held in collaboration with the Islamic Institute for Research and Training). It offered such recommendations during its eighth conferences that was held in Brunei in Muharam, 1414 AH (21- 27 /June/ 1993).¹⁹

Based on the reality, Islamic banks have been suffering from problems in carrying out operations. Such problems are also faced by the employees who have much experience in the field of banking and Shairah. They are attributed to having a gap between the practical and scientific reality of Islamic banking operations. To illustrate

more, curricula in universities and training centers focus on theoretical aspects in the banking field and overlook practical aspects in the latter field. Overcooking the latter aspects shall lead to having this gap²⁰.

Based on the reality in Islamic banks, the employees in the latter banks don't full comply with the regulations that govern the way of carrying out operations. That may be attributed to the fact that some of those employees consider such regulations as a matter of formalities. It may be attributed to the fact that some of those employees want to carry out operations fast even. The employees' desire to carry out operations fast may probably lead to violating the provisions of Shairah and the sequence of the procedures. Due to such desire, employees may sign Murbaha contracts with signing the pledge to purchase form, receive guarantees, and deliver cheques to the customer in the same time without carrying out those procedures in a sequenced manner²¹.

Based on reality in Jordanian Islamic banks, there is a lack of compliance with ethics when carrying out duties at Islamic banks. It should be noted that employees at such banks should acknowledge and comply the Shariah-based provisions regulating banking operations. Such employees should comply with ethics Shariah identifies the ethics and provisions that regulate banking operations, because Islam aims at regulating one's worship acts, transactions and behaviour²².

Based on several studies, the employees and trainees in Islamic banks comply a little with values and ethics. They believe that values and ethics aren't related to the practical and technical

¹⁷An article written by Ezz Al-Deen Khawajah. It is titled (training and shariah commissions: The main challenges facing the Islamic banking industry). Middle Easy Newspaper, Tuesday, 08, Safar, 1428 AH, 27/2/2007/ Issue No. 10318

¹⁸ An encyclopedia on (assessment of the performance of Islamic banks). It's drafted by a committee of specialists in economy, shariah and banking fields. The Global Institute of Islamic thought. Cairo. 1996, p. 146

¹⁹ The International Islamic Fiqh Academy, www.iifa-aifi.org

²⁰ An article written by Ezz Al-Deen Khawajah. It is titled (training and shariah commissions: The main challenges facing the Islamic banking industry). Middle Easy Newspaper, Tuesday, 08, Safar, 1428 AH, 27/2/2007/ Issue No. 10318

²¹ Zain Al-Abdeen, Mohammad Wafeeq. The obstacles associated with working at Islamic banking. Al-Bayan Journal. Issue No. 306. Sefer. 1434 AH, December, 2012 AD

²² Al-Ba'li, Abed Al-Hameed Mahmoud. The work ethics at the Islamic banking industry. p. 24

aspects of operations. Thus, they don't receive the benefits of complying with values and ethics²³. The employees who work in Islamic banks shall notice violations for the provisions in Shariah in the behaviours of some employees. However, such behaviours don't represent the real principles and values of Islam²⁴. It should be noted that there is a need for providing more attention to the compliance of employees in Islamic banks with ethics. That can be done through setting specific rules and standards in this regard. It should be done because complying with ethics and values when making work decisions and managing work relationships has several benefits. For instance, such compliance shall positively affect the reputations of the institution, and its administrative and financial performance. It shall increase the profits and earnings of the institution and improve its ability to launch investments²⁵.

Second section: The significance of investment in human capital in the Islamic banking sector

The aforementioned argument offers a description for human resources in Islamic banks. It indicates that the human resources recruited by Islamic banks have experience in commercial banks that carry out Riba-based transactions. It indicates that there are shortcomings in the recruitment policies of Islamic banks. Thus, the human resources of Islamic banks aren't highly qualified in terms of compliance with Shariah-based provisions and

ethics. They are highly qualified to carry out the operations of Islamic banks. A study made by AT Kearney suggests that the Islamic banking sector suffers from the scarcity of qualified experienced human resources. It suggests that the Gulf countries are in need for recruiting 30,000 employees during the coming decade. Despite such changes faced by the Islamic banking sector, there has been an increase in the number of the branches of Islamic banks²⁶.

It's estimated that the value of the assets owned by the Islamic banking sector by the end of the year 2009 is represented in one trillion USD. It's estimated that the growth in the value of the transactions that are consistent with Shariah-based provisions and carried out by commercial banks is represents in 15- 20% annually²⁷.

There is a study conducted by the Islamic Bank for Development in collaboration with the Islamic financial Services Council in Malaysia. The latter study conducted predicted that the value of the assets of the banking industry during the ten coming years (i.e. 2006-2015). It predicted that the value of the assets of the banking industry shall reach by the year 2010 1.4 trillion USD. It predicted that the value of the assets of the banking industry shall reach by the year 2015 2.8 trillion USD. .It predicted that the value of the assets of the banking industry shall reach by the year 2017 9 trillion USD. It suggests that the annual growth rate of the assets of the banking industry during the period (2006-2015) shall be within the range of 10-15%. It suggests that a significant percentage of the financial services of commercial banks in the countries of the Gulf Cooperation Council shall comply with the provisions of shariah²⁸.

