ONLINE EXAMINATION FOR TAKAFUL BASIC EXAMINATION – A LICENSE TO PRACTICE CERTIFICATE: A MALAYSIAN CASE

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ABSTRACT

The purpose of this study is to examine the extent of effectiveness of the online examination using electronic learning management system (e-LMS) services in the Malaysian Takaful sector for Takaful Basic Examination (TBE). TBE is conducted through online examination which is a web-based examination system (ES). The TBE is an entry qualification for all those who intend to become registered takaful agents in the financial services industry promoting takaful products and services. The term Takaful refers to the concept of Islamic insurance based on mutual cooperation, where both risks and funds are shared between the insured and insurer. TBE is a mandatory license-to-practice qualification to enhance the competency and professionalism of takaful agents. It is also an induction for individuals who intend to pursue a career in Takaful. The study also aims to address issues concerning quality of services by focusing on the following: ease of use, information security and reliability and its role in influencing customer adoption of electronic services, as well as the mechanisms of monitoring and control over these services. The research employed the analytic and descriptive methodology, by collecting secondary data on candidates sitting for the examination. This was then compared to the passing rate from the year 2012 until 2016. The findings show that online examinations have succeeded in attaining significant customer satisfaction by improving electronic services, facilitating electronic transactions, improving processing performance and enhancing the specifications of electronic services. In addition, the Takaful institutions have achieved effective communication with their customers as well as speeding up of applications. However, there is an absence of awareness and guidance for candidates about the e-examination system. The results of this research led to some recommendations to improve the electronic services provided by Takaful institutions in order to enhance customer and institution’s satisfaction.

Keywords: Takaful, e-LMS, Online Examination
INTRODUCTION

A learning management system (LMS) is a software application for the administration, documentation, monitoring, reporting and delivery of training courses and training programmes, learning and development, including assessment, test and examination. The LMS concept is a direct result of e-learning, i.e. e-learning and hence e-LMS.

e-LMS was designed to identify training and learning gaps using analytical data and reports. e-LMS are focused on providing e-learning, but support a range of uses, acting as a platform for online content, including both asynchronous and synchronous courses. An e-LMS may offer classroom management for instructor-led training or a virtual classroom, used in higher education as well as in the corporate space. An e-LMS delivers and manages all types of content, including video, courses, and documents. In the training and talent management market, an e-LMS will include a variety of functionality have features such as rubrics, teacher and instructor facilitated learning, a discussion board, and often the use of a syllabus or course to give learners an overview of topics covered. e-LMS brings together virtual, classroom, mobile, social and e-commerce capabilities on a single, secure and scalable platform that can meet the training needs of any organisation. Therefore, we observed that e-LMS is used for employees training, customer training, compliance training and partner training. e-LMS that strictly focuses on online examination is known as online examination system (OES). OES is a web-based online examination system that runs over the internet or intranet, through a computer system. The primary goal of this OES is to effectively evaluate the learner through a fully automated system that not only reduces the time required, but also provides fast and accurate results.

The review of the Takaful Basic Examination (TBE) online examination project is very useful for this study. According to the current requirements of the OES, it is very important for the educational institution to prepare the examination, which saves the time and effort required to review and prepare the results reports. OES helps the learning institutions to monitor their learners and their progress because it helps in managing the examinations and obtain the results in an easy and efficient manner. One aspect of this study is based on the practical experiences gained in the implementation of this TBE online examination solution proposed by Islamic Banking and Institute Malaysia (IBFIM) and endorsed by the Malaysian Takaful Association (MTA) as compulsory certificate for Takaful agents. Experimenting with TBE, a survey was conducted on participating learners, which revealed their general attitudes, concerns, technical barriers, and suggestions for improving online examinations. Our findings include several implications for modern online testing and the successful implementation of online assessments in a corporate environment. This article therefore discusses the current state of online examinations and associated didactic implications, describes the functionality of TBE, including security, privacy and organisational characteristics, and discusses the results of the investigation, taking into account future research directions.

