

The Mediating Role of Shari'ah Exposure to Islamic Finance Graduates in the Relationship between Employability Skills and Islamic Banks Performance

Afia Mushtaq¹, Talat Hussain², Muhammad Mahmood Shah khan³

1. *Ph.D. Scholar (Islamic Banking and Finance), Assistant Professor, School of Professional Advancement, University of Management and Technology, Lahore, Pakistan.*
2. *Associate Professor, Dr Hasan Murad School of Management, University of Management and Technology, Lahore, Pakistan.*
3. *Assistant Professor, Dr Hasan Murad School of Management, University of Management and Technology, Lahore, Pakistan.*

*Corresponding author: afia.mushtaq@umt.edu.pk

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Abstract: The current study examines the impact of employability skills on the Islamic bank's performance. The study also investigates how Islamic finance graduates Shari'ah's exposure mediates the relationship between employability skills and the Islamic bank's performance in Pakistan. An empirical primary data-based study is conducted through a survey-based questionnaire to collect data from 394 Islamic bankers belonging to five full-fledged Islamic banks and six conventional banks with more than 100 Islamic branches in Pakistan. The empirical findings show that Islamic finance graduates' Shari'ah exposure is a significant factor in enhancing the performance of the Islamic banking sector of Pakistan besides employability skills and subject knowledge. The skilled Islamic finance graduates are the need of a significantly growing Islamic Banking and Finance industry. The current changing business environment emphasizes education, focusing on developing employability skills and acquiring subject-specific knowledge and Shari'ah exposure. The bank's management, academicians, decision-makers, and policymakers try to optimize the graduate skills through educational programs and by providing employability skills to increase the performance of the Islamic banking stream, so that true talent came into the IBF industry from the academia to cope the challenges that IBF industry in Pakistan and across the globe is currently facing.

Keywords: Islamic finance graduates, Employability skills, Intrapreneurship, Organizational performance, Islamic banks, Pakistan.

Introduction

The growing competition among businesses shows that organizational performance is determined primarily by employees' knowledge, skills, and abilities (Breugh & Starke, 2000). Human

resources (HR), these days, are the tangible assets of an organization as they are the ones that can enhance an organization's economic value and operational success (Riordan, Vanderberg & Richardson, 2005) and facilitate in achieving the organizational goals (Gberevbie, 2010). However, the dynamic job market demographics and progressive technological changes have increased employees' trend to change employers over the last decade, resulting in leading organizations being left short of experience and talent (Singh, Thambusamy & Ramly, 2014). Besides, there is also a skill shortage in the global labor market, and it isn't easy to get the right person with the right skill and attitude for a job (Katoen & Macioschek, 2007).

Presently, organizations face a substantial challenge in recruiting and retaining skilled and talented HR. Organizations needed to offer something attractive to keep the current employees happy and attract future employees (Gurtheridge, Komm & Lawson, 2008). Islamic banking and finance (IBF) sector, due to the Shari'ah-compliant operational processes and the financial regulations, has a complex operating environment that creates workforce challenges in terms of having the right people in the right job (Kormanik et al., 2014). Human capital is one of the significant factors that stall the sector's growth because of vigorous educational curriculums, absenteeism, lack of encouragement, standard operating requirements to enter the industry, and unrealistic expectations (Rethel & Thurbon, 2020). Therefore, there is a need for high-skilled human capital to support IBF sector growth within Pakistan.

Employers often overlook a specific set of job-seekers skills that match the skills necessary to perform a particular job (Lazarus, 2013). For instance, employers demand financial skills for an accountant, Shari'ah exposure and knowledge for Shari'ah auditor, analytical and problem-solving skills for a risk manager's position. However, employers nearly universally seek specific skills beyond these job-specific skills (Hansen & Hansen, 2010); thereby, higher education institutes (HEIs) need to prepare graduates that meet the required skills for employability that might vary from industry to industry needs. Belt, Drake, and Chapman (2010) defined 'employability' as an individual ability to sustain and secure employment within the workplace. According to Shafie and Nayan (2010), these are the skills necessary for acquiring, keeping, and performing well on a job. It includes personal personality traits (managing resources, teamwork, negotiation skills, etc.), organizational skills (thinking creatively, Intrapreneurship, reasoning, learning, problem-solving, decision making), academic skills (reading, writing, listening), and formally learned knowledge (Atfield & Purcell, 2012).

Robinson (2006) argued that there is a great demand for individuals who possess general employability, subject-specific knowledge, and specialized technical skills. The Stanford Research Institute and Carnegie Mellon Foundation study involving Fortune 500 CEOs found that 75 percent of long-term job success depended upon people's soft skills and only 25 percent on technical knowledge (Robles, 2012). The empirical literature established the linkage between the most sought-after skills by employers and the skills that are most useful for graduates in different disciplines (say, [Fajaryati & Akhyar, 2020](#); [Goodwin et al., 2019](#); [Khan, Subramaniam & Parvin, 2018](#); [Fletcher, Sharif & Haw, 2017](#); [Singh et al., 2014](#); [Kayadibi, 2010](#)). However, limited

research focuses on the relationship between employability skills and organization performance (Abas-Mastura, Imam & Osman, 2013; Pool & Sewell, 2007; McQuaid & Lindsay, 2005), specifically in the Islamic banking sector (Khan, Alheety & Bardai, 2020).

Besides, employee knowledge and Intrapreneurship are the key factors that affect an organization's success and performance (Antoncic, 2007). Molina and Callahan (2009) highlighted that such factors help spread organizational learning as intrapreneurs challenge the traditional paradigms through intelligent use of their knowledge and resources to improve organizational performance. Considering the complexity and cost of internationalization, the success of Intrapreneurship can significantly influence organizational performance (Dess et al., 2003). Intrapreneurship is essential for organizational performance since innovations improve processes, techniques, and domestic and international ventures (Chen, Zhu, & Anquan, 2005). Zahra, Nielsen, and Bonger (2000) and Antoncic (2007) suggested that organizational performance may serve as the most crucial outcome of Intrapreneurship.

Nevertheless, Islamic financial institutions (IFIs) rely on a Shari'ah committee specializing in Shari'ah jurisprudence to ensure that financial instruments are asset-backed rather than interest-bearing (Masruki, Hanefah & Dhar, 2020). As a dynamic capability, Islamic financial skills categorizes into two knowledge workers types that are part of their organization's intangible asset (Brodeur & Dupont, 2006). The first type of knowledge workers consists of educated professionals in Islamic economics/finance or have gained experience working in the Islamic financial industry. The second comprises Shari'ah scholars and advisors. Shari'ah advisors are a distinct group of knowledgeable specialists who usually hold a college degree in Islamic Studies or Islamic jurisprudence and law. Thus, it is apparent that an employee who has gained Shari'ah exposure acts as a mediating construct in the relationship between employability skills, Intrapreneurship, and organizational performance.

