



TIPS FOR PRODUCING ARTICLE FROM YOUR LITERATURE REVIEW

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A critical review of the literature on the rate of return risk in Islamic banks

The rate of
return risk

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Abstract

Purpose – This paper aims to provide a critical review of the literature on the rate of return risk faced by Islamic banks.

Design/methodology/approach – Through a thorough review of the literature, this paper presents the discussion among scholars regarding the rate of return risk in Islamic banks.

Findings – One of the major issues highlighted is the sensitivity of Islamic banks to the changes in the conventional interest rate due to the fact that many Islamic banking products are benchmarked against the conventional interest rate. Moreover, the limited techniques and instruments available to mitigate the rate of return risk also need serious attention by the regulators.

Research limitations/implications – The study relies solely on the literature and highlights important issues in the area but does not provide any empirical evidence of the importance of rate of return risk to Islamic banks as it is beyond the scope of the paper.

Practical implications – There are several issues that should be taken into consideration. First the dearth of empirical research on the identification of the rate of return risk in Islamic banking highlights the need to develop appropriate methodology to enrich the study on the rate of return risk. Second, more focus is needed to determine the impact of rate of return risk on the financial stability and the performance of Islamic banks.

Originality/value – This paper highlights several important issues relating to the rate of return risk in Islamic banks that are not widely discussed among researchers. In particular, this paper emphasizes the need to identify, handle and mitigate such risks to ensure the stability of Islamic banks. Therefore, this paper identifies a gap that needs further exploration so as to contribute towards enriching the existing literature in this area.

Keywords Rate of return risk, Risk management, Islamic bank, Risk mitigation, Financial risk, Risk assessment, Rate of return

Paper type Literature review

1. Introduction

One of the most important aspects of a bank's financial management is risk management, which is comprised of strategic and capital planning, asset-liability management, and management of business and financial risks (Greuning and Iqbal, 2008). A prudent risk management practice is crucial to ensure the bank's profitability and stability.

Generally, the main elements of risk management in banks are identifying, measuring, monitoring and managing various risk exposures (Greuning and Iqbal, 2008). In order to ensure these elements are effectively implemented, the banks should follow the risk management process and system, which among others include establishing appropriate risk management environment and sound policies and procedures, maintaining an





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A critical review of the literature on the rate of return risk in Islamic banks

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Highly commended

Volume 2 number 3

A study of compliance with AAOIFI accounting standards by Islamic banks in Bahrain

Thea Vinnicombe

WHAT CAN WE PUBLISH?

- LR
- FRAMEWORK
- OBJECTIVES

WHAT IS LITERATURE REVIEW?

- Is a description of the literature relevant to a particular field of topic
- It gives an overview of:
 - a) What has been said
 - b) Key writers
 - c) Prevailing theories and hypotheses
 - d) Questions being asked
 - e) Appropriate and useful methods and methodologies

WHAT IS LITERATURE REVIEW?

- It may take two forms:
 - a) Purely descriptive – as in an annotated bibliography. A descriptive review should not just list and paraphrase, but should add comment and bring out themes and trends.
 - b) A critical assessment of the literature in a particular field, stating where the weaknesses and gaps are, contrasting the views of particular authors, or raising questions. It will evaluate and show relationships, so that key themes emerge.

WHY DO WE WRITE LITERATURE REVIEWS?

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Types of Literature Reviews

- the literature can be divided into four substantive categories:
- 1. Topical literature relevant to the subject matter of the research
- 2. Theoretical literature relevant to concepts and theoretical frameworks
- 3. Methodological literature relevant to strategies of data collection and analysis
- 4. Policy literature relevant to the implementation and effectiveness of interventions

The differences between good and poor LR

Good LR	Poor LR
Is a synthesis of available research which arises from the analysis of the sources accessed to produce a summary of the knowledge on your topic	Is an annotated bibliography
Is a critical evaluation	Is restricted to description
Has appropriate breadth and depth	Is narrow and shallow
Has clarity and conciseness	Is confusing and lengthy
Uses rigorous and consistent methods	Is constructed in an unpredicted way
Is even-handed in the inclusion of various viewpoints, although a stance of which viewpoint you back is acceptable as long as you can justify it	Presents only literature that supports your premise
Is critical in positive and negative ways, presents an argument based only on the literature reviewed, is focussed on the research question, produces an outcome	Is opinionated, uncritical, over-generalised, lacking in focus or outcome

