

# **Takaful Insurance And Their Technicality In Achieving Competitive Advantage By Applying To Chican Insurance And Reinsurance Co., Ltd. For The Period 2016-2019**

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## **Abstract**

The research aims to present Takaful insurance as a tool of development and economic and social prosperity and based on the importance of research in this field to serve Takaful insurance in the State of Sudan. The hypothesis of the research showed that there is a statistically significant relationship between Takaful insurance and the competitive advantage by applying to Shikan Company, as the study was based on some of the previous studies to link between the role of Takaful insurance and competitive advantage. The second topic discussed what is Takaful insurance and its importance and the most important definitions for this field after The researcher demonstrated the importance of competitive advantage and its role in achieving high growth in productivity and how to have sufficient flexibility to meet changes in consumer tastes and needs. The third topic deals with the analytical aspect based on the work of a percentage of statistical questionnaires according to the (SPASS) program, and the result was confirmation of the validity of the hypothesis. The interface that reflects the credibility of the insurance company. In the end, the researcher clarified the recommendations, the most important of which is introducing the science of insurance in general and Takaful in particular in the various educational stages.

**Keywords:** Takaful insurance, competitive advantage, reinsurance.

## **I- Introduction**

The word Takaful is an Arabic word used by Muslims to express cooperation; it means symbiotic in the English language. Insurance is a sophisticated economic and social activity and it is considered a scientific method with many objectives and principles, which made it receive great attention in most countries of the world This is due to the fact that insurance is a major tool of economic and social development and prosperity in developed countries. The Takaful insurance industry is fast all over the world, targeting both Muslim and non-Muslim groups, Insurance that conforms to the provisions of Sharia is called "Takaful Insurance", and its principles aim at cooperation and social solidarity among the insured. It is not based on the principle of profit, but rather faces risks first and bears the material impact of any danger or damage to the insured and his property, and because the contributor (the policy holder) is the

owner of the insured. During the insurance process, they have the right to redeem the surplus from the insurance business in the form of cash. Each person is entitled to the value of his insurance premium after deducting the necessary allowances and expenses. In addition to all this, insurance is a developed economic and social activity. It is also considered a scientific approach with many goals and principles, which made it gain great attention in most countries of the world, which gives it special care and attention given that insurance is a major tool for economic and social development and prosperity in developed countries, and it has a wide resonance in Islamic and non-Islamic societies. Takaful insurance is expressed as an agreement between a group of people who cooperate with each other in the event that one of them is exposed to a certain risk. Participants in the insurance process contribute to the payment of compensation for

the loss incurred, in exchange for a subscription fee (fixed or variable) that each of them donates by paying this amount. Sometimes the damages increase, so participants have to increase the subscription rate to cover the loss incurred, but if the percentage of the loss decreases, the members are entitled to recover the percentage of the increase or keep it as surplus for future use. One of the most important objectives of Takaful insurance is to achieve cooperation and solidarity between policyholders. Not-for-profit, or for the company to accumulate the largest number of profits; On this basis, partners are protected to avoid harm by compensating them for the harm they suffer.

Despite all of the above, the cultural absence of the concept of Takaful insurance is one of the most important problems that hinder the work of insurance companies in many countries of the world, especially Islamic countries, because this concept is the concept of Takaful insurance. The latter for many people. It is called Takaful insurance and differs from commercial insurance in several respects. This study showed the essential differences between these two types, which led to a noticeable growth in Takaful insurance in recent years, as many people began to become convinced of the principles and laws of this insurance, which prompted him to take his role in the market. Global insurance.

## **2- The difference from previous studies**

The most important feature of this study from previous studies is to identify the pioneering and vital role of the Takaful system and to identify how to elicit illegal Islamic and treat them and put proposals for them to conform to the high Islamic approach, in addition to showing the importance of Islamic solidarity by proving the research hypothesis that there is a significant relationship Statistics between Takaful insurance and competitive advantage.

## **Research problem**

It is noteworthy that there is no active and strong market for integrated insurance services in Sudan, despite the importance of these services and their benefits, which has led to their weak spread and may be due to legitimate constraints that have led to this, the problem of research lies

in trying to find out the obstacles facing integrated insurance and the extent to which it affects the achievement of competition between companies in the light of Islamic law.

## **Research hypothesis**

The research seeks to achieve the main hypothesis as follows: -

That there is a statistically significant relationship between Takaful insurance and competitive advantage.

## **Research importance**

The importance of research highlights the importance of insurance in general and the importance of Takaful insurance in particular, which is evident as follows:

- The lack of a popular market for life insurance services in Sudan, which is a major obstacle to advancing economic and social development, and leads to increased consumption and a lack of savings clients and thus leads to a lack of invested capital, which negatively affects the country's national income.
- Symbiotic (Takaful) works to protect the family, especially in the event of the death of the head of the family or disabled.

## **Research goals**

- 1- Learn about the leading and vital role of the symbiotic system.
- 2- Learn about the types of symbiosis.
- 3- Learn how to devise, address and develop proposals for legitimate violations to conform to the high Islamic approach.
- 4- Statement of the importance of Islamic solidarity.
- 5- Demonstrate the importance of competitive advantage.
- 6- Learn about the role of competitive advantage in financial institutions.