There is a growing demand for highly skilled graduates who can effectively bring a change in their field (Dhir, 2019). However, Alpay and Jones (2012) suggested that the graduates must be self-equipped with generic skills to perform skillfully and professionally. In addition, the graduates must be skilled enough to act as good employers with improved abilities for business, better communication skills, and more professional skills (Vyas & Chauhan, 2013). Therefore, this research investigates the impact of various employability skills and Intrapreneurship on the performance of Islamic banks to fill the research gap based on employers' perspectives. The study also examines how Shari'ah exposure mediates the relationship between employability skills and organizational performance in the Islamic banking domain.

Problem Statement

Several forces of change faced by the IBF sector can affect the overall Islamic banking system, such as (a) intense competition due to the emergence of other traditional players in the Islamic banking arising from liberalization and financial globalization, (b) development of financial markets contributing towards stiff competition, (c) rise in technological progression to structure the micro-

business aspects, (d) a well-educated and knowledgeable new generation of customers who demands innovative and superior products and services, and (e) an increase in the employers demand graduates skills and expertise to match the dynamic market needs. The IBF sector assumes that bankers and graduates must have Shari'ah-compliant banking processes sufficient knowledge and exposure besides acquiring employability skills (Masruki et al., 2020). Considering that, Islamic financial professionals need to have the necessary employability skills as there are market requirements for the jobs in the IBF sector (Bontis & Fitz-enz, 2002). This study makes a unique attempt to fill the research gap between employability factors and their effect on organizational performance. The study also investigates how Shari'ah exposure mediates the relationship between associated employability skills and organizational performance.

Research Questions

The study addresses the following research questions:

1. Do employability skills affects the performance of Islamic banks?
2. Does Intrapreneurship affect the performance of Islamic banks?
3. Does Shari'ah exposure affect the performance of Islamic banks?
4. Is the relationship between employability skills and Intrapreneurship with the performance of Islamic banks mediated by the Shari'ah exposure?

Significance of the Study

Human capital has been becoming one of the strategic issues of the IBF sector in Pakistan. Pakistan is affected by several challenges in human capital. The quality of the human capital talent pool is a vital factor for national development and the Islamic banking sector's performance. Besides, it is also the key to attracting investment opportunities. There is a need for the Pakistani government to review and reinvent the educational structure, although improvements are needed to deliver on the national vision (Akhtar & Kalsoom, 2012). Therefore, for the operational effectiveness of Islamic banks, it is imperative to have capable human capital that has knowledge and expertise related to their job as per Shari'ah aspects.

Earlier scholarly work has ascertained that HR can create value to achieve organizational goals (Malhotra, 2003). This evidence further strengthens that employability skills and formal education are related and needed to enhance the organization's production capacity (Babalola, 2003). This research helps provide a framework for scrutinizing the linkage between employability skills to Shari'ah exposure to organizational performance. Additionally, this research proves that a loftier workforce with enriched knowledge and exposure makes a difference in an organization's competitive advantage. The performance of Islamic banks is based on their employees, unlike the technology-based organizations. Therefore, this study help provides guidelines to the IBF sector to improve their performance based on their employees.

Literature Review

Employability Skills and Organizational Performance

A graduate degree is no longer an employability guarantee in today's competitive world (Fallows & Steven, 2000). The graduate's mastery of content areas solely does not respond to employer requirements; instead, they require employability or soft skills to enrich their job openings (Cox & King, 2006; Warn & Tranter, 2001). The organizations generally favor a graduate with a wide range of employability skills besides their study and job-specific skills (Munro, 2007). Employability skills are a combination of personal attributes and transferable skills vital for effective organizational performance and highly valued by employers (Griffin & Annulis, 2013). Unlike technical or professional skills, these skills are generic and are communal to all work roles across all industry types (Kazilan, Hamzah & Bakar, 2009). Organizations need knowledgeable and skilled HR (or graduates) to cater, familiarize and adapt to dynamic, vibrant technological and economic changes (Brynjolfsson & McAfee, 2011). The organizations think that graduates lack employability skills due to the non-productive skills development at the university level (Brown, Hesketh & Williams, 2004). In addition, they believe that most graduates are not yet ready to face the challenges and complexities of the world of work. Such unpreparedness leads to an apparent insufficiency of skills in the work settings (Tyman, 2013). Therefore employers always look for the best-skilled graduates who show their academic and employability skills to reflect on various positions (Miller, Biggart & Newton, 2013; Ullah & Malik, 2020).

The employability skills consist of basic skills, thinking skills, resource skills, information skills, interpersonal skills, system and technology skills, and personal qualities (Khan et al., 2020). Previous researches suggested that the highest-ranking employability skills from an employer perspective - communication skills (McMurray et al., 2016; Rasul et al., 2012; Ismail, Yussof & Sieng, 2011; Awang & Mohamed, 2008; Morley & Aynsley, 2007; Hesketh, 2000), social skills (McMurray et al., 2016; Adebakin, Ajadi & Subair, 2015; Islam et al., 2013; Jackling & De Lange 2009), and interpersonal skills (Collet, Hine & Du Plessis, 2015; Husain et al., 2010), as well as analytical thinking skills (Andrews & Higson, 2008), problem-solving skills (Hesketh, 2000), self-management skills (Hesketh, 2000), numeracy skills (McMurray et al., 2016), writing skills (Thomas, 2003), data analysis skills (Hellier et al., 2004), and technical skills (Adebakin et al., 2015; Andrews & Higson, 2008; Nawab et al., 2021).

In the 21st century, graduates need decision-making, analytic and problem solving, communication, time management, risk-taking, social or networking skills to be employable (Lynch, 2000; Slusher et al., 2010). Kelly (2007) has identified that employability skills such as communication, social, technical, analytical, problem-solving, and improving your learning make an individual flexible, adaptable, and mobile in the labor market, thus positively influencing organizational performance. Zack and Street (2007) examined the influence of knowledge on firm performance. They found that firms can obtain a competitive advantage through employees' knowledge rather than what they produce or what they have. The authors also determined that knowledge has a significant impact on the strategic value and performance of the firm.

In the IFIs context, Loimeier (2009) argued that social skills allow shared cognition and affect the organizational innovation process, given that interpersonal interactions and communication level for conceiving, developing, and approving the financial product or service Shari'ah committee. Whitelaw et al. (2009) concluded that industry highlights the more significant role of interpersonal skills, social skills, and frontline supervisory skills that affect organizational performance and reputation. Spowart (2011) argued that soft skills, communication skills, interpersonal skills, and customer service impact the firm's performance. Husain et al. (2014) proposed an employability model based on problem-solving and critical thinking skills, management skills, communication skills, teamwork skills, technical skills, entrepreneurship, leadership, ethics and morals, social skills, and spirituality constructs. They found that those technical and generic skills are essential for employees to enhance organizational performance.