COMMON ERRORS IN LITERATURE REVIEW

- **I. Writing & Stylistic Issues**
- **Using emotional phrases** – there should be no subjectivity and no words of emotion.
- **Giving personal opinions in a literature review**– Do not use emotional phrases in a literature review and do not insert personal opinions. The literature review is supposed to be an unbiased display of already-existing thought and research around the topic.

COMMON ERRORS IN LITERATURE REVIEW

- **Unintentionally plagiarizing** – No reference for the information means it may be considered as *plagiarism*.
- **Using an author's first and last name inside the text** – When discussing authors and/or researchers, do not use the first and last name (whether inside or outside parentheses). Use the last name only, followed by the year of the study's publication. Please use APA style.

COMMON ERRORS IN LITERATURE REVIEW

- **2. Issues with Literature Review Structure**
- **Giving no background/definition section** – Many students forget to insert a pre-literature review section that gives relevant background information and key definition of terms.
- **Bad organization and structure** – This is the most common error since badly organizing a literature review requires doctoral students to rewrite and restructure many parts. To prevent a bad structure from penetrating the literature review, use sub-headings and then organize the literature reviews under each of these sub-headings. This will help to avoid illogical structure and bad organization.

COMMON ERRORS IN LITERATURE REVIEW

- **Irrelevant content** – It is common that doctoral students get caught up in the details of their literature review especially while reading other studies. As a result, many students tend to mention studies or points that are unrelated to the topic and the research question(s) at hand. Therefore, make sure the literature review mentions studies fully relevant and, at the same time, make sure that the relevant points mentioned also relevant to the sub-heading and research questions. Just because a study is important to your topic does not mean that all the details within it are relevant to your task.

COMMON ERRORS IN LITERATURE REVIEW

- **Not going over the methodology section of a reviewed article** – Usually, doctoral students working on their dissertations like to focus only on certain aspects of articles they review such as the abstract, results, and discussion sections.

COMMON ERRORS IN LITERATURE REVIEW

- **3. Credibility/Validity Issues**
- **Writing a narrowly-focused literature review** – Too many doctoral students write their literature reviews in terms of general categories instead of writing on focused topics (and subtopics) sufficiently narrowed down. This results in a literature review that is too general and not directly related to their research questions. Make good use of subheadings in the literature review and make sure these subheadings and their respective content are relevant to the research questions.

COMMON ERRORS IN LITERATURE REVIEW

- **Relying on direct quotations** – Another bad habit commonly found in doctoral students working on their dissertations involves the insertion of too many direct quotations. Doing so will prevent you from using their critical thinking skills and applying them to appropriately analyze, synthesize, and evaluate the studies they include.

COMMON ERRORS IN LITERATURE REVIEW

- **Using non-scholarly sources** – Something I see too often is doctoral students relying too much on professional opinion articles rather than searching for more authoritative or scholarly sources.
- **Citing only ‘supportive’ source** – It is vital that you mention some dissenting studies and explain why they depart from your own thinking.

GOOD LR

- ORGANIZATION OF THE LR:
- **Introduction:** Gives a quick idea of the topic of the literature review, such as the central theme or organizational pattern.
- **Body:** Contains your discussion of sources and is organized either chronologically, thematically, or methodologically (see below for more information on each).
- **Conclusions/Recommendations:** Discuss what you have drawn from reviewing literature so far. Where might the discussion proceed?

ORGANIZATION OF THE IDEA

- typical ways of organizing the sources into a review:
 1. Chronological
 2. By publication
 3. By trend
 4. Thematic
 5. Methodological

SYSTEMATIC LITERATURE REVIEW

- The systematic literature review method is sometimes referred to as an evidence-based review method.
- It is also described by Fiegen (2010) as a systematic approach to identify articles to be reviewed that offers:
 - “A model for summarizing and critiquing the literature to improve future practice and possibly encourage higher levels of research methods. A systematic literature review of 30 years should reveal evidence toward a maturing research methodology” (Fiegen, 2010, p. 386).”
- The systematic literature review approach has its roots in medical research and is now becoming an alternate choice in other fields, including nursing, psychology, information systems, and business and management studies.

