

The Impact of Human Resources Training on Financial Technology on the Performance Quality of Islamic Banks in Jordan

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Abstract

The study aimed to investigate the impact of human resources training in financial technology on performance quality. The research population was determined from employees in whole Jordanian Islamic banks, who number approximately 4094 employees, distributed among three banks according to the banks' list of the ASE. The sample of the study consisted of (400) respondents, (377) questionnaires were retrieved. The covariance-based structural equation modeling (CB-SEM) approach, supported by the AMOS software, was used. The results of the study showed that there is an effect of training human resources on financial technology on the quality of performance in Jordanian Islamic banks. The researcher recommends working on continuing the processes of developing the training stages so that they are commensurate with the scientific material of financial technology by the senior management. The use of specialized trainers in the field of financial technology and its programs to provide the necessary training courses for employees.

Keywords: Human Resources Training, Financial Technology, Performance Quality, Islamic bank, Jordan.

1. Introduction

The technology and digital revolution in the banking sector, and the emergence of innovations in financial services in all its fields, is a real change in the services provided by banks, and its adoption has become very important in helping to create changes in many fields, as it contributes and helps to deliver services faster, especially during crises. The biggest example of this was the Corona crisis and the change that occurred during that crisis in the way these services are provided, and the role of qualified human resources to provide that service has been greatly highlighted. The importance of training processes for human resources with regard to electronic services provided by banks has emerged as a result of the implementation He contributed to the technology and digital revolution, and provided various solutions to overcome many of the problems that traditional training systems suffer from, in addition to its characteristics that enrich the training situation. The importance of using it was evident through its ability to support the training process with the opportunities it provides for those interested in sustainable professional development (Ahmed, 2023).

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Going back and looking more comprehensively at business organizations, we find that organizations are based on four basic pillars represented in (human resources, structure, tasks and business, and technology), where these components operate within the environment, which includes the economic, social, political, and cultural environment, and organize the management of the organization work between these components, and this is what is actually applied in banks in general, and despite the importance of these four components, human resources remain the most important and prominent, as they are the ones that develop, operate and manage these centers and structures (Al-Abani, 2015).

In the world of contemporary societies and institutions, training is considered the tool and means of development, just as it is the tool that, if better, is better. Its fruits and utilization managed to achieve efficiency and sufficiency in performance and production, which helps in reducing cases of risk and uncertainty associated with the human element, as well as developing plans and training programs that are appropriate in accordance with the nature of the work of these human resources, and the consequent continuous changes in the work systems, which is questioned by the necessity of re-development of the workforce to face these changes, absorb them and adapt to their requirements, and what the researcher touched through his electronic transactions based on financial technology in the Islamic banking sector, The researcher found that there is a discrepancy in the provision of these services from one service provider to another with regard to these electronic services.

The study is important because it came in an attempt to fill the lack of theoretical literature in highlighting the impact of training human resources on financial technology. This study also reflects the expectations of the banks' management of the extent of the impact of those training operations and what is expected from them, which may help the managements of those banks in making decisions related to the training operations, programs and methods of applying them to the employees to obtain the best possible performance. Therefore, this study came to identify the effect of training human resources for financial technology on the quality of performance.

2. Theoretical framework and hypotheses development

2.1 HR training for financial technology

Training is of importance in the era in which we live, and it is considered a tool and means of development, and it is also a tool that, if well invested and employed, enables the organization to achieve efficiency and adequacy in the performance of its employees. One of the most important duties of modern management is to keep pace with the continuous technological and scientific development (Al-Barashdi, 2022).

Despite the constant role of the human being as one of the basic factors governed by the production process or in the light of which it is determined, development, its impact and trends. However, the efforts that have been made to understand the process of interaction between the development process and between the variable human resources and the general conditions that surround them are considered insignificant, and this has prevented many countries from understanding whether they are actually moving in the direction of the desired development goals or not. After the concept of social capital became widespread, it is noted that most of the writings have become attached to sufficient importance, and that it represents the vital point in the overall movement of societies. Following up on many researches and reports issued by international organizations, it can be noted that the focus is on the importance of these resources for any development processes in different countries, especially in developing countries. The International Labor Organization (ILO) points out that work is the most important component of results and development, and that the capital factor is in a secondary position in comparison (Assaf, 2008).

