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Human resource management: an Islamic perspective

Human resource
management

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Abstract

Purpose – Organizations manipulate themselves as per the legal, political, and social values of the particular country where they operate. As a result, the operations and human resources (HRs) of business corporations are handled as the environmental fabric of that country suggests. The purpose of this paper is to develop a conceptual framework describing the aspects of modern day human resource management (HRM) and HRM from Islamic perspective.

Design/methodology/approach – The framework is presented in five broad categories – the message of Islam, Islam in different nations, Islam and work, Islam and managerial dimensions, and Islam and HRM practices. Secondary data have been used to gain knowledge about teachings of Islam and how they can be practiced in order to manage HR effectively. Detailed discussion has been incorporated regarding the Islamic culture and how it can be practiced in the organizations while conducting different HR activities. It has been kept in mind to maintain the originality of the paper though any changes in the message of *Quran* and Prophet (s.a.w.) cannot be incorporated. If the organizations will be managed from Islamic perspective, managers will not only gain success but will also be at peace knowing that they are doing work for *Allah*.

Findings – This paper concludes Islam is more a “way of life” than a mere religion. In a nutshell, it teaches how a believer has to oblige to the commitment to his faith. Businessmen believe materialistic accumulation is all they are living for. But in reality, it is temporary. Their good deeds and behavior with people irrespective of any discrimination will remain forever.

Originality/value – A conceptual model of HRM and Islam is presented that provides an explanation of the linkage between the two.

Keywords Human resource management, Islam, Core beliefs, Social values, Cross-cultural management

Paper type Conceptual paper

Human behavior is composite of learning and experiences. How an individual human subject would behave and react under certain specific circumstances would depend entirely on the outlook that his psyche wants him to view certain situation or event as. And herein lies the distinct contrast between the two most widely talked about perspectives – the western thought and the Islamic view.

Reviewing the same fundamentals from a business perspective, organizations manipulate themselves as per the legal, political and social values of the particular country where they exist. The values and culture of countries which are western and those which are Islamic differ. As a result, the operations and human resources (HRs) of business entities are handled as the environmental fabric of that country demands. Some authors have emphasized, the universality and similarities between organizations (Cole, 1973; Form, 1979; Hickson *et al.*, 1974; Kerr *et al.*, 1952; Negandhi, 1979, 1985), and some others the uniqueness of organizations given their cultural contexts (Hofstede, 1980; Laurent, 1983; Lincoln *et al.*, 1981; Meyer and Rowan, 1977). Hofstede (1993) argued that a society’s values are among the most influential cultural differences. He studied national culture in 60 countries and identified five



major dimensions that accounted for the sharpest differences among employees. These may be called individual-difference factors.

However, as Tayeb (1988) argues, the two sides of the debate are not mutually exclusive. Rather, they complement one another. That is, certain aspects of organizations are more likely to be universal, such as shop floor layout, hierarchical structure, division of functions, organizational process, and information management; and some areas more culture-specific, such as human resource management (HRM).

HRM is a significant aspect of an organization which is most likely to be subject to cultural influences. HRM practices reflect the Islamic values in the countries where Islam plays a dominant role. This paper deals with different aspects of Islam which teach the management of the most significant resources of any organization – HR. Two key issues which will be addressed are: human resource management and the teachings of Islam highlighting the manners in which HR should be dealt with.

Human resource management

The origin of HRM in modern organizations is a largely Western phenomenon that can be traced to the personnel management function (Burack and Smith, 1977). The gradual parting of ways of personnel management and HRM culminated in a total separation when HRM, as a distinctive discipline, was introduced to their MBA curriculum by the “Harvard School” (Beer *et al.*, 1984) and “Michigan/Columbia group” (Fombrun *et al.*, 1984) in the USA in the early 1980s.

Experience has shown that HRs are the most valuable asset of any business. It is more valuable than capital or equipment. Unfortunately, it is also the most wasted. People can be your biggest asset or your biggest liability (Khera, 1999). The scope for HRM varies across organizations. Walton and Lawrence (1985), for instance, identified four major areas of HRM policy: reward systems, including compensation and benefits; employee influence mechanisms such as participation; job design and work organization; and employee selection and development. Generally, the components of manpower planning are: recruitment, selection, training, and performance appraisal. The purpose of having a manpower plan is to have an accurate estimate of the number of employees required, with matching skill requirements to accomplish organization goals. Recruitment is the process of locating and promoting potential applicants to apply for existing or an anticipated job openings (Sherman *et al.*, 1996). It could be through advertisement, employment exchange agencies or private employment agencies and present employees. The component selection can be defined as the process of offering jobs to one or more applicants from the applications. Great attention has to be paid to selection because it means establishing “best fit” between job requirements on the one hand, and the candidate’s qualification on the other (Monappa and Saiyadain, 1989). Different kinds of selection tests are achievement tests, aptitude tests, interest tests, personality tests, and intelligence tests. After recruitment and selection, training provided to the employee focuses on improving skills, or to add to the existing level of knowledge so that the employee is better equipped to do his present job, or to prepare him for higher responsibilities. In order to identify employee for salary increase and promotion, to determine training needs for further refinement of the skills of employee and to motivate them by informing them about their performance levels, performance appraisal technique is used. Appraisals are judgements of the characteristics, traits and performance of others. Techniques for

