



RESEARCH ARTICLE

COMPETENCY REQUIREMENTS FOR ISLAMIC LEGACY PLANNERS IN MALAYSIA IN THE EVENT OF POST COVID-19 CRISIS

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Abstract

The coronavirus (Covid-19) pandemic is causing unprecedented disruption to industries around the world and continues to be a worldwide threat. With remote work, managing professional boundaries can be burdensome. Industry practitioners, including legacy planners, have continued working from home during the Covid-19 crisis. This paper aims to identify the new competency requirements of Islamic legacy planners in the event of a post-COVID-19 pandemic crisis in Malaysia. A thematic analysis using a multiple-case study through the interview was used amongst the representative of full-fledged Islamic trust companies in Malaysia on what constitutes as a required competency for Islamic legacy planners. Comparative analysis between the interviewees does not show much difference regarding their choice of competency element except for the knowledge in technology. The results of this study have practical contributions to the regulatory bodies, academicians and professionals. The study would contribute to the practitioners as a guideline in recruiting their Islamic legacy planners and for succession planning purposes.

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Introduction: -

Islamic finance in Malaysia is ready to become a hub based on the strengths of its wide-ranging and due to the increase in request for Islamic finance, the need for Islamic legacy planning also increases. According to Shafii et al. (2016), Malaysia has become more vibrant with a diverse set of industry players and Islamic legacy planning has been regarded as one of the subsets of Islamic finance and deemed important in the life of a Muslim.

The coronavirus (Covid-19) pandemic is causing unprecedented disruption to industries around the world and continues to be a worldwide threat. The majority of industries in Malaysia have responded to the Covid-19 outbreak in line with the World Health Organisation (WHO) and Kementerian Kesihatan Malaysia (KKM) recommendations, mandating their employees to work from home (WFH). Industry practitioners, including legacy planners, have continued working from home during the Covid-19 crisis.

With remote work, managing professional boundaries can be burdensome. Legacy planners providing Islamic legacy planning solutions that have relevant knowledge are needed to serve better the clients during the crisis. Islamic legacy planners require a different set of knowledge to become competent in performing their responsibilities efficiently.

Nevertheless, shortage of competent Islamic legacy planners is one of the challenges experienced by the full-fledged Islamic trust companies in Malaysia.

Legacy planning, to simply put, involves one's plans during lifetime and on how to distribute the estate upon death. Services provided by Islamic legacy planning is similar to services from other professionals in financial planning (Jamaluddin, 2013). It is considered praiseworthy to provide Islamic legacy planning services as it helps the Muslims to be more conscious of their responsibilities in maintaining harmony in the family.

Based on a religious perspective, the choice is given to a Muslim whether to manage their legacy during lifetime or to solely rely on faraid for the estate distribution. There are important reasons Muslims still need to manage their legacy to avoid hardship to their beneficiaries. Various tools and means in Islamic legacy planning can help to personalise wealth distribution to ensure the wishes are fulfilled (Chuan, 2016).

Islamic legacy planning is an industry, which is rapidly growing in Malaysia and are attracting more players. Nevertheless, legacy planning is not extensively practiced even though it is an important element in financial strategy (Wahab et al., 2017). The increase of awareness for Islamic legacy planning encourages the need to have a robust competency framework for the legacy planners to support this emerging industry in Malaysia similar to other sectors such as takaful. While conventional legacy planning has gained trust from the general public, there is still room for expansion for the Islamic legacy planning.

The industry evolved promisingly since then and as at 2019 and with respects to the full-fledged Islamic trust companies in Malaysia, the industry witnessed the establishment of as-Salihin Trustee Berhad or as-Salihin in 2004 as the first full-fledged Islamic trustee company in Malaysia which focus on Islamic legacy planning.

Table 1.2 below listed the establishment of the full-fledged Islamic trust companies in Malaysia in chronological order:

Table 1.1:- The Full-Fledged Islamic Trust Companies in Malaysia.