The OES system is subdivided into two main subsystems i.e. learner and administrator, designed to provide the system with maximum benefit by carefully displaying each subsystem service. The administrator's functions are clearly identified in order to manipulate user information such as adding, saving and deleting users as well as managing examination material and content such as adding and deletion of questions. OES is therefore, simple and flexible because the maintenance and development criteria of each subsystem can be treated separately without influencing another system.

The course builder (CB), in this case is IBFIM can give proctored online examinations by setting up CB’s examination in a computer lab for example, where CB can supervise the learners. Learners can also take their examination in proctored company or office, using proctored devices, in this case are the Open University Malaysia’s Learning Centres. Non-proctored examination can be shared with a link and taken in any device (personal or not) connected to the Internet. It allows more flexibility and self-paced learning. Learners can choose the option that suits them best.
Online examinations are a great solution, without a doubt. This saves a lot of time and money for the Takaful operators and learners. It allows people from different places to take the examination at the same time. The problem is how, as a teacher/recruiter/trainer, can you ensure that your users did not cheat when they passed your unproctored examinations? Though, it has been perceived that online testing increases the risk of cheating over paper testing, what can CB do to prevent learners from cheating online? To completely prevent learners from cheating seems to be impossible with all the advanced technologies used today. Following are some tips and tricks that will help CB prevent cheating:

- Randomise questions: with online examinations, it is possible to create a question bank and have the system extract a certain number of questions from it. So, every time someone takes CB’s examination, they will obtain a different set of randomised questions.

- Set timer: One solution for this is to set a timer. CB can set a timer for the entire examination or question. An automated stopwatch would not be necessary if the CB or supervised administrator is physically present to monitor the learners.

- Use problem-solving questions: the answers to these questions require cognitive thinking and are difficult to find in a manual or on the internet.

**Software Requirements to Create and Take an Examination**

In fact, CB only needs a laptop or a personal computer (PC) with a browser and an internet connection. These are not heavy computers, but desktops or laptops at home or at work will suffice. CB supports all modern browsers. So, CB does not mind if the proctor uses an Apple computer or a regular PC, and CB does not bother if the proctor prefers Chrome, Safari, Firefox or Internet Explorer (10 or above). Learners do not need to install an application. OES still in the testing stages whereby the learners are able to take the examination on almost any device with an internet connection and a browser, be it a mobile phone, tablet, laptop or PC.

**Takaful Basic Examination (TBE)**

Effective April 2012, IBFIM has been mandated by the Malaysian Takaful Association (MTA) to conduct the Takaful Basic Examination (TBE). A mandatory examination by Takaful agent in Malaysia. The individual must pass the TBE organised by Islamic Banking and Financial Institute Malaysia (IBFIM) and the registration can be made through any Takaful Operator (TO). The registration depends on the TBE route taken by the individual. It is a compulsory qualification to enhance the competency and professionalism of takaful agents. Upon completion of the TBE, candidates are expected to be conversant with the Takaful concepts and operations of Family Takaful and General Takaful, Shariah issues on Takaful, Takaful products and ethical practices in Takaful business.

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1 The route as below:
   i. Part A + C = Basic + Family
   ii. Part A + B = Basic + General
   iii. Part B = General
   iv. Part C = Family

In order to register with the TO, the individual must pass either 1 of the examination routes which are Part A + C or Part A + B. Then only they can sit for Part B or Part C and register with the TO.
PROBLEM STATEMENT

Middle East Insurance Review (11/10/2013) quoted that the average annual income of a full-time insurance agent in Malaysia has increased by 40 percent to MYR 91,000 in 2012 from MYR 65,000 in 2002. At the same time, the number of full-time agents grew in proportion to the total number of agents, from 23 percent in 2002 to 39 percent in 2013. MTA validated that the increased in the registration of Takaful agents from 3,900 in 2012 to more than 11,000 in 2016 shows that Malaysians have accepted the career path in Takaful industry, irrespective of the age, education, race, and gender, as a lucrative income benefactor. It shows that there are factors affecting agents, monetary, age and race motivation and job satisfaction in Takaful industry.

To cater for the demand for the registered Takaful agents, MTA and IBFIM has developed a TBE, a pilot project which was launched in April 2012 to implement the TBE for online testing with the objective of providing up-to-date testing methods that go hand-in-hand with the blended learning strategies in operation. The implemented learning management system (LMS) developed by METEOR on OES was initially called Online Examination, Management and Administration System (EMAS).