SYSTEMATIC REVIEW

- According to Khan et al. (2003), a literature review is considered a systematic literature review when the review:
- “... is based on a clearly formulated question, identifies relevant studies, appraises their quality and summarizes the evidence by use of explicit methodology. It is the explicit and systematic approach that distinguishes systematic reviews from traditional reviews and commentaries”

SYSTEMATIC REVIEW

a systematic literature review should follow five steps:

- Step 1: Framing the questions for a review;
- Step 2: Identifying relevant work;
- Step 3: Assessing the quality of studies;
- Step 4: Summarizing the evidence; and
- Step 5: Interpreting the findings”

Tables and Figures

Figure 1: Representation of (a) Traditional literature review and (b) Systematic literature review. Source: Own elaboration

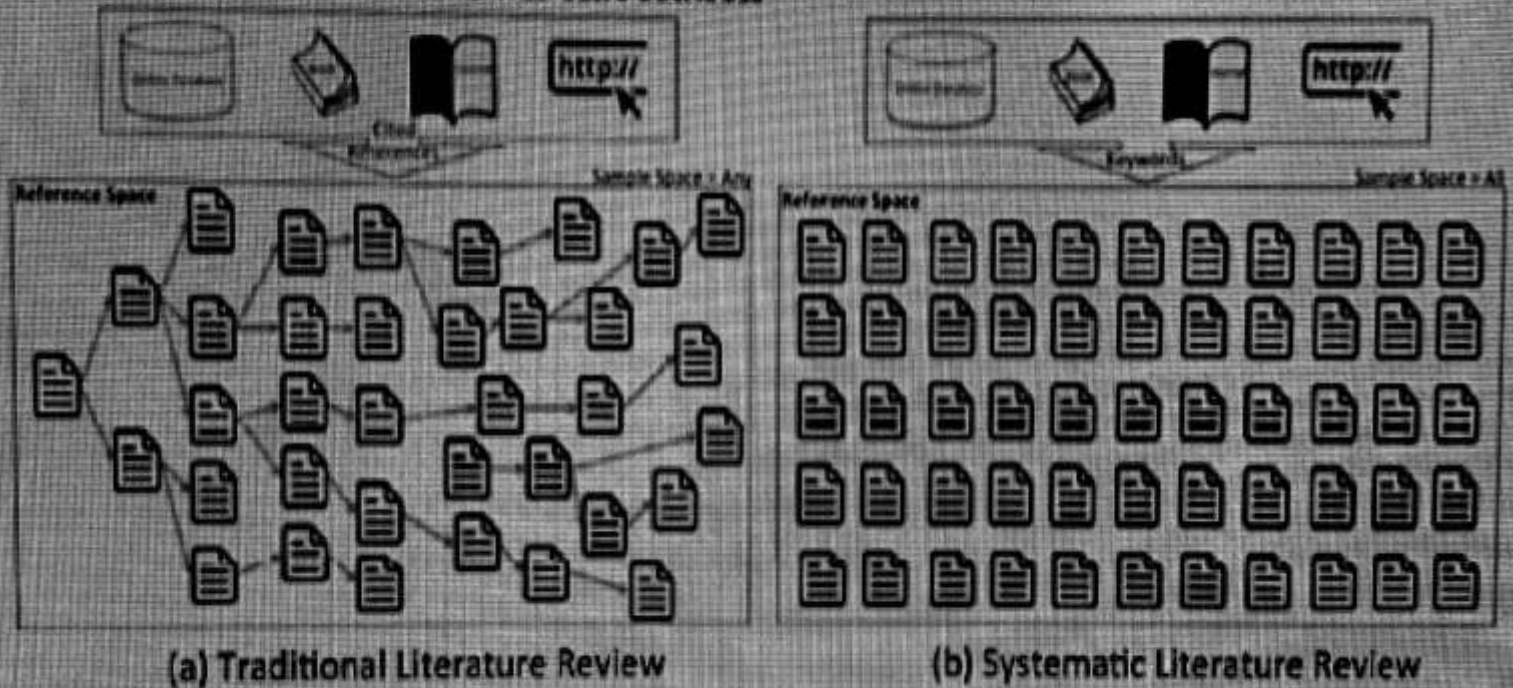
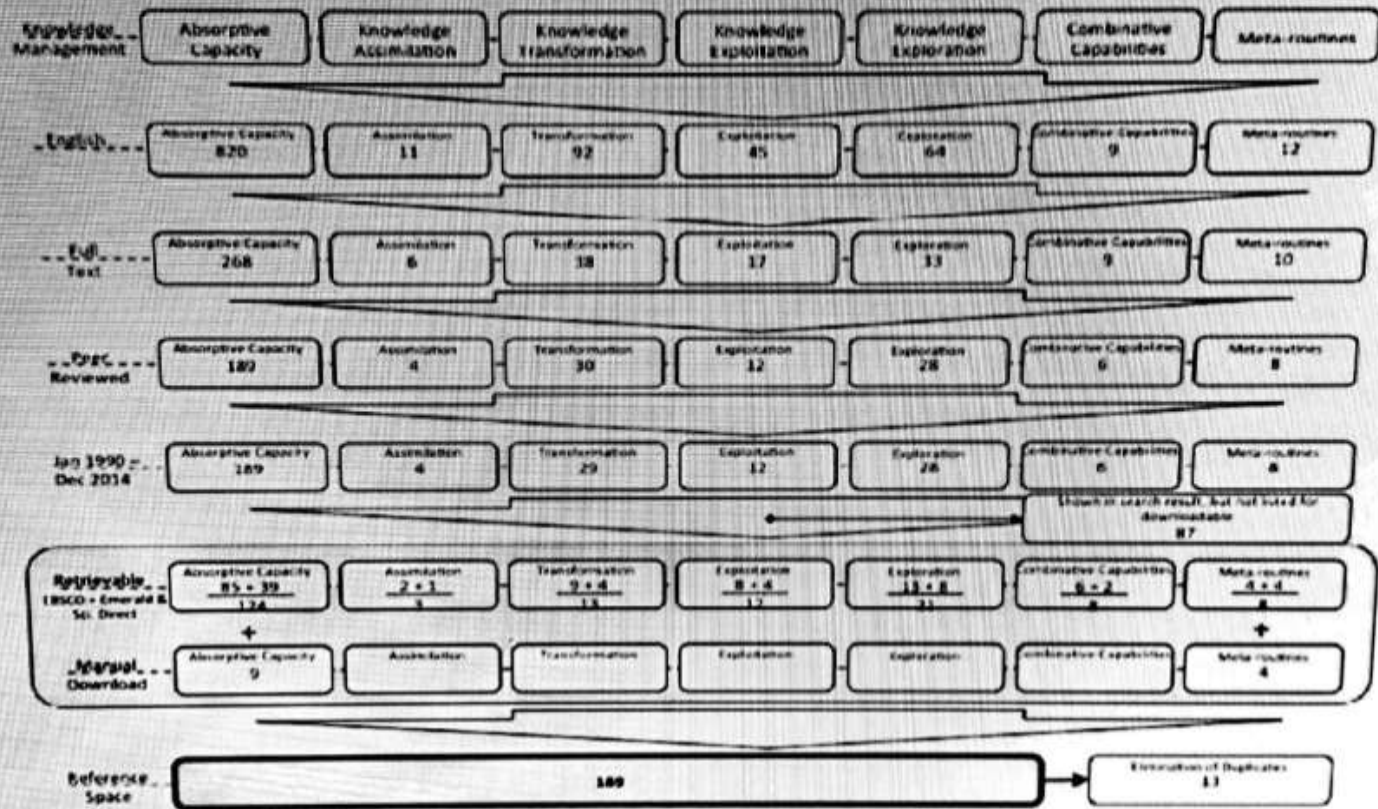


Figure 2: Selecting and screening of articles to review. Source: Own elaboration



Publishing Article

- Refer to “A Review of Time Management Literature”



Thank you