E-training refers to the ability to change, develop, and replace methods in order to deal with different situations. The design of the adaptive electronic training environment is a complex matter. Each trainee has his own characteristics and individual capabilities that are different from others. The concept of adaptation means creating training environments that are less complex and more flexible. Adaptive learning is based on Continuous development of the training process and making it more dynamic by providing several characteristics, most notably interaction and diversity, so it has become an alternative to traditional training (Khamis, 2018). Carla (2015) defined electronic training as one of the modern training methods that arose in conjunction with the education and training technology revolution, and is based on taking into account the individual differences between the trainees in the educational techniques used by the trainees, whether in efficiency or performance, where a distinct training environment is created that matches the needs of each learner separately.

2.2. Training of human resources for financial technology and quality of performance

Taher (2021) indicated that there is a statistically significant relationship between training and the achievement of competitive advantage, and it was validated in all statements measured by the approved budgets for employee training, which are not sufficient to achieve competitive advantage. Al-Mutairi (2020) confirmed that there is an impact of training programs for human resources in achieving competitive advantage in the health sector. And in the study of Tanbouz (2019), it was found that there is an effect of training employees on safety in the Arab Bank in Jordan. Hamed et al. (2019) see that the use of modern methods in training leads to an improvement in productive efficiency and that the use of technology in the training process contributes to improving the level of performance of workers, as well as the goals of industrial programs by providing more attention and support to adopt clear strategies for training. (Joseph & James, 2019) in his study, which aimed to determine the effects of vocational training and electronic training on the performance of human resources, the use of electronic recruitment ensures the best tracking student during the recruitment process to hire the right person for specific meals and that the company's website promotes electronic recruitment. Based on the above, the study hypothesis can be formulated as follows:

H1: There is an impact of human resources training for financial technology on the quality of performance in Jordanian Islamic banks.

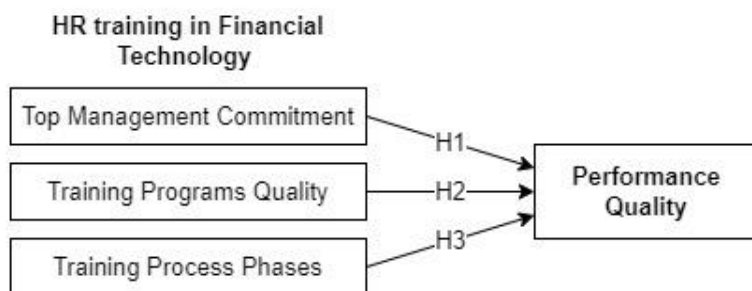


Figure 1. Research Framework

3. Methodology

3.1 Population and data collection

The researcher relied on quantitative research instruments to collect primary data related to the effect of human resources training in financial technology on performance quality. Initially, the research population was determined from employees in whole Jordanian Islamic banks, who number approximately 4094 employees, distributed among three banks, which are Safwa Islamic Bank, Islamic International Arab Bank, and Jordan

Islamic Bank according to the banks' list of the ASE. This large size of the target population hindered the implementation of the comprehensive survey method, thereby the sampling method was used. Convenience samples were selected for data collection with a minimum of 385 respondents (Eichhorn, 2022). To achieve the highest respondent rate, the research instrument was distributed to 600 employees. However, the responses received were 462, as was found during its review including 37 responses with incomplete information or non-serious responses. After eliminating the invalid questionnaires, the research sample included 425 responses which constituted a response rate of 70.8% out of the total that was distributed.

It was evident from the descriptive analysis of the demographic profile of the respondents that 65.4% of them were males and 34.6% were females. The predominant age group in the sample 48.6% was for "30-35", followed by 40.7% for the "36-40", 8.1% for "more than 40", and finally 2.5% for "less than 30". Moreover, 67.7% of respondents had a bachelor's degree, followed by 14.1% holders of a master's degree and then 1.1% holders of a PhD. In terms of job title, 62.9% were ordinary-level employees, followed by 18.0% operational-level managers, then 14.9% middle-level managers, and 4.2% high-level managers.