Online examination are usually conducted in computer rooms that are provided by Open University Malaysia nationwide that can run concurrent TBE on OES. The fact that on-site computer rooms severely restrict the number of learners for synchronous testing (a maximum 15-40 learners per run per OUM Learning Centre) was an important motivator for developing the system. Currently there are 34 OUM Learning Centres nationwide in Malaysia.

The study suggest that online examination is more appropriate for mass creation of Takaful agents in Takaful related industry.

OBJECTIVE OF THE STUDY

The objective of this study is to determine the influence of demographic characteristics in taking the TBE license to practice certification assessment to qualify to enroll as a Takaful agent in Takaful industry in Malaysia. The study suggests that the online examination is more suitable for mass creation of insurance agents in the insurance industry.

Significance of the Study

The findings of this study is insightful in enhancing policy formulation with regard to management of performance among employees as it will add the demographic characteristics as one of the factors under considerations in performance management. Many policy formulators will find this study useful in that a silent aspect of employee management will be brought into the limelight. The ideas postulated in this research is therefore be resourceful to relevant policy makers either as they are or as a guide to further exploration of related issues in managing performance.

Secondly, the study contributes to the existing literature, and is therefore be of value for further research by either validating or disputing the existing ideas about the influence of demographic characteristics on employee or Takaful agent performance. The results are also insightful to human resource practitioners as far as performance management is concerned. The management of employee or Takaful agent performance will be enhanced by the findings of this research.

A recent research study has stated, “…there is also a clear need for further studies investigating learners’ attitudes, perceptions and preferences in relation to online assessment methods…” (Hewson, 2012). Our study contributes to current research in this vein by providing some additional insights concerning learner attitudes related to online testing.
LITERATURE REVIEW

Motivation is one of the most important factors affecting human behaviour, job satisfaction and performance (Malik, 2010) and efficiency and productivity (Kamaluddin et al., 2011). Job satisfaction plays a vital role in organisational performance and success (Bashir, Liao, Zhao, Ghazanfar, & Khan 2011; Tan & Waheed, 2011). Because of its importance, for the last two decades, numerous researchers have undertaken studies to understand factors that affect employees’ job satisfaction (Paul, 2012).

Literature suggests and empirical evidences show that motivated employees are related to high level of job satisfaction (Zaidi & Abbas, 2011) and performance (Sharma & Bajpai, 2011) and employees are also more likely to stay in the company (Dhiman & Mohanty, 2010; HR Matters, 2012). Demographic characteristics greatly influence how well an employee performs despite the fact that the employee might be having other factors determining their performance. Managing Demographic characteristics in the workplace should be the concern of every organisation. In order to survive, an organisation needs to be able to manage and utilize its demographic workspace effectively. Managing demographic in the workplace should be a part of the culture of the entire organisation (Anderson, 2012).

Takaful agent has become a challenging phenomenon for both public and private organisations related to Takaful coverage. The nature of Takaful agents’ demography varies in terms of level of education, age, marital status, gender and tenure at the organisation. Munjuri (2012) and Kuya(2013) conducted a study on influence of demographic characteristics on employee performance in banking sector and established that demographic characteristics have an impact on how well an employee performs, they ought to be emphasised in the management of perform. It was concluded that workforce diversity affects employee job performance and affect employees performance at varying degrees considering both managers and no managerial employees of a Bank. Concerning the effect of gender on the relationship between monetary motivation and job satisfaction, Adeogun (2008) and Okpara (2006) found that gender has significant effect.

Online examination system saves the examination information in a database, and this make it an easier solution to the instructor to add their examination results in a totally automated system.

METHODOLOGY

Data was collected from the year IBFIM offered TBE, which is from 2012 through 2016 using the online examination. These figures indicate a significant increase in the number of online examination and thus increased interest in online assessment methods at IBFIM on TBE. Results of the TBE candidates from year 2012 through 2016, including the number of candidates registered for the TBE, gender, exam results, and race were tabulated for analysis.