²³ A study submitted to the fifth conference held by Shariah bodies of Islamic financial institutions. This conference was held on 17-18, Shawal, 1426 AH (19-20, November, 2005). It's titled (The means used for fully qualifying the employees at Islamic financial institutions and the role of Shariah bodies and institutions in providing those employees with training on Shariah). Dar Al-Murajah Al-Shar'eye. p. 5

²⁴ Ershaid, Mahmoud Abed Al-Karem. Islamic economic activity and its impact on values and ethics. 1st edition. 2008. Dar Al-Kotob Al-Elmeye. Beirut, p. 3

²⁵ Al-Ba'li, Abed Al-Hameed Mahmoud. The work ethics at the Islamic banking industry. p. 49

²⁶ Al-Eqtasadeyah; an electronic newspaper. www.aleqt.com, Saturday/ 12/5/2018 (27/Shab'an/1439 AH)

²⁷ The Public Council of Islamic financial institutions and banks. Bahrain. 2009 AD

²⁸ The Islamic Bank for Development. The Industry of Islamic banking services (The general main plan for the ten years (2006 – 2015), 2006 AD

The growth of the banking industry shall lead to the increase of the demand on qualified human resources to hold jobs in Islamic banks. Such human resources are needed in order for the Islamic banks to meet their goals and foster economic and social development in Islamic banks. They are needed to make profits. Thus, they must be qualified in technical and Shariah fields. In this regard, dr. Atteyeh Fayad suggests: (Islamic banks aren't business or investment institutions that aim at achieving profits only. In fact, they aim at achieving supreme missions in first place. They can't achieve their goals in case the employees don't seek achieving their missions, and goals nor have the desire to work in accordance with the Shariah-based provisions. They can't achieve their goals in case the employees don't have trust in those banks nor have the required practical and academic qualifications²⁹).

In the light of the aforementioned information, investment in human capital in Islamic banks is very significant. For instance, such investment shall affect all the parties all the parties involved in the Islamic banking industry. It shall affect the extent of success achieved by the latter sector and the competitiveness. The increasing competition between commercial and Islamic banks made some banks offer Islamic banking services that comply with the provisions of Shariah. Such banks include: City Bank, Union Bank of Switzerland, Hong Kong Institution, Barclays, Deutsche Bank, ABN AMRO Bank, JPMorgan Chase & Co., and the Australia and New Zealand Banking Group Limited that is commonly called ANZ. Such Islamic banking services. Such services include: establishing portfolios that comply with the provisions of Shariah. The increasing competition between commercial and Islamic banks made several banks – CITICORB and HSBC- open branches that carry out Islamic

banking transactions only. In fact, there are more than 75 Islamic branches worldwide. That was suggested by the General Council for Islamic Banks and Institutions in Bahrain. The latter council is responsible for publishing the data and information related to Islamic banks. Many universities and research centers in Europe and USA established departments that are specialized in Islamic economy and Islamic banking operations³⁰.

The benefits of investment in human capital in Islamic banks are listed below

- 1)- Such investment raises the quality of the services provided by Islamic banks
- 2)- Such investment increase the credibility in the Islamic banks. It increases the customers' trust in Islamic bank
- 3)- Such investment contributes to developing the funding models of Islamic banks in a manner that complies with the provisions of Shariah and contributes to developing the Islamic banking sector
- 4)- Such investment increases the profits of Islamic banks. That's because such investment contributes to improving the competitiveness of those banks, increasing their customers and achieving their mission.

Third section: Means for qualifying the human capital to work in Islamic banks

There has been an increase in the demand on qualified human resources in the Islamic banking sector. Such increase is attributed to the development of the latter sector. It's attributed to the fact that the human resources who are currently working in Islamic banks don't meet the requirements of the jobs in those banks. Due to such conditions, there is a need for qualifying the human capital to enable them to meet the requirements of the jobs in those banks³¹.

²⁹ Fayad, Ateyeh Al-Sayed. A research on the mistakes and obstacles associated with working in Islamic banks. The proceedings of the Conference of the University of Sharjah, p. 607

³⁰ Zain Al-Abdeen, Mohammad Wafeeq. The obstacles associated with working at Islamic banking. Al-Bayan Journal. Issue No. 306. Sefer. 1434 AH, December, 2012 AD

³¹ Al-Murtan, Saeed. The regulations that govern the delivery of Islamic banking services at commercial banks: The experience of the National Commercial

Islamic banks are in need for³²:

-Human resources who are capable of attracting depositors. Such resources must have a good understanding for the relationship between those banks and depositors.

-Human resources who are capable of delivering banking services of high quality in a quick manner. Such resources must be capable of doing that in accordance with the required Shariah-based requirements

Having such human resources is affected by the quality of the curricula in educational institutions. It is affected by the quality of the training programs. Through education, one can acquire the required knowledge. Through training, one shall become capable of benefitting from the things he/she learnt. Through qualifying one, shall become capable of practicing a profession and implement his knowledge³³.