In the context of Pakistan, Khan et al. (2020) conducted a study to examine the relationship between human capital skills (conceptual clearance, employability skills, experience and exposure, knowledge) and corporate performance. The study takes data from the five full-fledged Islamic banks and six standalone Islamic banking branches of traditional banks having more than 50 branches. By utilizing the Structural Equation Modelling (SEM) technique, the study found that human capital skills have a positive and statistically significant influence on the performance of Islamic banks in Pakistan. They further emphasized a need to apply research and development and robust learning by business organizations to invest in their HR. Based on the above discussion, the following research hypothesis is formulated:

H₁: Employability skills have a significant effect on the performance of Islamic banks.

Intrapreneurship and Organizational Performance

Intrapreneurship or corporate entrepreneurship is a concept used for entrepreneurial activities within the boundaries of the existing organization (Dunlap-Hinkler, Kotabe, & Mudambi, 2010). It involves employee initiatives to create something new (Volery & Schaper, 2007) by establishing and managing an enterprise based on research, development, innovation, and technology (Antoncic & Prodan, 2008). Empirical studies depict that organizational success and performance may serve as the most crucial outcome of Intrapreneurship (Antoncic, 2007). The formal and informal intrapreneur can improve organization performance by creating new knowledge that serves as a foundation for refreshing existing competencies or building new ones (Dess et al., 2003). Intrapreneurship is essential for organizational performance since innovations improve processes, techniques, and domestic and international ventures (Chen, Zhu, & Anquan, 2005). Intrapreneurship plays a positive role as the mechanism that links its antecedent influences to organizational performance (Yiu & Lau, 2008).

A study by Zahra et al. (2000) investigated the influence of Intrapreneurship on the performance of 231 US medium-size firms. Venturing and innovativeness have taken as two dimensions for Intrapreneurship. The profitability, growth, and shareholder wealth measures the firm's performance. They concluded that venturing influences growth, shareholder wealth, and

profitability negatively. However, innovativeness exhibit a significant positive relationship with the medium-size firm's performance. Antoncic and Hisrich (2001) also conducted a similar study to examine the relationship between Intrapreneurship and organizational performance of 51 US and 141 Slovenia firms. By utilizing the SEM approach, the study suggested a significant direct association between the Intrapreneurship and performance of Slovenia firms in terms of growth and profitability. Although, only found a positive relationship between Intrapreneurship and growth for US firms. In another study, Antoncic and Hisrich (2004) found that Intrapreneurship impacts the organizational performance of the 477 US companies

Jantunen et al. (2005) examined the association between Intrapreneurship and organizational performance of 217 Finland firms. Sales volume, market share, profitability, market access, and a firm's growth image takes as a proxy for performance. Innovativeness and risk-sharing took as a proxy for Intrapreneurship. The study contributed a positive and significant association between Intrapreneurship and organizational performance. Luo, Zhou, and Liu (2005) researched 218 firms in China and found that corporate entrepreneurship positively related to business performance. Hughes and Morgan (2007) explored the role of innovativeness, autonomy, proactiveness, and risk-taking on high-technology firms' performance. They found innovativeness and proactiveness positively related to business performance. However, risk-taking negatively affects business performance. Therefore, the research hypothesis is:

H₂: Intrapreneurship has a significant effect on the performance of Islamic banks.

Shari'ah Exposure and Organizational Performance

One major problem regarding the attainment of jobs by fresh graduates is the gap between the skillset and expected requirements from recruiters (Radermacher, Walia & Knudson, 2014). This scenario refrains the new graduates to take the initiative for their careers (Begel & Simon, 2008). The supposition can be settled by knowing industry experts' views via semi-structured interviews because they are experienced enough in dealing with the recruitment process and aware of the gap between the skill set of graduates and the actual requirement of graduates for a particular job (Haddad & Jurich, 2002). Berry Stolze and Xu (2018) collected the data from 1996-2012 from the US banking sector. They found that banks that recruit employees with Shari'ah knowledge enhance the performance and productivity of banks. Shad and Lai (2019) also found similar findings while conducting a study on the Malaysian banking sector from 2013-2017. Thus, the following research hypothesis is proposed:

H₃: Shari'ah exposure has a significant effect on the performance of Islamic banks.

The IFIs rely on a Shari'ah committee specializing in Shari'ah jurisprudence to ensure that financial instruments are asset-backed rather than interest-bearing (Masruki et al., 2020). These scholars and advisors determine if a financial instrument is Shari'ah-compliant and therefore permissible in the market. Many of these scholars are hired in-house by IFIs in Malaysia or external consultants in Bahrain. In Malaysia, failure to comply with Shari'ah law can result in a hefty fine under the 2013 Islamic Financial Services Act (IFSA). As a dynamic capability, Islamic financial skills are categorized into two knowledge workers types that are part of their organization's

intangible asset (Brodeur & Dupont, 2006). The first type of knowledge workers consists of educated professionals in Islamic economics/finance or have gained experience working in the Islamic financial industry. The second comprises Shari'ah scholars and advisors. Shari'ah advisors are a distinct group of knowledgeable specialists who usually hold a college degree in Islamic Studies or Islamic jurisprudence and law. Thus, it is apparent that an employee who has gained Shari'ah exposure acts as a mediating construct in the relationship between employability skills, Intrapreneurship, and organizational performance.

H₄: Expertise in Shari'ah law mediates the relationship between the employability skills and performance of Islamic banks.

Research Gap

The literature has established the linkage between the most sought-after skills by employers and the skills that are most useful for graduates in different disciplines (say, Kayadibi, 2010; Sermsuk et al., 2014; Singh et al., 2014; Fletcher et al., 2017; Ehizuelen, 2018; Munadi, Widodo & Jerusalem, 2018; Khan et al., 2018; Goodwin et al., 2019; Fajaryati & Akhyar, 2020). However, little research work emphasizes the relationship between employability skills and organizational performance (Abas-Mastura, Imam & Osman, 2013; Pool & Sewell, 2007; McQuaid & Lindsay, 2005), specifically in the Islamic banking sector (Khan et al., 2020; Adebakin et al., 2015; Cicekli, 2016). Moreover, previous studies explored the single-factor construct employability skills within the Islamic banking sector. Besides, Intrapreneurship is the critical element that affects an organization's success and performance (Antoncic, 2007). In addition, Shari'ah knowledge and exposure in the mindset of an individual is the crucial foundation for the operations of Islamic financial institutions that differ from the conventional banking system. Thus, this study examines these variables' role in the relationship between employability skills and organizational performance within the Pakistan Islamic banking sector.