## **Research Methodology**

In order for the research to meet the requirements, the researcher took the following frameworks:

- The descriptive framework that has been extended on the theoretical side

- The analytical framework for describing and analyzing the variables of the study.

### **Data collection sources**

The researcher used several tools related to the collection of data on the subject of the study, including preliminary data in addition to secondary data from books, magazines, letters, and university frames in addition to reports and articles.

## **2- Literature Review**

### **Takaful insurance:**

A significant development in the field of insurance has made it an effective element that cannot be ignored in the economy, which has led to increased business activities, diversification of areas, and harmony with the development of economic and social systems, and has become an indispensable part in protecting property, individuals and society as a whole from the material threats to them in their daily lives, those who use the field of insurance depend on certain technical grounds, especially as they have become diverse. Due to the many jobs that this field exercises<sup>(1)</sup>.

### **2-1 The legal definition of Takaful insurance**

The definition of the takaful contract is stated as (a takaful contract is a contract in which the insurer is obliged on behalf of the participants to result in the beneficiary a sum of money or periodic income if the positive reason for paying the symbiosis benefit is achieved in exchange for a specified amount performed by the participant to the insured in the face of donation to meet the obligations of the insured<sup>(2)</sup>).

### **2-2 The economic definition of Takaful insurance**

The safe and symbiotic economy was defined as a tool that reduces the risks faced by individuals

and this is achieved by assembling an appropriate number of people exposed to the same risk, which in turn reduces the loss to which the individual is exposed because it will be distributed to several individuals, and then each participant in this type of insurance can participate in the level of risk in addition to reducing the loss rate<sup>(3)</sup>

## **2-3 Difficulties face Takaful insurance**

The symbiotic insurance market faces some challenges, the most important of which are<sup>(4)</sup>:

- The current form of the takaful industry depends on the insurance management formula of the investment company, and its capital is independent of the subscriber's account and does not represent an attractive investment formula in terms of profitability, because insurance managers are not allowed to earn profits or benefit from the insurance process itself, but the manager is allowed to profit from the insurance management and operation.
- The Islamic or cooperative insurance industry represented by the reinsurance of the Islamic Insurance Company has been held captive to traditional insurance companies as a result of the need for these companies, so it is necessary to establish an Islamic insurance company.
- The role of the Shariah Oversight Committee for each company is not effective enough compared to the calculations and audits, as there is no official presence of a sharia committee that performs its function in issuing religious orders or actively participating in the establishment of insurance policies derived from Islamic law.
- The work of takaful companies does not have external legal oversight, such as review, to clarify the degree of

<sup>(1)</sup> A.M. Winner Ibrahim Mahmoud Al, Ghabuilder- **The role of takaful insurance in the development of insurance services** (2019, P. 3.

<sup>(2)</sup> **Insurance and Solidarity Law Sudanese** (2003 Chapter 2 Article (4)

<sup>(3)</sup> Falah Izzedine, **Insurance**, Osama House, Jordan, 2008, p. 4.

<sup>(4)</sup> Dr. Daoudi Al-Tayeb, Kardoudi Sabrina, University of Biskra **Takaful insurance: understandable Applications** Biology Magazine, 15th issue, p.162.

commitment of each company and compliance with all legal transactions.

- Many employees of these companies do not know the difference between commercial insurance and takaful and practice their work with the same concept of insurance performance if most workers in this field apply the same procedures for commercial insurance due to the failure to qualify cadres appropriately for this type of insurance.

#### 2-4 Takaful insurance features

Takaful insurance is distinguished from other types of insurance by some of the most important of which is the combination of two characteristics of the insured and insured for each member: where the insured, this feature is one of the most important characteristics that distinguish symbiosis from other insurances and is based on cooperation to face the risks<sup>(5)</sup>.

- Takaful insurance from donation contracts means that when risks arise, the partnership takes responsibility through the contribution and participation of individuals and through the allocation of funds to compensate for the original damage caused by the cooperation of victims to avoid risks<sup>(6)</sup>.
- **Lack of profit factors:** Takaful seeks to make a profit through the insurance process, and it aims to provide members with the best quality and the best form of insurance because members' contributions are donations, the purpose of which is to reserve in the event of risks where insurance seeks to create

cooperation between participants in this type of insurance<sup>(7)</sup>.

- **Ownership and management democracy:** There are no distinction between individuals when joining a symbiotic insurance company<sup>(8)</sup>.
- **Distribution of surplus to participants:** The principle of distributing the surplus corresponds to the amount that participants pledge to pay additionally if they fail to pay the compensation due<sup>(9)</sup>.
- **The nature of the civil:** The work of the takaful insurance company is civil, so it does not have the status of a trader, and does not need to be registered in the commercial register, and cannot be declared bankrupt because it is subject to civil laws<sup>(10)</sup>.
- **Change the value of the contribution:** The value of the subscription changes for each member participating in the takaful insurance and depends on the percentage of risk or risk to which the participant is exposed in addition to the obligation of the insurance authority to provide the required compensation, as the Authority is obliged to take the amounts of compensation from the participants and in the event of a surplus, the Authority invests it in the areas of investment, but in case the risk exceeds the percentage of compensation, the insurance has the right to claim from members to pay additional amounts to cover the receivable<sup>(11)</sup>.