FINDINGS AND DISCUSSION

The first sections of the analyses assessed learners’ attitudes towards online examination in general. We identified learner responses according to year of assessment, gender, race, age, passed and fail, in order to refine the analysis (Figure 1).
<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered</td>
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<td>16901</td>
<td>16300</td>
<td>17584</td>
<td>18372</td>
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<tr>
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<td>9081</td>
<td>10865</td>
<td>10743</td>
<td>11140</td>
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<tr>
<td>Failed</td>
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<td>5002</td>
<td>2820</td>
<td>4137</td>
<td>4309</td>
</tr>
<tr>
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<td>942</td>
<td>1289</td>
<td>1318</td>
<td>889</td>
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<tr>
<td>Female</td>
<td>8561</td>
<td>15612</td>
<td>14982</td>
<td>16695</td>
<td>17302</td>
</tr>
<tr>
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<td>7490</td>
<td>5939</td>
<td>4705</td>
<td>4448</td>
</tr>
<tr>
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<td>1031</td>
<td>970</td>
<td>940</td>
<td>1188</td>
</tr>
<tr>
<td>Malay</td>
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<td>24070</td>
<td>24677</td>
<td>27620</td>
<td>30209</td>
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<tr>
<td>Other Races</td>
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<td>920</td>
<td>899</td>
<td>1136</td>
<td>1824</td>
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<table>
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<tr>
<th>Age Category</th>
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<th>22-25</th>
<th>26-29</th>
<th>30-34</th>
<th>35-39</th>
<th>40-44</th>
<th>45-49</th>
<th>50-54</th>
<th>55-59</th>
<th>60 and above</th>
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<td>962</td>
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<td>5414</td>
<td>3211</td>
<td>1936</td>
<td>1213</td>
<td>640</td>
<td>311</td>
<td>206</td>
</tr>
<tr>
<td>2013</td>
<td>50</td>
<td>3329</td>
<td>8817</td>
<td>9158</td>
<td>5299</td>
<td>3069</td>
<td>2064</td>
<td>1073</td>
<td>594</td>
<td>355</td>
</tr>
<tr>
<td>2014</td>
<td>321</td>
<td>4874</td>
<td>8385</td>
<td>7759</td>
<td>4453</td>
<td>2778</td>
<td>2222</td>
<td>997</td>
<td>485</td>
<td>211</td>
</tr>
<tr>
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<td>883</td>
<td>7211</td>
<td>9099</td>
<td>7341</td>
<td>4182</td>
<td>2437</td>
<td>1951</td>
<td>750</td>
<td>393</td>
<td>154</td>
</tr>
<tr>
<td>2016</td>
<td>2311</td>
<td>9574</td>
<td>8843</td>
<td>7346</td>
<td>4143</td>
<td>2464</td>
<td>1855</td>
<td>722</td>
<td>327</td>
<td>84</td>
</tr>
</tbody>
</table>

Figure 1: Excerpt from IBFIM’s TBE Online Examination System
Between 2012 and 2013, student enrolments increased to almost 94%. The reasons being the incentives of the government in promoting Takaful industry and the open opportunity to the Takaful agents to develop their career path in the industry. Because of its importance, for the last two decades, numerous researchers have undertaken studies to understand factors that affect employees’ job satisfaction in their career (Paul, 2012). With regards to the effect of gender on the relationship between monetary
motivation and job satisfaction, some researchers (Adeogun, 2008; Okpara, 2006) found that gender has significant effect on the relationship while others (Choudhury & Mishra, 2011; Toker, 2011) reported no significant effect. Ghazzawi (2010) conducted a study to determine gender role in job satisfaction. Study outcomes suggested that gender did not play a role in job satisfaction among IT professionals in the United States.

This study findings indicated that the passing rate for the year 2012 of the TBE was 41.7% mainly due to the familiarization of the terminology and modus operandi of the Takaful related processes and products features. Starting from 2013, the passing rate of TBE improved reaching more than 50% of passed candidates and the growth of passes remain steady at 6% yearly. More female candidates passed the assessment as compared to the males with a wide gap of almost 80%.