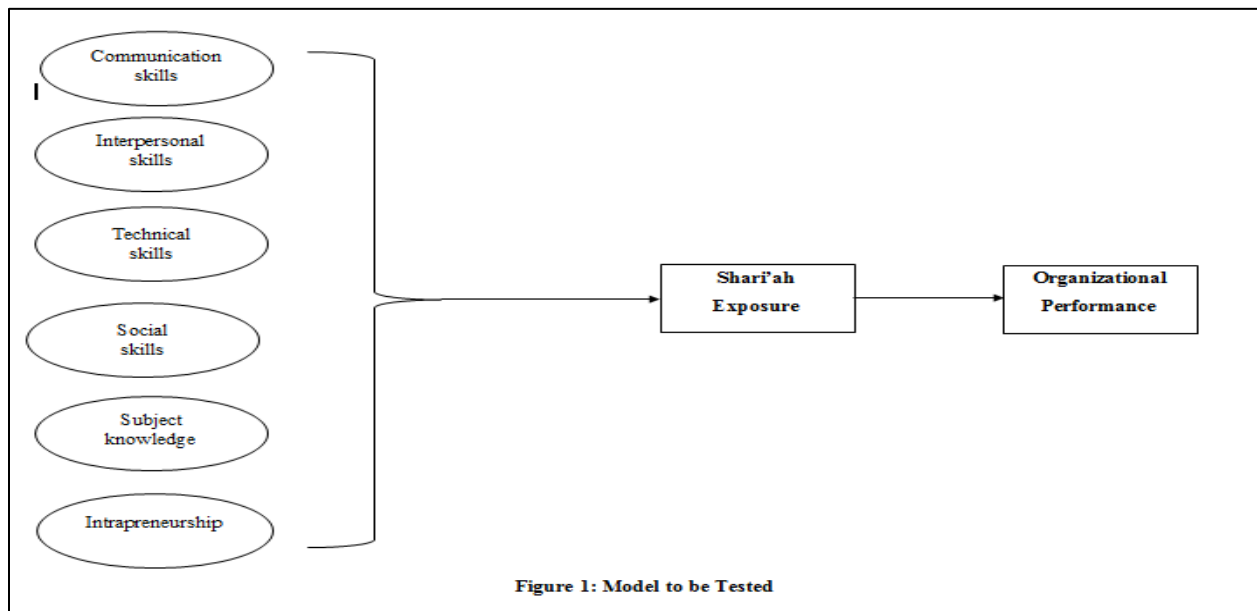


Figure 1: Model to be Tested

Research Methodology

The study employs a quantitative research approach to examine the structural relationships exploring the impact of employability skills on the performance of Islamic banks in Pakistan. The study also analyzes the mediating role of Shari'ah exposure in the relationship between employability skills and organizational performance. To collect the primary data, the study utilized a structured close-ended questionnaire. According to Kerlinger, Lee, and Bhanthumnavin (2000), it is the most suitable way to collect such data. The study selects the measurement items for the questionnaire that had reliability and validities verified from previous studies (Table 1), some of which were modified to fit the Islamic banking context. The questionnaire divides into two parts - Demographic information (part 1) and Islamic banker's view on employability skills, Shari'ah exposure, and organizational performance (part 2). The study has used a 7-point scale to indicate the respondent's degree of disagreement or agreement to the particular series of statements regarding employability skills, Shari'ah exposure, and organizational performance.

Table 1: Study Variables¹

Sr.	Variable	Source(s)
1	Communication skills (CS)	McMurray et al. (2016); Rasul et al. (2010); Morley & Aynsley (2007)
2	Interpersonal skills (IS)	Collet et al. (2015)
3	Technical skills (TS)	Adebakin et al. (2015); Andrews & Higson (2008)
4	Social skills (SS)	McMurray et al. (2016); Islam et al. (2013)
5	Subject knowledge (SK)	Khan et al. (2020)
6	Intrapreneurship (IN) ²	Antoncic & Hisrich (2004); Covin and Slevin (1991)
7	Organizational performance (OP)	Khan et al. (2020)

The study population comprises five full-fledged Islamic banks and 17 standalone Islamic banking branches of traditional banks in Pakistan. For the current study, a multi-phase sampling approach has been adopted. In the first phase, stratified sampling was employed. The four big business/banking hubs and the capital cities of the provinces of Pakistan were selected as strata (Table 2). Moreover, these four cities have the highest number of full-fledged Islamic banks' branches (State Bank of Pakistan [SBP], 2020). In the next phase, all Islamic banks and six standalone Islamic banking branches of traditional banks with above 100 branches as of December 31, 2020, were taken as a sample. Table 2 provides the classification of sample and response rate.

¹Shari'ah exposure (SE) construct developed after getting open ended responses from academia and industry experts via focus groups. The data was analyzed and sorted via content analysis using NVivo 11 qualitative data analysis software.

² This study utilizes Antoncic and Hisrich (2004) definition of Intrapreneurship by using the two dimensions - risk-sharing and innovativeness.

Table 2: Data Collection from Province and City Wise Branch Network

Province Names	Frequency	%	City Names	Frequency
Federal Capital	75	5.0	Islamabad	22
Sindh	522	34.8	Karachi	157
Punjab	787	52.4	Lahore	236
KPK	116	7.7	Peshawar	35
Total	1500	100.0	Total	450

Hair et al. (2010) suggest that sample size should be several times larger than multivariate studies' total number of variables. Therefore, the current study response rate was considered adequate, indicating that the sample size should be ten times higher than the number of the variables. Structural Equation Modelling (SEM) path modeling was used to test the established direct and mediating research hypothesis with the Smart PLS software. Other statistical tests include descriptive statistics, reliability analysis, and factor analysis.

Table 3: Sample and Response Rate

Full-Fledged Islamic Banks		Total No. of Br.	%	Sample	Response Rate
1	Al-Baraka Bank (Pakistan) Limited	181	11.3	30	26
2	BankIslami Pakistan Limited	227	14.2	38	33
3	Dubai Islamic Bank Pakistan Limited	210	13.2	35	31
4	Meezan Bank Limited	802	50.1	134	118
5	MCB Islamic Bank Limited	180	11.2	30	26
Total		1600	100.0	267	234
Conventional Banks (100+ Islamic Branches)		Total No. of Br.	%	Sample	Response Rate
6	Allied Bank Limited	117	10.7	20	17
7	Bank Al Habib Limited	102	9.3	17	15
8	Bank Alfalah Limited	171	15.7	29	25
9	Faysal Bank Limited	413	37.8	69	60
10	National Bank of Pakistan	189	17.3	32	28
11	United Bank Limited	100	9.1	16	14
Total		1092	100	183	160
Grand Total		2692		450	394

Operationalization of constructs comprises defining the variables used to represent constructs and how they are measured (Hair et al., 2010). Annexure 1 exhibit the operational definitions of constructs used in the study. The literature identified employability skills and collected information from 394 Islamic bankers, representing a response rate of 87.5%. Employability skills (taken as an independent variable) comprise communication skills, interpersonal skills, technical skills, social skills, subject knowledge, and

Intrapreneurship – and organizational performance taken as a dependent variable. Shari'ah exposure was taken as the mediating variable.