<sup>(5)</sup> Ahmad Mohammed Lutfi Ahmed, **Insurance theory: Scientific problems and Islamic solutions**, University Think Tank, Alexandria, 2007, p. 240

<sup>(6)</sup> Ali Mamdouh Abdel-Al, **Takaful insurance contract in light of Sharia Islamic** Office of Legal Loyalty, Egypt, 2014, p.135.

<sup>(7)</sup> Mr. Abdo Al-Mutallab, **Insurance scientific foundations and practical rules** 510, Arab Renaissance House, Cairo, 1940 p. 136.

<sup>(8)</sup> Atwi Amal, Valle Abeer, **The role of takaful insurance in the development of insurance services** 2021, p. 12.

<sup>(9)</sup> Nemat Mohamed Mokhtar, **Commercial and Islamic insurance between theory and application** Modern University Office, Egypt, 2005, p. 252

<sup>(10)</sup> Mr. Abdo Al-Mutallab, **To secure scientific foundations and practical rules** 510, Arab Renaissance House, Cairo, 1940 p. 136

<sup>(11)</sup> Khadija Afaf, **A survey on takaful insurance**, 2015, p. 15.

## 2-5 Types of Takaful insurance

Takaful is defined as the Islamic or legitimate alternative to life insurance and is divided into many types, each of which carries specific coverage with a title: there is collective solidarity, individual solidarity, family solidarity, educational solidarity, and solidarity to protect mortgages, in addition to a recent coverage put forward by The Chican Company known as Al-Ma'in, and the researcher will be able to address these types in some detail:

- There is more than one standard that is taken because of such a division, the most important of which is:

Different types of insurance are important activities that affect different areas of the economy and society, and one of the most important ways to classify insurance is:

**2-5-1 Theoretical division: The purpose of this section is to study insurance legally and technically, and there is more than one criterion for division, the most important of which are:**

- 1) **Contracting element:** Insurance is divided according to this element into <sup>(12)</sup>:
- **Optional (private) insurance:** Includes the type of insurance voluntarily chosen by the individual or institution and chooses to check out the urgent need for this type of insurance coverage, which means that the demand for this type of insurance is the main factor in this type: life insurance and fire insurance, in addition to insurance against various accidents, insurance companies can sign contracts with those wishing to do so by advertising and advertising insurance benefits instead of compulsory insurance.

- **Insurance is compulsory:** it includes all types of insurance that the state is obliged to provide to individuals and institutions or force them to sign for social purposes or for the benefit of disadvantaged groups in society, which means that the mandatory element is the insurance contract.

2) **The purpose of insurance** according to this standard is divided into the third main types<sup>(13)</sup>:

- 1- **Commercial insurance:** The basis of this insurance is profitability.
- 2- **Cooperative insurance:** This type of insurance is based on cooperation between participants and is not intended to make a profit.
- 3- **Social insurance:** This type of insurance aims to create a state of reassurance among participants to help them if one of them is in a state of illness or disability<sup>(14)</sup>.
- 4- **The ability to determine loss and provide non-compensating:** According to this standard, insurance is divided into <sup>(15)</sup>:-
- **Cash insurance** Includes all types of insurance that are difficult to estimate due to material losses resulting from insurance risks, ethical problems resulting from risk perception, and material losses due to investigative difficulties.
- **Loss insurance** Includes all types of insurance that can easily determine actual material losses resulting from the realization of the risk of underwriting and applies to all types of property insurance<sup>(16)</sup>.

<sup>(12)</sup> Mr. Maksoud Deban et al., **Accounting in banks and insurance companies**, University Chamber House, Alexandria, 01999, p. 217.

<sup>(13)</sup> Mohammed Ahmed Shahana, Hussein, **Legality and types of insurance**, The modern university office, only Alexandria, 2005, P. 11.

<sup>(14)</sup> Abdul Latif Mahmoud Al Mahmoud, **Social Insurance in the Light of Islamic Law**, Dar Al-Nafaes, first edition, 1999, p. 56.

<sup>(15)</sup> Ibrahim Ali Ibrahim Abed Rabbo, **Insurance Principles**, University House, Alexandria, 2003, p. 56.

<sup>(16)</sup> Mokhtar Mahmoud and Ibrahim Abd al-Nabi Hamouda, **Principles of Commercial and Social Insurance**, Alexandria University House, 2001, p. 69.

- 3) **The subject of insurance<sup>(17)</sup>:** This criterion shows very important insurance which is insurance for persons where this type of insurance aims to compensate the insured for the damage suffered such as damage caused by the threat of life or the body or inability to work, which leads to his interruption from work in addition to the death to which the insured may be suddenly exposed, and this type of insurance is divided into two parts<sup>(18)</sup>:
- Life insurance for individuals.

- Insurance of damages that may be inflicted on the insured as a result of a sudden condition such as an injury that causes him permanent disability.