No	Trustee	Year
1	as-Salihin Trustee Berhad	2004
2	MyAngkasa Amanah Berhad	2014
3	Wasiyyah Shoppe Berhad	2018
4	Amanah Warisan Berhad	2018

Competency Requirements for Islamic Legacy Planners In the Event of Post Covid-19 Crisis

Muslims need legacy planning as much as, if not more than, non-Muslims. Most of the process in legacy planning for Muslims or non-Muslims are similar. The differences are minimal (Alma'amun, 2010). It was also stated that leaving a will is important in the current world and thus legacy planning that goes beyond provision of faraid is significant. Stress created due to unanticipated life occurrences maybe alleviated and better managed if a proper legacy planning is in place (Palmer et al., 2006).

Islamic legacy planning should be founded on fundamental objectives in Shariah (Maqasid Shariah), namely; necessities (*dharuriyyat*), needs (*hajiyyat*) and embellishments (*tahsinniyyat*) (Deuraseh, 2012). From the necessities, it should be preserving on five obligations such as religion (*din*), life (*nafs*), intellect ('*aql*) progeny (*nasl*) and wealth (*mal*). Therefore, all full-fledged Islamic trust companies should have a Shariah Advisory Board to validate that the legacy planning solutions conform to the Maqasid Shariah (Othman & Fisol, 2018).

Muslims are advised to take their legacy planning seriously and discuss with legacy planners as each person is unique thus requiring varying methods (Jamaluddin, 2013). The appointment of a trusted individual or organisation is one of the steps to be considered in planning the legacy.

Therefore, Islamic legacy planners must be competent and have skills to use a variety of techniques. To live up to customers' expectation, it is important for an Islamic legacy planner to be competent. Azmi & Mohammad (2011) highlighted that, despite the importance of legacy planning within the Muslim clients, there is always an unresolved issue in ensuring the Islamic legacy planners stays competent. Hui (2013) mentioned on the lack of knowledge of how

to teach and coach experienced legacy planners who are skilled and possess the necessary knowledge and know-how attributes within the industry.

Every Islamic legacy planner needs to have a comprehensive knowledge not only about the product but the relevant legislation that exists in this field. Besides, without the necessary skills, the information and knowledge of this legacy planning cannot be conveyed entirely. Without ethical values and other attributes will also contribute to the issues of incompetence Islamic legacy planners. As such, it will affect the dissemination of information on the administration and distribution process and procedures of Muslim legacy in Malaysia.

The lack of studies that are specific in determining the competency of Islamic legacy planners in Malaysia is an issue. This is significant, as planners who are competent will guarantee the sustainability of the industry (Mustafa & Che, 2013). Legacy planning for Muslims in Malaysia is sophisticated and involve a complicated process for dynamic solutions and requires a competent person to provide the client with the expected services. Competent planners are important to produce a good and dynamic solution as expected by the client, the planners will have to go through a complex process.

In many ways, finding possible issues of competency of Islamic legacy planners in Malaysia is like solving a jigsaw puzzle; not only do the pieces have to fit, they need to be structured to create a complete picture. The market will lose confidence in the industry due to laidback attitude of legacy planners in dealing with competency issues. Although there are many ways for industry to consider in solving the issues, only the most effective method will contribute in upscaling the profession to the highest professional level which similar to tax consultants, investment managers and takaful agents.

A competent legacy planner who are skilled and knowledgeable, will study the client, clients' family and needs thoroughly (Schnaubelt, 2019) and able to prepare a plan that adequately addresses and fulfils the clients' goals. This will enable them to prepare the clients' plan that fulfils the clients' expectation. The lack of knowledge among the current Islamic legacy planners could be the reasons behind these situations, and they are interrelated as well. These problems may enhance when the legacy planners do not have adequate knowledge.