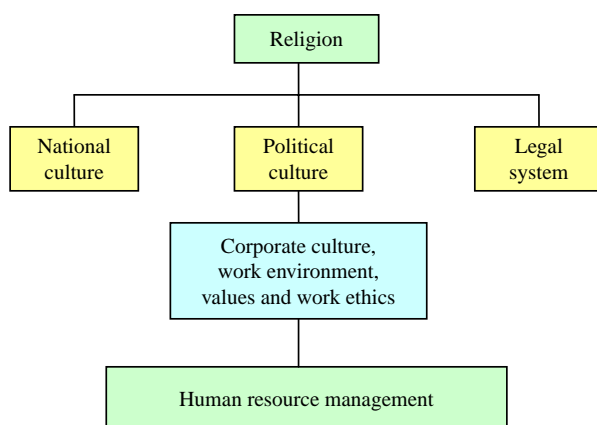
performance appraisal includes confidential report, rating scales, ranking system, paired-comparison method, force-choice method, critical incident method, cost accounting method, and forced distribution method (Monappa and Saiyadain, 1989).

HRM policies are generally decided by the companies' senior managers, with or without consultation with their employees. But they are often adopted and implemented with some reference from the national context within which the organizations operate (Tayeb, 1996). These include: national culture, political ideology of the government, the economic conditions, trade unions, and the legal system. In countries, where the government and political environment is honest, generally one finds that the people are honest, law abiding, and helpful. And the reverse is true too. In a corrupt environment, an honest person has a tough time. Whereas, in an honest environment, the corrupt one has a tough time (Khera, 1999). Similarly, religions in many countries, with either secular or religious constitutions, have a certain degree of influence on the cultural characteristics of their people and their institutions. This influence is far more extensive and inclusive in the countries that follow a model based on religious ideals, as shown in Figure 1.

Literature review

Jabnoun (1994), in his book *Islam and Management* says that the Islamic evolution has made tremendous and highly essential contributions in many areas of human life. In regards to management and leadership, he presented several traits, as to how Muslim leaders should behave to deserve good followers. Kasule (1998) developed and wrote modules for training in leadership skills from Islamic perspective since he was motivated by the fact that leadership is an essential aspect for management. *Islamic Management for Excellence: Revitalizing People for the Future* a book written by Al-Habshi *et al.* (1998), explains the significance of a stable family institution. Ahmad (2002) explains the importance of Islamic ethics in business and management in his book *Ethics in Business and Management: Islamic and Mainstream Approaches*. Muhammad Zafrullah Khan (1999) talks about human rights in the light of Islam in his book *Islam and Human Rights*.

Choudhury (1989) presented Islam as a comprehensive way of life for its adherents. The spiritual and ethical reconstruction of individuals, societies and the world order



Source: Adapted from Tayeb (1997)

Figure 1.
Contextual influence
on HRM

are given in a socio-economic framework. Metwally (1997) highlights the desire of many Muslim countries to turn to Islamic laws and teachings in modelling their way of life, including their economic behavior in "Economic consequences of applying Islamic principles in Muslim societies." This paper attempts to investigate the consequences of applying Islamic principles in Muslim societies. In "Islamic revival in Asia and human resource management," Tayeb (1997) clearly describes the ethics and values to be followed at the workplace and how different Islamic countries are managing their employees. The purpose of the conceptual paper, "Corporate governance in Islamic perspective" by Choudhury and Hoque (2006) was to develop a discussion expounding the Islamic perspective of corporate governance as a special case of a broader decision-making theory that uses the premise of Islamic socio-scientific epistemology. The end results of the conceptual framework of this paper on corporate governance are contrasted with the approach to corporate governance in mainstream literature. Ali and Al-Owaidan (2008) presented a coherent but critical treatment of Islamic work ethic in their article "Islamic work ethic: a critical review." They found Islamic work ethic has economic as well as moral and social dimensions. In "Problem solving: an Islamic management approach," Fontaine (2008) presented a problem-solving model that incorporates Islamic values and concerns. He found out that the focus in the international business literature has been on the *Quran* alone and not on the teachings and practices of Prophet Muhammad (s.a.w.).

Methodology

This paper deals with the Islamic perspective of HRM. Islam helps in teaching the various manners in which, we can manage our most valuable assets effectively. This way a Muslim manager cannot only deal ethically but can also please God (*Allah*). This paper is based on secondary data which has been collected from books, journals, newspapers, and internet. A conceptual framework has been developed describing the aspects of modern day HRM and HRM from Islamic perspective. The framework is presented in five broad categories – the message of Islam, Islam in different nations, Islam and Work, Islam and managerial dimensions, and Islam and HRM practices.