## 2-6 The difference between Takaful insurance and commercial insurance

Quite a few people do not distinguish between symbiotic insurance and commercial insurance, and some believe that they are both the same, although there is a big difference between the two and in the table below the most prominent differences: -

Takaful insurance	Commercial insurance
Symbiotic insurance contributors are participants who do not want to benefit from their participation	The purpose of their participation is to benefit
Shareholder in symbiotic insurance is a profit partner	The shareholder has no percentage of the profits, but the profits go to the insurance company.
The purpose of contributing to insurance is to cover compensation and administrative expenses	The target is purely profitable.
Profit surplus distributed to subscribers	The surplus is only owned by the insurance company.
The contributing person cannot bear anything if he or she does not pay on the specified date of some contributions	The liquidation of the policy entails the shareholder's late payment

### Table of researcher numbers: source<sup>(19)</sup>.

It is clear from the table above that the Takaful insurance based on the shareholder paying the premium as a share in a company, which has a moral personality and financial disclosure independent of the subscribers, namely the owners of the policy, a company called the "Subscribers Authority" if each participant is ensured and secure at the same time, so he is a partner with others as much as he pays and deserves profits, as the loss is distributed

according to the share of each partner in the contribution to the company's capital, and according to the installments paid, the idea of this type of insurance that the partners contribute enough money to pay the amount of compensation in the event of risk or loss to any member<sup>(20)</sup>

## 3- Competitive advantage

Under the new global system, increased competition, and open markets, corporate

<sup>(17)</sup> Osama Azmi Salem and Shaqiri Nouri Musa, **Department of Risk and Insurance**, Al-Hamid Publishing and Distribution House, first printed, 2009, page 29-31.

<sup>(18)</sup> Yvonne Lambert -**Faivre, droit de assurances**, 10<sup>e</sup> edition dalioz, lyon.1998, p.37.

<sup>(19)</sup> Abdisalam Ismail Onagen" **The basic principles of takaful insurance and its legitimate rooting**" 2010, p. 11.

<sup>(20)</sup> Amin Haji Mohammed Amin al Cordy, **Takaful insurance in light of Purposes Sharia Law**, 2014, p. 16.

administrations are facing major challenges, to meet challenges these departments have focused on building and enhancing the competitiveness of the company, which will enable companies to achieve high productivity growth and have sufficient flexibility to face changes in the tastes and needs of consumers, as well as the company's ability to show superior performance compared to competitors, i.e. possessing basic capabilities, skills and qualifications that are difficult for competitors to possess.

### 3-1 Concept of competition

It is a system of economic relations that belongs under a large number of buyers and sellers and each of them acts independently of others to reach its maximum profit and the organization should always work in its competitive position both in order to build, follow, protect and maintain this center, or to strengthen and develop it.

In order for the organization to achieve this efficiency effectively, the researcher believes that it must determine its competitive position not at its level as a whole but on its competitive position, to name but a few, the target market sectors, for example, the insurance sector as a model.

### 3-2 Concept of competitive advantage

The competitive advantage has occupied the thinking of many specialists in the fields of economy and business administration since the beginning of the 1980s, due to the different views between both management scientists and their corresponding economists, the result of which was the lack of agreement on a specific concept of competitive advantage <sup>(21)</sup>.

Michael Porter was the first to develop the theory of competitive advantage, relying on the principle of competition between the institutions themselves based on the design of a special

model to measure the partial variable of the economy.

Porter explained the concept of competitive advantage as: "It arises mainly from the value that an organization can create for its customers so that it can take the form of lower prices relative to the prices of competitors at equal benefits, or by providing individual benefits in the product that broadly offset the price increase imposed."<sup>(22)</sup>

### 3-3 Levels of competitive advantage

- **At the state level**

It has been defined as the country's ability to produce goods and services that meet the requirements of international markets while allowing the development of real incomes as a means of achieving the well-being of the population and competition only <sup>(23)</sup>.

The U.S. Industrial Competitiveness Council defined the competitive advantage as "the country's ability to produce goods and services that meet the requirements of international markets while allowing the development of real entrances as a means of achieving the well-being of the population, and only competition."<sup>(24)</sup>

- **Industry-wide**

Therefore, it is important to define them accurately, because different industry areas may not be similar in terms of production conditions<sup>(25)</sup>.

- **At the enterprise level**

The definition of competitiveness of enterprises is based on their ability to meet the wishes of consumers by providing good quality goods and services that they can by running out to international markets.

It has been defined as the ability to provide consumers with products and services more

<sup>(21)</sup> Hajjaj Abdul Rauf, **The competitive advantage of the economic institution: its sources and the role of technological creativity in its development** (2007, p. 3).

<sup>(22)</sup> Porter, M. **L'Avantage Concurrentiel: comment devancer ses concurrents et maintenir son avance, traduit, France**, 1999, p08.

<sup>(23)</sup> Hajjaj Abdul Rauf, Previous reference, P. 7.

<sup>(24)</sup> Kamal Razek and Kasi Yassin, **Algeria's competitiveness within the requirements of international competitiveness as an indicator of outstanding performance** (University of Wargla, 2005, p. 20).

<sup>(25)</sup> Rachid Ben Aibouche, **La nouvelle technique de gestion**, Casbah edition, Alger, 2001, p11

efficiently and effectively than other competitors in the international market and this is done by increasing the productivity of factors employed in scientific production work, capital, and technology<sup>(26)</sup>.

### 3-4 The importance of competitiveness

The importance of competitiveness lies in maximizing the benefits provided by the global economy and minimizing its disadvantages, and the Global Competition Report indicates that small countries are more able to benefit from the concept of competitiveness than large countries where competitiveness gives enterprises in small countries an opportunity to emerge from the limitations of the small market to the global market.