Initially, a pilot study does conduct on the 30 responses. The findings show that the Cronbach's alpha value for all constructs is above 0.7 (Table 4), depicting the questionnaire is reliable for further research. Moreover, ethical issues like the respondent's secrecy and confidentiality were also considered as Kent (2009) explains that moral values are crucial while piloting research.

Table 4: Reliability Analysis (Pilot Study)

Sr. #	Scale Name	Number of Items	Cronbach's Alpha
1	Communication skills (CS)	5	0.879
2	Interpersonal skills (IS)	7	0.837
3	Technical skills (TS)	5	0.856
4	Social skills (SS)	7	0.877
5	Subject knowledge (SK)	7	0.854
6	Intrapreneurship (IN)	8	0.831
7	Shari'ah exposure (SE)	5	0.828
8	Organizational performance (OP)	6	0.801

Results

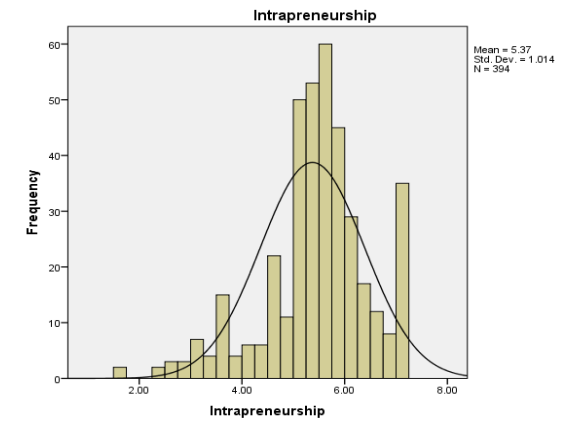
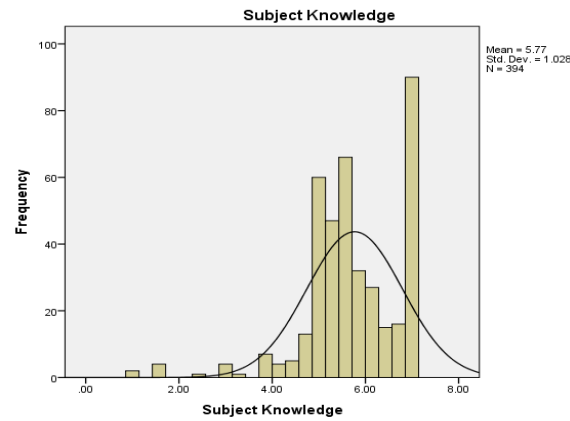
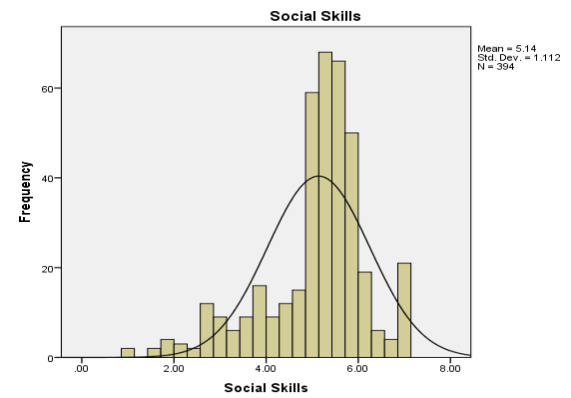
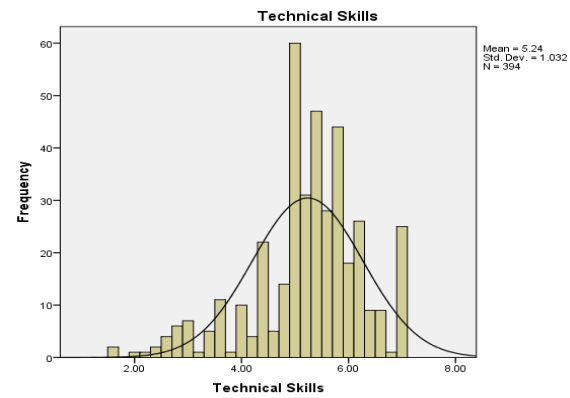
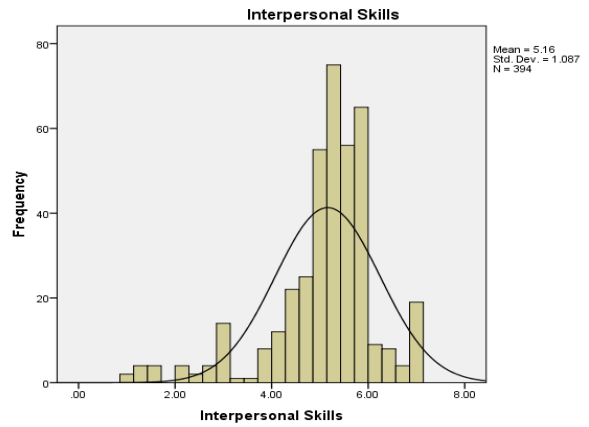
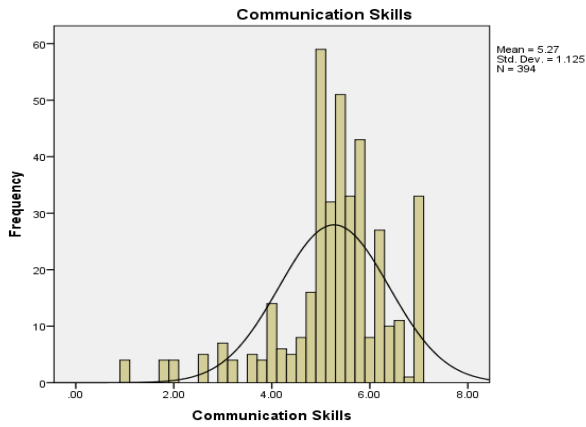
Descriptive Statistics

Descriptive statistics summarize the characteristics of the data set in this study. Table 5 shows organizational performance mean value is 5.49, communication skills is 5.27, interpersonal skills is 5.16, technical skills is 5.23, social skills is 5.14, subject knowledge is 5.76, Intrapreneurship is 5.37, and Shari'ah exposure is 5.64. According to Kim (2013), the skewness and kurtosis values should be equal or close to 0 for normally distributed data, and these values can be either positive, negative, or even undefined. Moreover, George and Mallery (2010) ascertain that if the skewness values lie between -1.96 to +1.96 and kurtosis values lie between -3.0 to +3.0 for the data to be bell-shaped or normally distributed, thus representing variables are normally distributed as the skewness and kurtosis values lie within the specified range.

