

The Concept of Dimension in Human Resource Management from Islamic Management Perspective

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Abstract: This paper is attempts to discuss the concept of dimension in human resource management (HRM) from Islamic management perspective. Based on library research, a few HRM dimensions are proposed, such as recruitment and selection, compensation, knowledge management, leadership and employee relations. In short, this paper is perhaps the first that discuss in detail on HRM from the Islamic management perspective. Hence, the findings of this study could assist policy makers on how to discover and understand new dimensions of human resource management from Islamic management perspective.

Key words: Human resource management • Islamic management • Dimension • Religious studies

INTRODUCTION

Education would be the avenue for producing the right kind of individuals for a nation. Creating a sustainable society of human requires multi dimension approach to human civilization rather than just focusing on economic success and prosperity. In order to manage a prosperous society well, some permanent elements that uniquely identify a particular society must be prevalent, as these would be what unify the member of the society. In addition of that, with regard to the issue of management from Islamic perspective, much emphasis is on basic issues, such as ethics, leadership and issues related to behavioral aspects of organizations [1]. A Few sources recorded that focusing on the Islamic perspective to operational areas of management, such as quality management, marketing and selling or performance appraisal of employees, are available. With time, the body of literature pertaining in Islamic perspective of variety of areas within the management of organization is likely increase so do in business transaction.

It is certain that businesses and their workers do not live in vacuum; people carry their beliefs, values and attitude to work. Religion has always been a dominating factor in shaping people's behavior, both at workplace and

personal level. Most of the countries now formally incorporate influence of religion on HR practices in their rules and regulations governing employee-employer relations [2]. This is due to what has be referred to as religious re(awakening), the matter of religion and religiosity has recently come to the forefront of management and business research [3].

Islam being referred to as a complete way of life has its teaching covering all spheres of human life. God has created mankind with noble objective that people would lead their lives in peace and harmony following the tenets of his revelations sent down through Prophets from time to time since the very beginning of the society [4]. Organizations are run by people who are entrusted with duties that if performed adequately result in better organizational performance and this requires proper management of the human resource. Human Resource Management involves creating a culture of respect, value, positive attitude and behaviors that lead to sharing, improved productivity and enhanced individual and organizational performance [5]. Teachings of Islam can be very influential in shaping a congenial work environment since the center of attention in both Islam and HRM is Human, as Quran was revealed as a guide for whole of mankind.

This influence, attachment, increased competition for more market share and zeal to improve organizational performance has motivated leaders, managers and students alike to dig out new and relevant means and approaches, one particular area that has come out as front runner is faith. Since organization requires its employees to perform at optimum level and Islam urges all Muslims to perform their utmost best when they work [2]. Principles and teaching of Islam can have a guiding role in establishing the desired level of commitment since HR and Islam both aim to bring a change in the behavior of people.

Gaps in literature with respect to the influence of Islamic teaching and its guiding role in shaping a better productive business entity are well established. The religious impact on organizational culture and performance has been intensively debated in the context of Christianity and Judaism. The contributions of other religions, especially Islam, have been almost totally ignored in management literature. However, Islam as a faith not only shares many elements with Christianity and Judaism, but also stands to offer a unique perspective on balancing work and life and on the nature of organizational work and activities [6]. A comprehensive framework that would offer guidance for Islamic organizations to help elucidate organization and employee behavior is yet to be developed.

Religious influences on human resource practices are important but are rarely highlighted in literature [2]. Strengthening the argument, Mellahi and Budhwar [3] noted that until recently, the potential association between religious beliefs, management practices and organizational outcomes has been conspicuously ignored in the mainstream management research. Since 9/11 there has been an increasing interest in western nations concerning Islam and Islamic world, although Islamic banking and finance has been a major topic of debate for its benefits in the wake of financial crisis, limited attempts however are made to describe the nature and contents of management but there are hardly any credible empirical studies that have examined the practice of HRM from an Islamic management perspective [7]. Fontaine [8] review of textbooks of international business found a link between religious values and cultural values, however the information about islam seemed inadequate. The present study seeks to fill this gap by not only identifying the principles of HR that can be guided through the teachings of Islam but also through development of a large scale research instrument that would aid in evaluating if

organizations are following Islamic principles pertinent to human resource management. Islamic literature referred in the study focuses on Al-Quran (Word of God) and the Hadith (Words of the Prophet Muhammad (pbuh)), in what is called Sharia's law.