The level of competency of legacy planners is not standardised and there is no effort to establish a standardisation. A study by Majlis Agama Islam Selangor (MAIS) revealed that majority of the legacy planners involved in the Islamic legacy planning industry have no specific qualifications (Shahid, 2002) except passing the customised assessment imposed by some of the full-fledged Islamic trust companies.

The failure of Islamic legacy planners to provide knowledge and information on solutions to problems regarding legacy planning has result in the confusion among the public (Aziz, 2018). One aspect in disseminating right knowledge and information to the community is the need to have competent human capital and competency need information and skills, which is the result of education, training and related experiences.

There is still untapped information on what skills, knowledge, abilities and others or also called KSAOs that lead to competent Islamic legacy planners as there is limited exposure to the Islamic legacy planning literature. KSAOs is a competency model of the individual and it describes the skills and qualities needed for a particular position in an organisation as detailed by Stahl et al. (2019). Oxford University Press (2019) highlighted that KSAOs needed for a specific job would be identified by a formal process of job analysis and itemised in a personnel specification.

There are two major categories of KSAOs namely technical and behavioural. Knowledge in accounting, database or information technology and other hard skills are considered as technical KSAOs. Communication skills, problem solving, and other soft skills are in the category of behavioural KSAOs. Technical and behavioural KSAOs are important for Islamic legacy planners in Islamic legacy planning industry.

Information acquired through formal or informal learning process is referred to as knowledge in the context of KSAOs. Information, which are generally facts of the matter are essential for successful performance. When someone applies knowledge to solve a problem then it is termed as skill. Skills are usually a competency which is a combination of knowledge and technical know-how; for example, knowing when to use a particular instrument or tool (Hoffman et al., 2010).

Skills are usually acquired by training. Repeating a particular task will improve the relevant skill. Abilities are enduring capacities that facilitate learning and successful task performance. When compared to skills, abilities tend to be more innate. Other than abilities, a few characteristics that are relevant to increase successful job performance may include attitude, interest and values (Hoffman et al., 2010).

Technology as An Emergent Requirement for Islamic Legacy Planners

Despite only a fragment of business and field will encounter poor expertise, companies still fight for candidates (Miryal, 2015). For instance, customer service, clinical and computer supports, 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 their approach for competency at its best to leverage their 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.

The well-informed millennials call for a wide selection of economical and practical financial planning offerings whether online or through 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 technology-enabled financial solutions. 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, 2019).

The surge of innovative digital technologies needs to be harnessed by 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, 2019). According to Ludwig (2018), robo-advisor is an automated platform running with computer algorithm functioning to manage asset in investment. Extensively, a robo advisor might as well incorporates 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.

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 method of procedures that make it easy to communicate and transfer (McCall et al., 2008; Smith, 2001; Teerajetgul & Chareonngam, 2008).

The clients need to have confidence that planners are intact with current financial planning landscape and up to date with current financial technology (fintech), diversity of investment selections as well as other latest solutions to be considered. Some of the planners are not capable of recommending a sound financial plan. Hence, lack of continued education will hamper the competency and independent of the planners.

Methodology:-

The main purpose of this research is to have an in- sight into 'additional knowledge' as an element of competency for Islamic legacy planners. To achieve this, a multiple-case study has been performed through in-depth interviews session. Four full-fledged Islamic trust companies approved through multi-communication channels before the interview session been conducted. Details of the respondents are in the table below.

Table 1.2:- Respondents for The Study.

No	Trustee Company	Designation
1	as-Salihin Trustee Berhad	Chief Marketing Officer
2	MyAngkasa Amanah Berhad	General Manager
3	Wasiyyah Shoppe Berhad	Chairman, Technical Committee
4	Amanah Warisan Berhad	Chief Executive Officer

In this study, participants are selected based on purposive sampling. The small sample size of respondents is considered normal in a qualitative study as they are selected based on the criteria that they would provide insights and useful information of the phenomenon under investigation. The respondents are purposely selected because they are the actual individuals involved in the subject matter of the study. Since all the interview sessions are conducted using the same interview questions, hence, all the responses are analysed together using the thematic analysis method that focuses on coding.