Employees in Islamic financial institutions and banks are in need for having human resources who are qualified in scientific and professional areas. There are differences between the employees in Islamic banks and the employees in commercial banks in terms of qualification. Such differences are shown below:

1)-The functions of the employees in commercial banks are limited to delivering banking services, managing Riba-based loans, examining the validity of guarantees and making credit analysis. Thus, the latter employees must be qualified for doing such functions

2)- The employees in Islamic banks must be qualified in the following manner:

a)- They must be developed in technical fields. For instance, they must be developed in a manner

that enables them to do the operations carried out by conventional banks, with avoiding Riba.

b)- They must be developed in the field of Shariah. For instance, they must have good understanding for the investment and funding models that comply with the provisions of shariah, such as: Ijarah, Murabaha, Mudarabeh, and Musharakeh. They must be developed in a manner that enables them to deliver Islamic banking efficiently³⁴.

The most significant methods for developing human resources in Islamic banks are listed below:

1)- Curricula: The relevant curricula in universities and training centers must provide the human resources in Islamic banks with the knowledge they need about the fundamentals of the Shariah, banking and financial fields. They must instil the Islamic banking-related ethics within those human resources. University curricula and syllabi must qualify students in a manner that enables them to work in Islamic banks and financial institutions. That shall spare the management of Islamic banks and financial institutions to recruit the ones who have only experience in commercial banks.

-Training programs and professional diploma: They play a significant role in qualifying human resources in a manner that enables them to work in Islamic banks³⁵.

The most important goals of training and development courses that should be provided to the ones working in Islamic banks are represented in the following ones:

³⁴ A study submitted to the fifth conference held by Shariah bodies of Islamic financial institutions. This conference was held on 17-18, Shawal, 1426 AH (19-20, November, 2005). It's titled (The means used for fully qualifying the employees at Islamic financial institutions and the role of Shariah bodies and institutions in providing those employees with training on Shariah). Dar Al-Murajah Al-Shar'eye. p. 7

³⁵ Al-Bultaji, Mohammad. A research presented at the second Islamic financial Conference at Libya, 27-28 April, 2010. This conference is titled: (The development of human resources at the Islamic financial institutions). p. 17

Bank in Saudi Arabia. The publications of the advisory committee for the affairs related to compliance with the provisions of Shariah, p. 39

³² Gharbi Abed Al-Haleem. Human resources in Islamic banks: Theory and practice. Al-Baheth Journal. Issue No. 2008, p . 50

³³ Abu Ghada, Abed Al-Sattar. Research on banking methods and transactions. part No. 6, Dalet Al-Barakeh Group, 1426 AH/2005 AD, P. 316

1)- Such courses aim at identifying the major and minor differences between the commercial banking operations and the Islamic banking operations

2)- Such courses aim at developing the skills of the employees working in Islamic banks. They aim at enabling those employees to carry out transactions in Islamic banks in a manner that complies with the provisions of Shariah.

3)- Such courses aim at providing the participants with knowledge about the differences between the funding models in Islamic banks and the funding models of commercial banks. The funding models of Islamic banks may include: Mudarabah, and Murabaha

4)- Such courses aim at developing the ability of the employees in Islamic banks to deliver the Islamic banking services. They aim at providing those employees with knowledge about halal and haram transactions and services

5)- Such courses aim at providing the employees in Islamic banks with knowledge about the codes of ethics of those banks. They aim at encouraging those employees to comply with such codes. Such codes identify the principles that govern the behaviours of those employees. Complying with the code of ethics shall make the behaviours of those employees accepted in Shariah and professional areas³⁶.

-Conferences and symposiums: They contribute to promoting knowledge about the latest updates related to Islamic banking. They present the latest studies related to Islamic banking. Such studies expand the knowledge of the employees in Islamic banks. That shall improve the quality of

the services provided for the customers of those banks³⁷.

Conclusion

The researcher recommends:

1)-Human capital is the most significant element of the production elements. It contributes to achieving development

2)- Education contributes to developing and qualifying human capital

3)- Providing the human capital at Islamic banks with the latest updates in scientific, technical and Shariah areas. That shall develop the human capital in those banks and improve their performance

4)- Providing the human capital at Islamic banks with the latest updates in scientific, technical and shariah areas shall enable those banks to meet their goals

Based on the aforementioned results, the researcher recommends:

1)-Providing more attention to investment in the human capital in the Islamic banking sector

2)- Providing the human capital in the Islamic banking sector with more expertise related to the Islamic banking practices. That should be done to eliminate the gap existing between theoretical and practical aspects

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³⁶ A study submitted to the fifth conference held by Shariah bodies of Islamic financial institutions. This conference was held on 17-18, Shawal, 1426 AH (19-20, November, 2005). It's titled (The means used for fully qualifying the employees at Islamic financial institutions and the role of Shariah bodies and institutions in providing those employees with training on Shariah). Dar Al-Murajah Al-Shar'eye. p. 11

³⁷ Al-Bultaji, Mohammad. A research presented at the second Islamic financial Conference at Libya, 27-28 April, 2010. This conference is titled: (The development of human resources at the Islamic financial institutions). p. 17

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