The present study discusses the following HR practices and issues; the study aims to analyze them in the light of Islamic perspectives:

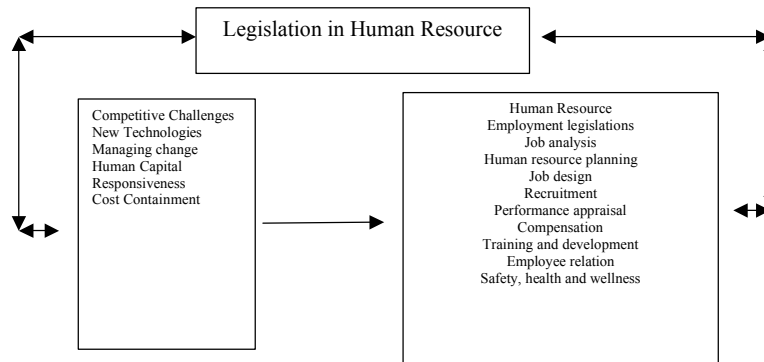
- Recruitment and Selection
- Compensation
- Knowledge Management
- Leadership
- Employee Relations

There is an ever increasing need for the business specially operating in the Muslim world to study HR in light of Islamic teachings. Followers of the faith believe that they can heal their stress and tensions through being closer to their religion, since Islam is not a manmade institution and Islam unlike other religions, is an all-encompassing belief, it governs every single aspect of life, public and private, political and economic and it is very relevant to the field of business, Islam worldly like are inextricable [9]; Quran contains the word of God, revealed to Muhammad (pbuh) some 1400 years ago with solutions all the human problems, as revealed in the Quran

"Verily in the remembrance of Allah do hearts find rest"
(Al-Quran, 13:28)

Literature Review

Concept of HRM: The concept of HRM was first defined by Bakke; However, HRM did not emerge in a fully-fledged form until the 1980s in the 'matching model' and the Harvard framework [5]. Human resource management refers to designing of management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals [10]. The overall purpose of human resource management is to ensure that the organization is able to achieve success through people [5]. Human resource management, therefore, includes the recruitment, selection, placement, motivation, appraisal, development, communication with, utilization and overall accommodation of employees to achieve organizational goals [11]. For instance, among the most important competitive trends and issues facing HR [12]. It could be reviewed as stated in exhibit below:



(Source: Hashim, J. (2010). Human resource management practices on organizational commitment: The Islamic perspective. *Personnel Review*, 39(6), 785-799.)

Following the review of the above challenges in human resource issues, it could be defined as below:

Going Global: In order to grow and prosper, many companies are seeking business opportunities in global markets. For all of the opportunities afforded by international business, when managers talk about going global, they have to balance a complicated set of issues related to different geographies, culture, laws and business practices. Human resource issues underlie each of these concerns and include such things as identifying capable expatriate managers who live and work overseas: designing training program and development opportunities to enhance managers understanding of foreign cultures and work practices: and adjusting compensation plans to ensure that pay schemes are fair and equitable across individuals in different regions with different costs of living.

Embracing New Technology: Information technology has changed the face of HR. Perhaps the most central use of technology in HR is an organization's human resources management information system (HRMIS). HR and line managers can identify methods for introducing new technology that minimize disruption and also minimize fears and concerns of employees.

Managing Change: Most employees regardless of occupation understand that the way things were done five or ten years ago is very different from how they are done today. This will continue to change. Responsibilities change, job assignment change, work processes change. Nevertheless, people often resist change because it require them to modify or abandon ways of working that

have been successful or at least familiar to them. Therefore, HR managers have an important role in facilitating change processes. Particularly in helping communicate business needs to employees and in listening to employee concerns.