3.2 Measures

The primary data required for this research was acquired via a self-administered questionnaire distributed among employees within Islamic banks in Jordan. With a particular focus on environmental responsibility, the survey was created using Google Forms and emailed to the chosen research participants. The survey comprised three sections, an introductory section to elucidate the research's objectives and emphasizing the confidentiality criteria governing the research. The initial section related to demographic and professional information, including categorical variables such as gender, age group, educational level, and job title. The subsequent section focused on the research's main variables, gauged using a five-point Likert scale ranging from 1 "strongly disagree" to 5 "strongly agree".

Human resources training in financial technology was the independent variable in this research including 15 items according to (AlHamad et al., 2022; Al-Shormana et al., 2021). It was a second-order construct divided into three first-order constructs: top management commitment (TMC) was measured using four items "e.g., senior management takes care of training strategies while designing the bank's strategic plan", training programs quality (TPQ) was measured through six items "e.g., training programs are designed according to requirements to achieve an increase in the efficiency and effectiveness of human resources", and training process phases (TPP) was measured through five items "e.g., the training needs of employees are determined through periodic performance evaluation". Performance quality was the dependent variable in the current research, as it is considered a first-order construct based on (Al-Alwan et al., 2022; Alolayyan et al., 2018). This variable was measured through six items that included statements "e.g., bank employees are distinguished by their ability to solve work problems and bear its pressures."

4. Results

4.1 Measurement model

Confirmatory Factor Analysis (CFA) was used in this study to test the accuracy of the measurement model of the impact of human resources training in financial technology on performance quality. CFA is a useful method for determining the degree of correspondence between observable variables and their latent components. It also assists in the evaluation of validity and reliability (Al-Hawary & Al-Rasheedy, 2021). Convergent validity was established using factor loadings and Average Variance

Extracted (AVE). Discriminant validity was assessed by comparing AVE values to Maximum Shared Variance (MSV) values and the square root of AVE (AVE) with the inter-variable correlation coefficients. The composite reliability (CR) of the measurement model was calculated using McDonald's Omega coefficient. Table 1 summarizes the results of the measurement model evaluation.

Table 1. Descriptive statistics, validity, and reliability

Constructs	TMC	TPQ	TPP	PQ
TMC	0.740			
TPQ	0.512	0.737		
TPP	0.531	0.503	0.755	
PQ	0.637	0.683	0.663	0.730
Mean	3.79	3.86	3.74	3.87
Standard Deviation	0.771	0.687	0.702	0.613
Factor Loadings	0.712-0.788	0.661-0.794	0.692-0.811	0.674-0.782
AVE	0.547	0.544	0.569	0.533
MSV	0.433	0.419	0.485	0.506
CR	0.828	0.877	0.868	0.872

Note: TMC: top management commitment, TPQ: training programs quality, TPP: training process phases, PQ: performance quality, bold fonts indicate to square root of AVE.

The factor loadings of the latent variables displayed values ranging from 0.661 to 0.811, surpassing the designated threshold of 0.50, while the AVE values comfortably exceeded the established limit of 0.50 (AlHamad et al., 2022). Consequently, the measurement model was confirmed to possess convergent validity. Notably, the AVE values surpassed the MSV values, and all $\sqrt{\text{AVE}}$ values were greater than the inter-variable correlation coefficients. Hence, the measurement model exhibited satisfactory discriminant validity (Aityassine et al., 2021). Furthermore, the composite reliability (CR) values fell within the range of 0.828 to 0.877, surpassing the minimum criterion of 0.70 which serves as a threshold for assessing the composite reliability of the measurement model (AlBrakat et al., 2023). Therefore, the measurement model could be deemed both valid and reliable, aligning with the prerequisites for conducting statistical analysis and extrapolating the outcomes to a broader context.