The importance of competitiveness also stems from the fact that it provides an appropriate competitive environment to achieve efficient resource allocation and use and to encourage creativity and innovation, thereby improving and enhancing productivity, upgrading the quality of production, raising performance, and improving consumers' lives by reducing costs and prices<sup>(27)</sup>.

### 3-5 Competitive types

- **Cost or competitive price:** If the cost of production activities is lower than that of its competitors, the advantage that an organization gets when it gains a competitive advantage after controlling its costs and tight control over those elements compared to its competitors makes it competitive<sup>(28)</sup>.
- **Excellence:** When an organization can offer unique and unique products of high value from a consumer point of view (higher quality, after-sales

service), different advantages appear. In addition, it will allow control of the factors affecting these two properties<sup>(29)</sup>.

- **Competitiveness is not associated with a price:** considering that the limits of competitiveness are known for many non-technical and unrelated factors.
- **Quality competitiveness:** In addition to the elements of quality and convenience, the element of technological creativity includes the country with good innovations is the most consumer-friendly because of the reputable exporting institutions so that it can export the commodity even if it is the highest price of competing goods.
- **Technical competitiveness:** In this type of competitive advantage, projects compete with each other in terms of the quality that qualifies them to achieve the highest technology of industries compared to the industries that exist in the market for each company or institution in the market competing in the field of their specialization by providing the best product based on the latest science in the field of technology<sup>(30)</sup>.

### 3-6 Factors affecting competitive advantage

- **Continuity:** Energy use is a competitive advantage over the consumption or obsolescence of the resources held by the enterprise, and the degree of continuity of resources is coupled with the increasing rates of technological change and the methods and volume of expenditures allocated to it<sup>(31)</sup>.

<sup>(26)</sup> Hajjaj Abdul Rauf, Previous reference P, 7.

<sup>(27)</sup> Dawes Mohamed Al-Tayeb, **Patent index to measure the competitiveness of institutions and states**, 2005, p. 5.

<sup>(28)</sup> Boula, Mohammed, Shamam, & Abdul Wahab • **The role of the organization's strategy in achieving the advantage Competitiveness** 2008, p. 101.

<sup>(29)</sup> Al-Dawi Sheikh, **The role of effectively conducting the resources and efficiency of the organization in achieving competitive advantage** 'University of Wargla 2004, p. 261

<sup>(30)</sup> Dawis Mohamed Al, Tayeb **Patent is an indicator of the competitiveness of institutions and countries**, 2005, p. 7.

<sup>(31)</sup> Boulaa, Mohammed Shamam & Abdul Wahab, previous Reference, p. 94



- **The ability to imitate:** - The institution that controls competitive advantages will have a large share of profits and is what motivates competitors to acquire competencies that have great value, so it is natural for competitors to try to know this efficiency and work to imitate it, and in order for the organization to imitate the product it has to get enough information about the product wishing to imitate it and provide sufficient skills where it is considered a key factor in the success of the product <sup>(32)</sup>.
- **Industrial environment:** - The industrial environment is characterized by being characterized by rapid rates in the renewal of the product, if the life cycle of the product is rather short following the intense competition between competitors in the same field<sup>0</sup>, each product has its own industrial environment that it needs in order to complete and appear to the market in the<sup>(33)</sup> form of a final product but strong competition between companies forces entrepreneurs to produce projects as quickly as possible in order to keep up with the market.

## 4-Methodology

### 4-1 Data analysis and hypotheses testing

#### 4-1-1 - The study community:

The study community means the overall set of elements that the researcher seeks to generalize the results related to the problem studied. The study community consists of employees of Iraqi companies.

The researchers distributed a number of (50) questionnaires to the targets and the number (45) was retrieved and dropped (5).

To produce as accurate results as possible, the researcher was keen to diversify the sample of the study in terms of its inclusion as follows:

- 1- Individuals of different ages.
- 2- Individuals of various scientific qualifications.

- 3- Individuals from different scientific disciplines
- 4- Individuals from different jobs
- 5- Individuals of different years of experience

#### 4-1-2: - The study tool

The researcher relied on the resolution as a key tool for collecting information from the study sample, as the resolution has advantages, including:

- 1- It can be applied for information about a number of individuals.
- 2- Low cost and easy to apply.
- 3- Easy to place questions of resolution and draw their words and phrases.
- 4- The resolution provides the responder time and gives it a chance to think.

#### 4-1-3 - the stability and sincerity of the study tool

##### 4-1-3-1 Stability and virtual honesty

To ascertain the apparent honesty of the resolution and the validity of the questionnaire questions in terms of wording and clarity, the researcher presented the questionnaire to a number of academic arbitrators and specialists in areas close to the current field of study.

##### 4-1-3-2 Stability and statistical honesty

The test is consistently intended to give the scale the same results if used more than once under similar circumstances. Stability is also defined as the accuracy and consistency of the measurements obtained from the test.

Honesty is a measure used to determine the degree of sincerity of the respondents through their answers on a particular scale, and calculates honesty in many ways, the easiest of which is that it represents the square root of the stability factor. The value of both honesty and stability ranges from zero to the right one.

$$\text{Honesty} = \sqrt{\text{fortitude}}$$

The researcher calculated the stability factor of the scale used in the resolution by the Alpha-Kronbach equation. The stability factor (0.94)

<sup>(32)</sup> Charles and Garrett Jones, **Strategic Management** (Integrated entrance) 2001, p. 222.

and the self-honesty factor (0.89) on the entire questionnaire terms were greater than (50%), indicating that the survey's questionnaire was characterized by great stability and honesty for the purposes of the study, making statistical analysis sound and giving results with a high degree of confidence.