The message of Islam

Islam is an Arabic word, derived from the root which means both "peace" and "submission." It thus connotes the attainment of peace, here and hereafter, through submission to *Allah*, or, in other words, through conformity to his will. A person who thus submits is a Muslim. In the *Quran* (the Scripture of Islam), the appellation "Muslim" is applied to all the righteous.

For Muslims, Islam is not a man-made institution; the *Quran* contains the words of god, revealed syllable by syllable to Prophet Mohammed (s.a.w) some 1,400 years ago. The deeds of its adherents are therefore inseparable from divine commandments. Islam is generally viewed by some non-Muslims as being a fatalist religion. But the *Quran* specifically asserts that humans are able to choose and to intervene in their destiny, and that they are held responsible for the consequences of their deeds. However, they are not left alone to run their life. God has equipped them with the *Quran* and the traditions of Prophet Mohammed, which in Islamic view is one of the most important sources of guidance that humans can use to steer their actions and beliefs (Tayeb, 1997).

Social values

All values affecting man are based on the common concept that every human being is capable of achieving the highest plane of moral and spiritual development and that his personality must be respected. The *Quran* takes note of diversities of race, color, language, wealth, etc. which serve their own useful purpose in the social scheme, and describe them as signs of god for those who hear and possess knowledge (30:23). But none of these confers any privilege or imposes any disability. The *Quran* says god has divided mankind into tribes and nations for greater facility of intercourse. Neither membership of a tribe nor citizenship of a state confers any privilege, nor are they sources of honor. The true source of honor in the sight of god is the righteous life (49:14). The Prophet said: "The best among you is who treats the members of his family best." With regard to servants, the Prophet said:

They are your brothers, and you should treat them as such. Provide them with the kind of clothes you wear, and if you set them a hard task, join them in it to help them complete it.

The wages of the laborer must be paid to him "before the sweat dries upon his body" (Maja, n.d.). Younger people are admonished to show due respect and consideration to older people, and older people are exhorted to treat younger people with kindness. The Prophet said: "He who does not behave kindly towards younger people and does not show due respect of *Allah* and His blessings." The *Quran* directs that one should greet his fellow beings with a better greeting than one receives oneself, or at least return the same (4:87). Perhaps, the most comprehensive dimensions within the domain of social values is: "Help one another in the righteousness and virtue; but help not one another in sin and transgression" (5:3). When the Prophet said on one occasion, "Go to the help of your brother whether oppressor or oppressed," he was asked "We know what is meant by going to the help of brother who is oppressed, but how shall we help a brother who is oppressor?" The Prophet replied: "By restraining them from oppressing others" (Bukhari, n.d.).

Economic values

In the economic sphere, the basic concept of Islam is the basic ownership of everything belongs to god alone (2:108, 3:190). Man is God's vicegerent on earth. The objective of the Islamic economic system is to secure the widest and most inclusive distribution of wealth through institutions set-up by it and through moral exhortation. Wealth must remain in constant circulation among all sections of the community and should not become the monopoly of the rich (59:8). Islam recognizes the diversity of capacities and talents, which is in itself beneficent, and consequently the diversity in earnings and material rewards (4:33). It does not approve of a dead-level equality in the distribution of wealth, as that would defeat the very purpose of diversity, and would amount to denying "the favor of *Allah*" (16:72). It is obvious that if the incentive of the proportionate reward for labor, effort, skill, and talent were to be removed, not only would initiative and enterprise be adversely affected, but intellectual progress would also be arrested. That is why the doctrine of equal reward irrespective of the diversity of skill, capacities, and talents that have gone into the production of wealth has never been maintained for long, even when it has been proclaimed as state policy, and has had to be modified through recourse to various devices designed to secure diversity in reward. On the other hand, Islam does not leave the principle of competition and proportionate rewards to work itself out mechanically; that too would lead to hardship

and injustice and would retard the moral and spiritual development of individuals and of society as a whole (Khan, 1999).

Another major provision is the prohibition against the making of loans on interest. The word used in this connection in *Quran* is *riba*, the connotation of which is not identical with that of the word "interest" as commonly understood; but for the present purpose "interest" may be used as a rough equivalent. *Riba* is prohibited because it tends to draw wealth into the hands of a small circle and to restrict the exercise of beneficence towards one's fellow beings (2:281).

Islam in different nations

In the Islamic Republic of Iran, for instance, all social institutions mentioned above and many more, such as the educational establishments and their priorities, the media, the arts, the political structure, the army, and private and public sector organizations, are all required to conform to Islamic values and instructions (Tayeb, 1997).

An important point to note is that although Muslim nations have a great deal in common, there are also differences among them. And these differences can be observed in economic and business as well as social aspects of life. Saudi Arabia, for instance, adheres strictly to the sacred law *Shari'a* in many spheres of life, while Turkey has turned to secular laws for the administration of its economic and social affairs. The position of women in society and socially acceptable codes of behavior for people in general, and in business life, are cases in point (Tayeb, 1997).