4.2 Descriptive statistics

The estimation of means and standard deviations was one of the descriptive analysis techniques used. These metrics were useful in determining respondents' attitudes toward human resources training in financial technology and the performance quality of Islamic banks in Jordan. Moreover, Pearson's correlation coefficients were derived across the dimensions of human resources training in financial technology to determine the presence of multicollinearity. These results unveiled that all dimensions of human resources training in financial technology manifested a high level. training programs quality (M= 3.86, SD= 0.687) occupied the first position, followed by top management commitment (M= 3.79, SD= 0.771) obtained the second rank, and then training process phases (M= 3.74, SD= 0.702) in the last position. In terms of performance quality (M= 3.87, SD= 0.613), it registered at a high level according to the respondents' perspectives at Islamic banks in Jordan. Moreover, Hair et al. (2019) advocated that correlation coefficients among dimensions of the independent variable should not exceed 0.80 to avoid multicollinearity concerns. It is evident from the findings that the correlation coefficients between human resources training in financial technology dimensions ranged from R= 0.503 to R= 0.531, falling below the stipulated upper threshold. This affirms that the human resources training in financial technology dimensions maintained suitable autonomy, with each dimension possessing distinctiveness.

4.3 Structural model

The covariance-based structural equation modeling (CB-SEM) approach, supported by the AMOS software, was used to investigate the impact of human resources training in financial technology on performance quality. Figure 2 depicts the results of the structural model used to test the research hypotheses.

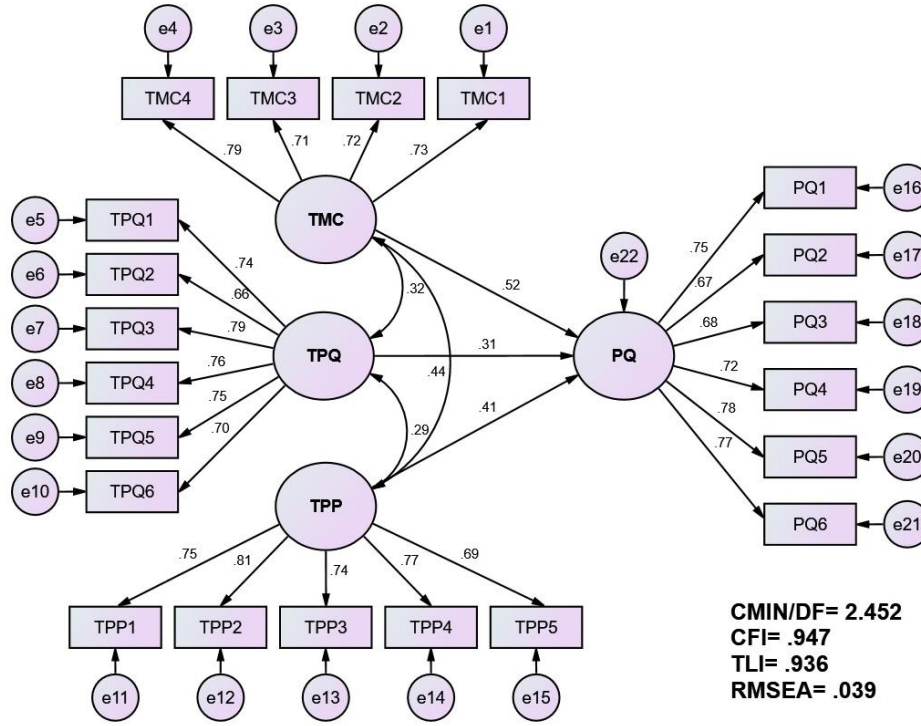


Figure 2. SEM for the impact of HR training in financial technology on PQ

The results presented in Figure 2 proved that the chi-squared ratio (CMIN/DF) was 2.452, which was less than the top limit of 3 (Tariq et al., 2022). The comparative fit index (CFI) and Tucker-Lewis’s index (TLI) were 0.947 and 0.936 respectively, which exceeded 0.90 the recognized acceptable level for these indicators (Mohammad et al., 2020). Additionally, the root mean square error of approximation (RMSEA) was 0.039, which remained less than the 0.80 criterion (Al-Hawary & Alhajri, 2020). Table 2 provides detailed information on the impact coefficients of human resources training in financial technology on performance quality.