#### 4-1-4: - The statistical methods used

To achieve the objectives of the study and to verify its hypotheses, the following statistical methods were used:

- 1- The graphic problem.
- 2- Repetitive distribution of answers.
- 3- Percentages.
- 4- Broker.
- 5- Test the box as any to denote the differences between the answers
- 6- Standard Deviation, usually shortened as follows:(SD) or (S), as symbolized by the following symbol:( $\sigma$ ), this symbol is one of the symbols or letters used in Greek or Greek, and this letter is called Sigma. Standard deviation can be defined as follows: standard deviation is a dispersion measure, which is used to measure the extent to which data are dispersed from their computational medium, and calculated by taking the square root from the pre-calculated variation of that data.

For as accurate results as possible, the SPSS statistical program, which refers in short to the Statistical Package for Social Sciences, was used Description of the questionnaire.

Attached to the questionnaire is a letter of research in which it was noted on the subject of the study, its purpose, and the purpose of the questionnaire, and the questionnaire contained two main sections:

Section 1: The personal data of the study sample members, which contains data on scientific qualification, scientific specialization, professional qualification, job title, and the number of years of experience.

Section 2: This section contains the number of (8) words, the members of the study sample were asked to determine their response to what each statement describes according to the five-tiered Lykert scale (I strongly agree, I agree, neutral, I do not agree, I do not strongly agree). These terms were distributed to the study hypothesis below and describe the questionnaire:

## 5- Discussion and Analyzing

### 5-1: Age:

Table (1) The repetitive distribution of the individuals appointed by the study according to the age variable

Lifetime	Number	Percentage
30 years and less	6	13.3%
31 to 40 years old	21	46.7%
41 to 50 years old.	18	40%
More than 50 years.	0	0%
Total	45	100%

**Source: Researcher Preparation, Field Study, SPSS Program, 2019**

Table 1 shows that the total (45) individuals showed that the majority of the study sample members were in their age group (31 to 40 years)

with 21 individuals (46.7%), while the number of individuals in their age group (21) was 46.7%). From 41 to 50 years of age, they numbered 18 (40%), while the number of individuals aged 30 and under was 6, with 13.3% among them.

### 5-2: -Professional qualification

Table (2) The repetitive distribution of the individuals appointed by the study according to the variable of professional qualification

Professional qualification	Number	Percentage
Bachelor	7	15.6%
Diploma above university	9	20%
Master	16	35.6%
Doctor	13	28.9%
Other	0	0%
Total	45	100%

Source: Researcher Preparation, Field Study, SPSS Program, 2019

Table 2 shows that the total (45) individuals show that the majority of the study sample members have professional qualifications (Master's) with 16 (35.6%) and 35.6%, followed by individuals with a scientific qualification (Ph.D.) of 13 percent. (28.9%) followed by individuals who qualify (diploma above university) where they numbered (9) individuals

(20%) and finally the individuals with a scientific qualification (bachelor's degree) where they numbered (7) individuals (15.3%) among them

### 5-3: Scientific specialization

Table (3) The repetitive distribution of the individuals appointed by the study according to the variable of scientific specialization

Scientific specialization	Number	Percentage
Accounting	20	44.4%
Business Administration	10	22.2%
Economy	6	13.3%
Secure	7	15.6%
Other	2	4.4%
Total	45	100%

Source: Researcher Preparation, Field Study, SPSS Program, 2019

Table 3 shows that the total (45) individuals that the majority of the study sample members are scientifically specialized (accounting) where they numbered (20) individuals by (44.4%), while the number of individuals specialized in science (business administration) where they numbered (10) individuals by (22.2%), while the number of individuals specialized in science (business administration) was 10. 22.2%),

followed by study members with scientific specialties (insurance) with 7 (15.6%) followed by study members with a scientific specialization (economy) with 6 individuals (13.3%) and finally the number of individuals They have two individuals (4.4%) among them.

### 5-4 Career title

Table (4) The repetitive distribution of the individuals appointed by the study according to the variable of the job title

Job title	Number	Percentage
Reviewer	4	8.9%

Chief Financial Officer	8	18.7%
Head of a department	9	20%
Accountant	13	28.9%
Other	11	24.4%
Total	45	100%

Source: Researcher Preparation, Field Study, SPSS Program, 2019

Table 4 shows that the total (45) individuals showed that the majority of the study sample members were (accountants) with 13 individuals (28.9%), while the number of individuals named (other names) was (11) with 24.4%

The number of individuals named (head of a department) was 9 (20%), while the number of

individuals named (chief financial officer) was 8 (18.7%) and finally, those named by the same study (references) numbered (4) individuals (8.9%) among them.

### 1- Years of experience

Table (5) The repetitive distribution of individuals appointed by study according to years of experience

Years of experience	Number	Percentage
5 years and less	8	17.8%
6 - 10 years	30	66.7%
11- 15 years old	0	0%
16-20 years old	2	4.4%
More than 20 years	5	11.1%
Total	45	100%

Source: Researcher Preparation, Field Study, SPSS Program, 2019

Table 5 shows that the total (45) individuals are that the majority of the study sample members have years of experience (6-10 years), with 30 individuals (66.7%), followed by individuals whose years of experience (5 years and under) numbered (8) 17.8%, followed by individuals whose years of experience (more than 20 years) numbered (5) with 11.1%) and finally individuals whose years of experience (16-2 years) numbered two (4.4%) among themselves.