In Malaysia, the government has been implementing an Islamization policy for some time now, according to which companies have to organize their activities and manage their employees in accordance with the *Quranic* teachings (*The Economist*, 1996).

In Saudi Arabia, women are not allowed to drive their own cars. As far as work is concerned, they are barred from public office. As a result, they have turned to business and professions for employment. But here too they work under certain constraints. According to *The Economist* (1995), most women who are active in private businesses (as owners) are in the retail trade. In a shopping mall in Jeddah, eight out of 20 shops are owned and run by women and notices forbid men to enter the shops run by women. Teaching is a profession open to women but it is difficult for them to apply for positions which are located outside their home towns. In this patriarchal society, women must have written permission from their husbands or fathers before they can travel.

In Kazakhstan, now that the country is independent, its old, and predominantly patriarchal culture, which lay dormant under the Soviet rule, is enjoying a revival, replacing the "Russian Communist" culture. As a result, the perception of the role of women in society and in the workplace is changing. In the short-term, at least, it is unlikely that women will have the same opportunities as they had before (Pollard, 1994). Furthermore, the revival of Kazakh Islamic culture now places a great emphasis on age and seniority and prescribes "proper" junior-senior relationships, stemming from its nomadic traditions (Rywkin, 1982). This could have repercussions for organizational issues such as hierarchy, authority structure, promotion, and compensation policies.

Tayeb (1997) adds information regarding women in Iran who have to follow a strict Islamic dress code at work, and indeed elsewhere. Men and women remain separate in prayers, wedding ceremonies, public transport, etc. However, unlike Arab women in Saudi Arabia and the Persian Gulf states, Iranian women are doing well in many

spheres of public life. Some 95 percent of young girls go to primary school. Older girls get less chance of getting higher education, but the gap is closing. Girls are doing well in technical schools, colleges, and universities. Women can go into most jobs and professions, and, unlike their Saudi counterparts, they can drive their cars and vote. They can stand for parliament and there are many women members of parliament.

Latifi (1997), who closely observed a sample of Iranian managers at work over a period of time, discovered traces of Islamic values in Iranian managers' HRM style. She found that Iranian employees viewed their managers as sympathetic brothers and sisters or compassionate fathers and mothers. In addition, this family-like relationship also includes "social" and "teacher" roles for the managers. They were frequently involved in the private lives and family matters of subordinates to make them feel they are family.

A survey of nine organizations was conducted in Malaysia by Endot (1995). The then Prime Minister of Malaysia, Mahatir Mohammed, initiated and implemented an Islamization processes in the country which aimed at infusing Islamic values throughout the society at all levels, from individual to institution. In pursuance of Islamic teachings one company offers its workers interest free loans for vehicle or house purchase, or for arrangements of wedding ceremony. Another company organizes Islamic study circles for managers where they can participate and get together once a week to discuss different aspects of teachings of Islam and socio-political issues with an intention to develop their Islamic personality. It also helps in creating cohesiveness of relationships and unity of thoughts on the issue discussed. One organization sends its employees on short courses in Islamic teachings with the main objective to make them understand Islam and its values. The process of selection for new recruits and their training are also influenced by the Islamization process. One organization recruits individuals who have graduated in Islamic studies. They are then exposed to techniques for modern management. Another recruits business-related graduates and then trains them on the Islamic aspects of their work. In all the firms in Endot's study, the management made their subordinates' understand and believe that they were accountable for their work not only to the organization, but to God (*Allah*), and that Islam consider their work as a form of worship of *Allah*.

Islam and work

Islam is more a "way of life" than a mere religion. In a nutshell, it teaches how a believer has to oblige to the commitment to his faith. In the context of "Islam and Work," it sheds light on the obligations of the worker towards his work in particular and his employer or employee in general. The more committed to his religion, the more committed he has to be to his work. Hence, as per the teachings of Islam – by working more dedicatedly as per the agreed terms of his employment, the employee justifies his earning and livelihood and at the same time stands out as a role model for the believers and non-believers alike.

Sherif (1975) identified nobility, patience, self-discipline, good appearance, abstinence, resolve, sincerity, truthfulness, servitude, and trust as major Islamic values. These could clearly have an impact on both management and productivity of employees.

Islamic values related to work

Latifi (1997) identified the following work-related characteristics:

- equality before god;
- individual responsibility within a framework of co-operation with others;
- employees respect and honor should be prominent;
- principle of equity to be followed;
- fatalism but also a recognition of personal choice; and
- consultation at all levels of decision making.

In order to plan HR on the lines of Islamic culture, the manipulations which are common in the modern business world must be avoided. The will of *Allah* and messages of Prophet Muhammad (s.a.w.) are to be followed by the managers if they want to be successful in both the worlds – here and hereafter. Below are the few areas discussed from Islamic perspectives which are to be taken care of for an effective HRM system.