Table 5: Descriptive Analysis

Variables	Mean	Std. Dev.	Skewness	Kurtosis
Communication skills (CS)	5.27	1.12	-1.19	2.41
Interpersonal skills (IS)	5.16	1.08	-1.37	2.68
Technical skills (TS)	5.23	1.03	-0.82	1.02
Social skills (SS)	5.14	1.11	-1.09	1.42
Subject knowledge (SK)	5.76	1.02	-1.25	2.59
Intrapreneurship (IN)	5.37	1.01	-0.782	1.11
Shari'ah Exposure (SE)	5.64	1.02	-1.29	2.92
Organizational performance (OP)	5.49	0.96	-1.15	2.12

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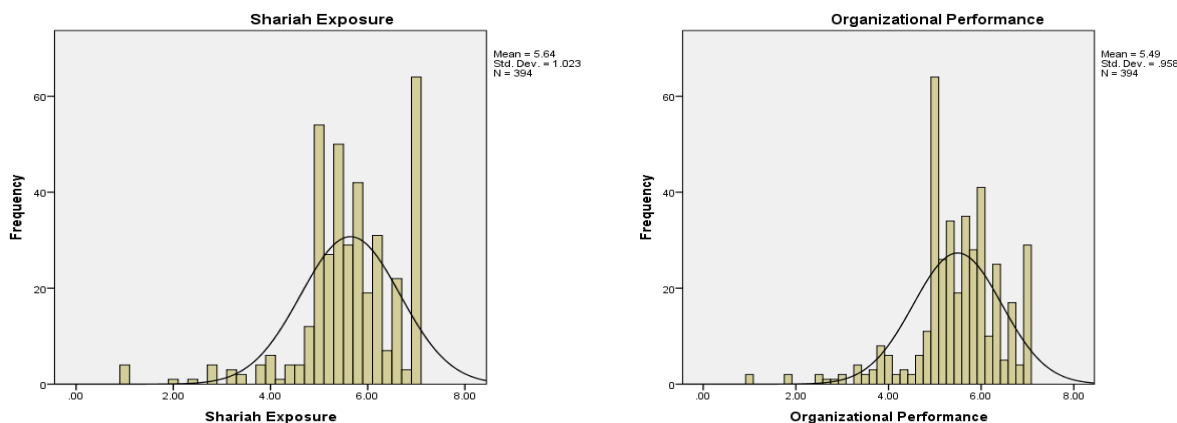


Figure 1: Histograms

Reliability and Validity Analysis

Reliability and validity concepts are an essential part of evaluating the quality of research. It tells the readers how well a technique, method, or test measures something. In research, the aim of measuring the reliability and validity of an instrument is to examine the internal stability (Zikmund et al., 2010). The term reliability is about the 'consistency' of a measure. It refers to the degree to which the survey instrument is free from errors (Sekaran & Bougie, 2016). On the other hand, validity is about the 'accuracy' of a measure. It refers to the degree to which the survey instrument accurately measures the construct (Sekaran & Bougie, 2016).

Table 5 summarizes the total number of items, Cronbach's alpha, and composite reliability values of the variables. The study findings indicate that all variables passed the minimum threshold value of 0.7 as suggested by Kline (1986) for Cronbach's alpha and Hair et al. (2010) for composite reliability, concluding that variables are reliable measures.

Table 5: Reliability Analysis

Sr. #	Scale Name	Number of Items	Cronbach's Alpha	Composite Reliability
1	Communication skills (CS)	5	0.855	0.895
2	Interpersonal skills (IS)	5	0.848	0.891
3	Technical skills (TS)	5	0.818	0.867
4	Social skills (SS)	6	0.863	0.893
5	Subject knowledge (SK)	7	0.912	0.930
6	Intrapreneurship (IN)	6	0.874	0.905
7	Shari'ah exposure (SE)	5	0.865	0.904
8	Organizational performance (OP)	5	0.843	0.888

Furthermore, Exploratory Factor Analysis (EFA) is applied to identify the underlying constructs/factors that measure the larger number of observed variables (Yong & Pearce, 2013). According to Zainudin (2012), it is a statistical technique employed by the researchers to analyze the views of Islamic bankers on the variables as it helps to explore the items that contribute to the viability of each employability skill as given in Table 6.

Table 6. Rotated Component Matrix

Constr uct	Items	Component								AVE
		CS	IS	TS	SS	SK	IN	SE	OP	
CS1	Islamic Finance graduates communicate effectively.	.811								.631
CS2	Islamic Finance graduates express ideas verbally.	.815								
CS3	Islamic Finance graduates speak well in public.	.849								
CS4	Islamic Finance graduates have social speaking abilities.	.737								
CS5	Islamic Finance graduates communicate quite well in English.	.754								
IS1	Islamic Finance graduates can work individually.		.789							.622
IS2	Islamic Finance graduates can work as a member.		.784							
IS5	Islamic Finance graduates guide their team members.		.797							
IS6	Islamic Finance graduates attract the audience's attention.		.815							
IS7	Islamic Finance graduates have a high confidence level.		.757							
TS1	Islamic Finance graduates can obtain information effectively.			.794						.567
TS2	Islamic Finance graduates capable of acquiring information from various sources.			.827						
TS3	Islamic Finance graduates have good information communication and technology knowledge (say internet, email, social media, etc.).			.711						
TS4	Islamic Finance graduates have technical know-how about essential computer software's.			.785						
TS5	Islamic Finance graduates easily cope with multimedia components.			.739						
SS1	Islamic Finance graduates are committed to their work.				.700					.583
SS2	Islamic Finance graduates can adapt to changing environment.				.852					
SS3	Islamic Finance graduates can work in cultural diversity.				.788					
SS4	Islamic Finance graduates can deal with work pressure.				.764					
SS5	Islamic Finance graduates usually initiate conversation.				.714					
SS7	Islamic Finance graduates help people around their surroundings.				.760					
SK1	Islamic Finance graduates have good knowledge about Islamic finance product development.					.809				.654
SK2	Islamic Finance graduates have good knowledge and awareness about Islamic financial products and contracts (say Musharakah, Mudarabah, etc.).					.812				
SK3	Islamic Finance graduates know that socio-religious contexts motivate the customer to open an account in an Islamic bank.					.859				
SK4	Islamic Finance graduates know the differences in customer dealings between Islamic and traditional					.768				