### 5-5 : - Testing the hypothesis of the study

To answer the study's questions and verify its hypotheses, the broker will be calculated for each of the questionnaire statements, which show the opinions of the sample of the study, where the score (1) was given as a score for each

answer "I strongly agree", the grade (2) for each answer "neutral", the grade (4) for each answer "I do not agree" and the grade (5) for each answer "I do not strongly agree. All of the above, depending on the requirements of statistical analysis, is to convert nominal variables into quantitative variables, after which a square test will be used as any to see the differences in the answers of the study sample members to the terms of each hypothesis.

### The study hypothesis

(There is a statistically significant relationship between Takaful insurance and competitive advantage)

The following table shows the repetitive distribution of study personnel' answers to hypothesis phrases:

Table 6 The value of the box as any and the probability value and deviation of the al-Ayeri and the mediator and its interpretation

No.	The phrase	Square value as any	A probability value of a	Standard deviation Sd. deviation	Broker value	Broker's explanation
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			box as any (sig)			
.1	Compensation paid to the participant in a state of disability contributes to the demand for solidarity and competition.	70.889	0.000	0.92	1	I strongly agree.
.2	A takaful fund formed in accordance with Islamic law, which is managed by the company, has led to the demand for solidarity.	34.3789	0.000	0.83	1	I strongly agree.
.3	Working to provide the right competitive environment to efficiently allocate and use resources and encourage creativity and innovation has contributed to the spread of interdependence.	24.778	0.000	0.84	1	I strongly agree.
.4	Exceptions are included in the documents to protect takaful funds from the impact of unusual disasters, which has contributed to competition between insurance companies.	21.756	0.000	0.88	1	I strongly agree.
.5	Claims are the interface that reflects the credibility of the insurance company and its ability to die by its obligations and thus remain in or out of the market.	37.111	0.000	1.057	1	I strongly agree.
.6	In takaful insurance, the company pays the heirs of the deceased or recommended the amount of the agreed face value in the case of group insurance.	218.200	0.000	0.94	2	I agree
.7	Takaful insurance has saved the face of the individual and his family by providing the maximum amount of money needed by the individual because of his or her family's health disability due to the death of her family, which has helped to compete with companies	19.089	0.000	0.90	2	I agree
.8	The payment method is convenient for participants, which has contributed to competition between companies.	16.778	0.001	0.93	2	I agree
.9	Facilitating actions by companies has contributed to the demand for solidarity	40.667	0.000	0.96	1	I strongly agree.

.10	The proper practice of interdependence on the corporate sector has led to the integrity of the position of insurance companies.	20.867	0.000	0.90	1	I strongly agree.
		541.877	0.000	0.93	1	I strongly agree.

**Source: Researcher Preparation, Field Study, SPSS Program, 2016**

The results of the table above can be interpreted as follows:

- The value of a box as any calculated to indicate the differences between the numbers of study members as stated in the first term (70.889) and its probability value (0.000) and this probability value is less than the value of the moral level (5%) and depending on what is in the table, this indicates statistically significant differences between the answers of the study members and in favor of a standard deviation of (0.92). We strongly agree that the compensation paid to the participant in a state of disability contributes to the demand for solidarity and competition.
- The value of a box as any calculated to indicate the differences between the numbers of study members as stated in the second term (34,378) and its probability value (0.000) and this probability value is less than the value of the moral level (5%) and depending on what is in the table, this indicates statistically significant differences between the answers of the study members and in favor of a standard deviation of (0.62). The strong approval of a takaful fund formed in accordance with Islamic law, which the company manages, has led to the demand for solidarity.
- The value of a box as any calculated to indicate the differences between the numbers of study members according to the third term (24,778) and its probability value (0.000) and this

probability value is less than the value of the level of morale (5%) and depending on what is stated in the table, this indicates statistically significant differences between the answers of the study members with a standard deviation of (0.84). For the benefit of those who strongly agree to work to provide the appropriate competitive environment to achieve the efficiency of resource allocation and use and to encourage creativity and innovation, it has contributed to the spread of interdependence.

- The value of a box as any calculated to indicate the differences between the numbers of study members according to the fourth term (21.756) and its probability value (0.000) and this probability value is less than the value of the level of morale (5%) and depending on what is stated in the table, this indicates statistically significant differences between the answers of the study members with a standard deviation of (0.88). It is in the interest of those who strongly agree that exceptions to the documents should be guaranteed in order to protect takaful funds from the impact of extraordinary disasters, which has contributed to competition between insurance companies.
- The value of a box as any calculated to indicate the differences between the numbers of study members according to the fifth term (37,111) and its probability value (0.000) and this probability value is less than the value

of the level of morale (5%) and depending on what is in the table, this indicates statistically significant differences between the answers of the study members with a standard deviation of (1.057). It is in the interest of those who strongly agree that the claims are the interface that reflects the credibility of the insurance company and its ability to die by its obligations and thus to remain in or out of the market.