Developing Human Capital: Human Capital refers to the economic value of knowledge, skills and capabilities. To build human capital in organizations, managers must begin to develop strategies to ensure superior knowledge, skills and experience within workforce.

Responding to the Market: Meeting customer expectations is essential for any organization. In addition to focusing on internal management issues, managers must also meet customer requirements of quality, innovation, variety and responsiveness. HR practices help managers to respond to these issues.

Containing Costs: There are increasing pressures on companies to lower costs and improve productivity to maximize efficiency. Organization have tried a number of approaches to lower costs, particularly labor costs. These include downsizing, outsourcing and employee leasing and productivity enhancements each of which has direct impact on HR policies and practices.

Islam and HR: National identify, Culture and society plays a significant role in shaping HR policies of the organization though they may not be developed with consultation of the employees working for the business. It is worth noting that religion do play a significant role in shaping a culture and society [9]. Islam and HR share a deep relationship. People are the center of attention in the practice of HRM, as it is concerned with all aspects of how people are employed and managed in organizations [5]. Similarly the topic of Quran is Human, but not its anatomy, physiology or anthropology but guidance of

human beings in matters of daily life, the word guidance is center to the teaching of Quran [13]. This is evident in the concept of HRM and teachings of Islam since one of the aims of HRM is to promote commitment – the strength of an individual's identification with and involvement in, a particular organization [5] while Islam urges all Muslims to perform their utmost best when they work and giving the best requires full commitment [2]. Expectations of human behavior contingent to the teachings of Islam and knowledge sources are clear, with extensive references as to what is right and wrong behavior, right behavior is key to ensuring excellence in management [14]. Thus implementing Islamic principle in the organization can be an aid in resolving issues of conflict and self-interest and help develop trust and promotion of ethical activities.

Certainly, many organizations have identified that having their human resources as core competencies differentiates them from their competitors and is a key determinant of competitive advantages [10]. A core competency is a unique capability that creates high value and differentiates an organization from its competition. Therefore the business must be focused on creating value [11]. It is very important to note that earlier in Islamic history; workers were treated as the creator of value and wealth in the marketplace. Islamic thinking situates workers at the center of economic activities and without them there will be no value or wealth creation [15]. Thus building an organization that incorporates Islamic principles in dealing with the personnel can be of significant importance in getting valuable input from the employees at workplace. It should be understood that isolating the effects of Islam on HRM may not be easy as Sherif (1975, cited in Tayeb, [9] noted nobility, patience, self-discipline, good appearance, abstinence, resolve, sincerity, truthfulness, servitude and trust as major Islamic values, while Tayeb [9] proposed them to have an influence over management and employee behavior.

Further the study discusses some of the important HR practices that could bear a significant impact due to Islamic principles and values. The management is an integral part of Islamic teaching. Many verses of the holy Quran identify the importance of Human Resource Management and stated the basic principles of the dealings between people. Also, Al-hadith of the holy Prophet showed how to manage people [16]. The study seeks to integrate modern human resource management and the teachings of Islam, in order to bring the best out of people and deliver better human resource performance.

Human Resource Management from the Islamic Perspective

Recruitment and Selection: Recruitment is the process of finding and engaging the people the organization needs. Selection is that part of the recruitment process concerned with deciding which applicants or candidates should be appointed to jobs [10]. For recruitment and selection Islam emphasizes only and only merit.

“Indeed, the best one you can hire is the strong and the trustworthy” [17].

One of the issues in organization is discrimination during recruitment and selection process [5]. Alorfi [16] noted that in hiring of employees, favoritism has usually influenced selection decisions. Islamic principles make sure to avoid such issues by objectively letting the people know the benefits, as

Narrated by Abu Huraira, Allah's Apostle said,

“To judge justly between two persons is regarded as Sadaqa” (Part of Hadith, Sahih Bukhari, Volume 4, Book 52, Number 232).

Further in Al-Quran (4:58):

“Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice. Excellent is that which Allah instructs you. Indeed, Allah is ever Hearing and seeing.”