Characteristics of good managers from Islamic perspective

In the modern world, business managers' major aim is to earn profits. Sometimes, they forget to follow the correct path and move on the most traveled path, because they believe materialistic accumulation is all they are living for. If they try to come out of this misconception, they will see the world from a different perspective. They will realize that this material wealth which they aim to earn is only a temporary asset. But what will remain forever is their good deeds and behavior with people with whom they are associated. The ethical path consisting of the message of *Allah* and Prophet Muhammad (s.a.w) will give them internal peace and help them pleasing God – which is the ultimate aim of any Muslim.

Motivated leaders clarify goals, set objectives, consult and respect followers, deal with followers kindly, humanely and with fairness. Spiritually people are classified as those who have: Nafs Ammarah, Nafs Lawwamah, Nafs Mutmainnah. Nafs Ammarah are those who possess negative motivation due to worries, lack of self-confidence, never respect other's right and are not able to make followers feel secure. Nafs Lawwamah are the motivating ones who believe work is challenging, meaningful and provides directions for advancement, learning, and personal growth. Nafs Mutmainnah provides a high level of the sense of responsibility towards *Allah* and contentment since there is a feeling of being away from fear and anxiety; and gives job satisfaction (Kazmi and Ahmad, 2006).

In one of the *Hadiths* (teachings) of Prophet Muhammad (s.a.w.), a person is encouraged to develop good characteristics and behaviors (Bukhari, n.d.). It implies, a manager should have a balanced personality where he is strong but not violent, lenient but not weak, and generous but not extravagant. According to another *Hadith*, kindness is a form of strength and, therefore, managers are expected to be kind enough to others whether they are employees, customers, or suppliers (Muslim, n.d.).

Islam emphasizes on relationships among people which should advocate equal rights for all, and urges leaders to seek advice or information from their followers in the carrying out their affairs. If this is translated into behavior at workplace then this should mean a consultative decision-making process, and a fairly diffused power structure. Self-discipline, trustfulness, honesty, respect, resolve, and loyalty should encourage managers to trust their subordinates judgement and integrity, which could

result in a participative management. Co-operation, perseverance, and family-like relationships among people, should encourage teamwork and mutual support, and enhance productivity within an organization (Tayeb, 1997).

Manager should be trustworthy since trust is a moral responsibility for everyone in the performance of their duties and their social, political and economic lives (Hanafi and Sallam, 2006). The *Quran* says “*Allah* doth commend you to render back your trust to those to whom they are due and when ye judge between man and man. That ye judge with justice” (4:58). In one of the *Hadith*, the Prophet (s.a.w.) mentioned the importance of trust in this public administration as “Any ruler who has been entrusted with the affairs of a group of Muslims and who dies as a dishonest ruler, to him paradise is forbidden by *Allah*.”

To treat people equally is a prerequisite of fairness and justice, an ethical code that modern corporations are trying to achieve. Islam has emphasized justice among human beings (Hanafi and Sallam, 2006). A verse in the *Quran* says, “*Allah* commands justice, the doing of good and liberality to kith and kin. He forbids all shameful deeds, injustice and rebellion; he instructs you, that ye may receive administration” (16:90). Another verse from *Quran* says, “To those who believe and to deeds of righteousness hath *Allah* promised forgiveness and a great reward.” A manager should judge employees in an unbiased manner, because employees expect justice from their employer.

Islam and managerial dimensions

Corporate culture

“Culture is the particular way of life in a specific society” (Foster, 1965). With respect to corporations, Pettigrew (1979) explained culture as a:

[...] system of publicity and collectively accepted meanings operating for a given group at a given time. This system of terms, forms, categories, and images interprets people’s own situation to themselves.

The idea of collectively accepted meanings is prominent which suggests that the culture is related to those things that can be shared. Louis (1983) also came up with the idea of common understanding. She believed organizations are “culture-bearing milieu”, that is, they are distinctive social units possessed of a set of common understanding for organizing action.

The Islamic culture is derived from Islamic worldview that does not necessarily reflect contemporary Muslims’ societies. Ideal Islamic culture subscribes neither high power distance nor low (Kazmi and Ahmad, 2006). Islam teaches to respect and care for others at workplace irrespective of the power or position one holds. Prophet (s.a.w) says, “Someone who fails to be affectionate to young, respect elderly and fails to accord high honor to scholars, does not belong to me (being a Muslim).” Therefore, any power distance and authority’s respect is due to the benevolence in mutual relationship. Islamic culture promotes the feeling of social belongingness where a respect for individual’s right is guaranteed.

For the cultivation of an Islamic corporate culture, Islam has provided a number of values to be applied in organizations such as: wisdom, humility, fortitude, justice and while simultaneously shunning pride. Most of the times, the modern ways and Islamic culture stand into contrast to each other when competing in fast growing environment as depicted in Table I.

Planning

Planning to reach the final aim should be done in such a way that it goes parallel to *Allah's* will. If one has to follow the Islamic perspective to plan and compete then the intention should be to strive and achieve in the cause of *Allah*. While competing, one should remember the teachings of *Quran* and Prophet (s.a.w.). If the intention is dishonorable such as envy, jealousy, mutual rivalry, etc. then it does not follow the Islamic view (Kazmi and Ahmad, 2006).