- The value of a box as calculated to indicate the differences between the numbers of study members as stated in the sixth term (21,000) and its probability value (0.000) and this probability value is less than the value of the moral level (5%) and depending on what is in the table, this indicates statistically significant differences between the answers of the study members and in favor of a standard deviation of (0.94). They agree that in takaful insurance, the company pays the heirs of the deceased or recommended the amount of the agreed face value in the case of group insurance.
- The value of a box as any calculated to indicate the differences between the numbers of study members as stated in the seventh term (19.089) and its probability value (0.000) and this probability value is less than the value of the moral level (5%) and depending on what is in the table, this indicates statistically significant differences between the answers of the study members and in favor of a standard deviation of (0.90). They agree that takaful insurance has helped to save the water of the face of the individual and his family by providing the greatest amount of money needed by the individual due to the health disability or the family due to the death of her family, which helped to compete with companies
- The value of a box as calculated to indicate the differences between the numbers of study members according to

the eighth term (16.778) and its probability value (0.001) and this probability value is less than the value of the level of morale (5%) and depending on what is in the table, this indicates statistically significant differences between the answers of the study members with a standard deviation of (0.93). It is in the interest of those who strongly agree that the payment method is convenient for the participants, which has contributed to competition between companies.

- The value of a box as any calculated to indicate the differences between the numbers of study members according to the ninth term (40.677) and its probability value (0.000) and this probability value is less than the value of the moral level (5%) and depending on what is in the table, this indicates statistically significant differences between the answers of the study members and in favor of a standard deviation of (0.96). Strongly agree that facilitating the procedures by companies has contributed to the demand for solidarity
- The value of a box as any calculated to indicate the differences between the numbers of study members according to the tenth term (20.867) and its probability value (0.001) and this probability value is less than the value of the level of morale (5%) and depending on what is in the table, this indicates statistically significant differences between the answers of the study members with a standard deviation of (0.90). It is in the interest of those who strongly agree that the proper practice of interdependence on the corporate sector has led to the integrity of the position of insurance companies.

### Test hypothesis

The study hypothesis states:

"There is a statistically significant relationship between Takaful insurance and the competitive advantage of applying to Chican."

The objective of developing this hypothesis is that there is a statistically significant relationship between Takaful insurance and competitive advantage and to ensure the validity of the hypothesis will be used

the method of simple linear regression in the construction of the model as the independent symbiotic insurance represented by (x) competitive advantage (y1) as in the following table:

Table 8 Results of simple linear regression analysis to measure symbiotic insurance and competitive advantage

	Regression coefficients	Test(t)	Sig probability value))	Interpretation
$\hat{B}_0$	2.133	3.155	0.005	Moral
$\hat{B}_1$	.413	3.910	0.000	Moral
Link coefficient () $R$	0.453			
Selection coefficient () $R^2$	0.164			
Test () $F$	13.111	The model is moral.		

Source: Researcher's Preparation from the Field Study, 2016

Clear to the researcher from table 8

1. The results of the estimate showed a strong ejection link between symbiotic insurance as an independent variable and competitive advantage as a dependent variable, with simple correlation coefficient values (0.453)
2. The value of the selection factor (0.164), this value indicates symbiotic insurance as an independent variable that affects (16%) the competitive advantage (child variable).  $R^2$

The simple slope model is moral, with a test value of 13,111 F, which means that there are moral differences between symbiotic insurance and competitive advantage, indicating acceptance of the imposition.

3. 2.133: Average takaful insurance equals zero.
4. 3.910: It means increasing takaful insurance by one unit that increases competitive advantage by 16%.

The researcher concludes that the study's hypothesis, which stated that **"there is a statistically significant relationship between Takaful insurance and competitive advantage"**, has been achieved.

## 6- Conclusion

The Islamic insurance industry is considered a necessity in the structure of the modern economic system, and is considered one of the most prominent financial industries in the modern era, and has strategic importance to protect the financial industries and the economy.

The proper practice of interdependence on the corporate sector has led to the integrity of the position of insurance companies.

- 1- Claims are the interface that reflects the credibility of the insurance company and its ability to die by its obligations and thus remain in or out of the market.
- 2- Providing the appropriate competitive environment to efficiently allocate and use resources and encourage creativity and innovation has contributed to the spread of interdependence.
- 3- Symbiotic insurance has saved the face of the individual and his family by providing the most money needed by the individual because of his or her family's health disability due to the death of her family, which has helped to compete with companies.

Takaful insurance is based on legal rules that have made it accepted in various countries of the world, and although more than thirty years have



passed since the first experiment to establish a symbiotic insurance company, the ambition to continue the success and meet the challenges requires:

1. Introducing insurance science in general and solidarity in particular at different educational stages.
2. Create new coverage that is in line with the needs of beneficiaries so that those with limited incomes benefit.
3. Attention to quality and quality is the basis for the principle of the legitimacy of interdependence.
4. The continued pursuit of the required consistency in takaful insurance companies, for example, the exchange of experience between workers in the same field.
5. Work to create strategic alliances with other financial institutions to improve the competitiveness of commercial insurance companies that open windows for Islamic insurance.
6. Creating new products and services to provide consumers with practical advantages rather than just imitating traditional products requires professional professionals and researchers to work hard to create unconventional models.
7. Geographical expansion facilitates customers' access to Islamic insurance services, as well as work to direct this type of insurance to Muslims and non-Muslims.

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