Results:-

In brief, all companies have their internal procedure when recruiting legacy planners. Based on the interviews, the companies will conduct the filtering processes before one is appointed as their legacy planners. The findings are similar to Gusdorf (2009) when she mentioned the need for employers in conducting careful consideration when hiring new employees. Interviewees acknowledge the role of knowledge for creating a companies' dynamic capabilities as suggested by Burke & Cooper (2006). The companies incorporated necessary training structures as a critical component to managing the flow of their legacy planners' knowledge to serve the companies better.

The interviewees emphasised on the knowledge in technology as additional requirement for the newly appointed legacy planners. According to Chang & Chang (2018), knowledgeable workers or employees would create a competitive edge for the companies and utilise information and knowledge to work. Although considered as one of the lowest things on the priority list of most companies as suggested by Copra (2015), from the interviews, most companies regard knowledge of the new appointees are essential. Additionally, technology-savvy is also the additional characteristics to contribute to the advancement of the industry.

A glance shows that the highest concentration goes to product knowledge, knowledge of legacy planning and mastering *fiqh mawarith*. The legacy planners also need to know the basics of Islamic financial planning. This research does not suggest that 'knowledge' is the only important component of competency. Other elements of competency such skills, abilities and other characteristics also need to be considered.

Hence, the newly appointed legacy planners will gain access to the experts and experienced legacy planners that allow them to transcend the industry boundaries within the companies through training. Burke & Cooper (2006) also supported that a good training structure will enhance the knowledge of the employees in meeting the industry expectations.

The proposed knowledge for Islamic legacy planners based on the findings is depicted in Table 1.3. below:

Areas of Competency	Company 1 (C1)	Company 2 (C2)	Company 3 (C3)	Company 4 (C4)
Shariah (<i>Fiqh Mawarith</i>)	/	/	/	/
Islamic financial planning	/	/	/	/
Law and regulations	/	/	/	/
Products	/	/	/	/
Mathematics	/	/	/	/
Technology	/	/	/	/

Concisely, the interviewees agreed that a competent legacy planner must be knowledgeable. The knowledge is beyond their understanding of products. They also need to be fluence of all processes related to legacy planning and to comply with the Shariah within the planning process. With the knowledge, the legacy planners are expected to provide accurate advice with the various clients. As for the analysis across the four companies, none of the interviewees disregards the importance of knowing Shariah (*Fiqh Mawarith*), law and regulations as well as products.

Moving forward, in verifying the wasiyyah documents in the Shariah court could be done through digital verifier and documents relating to Islamic legacy planning are kept in the blockchain. The technical knowledge of the industry here can be interpreted as the most crucial areas to the legacy planners within the full-fledged Islamic trust companies.

Conclusion:-

This Covid-19 pandemic that we are facing has been the greatest catalyst for digital transformation with all industries now accelerating adoption of these future work practices that have been discussed for years. This change will lead to interesting insights in how the Islamic legacy planning will reshape its approaches.

The knowledge components are to mould a competent legacy planner. The knowledge competency needs to be the first criterion in the selection process.

The first knowledge concerning the legacy planners would be the acquired knowledge of the candidates, i.e. their qualifications. Analysing the current practice of four full-fledged Islamic trust companies under this research, one of the criteria for current planners is the technology since the technology that contributes to the advancement of the industry and the knowledge could be attained by attending the mandatory induction course to beef up to the latest information relating to the Islamic legacy planning matters.

The commendable effort must continuously be performed to ensure the legacy planners could perform up to the expected standard. A framework of competency for legacy planners would develop a competent professional to receive the Hereafter reward and safeguard the public interest but most importantly upheld the professionalism of the industry.

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