According to Bashir et al. (2011), compensation/pay was also reported as one of the important aspects of job satisfaction. Adeogun (2008) reported that money as a motivator increases job satisfaction of employees at multicultural for-profit institutions of higher learning in the US. Similarly, Mustapha (2013) reported a positive relationship ($r = .206, p = .000$) between financial reward and job satisfaction. The perceptions of being Takaful agents can generate lucrative income has motivated them to enroll for the TBE certification. The argument put forward by Tang et al. appears to receive support from Tan and Waheed (2011), who found that the love of money moderates job satisfaction of employees in the Malaysian retail sector.

It is observed that the employment landscape has changed dramatically for women in recent decades - with an even greater transformation under way. The global market, skilled labour shortages in sectors such as financial advisers, financial planners, marketing and ICT, as well as expert predictions that jobs requiring deeply human skills (empathy, kindness, creativity and ability to adaptation are traditionally regarded as feminine traits). Age bracket of 23-35 are the most active dominion in obtaining TBE certificate. Talking about race, the Malays scored the highest in obtaining TBE, whilst Chinese ranked second and Indians third.

**Factors that Contribute to Students Positive and Negative Experience**

The purpose of this study is to examine students’ perceptions towards the online examination based upon the online learning experiences they had. The factors which shaped those students’ online education experiences have also been investigated.

The findings from this research are grouped into two clusters: students’ positive experiences and negative experiences. The students’ positive experiences were flexibility, cost-effectiveness, electronic research availability, and ease of connection to the internet. The students’ negative experiences were identified as: delayed feedback from instructors, unavailable technical support from instructor, lack of self-regulation and self-motivation, and the sense of isolation.

Factors that contributed to students’ positive experiences were flexibility of class participation time and self-paced study, cost-effectiveness of online class, electronic research availability, well-designed course layout, ease connection of the Internet, easy navigation of the online class interface, and familiarity with the instructor.

Factors that contributed to student’ negative experiences were delayed feedback from instructor; unavailable technical support from instructor, lack of self-regulation and self-motivation, sense of isolation, monotonous instructional methods, and poorly-designed course content.
Pedagogical Implications

Online testing has pedagogical implications given its immense potential. First, in-depth knowledge can be assessed with correctly designed multiple-choice questions. Secondly, online examinations are superior in evaluating individual performance. Individualized examination are becoming a central topic in education (Elliott, 2008) and thus, “…e-assessment’s most exciting use is in assessing functioning knowledge. Complex real-life situations can be given in multimedia presentations and learners asked to respond” (Biggs and Tang, 2011).

Other important pedagogical aspects include the opportunity for feedback that online examination offer individualized or mass automated feedback providing the learners with the opportunity to obtain valuable information which they otherwise would not have received (with paper-and-pencil tests). Constructive feedback as well as immediate results support learners in detecting deficiencies and fostering learning to improve performance (Marriott, 2009).

CONCLUSION

There are a lot of reasons why Takaful institutions want to use the online examination, but the main reason is, by far, the benefits we can get from an online examination system, instead of the good old-fashioned paper examination. An online examination system has many advantages: we never have to print the examination questions for our students and distribute them. It saves time. We can configure an examination that is enabled to auto-grade. If we only use multiple choice questions, we never have to review an examination question again. The online examination system will take care of that hassle. Completely automated. It saves more time. For distribution, just upload the email addresses of our students and send them an invite. And after the examination, they may get their result instantly, if we choose to do so. It is more secured. We can develop question bank with a pool of questions. Every student gets a random selection from that question bank. Result analysis is easy and instant. Online examination can provide detailed analytics, rations, ranking, and subject or topic wise analysis. It is helpful for further decision making or shortlisting process. Online examination provides flexibility of defining a question paper, there can be same or different question paper for each student based on the examination syllabus or topics. It can eliminate malpractices in examination process.

As the Takaful industry increasingly taking innovative steps to improvise their marketing efforts, the introduction of Wakalah system (agency system) is further enhanced. Takaful agents not only oblige to sell Takaful products, but they are also responsible for the education of the public regarding the purpose and importance of Takaful products. Without excellent and proper understanding, the Takaful agents would fail to fulfil the responsibility to market the Takaful products. According to Elliott (2008), it is now necessary to put a greater role on e-learning and advance towards personalized learning and assessment.

REFERENCES