	banks.		
SK5	Islamic Finance graduates have knowledge about banking disciplines (such as general banking, finance, and accounting).	.784	
SK6	Islamic Finance graduates have knowledge and awareness about comparative banking systems.	.838	
SK7	Islamic Finance graduates have knowledge and awareness about Shari'ah rules and regulations.	.786	
IN2	Islamic Finance graduates visualize concrete steps for action when bank consider ways to make a new idea happen.	.746	.614
IN4	In the course of work, Islamic Finance graduates develop new processes, services or products.	.770	
IN5	Islamic Finance graduates move ahead with a promising new approach.	.797	
IN6	Islamic Finance graduates will be willing to give up some salary in exchange for the chance to try out the business idea if the rewards for success are adequate.	.803	
IN7	In the course of work, Islamic Finance graduates will take calculated risks despite failure possibility.	.783	
IN8	If large interests are at stake, Islamic Finance graduates regularly go for the big win even when things could go seriously wrong	.802	
SE1	Islamic Finance graduates have exposure to Shari'ah requirements to facilitate IFIs in developing Islamic financial services and products.	.679	.654
SE2	Islamic Finance graduates have exposure to global practices in Islamic banking and finance.	.794	
SE3	Islamic finance graduates have exposure to Islamic banking and finance field practices as per Shari'ah guidelines.	.869	
SE4	Islamic finance graduates have exposure to the Shari'ah governance framework and AAOIFI standards.	.859	
SE5	Islamic Finance graduates have exposure to Shari'ah auditing assessments to improve compliance in relation to IFIs business operations.	.826	
OP1	You agree that employability skills and subject knowledge affect the organization's productivity.		.720 .614
OP3	You agree that employability skills and subject knowledge affect the organization's profitability.		.681
OP4	You agree that employability skills and subject knowledge affect the organization's market share.		.829
OP5	You agree that employability skills and subject knowledge affect the customer's satisfaction level.		.836
OP6	You agree that employability skills and subject knowledge affect the skills development process in an organization.		.838

*Average Value Extracted

Face and Content Validity: The instrument's relevance and face validity were confirmed by sending the adapted questionnaire to industry experts to seek their expertise in the Pakistani

context, particularly the Islamic banks. Besides, content validity includes experts' panel views on the items, wordings, and phrases enclosed in the instrument (Sekaran & Bougie, 2016). It is described as the degree to which a tool explains the meaning inserted in specific concepts (Sander & Teh, 2014).

Discriminant Validity: The discriminant validity tells how well a construct is represented by the respective indicators and how different it is from other constructs (Hair et al., 2010). The study employed Henseler, Ringle, and Sarstedt's (2015) criteria to examine the discriminant validity for each construct. It states that the constructs AVE value square root should be greater than its correlation value than other constructs. Table 7 provides the discriminant validity and correlation matrix values for each construct. The bold values represent the AVE square root, while non-bolded values represent the correlations. It indicates that discriminant validity was established as the square root of the AVE value (given in Table 6) is higher than the highest construct's correlation.

Table 7: Discriminant Validity

	CS	IS	IN	OP	SE	SS	SK	TS
Communication skills (CS)	0.794							
Interpersonal skills (IS)	0.661	0.788						
Intrapreneurship (IN)	0.513	0.700	0.784					
Organizational performance (OP)	0.569	0.623	0.594	0.784				
Shari'ah exposure (SE)	0.441	0.522	0.608	0.555	0.808			
Social skills (SS)	0.642	0.727	0.643	0.617	0.440	0.763		
Subject knowledge (SK)	0.429	0.416	0.424	0.462	0.736	0.316	0.809	
Technical skills (TS)	0.665	0.757	0.561	0.615	0.368	0.772	0.307	0.753

Convergent Validity: Convergent validity is about how closely the new scale is related to other variables and other measures of the same construct—the study employed Hair et al. (2010) criteria to examine the convergent validity. It states that at least half of the indicators variance should be explained by the latent construct. It means that the factor loading value should exceed 0.708 as its square root value equals 0.5 (Hair et al., 2010). The AVE value of organizational performance is 0.784, communication skill is 0.794, interpersonal skills is 0.788, technical skills is 0.753, social skills is 0.763, subject knowledge is 0.809, Intrapreneurship is 0.784, and Shari'ah exposure is 0.808. It found that AVE scores of all variables have met the minimum threshold value criterion as given in Table 7.

Hypothesis Testing

In statistics, hypothesis testing is a test whereby a researcher tests an established assumption about a population parameter (Naghetini, 2017). Table 8 and Table 9 show the direct and mediation hypothesis testing for all independent variables on the organizational performance (dependent variable). To obtain the statistical t-values, p-values, and standard error, the PLS bootstrapping re-

sampling was run with 500 bootstrap samples. As suggested by Henseler's (2012) study, the bootstrapping sample was considered adequate.

Direct Hypothesis Testing

The study finds that the Communication skills - Organizational performance (CS-OP) relationship has a positive path coefficient value of 0.042 that is statistically insignificant at the 0.05 level of significance, $p = 0.697$. It means that Islamic banks highly appreciate Islamic finance graduates' clear communication skills, yet they are not an essential factor for graduates' employability to enhance their performance. These findings are inconsistent with the work of McMurray et al. (2016) and Ngoo et al. (2015). Interpersonal skills - Organizational performance (IS-OP) and Social skills - Organizational performance (SS-OP) also have an insignificant relationship with a coefficient value of 0.168 and 0.083, respectively. It reflects that the Islamic banks' employees' interpersonal or social skills in the banking sector do not strongly affect Islamic banking performance. This finding is inconsistent with the previous study of Collet et al. (2015) and Husain et al. (2010).

The relationship between Technical skills - Organizational performance (TS-OP) has a beta coefficient of 0.312 and a standard error of 0.122. The corresponding t-stats value is 2.548 (p -value = 0.011), depicting that the impact of technical skills on organizational performance is significant at the 0.05 level of significance. Adebakin et al. (2015) ascertain that technical skills are essential to perform the specialized tasks to predict the managerial performance for incremental organizational value. Similarly, the Subject knowledge - Organizational performance (SK-OP) relationship also exhibits a positive and statistically significant association with a path coefficient value of 0.456 with the t-stats value of 3.768 (p -value = 0.000). The findings are consistent with Zack, McKeen, and Singh (2009), who found that knowledge is directly related to organizational performance, which, in turn, is directly related to financial performance.

Table 8: Direct Hypothesis Testing

#	Variables	Coefficient	Std. Error	t-stats	p-values	Decision
H _{1a}	CS-> OP	0.042	0.107	0.390	0.697	Rejected
H _{1b}	IS -> OP	0.168	0.139	1.212	0.226	Rejected
H _{1c}	TS -> OP	0.312	0.122	2.548	0.011**	Supported
H _{1d}	SS -> OP	0.083	0.158	0.527	0.599	Rejected
H _{1e}	SK -> OP	0.456	0.121	3.768	0.000***	Supported
H ₂	IN -> OP	0.264	0.122	2.164	0.006***	Supported
H ₃	SE -> OP	0.331	0.131	2.523	0.012**	Supported

*** $p < 0.01$ ** $p < 0.05$ * $p < 0.10$

The relationship between Intrapreneurship and Organizational performance (IN-OP) is statistically significant with a path coefficient value of 0.264 and a standard error of 0.122, $p = 0.006$. Therefore, it means H₂ is accepted. Since Intrapreneurship characteristics allow the graduates to visualize the concrete steps for action when banks consider ways to make a new idea happen or

develop new products, services, or processes when required, thus this leads to impact positively on the Islamic bank's performance (Jantunen et al., 2005). This is consistent to the work of Jantunen et al. (2005), Antoncic and Hisrich (2004) and Zahra et al. (2000). Furthermore, the influence of Shari'ah exposure on the organizational performance (SE-OP) was statistically significant with a coefficient value of 0.331 and a standard error of 0.131, having the t-stats value of 2.523 (p-value = 0.012). Thus, H₃ is accepted. It means that Islamic banks look to hire Islamic finance graduates who have exposure to Shari'ah law and its requirements to facilitate the institution in developing Islamic financial services and improve the degree of compliance concerning the Islamic bank's business operations. It is similar to the previous work of Khan et al. (2020), who found that Shari'ah exposure plays a prominent influence on the performance of Islamic banks in Pakistan.