Leading

Robbins (2001) defines leadership as the ability to influence a group toward the achievement of goals. Great leaders possess distinct qualities of confidence, iron-will, determination and strong decision-power. (Kazmi and Ahmad, 2006) informs that in Islam, leadership is trust. It is psychological contract between a leader and his followers that he will try his best to guide them, to protect them and to treat them fairly and with justice. The focus of leadership in Islam is on doing good.

According to Islam, the two major roles of a leader are those of servant- and guardian-leader. A leader is the servant of his followers (Saiyyad Al-Qawn Khadimuhum). He is to seek their welfare and guide them towards good. On the other hand as the guardian-leader, the Muslim leader should protect his community against tyranny and oppression, encourage god-consciousness and promotes justice.

Leadership in Islam is rooted in belief and willing submission to the creator, *Allah*. It aims at serving *Allah*. To serve god, a Muslim leader is to act in accordance with the order of god and his Prophet (s.a.w.), and must develop a strong Islamic character. Kazmi and Ahmad (2006) highlight the key moral bases of Islamic leadership – *Islam Iman* (faith in God), *Taqwa* (inner consciousness) and *Ihsan* (love of god). Islam means achievement of peace, with oneself and with the creation of God, through willing submission to him. *Iman* implies in the oneness of God and the prophethood of Muhammad (s.a.w.). A leader with strong *Iman* will consider himself and all his possessions as belongings to god. He will bow his ego, his ideas, his passions and his thinking to god. A leader with firm *Iman* will not dodge responsibility for his actions, and will continuously emphasize good deeds. *Taqwa* is the all-encompassing, inner-consciousness of duty towards god and awareness of one's accountability towards him. *Taqwa* will restrain a Muslim leader or follower from behaving unjustly – whether to community members, to customers, to suppliers, or to anybody else. *Ihsan* is the love of god which motivates the individual Muslim to work towards attaining god's pleasure. The Prophet (s.a.w.) describes *Ihsan* as: "To worship God as if you see him,

Modern culture	Islamic culture
Pure individualism	Collectivism
Pure materialism	Aesthetical value
Supports favoritism	Favoritism is unethical
Social belongingness missing	Social belongingness guaranteed
Competition with personal differences	Healthy competition without envy and jealousy
Training for deserved ones	Training and knowledge for all
Power concentration	Power distribution
Respect those who are in power	Respect irrespective of power and position

Table I.
Distinction between modern and Islamic cultures

and if you cannot achieve this state of devotion then you must consider that He is looking at you.”

Motivation

In modern times, the triggers to motivate an employee are bonuses, perks, and other incentives which are usually in monetary form. The employees are attracted towards these additional benefits, as a result they become more productive and efficient. But the teachings of Islam conveys the message that work and religion itself are a great source of motivation for Muslims. Prophet (s.a.w.) taught that every human endeavor is an act of worship and charity. A Muslim knows that when he is working, he is in way worshipping his lord and that is a powerful motivator in itself irrespective of any material gain.

Sources of motivation for Muslim workers are not confined to the higher standards of living and self-fulfillment but it encircles the fact that his work is a morally good deed which will ultimately help him to attain true success in this world and well-being in the hereafter. When a Muslim works with this meaningful objective, any reduction in the value of worldly and materialistic reward does not affect his motivational levels and performance.

For a Muslim, wages and other material benefits are a means to buy food, clothes, house, and fulfill the needs of his family. He does not consider it the return of labor but he believes that his labor is worship and only *Allah* can recompense it (Kazmi and Ahmad, 2006). Heaven (*Jannat*) will be the reward received by a Muslim worker who will conduct his work on the guidelines of *Quran*.

Communication

Communication is commonly understood as the imparting, sharing, or exchanging of information, news, views, thoughts, attitudes or ideas between two or more people (Shah and D'Souza, 2008). The *Quran* states “The most gracious (*Allah*)! It is he who taught the *Quran*: he has created man: he taught him speech (55:1-4).” To follow the Islamic perspective, individual should communicate in such a manner that it pleases *Allah* and communicate the message effectively at the same time.

While communicating, Islam promotes kindness and affection towards others, element of politeness in conversation but to be wise, truthful, building mutual trust and confidence, and greeting and thanking people. Backbiting, disrespect towards peers and subordinates, suspicion, two-faced personality, abusing, hiding facts from team members and manipulation is abhorred by *Allah*.

Islam and HRM practices

Islam vis-à-vis recruitment

Many organizations while advertising a vacancy, deliver a message that only people belonging to specific groups, race, or gender are eligible to apply. But in many cases, the non-preferred ones can also perform the same task with equal efficiency or even better. Sometimes, advertisements clearly convey qualifications which suits a particular candidate and possibly the one that the HR manager is interested in. Such blatant favoritism affects the effectiveness of company since deserving candidates are not given a chance. The Islamic way of life does not allow favoritism in recruitment since it violates the ethical principles of justice (*Al-'Adl*), fulfillment of contract with the employer to look after the interest of the organization (*Ifa Al-'Aqd*), and the right of

others in dealings (*Huquq Al-'Ibad*). "Allah commands justice, the doing of good to kith and kin. He forbids all shameful deeds, injustice and rebellion; he instructs you, that ye may receive administration (16:90)" (Ahmad and Sadeq, 2001).