Table 2. Path coefficients extracted to evaluate the impact relationship

Paths	B	S.E.	Beta	C.R	P
TMC → PQ	0.446	0.028	0.521	15.928	0.000
TPQ → PQ	0.267	0.031	0.315	8.613	0.014
TPP → PQ	0.368	0.029	0.408	12.689	0.000

Note: TMC: top management commitment, TPQ: training programs quality, TPP: training process phases, PQ: performance quality.

Table 2 depicts the relationships between the research's constructs. Notable findings include the impact of Top Management Commitment (TMC) on Performance Quality (PQ), with a path coefficient (B) of 0.446 indicating a substantial impact. The standardized beta coefficient (Beta) of 0.521 further confirms the significance of this association. The critical ratio (C.R) is calculated to be 15.928, which indicates statistical significance with a p-value of 0.000. A similar pattern occurs when evaluating Training Programs Quality (TPQ) on Performance Quality (PQ), as seen by a B coefficient of 0.267 and a Beta value of 0.315. With a C.R of 8.613 and a p-value of 0.014, this relationship is statistically significant. Training Process Phases (TPP) also have an impact

on Performance Quality (PQ), as indicated by a B coefficient of 0.368 and a Beta value of 0.408. With a p-value of 0.000, the C.R value of 12.689 emphasizes the statistical significance of this relationship. Consequently, all the research hypotheses were supported.

5. Discussion and conclusions

The results showed the interest of the management of Islamic banks and the level of their application of the dimensions and axes of training related to financial technology. The descriptive results showed a high interest in the axis of the quality of training programs, and this indicates the amount of interest on the part of Islamic banks in choosing the quality of programs that actually affect human resource management, by taking care of the training stages and detailing them to obtain the outputs, as well as interest in training programs through the procedures followed and instructions imposed by the administration in the training operations must allocate time, space, equipment and sufficient resources that contribute to the success of the training operations.

The study concluded that there is an effect of training human resources for financial technology on the quality of performance in the Jordanian Islamic banks, and this indicates that the interest in the training processes through the development of plans and programs and the creation of the internal environment commensurate with the methods of modern training has a significant impact on the quality of performance in the Jordanian Islamic banks. The study agreed with the findings of Al-Mutairi's study (2020), where the results showed that there is an impact of training programs for human resources in achieving competitive advantage. The study is agreed with the results of the Tanbouz study (2021), where the results showed that there is an impact of training employees on the quality of banking services.

The results of the study also indicated that there is an impact of the commitment of senior management to training programs for financial technology on the quality of performance in Jordanian Islamic banks. The current study agreed with what was stated in the results of the study (Hogarh, 2020), where the results showed that there is an effect of supporting senior management in improving performance. The results of the study also revealed that there is an impact of the stages of financial technology training operations on the quality of performance in Jordanian Islamic banks. The study agreed with the study of Al-Karim et al. (2017) that hotel administrations pay great attention to the stages of the training process.

6. Recommendation and direction for future research

The study aimed to identify the impact of training human resources for financial technology on the quality of performance in Jordanian Islamic banks, and the study concluded that there is an impact of training human resources for financial technology on the quality of performance in Jordanian Islamic banks. Based on the results of the study, the researchers recommend the management of Islamic banks to work on continuing the processes of developing the training stages so that they are commensurate with the scientific material of financial technology, and to seek the assistance of trainers specialized in the field of financial technology and its programs to provide the necessary training courses for employees and to conduct a pre- and post-evaluation of the participants in the training courses to see the extent to which the knowledge of the trainees has improved, and the participation of employees in identifying the training topics that they need in addition to the experimental needs must emerge from the analysis of the weaknesses of the employees.

The current study dealt with the impact of financial technology training on performance quality, another study could deal with financial technology training and its impact on sustainability, as the study population is represented by Islamic banks in Jordan, so a future study can deal with commercial banks or conduct a comparative study between Islamic banks and Commercial banks can also introduce an intermediate variable such as quality of service or mental image.

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