Mediation Hypothesis Testing

The Technical skills - Shari'ah exposure - Organizational performance (TS-> SE -> OP) relationship has the value of path coefficient 0.065 and standard error of 0.030. The corresponding t-statistics value is 2.168 with a p-value of 0.031 at the 0.05 level of significance. It implies that the Shari'ah exposure mediates the relationship between technical skills and organizational performance; that is, the decrease in the regression coefficient for technical skills for the mediated model compared to the unmediated model indicated a possible mediating effect of Shari'ah exposure. Similarly, Social skills - Shari'ah exposure - Organizational performance (SS-> SE -> OP) has a positive statistically significant relationship with a path coefficient value of 0.081 and a standard error of 0.025. T-statistics value is 3.24 which is significant at 0.05 level of significance (p = 0.000). This further means that the Shari'ah exposure mediates the relationship between social skills and organizational performance.

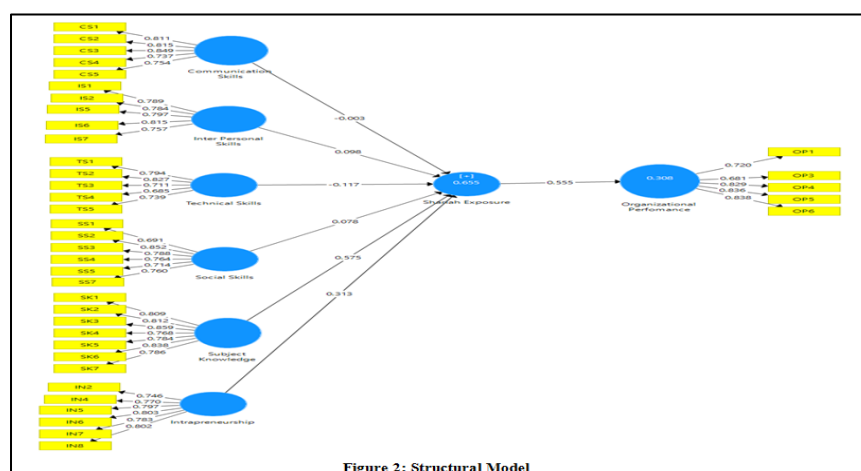
Table 9: Mediation Hypothesis Testing

#	Variables	Coefficient	Std. Error	t-stats	p-values	Decision
H _{4a}	CS-> SE -> OP	0.002	0.028	0.056	0.956	Rejected
H _{4b}	IS -> SE -> OP	0.054	0.039	1.407	0.160	Rejected
H _{4c}	TS -> SE -> OP	0.065	0.030	2.168	0.031**	Supported
H _{4d}	SS ->SE -> OP	0.081	0.025	3.24	0.000***	Supported
H _{4e}	SK ->SE -> OP	0.319	0.035	9.088	0.000***	Supported
H _{4f}	IN ->SE -> OP	0.174	0.034	5.145	0.000***	Supported

*** p < 0.01 ** p < 0.05 * p < 0.10

The relationship between Subject knowledge - Shari'ah exposure - Organizational performance (SK-> SE -> OP) has a positive and statistically significant association with a beta value of 0.319 and a standard error of 0.035. The t-statistic value is 9.088, and the p-value is 0.000, which is less than 0.05 level of significance. The lower regression coefficient for subject knowledge for the mediated model compared to the direct hypothesis model indicated a possible mediating effect of Shari'ah exposure. Lastly, Intrapreneurship - Shari'ah exposure - Organizational performance (IN-> SE -> OP) found positive and significant relation at the 0.05 level of significance with a path coefficient

value of 0.174 and a standard error of 0.034. It shows that the Shari'ah exposure mediates the relationship between Intrapreneurship and organizational performance.



Conclusion

The skilled HR availability is the need of a significantly growing IBF industry. The growing interest in Islamic finance warrants the availability of the required level of skilled HR. Human capital theory can be used to answer questions about the optimal levels of individual/social investments in education, the kinds of investments that are most productive, and when the investments should be made. The study emphasized that Shari'ah exposure is a significant factor in enhancing organizational performance besides employability skills. The current changing business environment emphasizes education, focusing on developing employability skills and acquiring subject-specific knowledge and Shari'ah exposure. The bank's management, academicians, decision-makers, and policymakers optimize graduate skills through educational programs and by providing employability skills to enhance the Islamic banking stream performance. It will be helpful in bringing the true talent into the IBF industry from academia to cope with the challenges that the IBF industry in Pakistan and across the globe is currently facing.

Limitation and Study Forward

The study takes only Pakistan's Islamic banks as a sample; however, the whole Islamic financial market, including capital markets, is still untouched as far as such kind of study is concerned. There is a need for comparative research on employability skills with conventional banks. It provides a clear understanding of the main employability factors that traditional banks have and what can be taken from their model to adopt in the Islamic bank's settings. Lastly, future researchers should also focus on the other critical graduate skills-related challenges the organizations face.

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Annexure 1: Variables Definitions

Variables	Definition
Employability skills	<p>Communication skills: The level of expertise in expressing one's opinion in oral and written format and be able to understand others through reading and listening (Evers, Rush & Berdow, 2009).</p> <p>Interpersonalskills: Interpersonal skills refer to individuals working ability and negotiating in a team with cultural diversity (Islam et al., 2018).</p> <p>Technical skills: The skills required for a particular operation in terms of equipment or a process are technical skills (Guy, Sitlington, Larsen & Frank, 2009).</p> <p>Social skills: Social skills are defined as an individual's ability to perform acceptable behavior per diverse contexts of social situations (McMurray et al., 2016).</p> <p>Subject knowledge: Subject knowledge is an individualbasic understanding of something, be it information or a subject (Natt et al., 2009).</p> <p>Intrapreneurship: The process of uncovering and developing an opportunity to create value through innovation and seizing that opportunity without regard to either resources or the location of the entrepreneur in a new or existing company (Antoncic & Hisrich, 2001).</p>
Shari'ah exposure	It is the degree of exposure to Shari'ah international standards, emerging markets, field, and global practices in the IBF sector (Peake & Marshall, 2009).
Organizational performance	Organizational performance is the extent of the overall company's productivity, profitability, market share, success, and growth rate compared to competitors in the industry (Khan et al., 2020).