Islam vis-à-vis selection

At the time of selection, when organizations lack any standard selection process and depend upon unstructured questions for conducting interviews, the chances of being biased are relatively higher as the procedure involves subjectivity. That is why many countries have introduced laws to administer the selection process. The US Civil Rights Act requires that any test used in the selection process or in promotion decisions must be validated if its use had an adverse impact on women and minorities. But these rules and laws may not guarantee fair treatment and ethical behavior. Such kind of favoritism is not permitted in Islamic system since Islam always promotes unbiased behavior (Sadeq, 2006).

Islam vis-à-vis training and development

Organizations should encourage their employees to gain additional skills and knowledge through training and development programmes. It enhances, the employee productivity and helps the employees to have better career opportunities. The Islamic ethical system makes knowledge compulsory for all. This knowledge does not refer only to basic Islamic knowledge, but rather it is also obligatory to possess knowledge and skill of the profession that is necessary to fulfill one's contract with his or her employer. Thus, Islam emphasizes on dual qualities in the workforce, the moral quality and the professional quality (Sadeq, 1990).

Islam vis-à-vis performance appraisal

Performance appraisal evaluates the performance of an individual's job. If this is not carried out effectively, there would be a resultant decline in productivity and may lead to frustration. To avoid this, employees working efficiently should be duly rewarded which will make them feel wanted and an important part of the organization. Those who do not perform well should also be informed so that they may work harder to achieve their targets. Inappropriate use of performance appraisal is not only demoralizing but it is also an unethical practice. Poor design of the appraisal forms such as subjective types of evaluative questions leading to unfair evaluation will result in unfair treatment of some employees and to the dismissal in some cases and undue promotions (Sadeq, 2006). Such biased appraisals are against ethical principles of justice and fairness, people's rights, and are not a part of the Islamic system.

Islam vis-à-vis compensation and wages

An ethical problem may arise when undue labor exploitation takes place to make unpaid gains. It may also arise through favoritism in pay and promotion (Danley *et al.*, 1991). A mere interaction of demand and supply forces may not lead to a fair and ethical amount of compensation in a labor abundant society and this may lead to undue exploitation of workforce. Figure 2 shows the Islamic principles of ethics in human resource management, out of which one says the compensation should correspond to the employee's contribution. According to the Principle of Fair Compensation (*Al-Ujrah*) "Woe to those who deal in fraud, those who take the full measure when they receive from others, but give less when give them in measure or weight (83:1-3)."

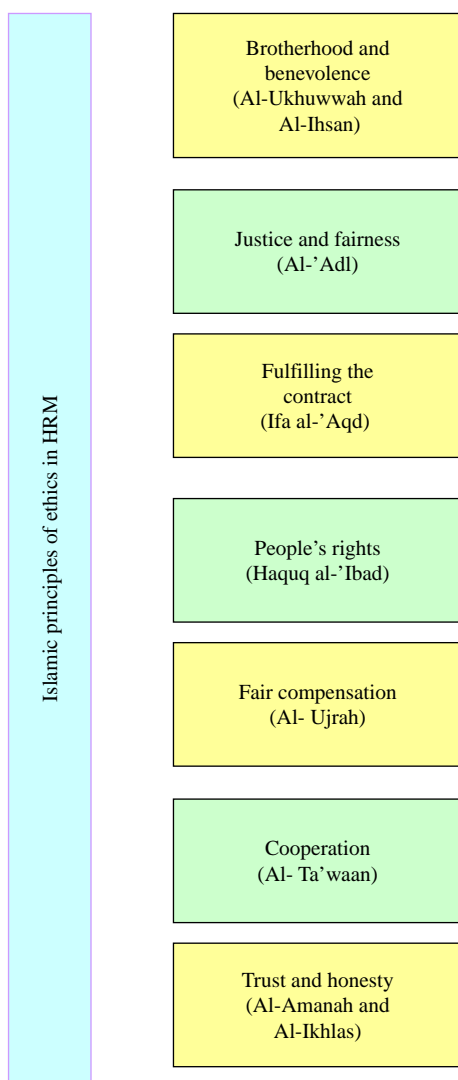


Figure 2.
Seven Islamic principles
of ethics in Islam

Besides this, Islamic system requires a humane and fraternal (brotherhood) design while fixing the compensation. An organization should structure the compensation package for its employees in such a way that it lets them meet their basic needs and with a standard of living that is comparable with the employer (*Al-Bukhari* and *Al-Sahih*), subject to the maximum of the employees' contributions with the employer (Sadeq, 1989). This is required by the Islamic principles of ethics, namely brotherhood and benevolence (*Al-Ukhuwwah* and *Al-Ihsan*) and fair compensation. There may not be any favoritism regarding the pay and promotion since it is against the Islamic principles of people's rights and justice and fairness (4:29, 5:8).

Man is elevated to the status of vicegerent by God on Earth. God himself has created some differences in the form of the poor and the rich in this world because it is only He Who knows well the mechanical existence of life and the system related to it. God (*Allah*) orders:

Mankind! We created you from a single (pair) of a male and a female, and made you into nations and tribes, that you may know each other (not that you may despise each other). Verily the most honoured of you, in the sight of God, is (he who is) the most righteous of you. And God has full knowledge and is well acquainted (with all things) (Surah Hujurat, 13).

In another place, He says in the Holy *Quran*: “Gracious is God to His servants: He gives sustenance to whom He pleases. And He has Power and can carry *out* His Will” (Surah Al-Shura; 19).

Man is respectable and honorable in all forms despite differences such as color, race, or such as a slave or a master. All men are equal in all respects and one who is *Muttaqi* is worth seeing in the eyes of *Allah*. These differences between rich and poor are important to identify man and generate “balanced economic society” because positive and negative elements exist together like day with night.

Akhtar (1992) informs:

When an employer pays his/her employees, one part of the compensation may be to seek labor and another part of it may be to seek *Allah*'s pleasure by meeting his/her employer's needs for his sake alone.

This statement defines an employer's profit function in an Islamic framework while we can define an employee's utility function as follows:

$$U = (\text{Divine will, Master Pleasure, Wages, Effort}) \text{ and} \\ e \geq \hat{e} \text{ (No concept of shirking or avoiding work)}$$

where, e denotes effort level of the employee, \hat{e} stands for the required level from employer.

Utility of an employee is a function of *Allah*'s will, master's pleasure, wages, and effort level. The first two variables are omitted in secular utility maximizing agent. He does not behave sincerely with his master as per maximization propositions. He shirks on the job whenever he finds opportunity while an Islamic economic agent is always sincere with his master and asks for his favor. He looks after his master's property instead of shirking on the job (Abbas, 2006).

Abdullah reported that the Apostle of *Allah*, Prophet Mohammed (s.a.w) said, “When a slave sincerely works for his master and worships well, there is for him double reward” (Quoted from Akram Khan, 1989).

All believers have not the same degree of *Amana* (Faith). This degree of faith differs from person-to-person and this degree impacts the character of a person. Faith not only matters in *Ebadah* (prayers) but also in daily dealings. Some are more trustworthy, dutiful, honest, and kindhearted in their matters. These qualities are important in business dealings. The secular economic agents have almost the same motivation of material maximization in their economic decisions. Here, faith does not involve in decisions. Although difference in economic decisions exists, the larger variation in motives is not found. Therefore, it is pertinent in an Islamic system to have wage differentials. The degree of *Amana* leads to difference in wages. The more trustworthy and honest employee will get a higher remuneration package than his colleagues.

Islam attaches extraordinary importance to the fulfillment of contracts and promises. The following verse of the *Quran* and traditions of the Holy Prophet (s.a.w.) throw light on this fact: “O ye believers! Fulfil your contracts”(5:1). It is clear that Muslim businessman has to fulfill his commitments to his employees, customers, suppliers and government and the general public in all respect. He should not indulge in cheating, violation of promises or arbitrary actions.

According to Islam, individuals should utilize resources in such a way that it does not cause any damage or inconvenience to the people or the society in general. Managers could take a note of this and should operate their companies in environment friendly manner. The Prophet (s.a.w.) has said: “There is no scope for causing damage in Islam neither in the case of an independent action nor as a reaction” (Kitab-al-Khiraj). Islam does not allow a producer to engage in production just for the sake of profit. Production should aim at providing beneficial and useful items for the people, without causing any damage to the society or nature.

Conclusions

On a conclusive note, Islam teaches compatibility and peaceful co-existence between humans and instills a sense of understanding what is right and what is not. The values and ethics embedded in a human being are reflected through his behavior. Islam shows the path not of just possessing the Islamic values but to prove these in a day-to-day life. Individuals should practice their religion at workplace by developing a trustworthy and sincere environment. In respect of modern world, where employees are treated as per their position and power, Islam teaches to treat employees equally irrespective of what task they are assigned. Moreover, the concept of work should be understood from the Islamic perspective which says that one should excel and become successful in life following the ethics of Islam – that is according to the *Quran* and the sayings of the Prophet (s.a.w.). While conducting different HRM practices such as recruitment, selection, training, performance appraisal, and motivation, employees should be fair and take decisions in an unbiased manner. Favoritism which is sometimes practiced in modern society is not a part of Islamic culture. Another significant contribution of Islam is in the area of compensation and wages. It directs to follow the principle of fair and timely compensation which meets the basic needs of the employee and adds to the standard of living.

For today’s working individual, much of hours awake are spent at the workplace, hence it becomes imperative and binding on every Muslim to become an honest, truthful, righteous and dedicated worker. If work will be conducted in an ethical manner, he will please *Allah* – the only aim of any Muslim.

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