In Islam, employees hiring strategy is based on some principles. First principle is justice. The justice in human management is very important to ensure that everyone in the organization get his rights and stay away from oppression, if the principle is not followed, Islam clearly states the harm of being unjust, as The prophet said:

“He whoever hires a person and know that there is another one who is more qualified than him, has betrayed Allah and His Prophet and the Muslims ”. [18].

Thus Islamic principles make sure that when employees are hired, they are selected based on their competencies, qualification, strength to perform and how trust worthy they are, these are the actual characteristics when organizations look forward to in a probable employee, following guidelines of Islam would make sure

the selection of right person for the right job. Since the people who apply for job is not to be selected based on friendship, blood relationship or kinship, age, wealth, race, or political power [16]. It is important the employer considers it as an Amanah (Trust) that he/she will be questioned about and thus make sure that company should inform the prospective employees about their pay packages, responsibility and recruits only qualified employees.

Compensation: The starting point of the employment relationship is an undertaking by an employee to provide skill and effort to the employer in return for which the employer provides the employee with a salary or a wage (the pay-work bargain) [5]. Wages form a key tangible item in the unwritten psychological contract between employers and employees [10]. Islam directs a businessman to pay a reasonable wage [9] at the right time as a famous saying of the Prophet (PBUH) who said:

"Give the laborer his wages before his sweat dries." (IbnMajah).

The concept of fairness has been given due consideration in the teaching of Islam. The Quran cautions against a reduction to what is rightfully due to people:

"And do not deprive people of their due and do not commit abuse on earth, spreading corruption." [17].

A more precise and focused instruction comes from the Prophet (pbuh), Narrated by Abu Huraira, Prophet (pbuh)said,

"Allah says, 'I will be against three persons on the Day of Resurrection: 1. One who makes a covenant in My Name, but he proves treacherous. 2. One who sells a free person (as a slave) and eats the price, 3. And one who employs a laborer and gets the full work done by him but does not pay him his wages.'"
“(Sahih-Bukhari, Volume 3, Book 34, Number 430).

It is thus proved that the teaching of sharia strongly condemn employer of depriving employees of their rightful wages, following this principle by the employer can significantly help in motivating workers as money, in the form of pay or some other sort of remuneration, is the most obvious extrinsic reward [5]. And with a poor-

performing employee, managers must determine whether inadequate individual behavior is due to employee deficiencies, inconsistent reward policies, or low desire for the rewards offered [10].

Pay and work needs to be adequately related, employees need to be paid a reasonable wage [9]. It is also important to note that Islam discourages for overloading work and making someone work beyond their capacity, it is thus important that people shall do work within their capacity and shall be rightfully paid for their job as mentioned in Al-Quran (2:233):

“No soul shall have a burden laid on it greater than it can bear.”

Knowledge Management: Knowledge is defined as what people understand about things, concepts, ideas, theories, procedures, practices and the way things are done. It can be described as ‘know-how’ or whe it is specific, expertise [5] The importance of knowledge cannot be underestimated, it is one of the key ingredients that builds HR competencies [10]. Organizations create knowledge management programs to enhance efficiency and effectiveness, capitalize on market opportunities and gain competitive advantage through learning and knowledge creation systems [11]. Islam has put great emphasis on knowledge seeking; the importance could be easily understood by the fact that the first Word of the Quran that was revealed was IQRA (meaning READ).

Seeking of Knowledge is a mean to move from the known to unknown, it helps individuals behave and perform in a better way. The need for a Muslim to be knowledgeable is highlighted as The Prophet (pbuh) said:

"The seeking of knowledge is obligatory for every Muslim."(Al-Tirmidhi, Hadith 74).

If both the employer and the employee understood their responsibility to seek knowledge both would develop, they will rectify their mistake, value their work, behave according to expectation and ultimately both the individual and organizational performance will improve. Seeking of knowledge by keeping Islamic principles at hand would make employees better human beings, it would aid in creating a better culture, climate and working relationship at work. Islam emphasize on sharing of knowledge,

The Prophet (pbuh) said:

"Acquire knowledge and impart it to the people."-
(Al-Tirmidhi, Hadith 107).

Knowledge acquisition and sharing are at the heart of the modern knowledge management processes, it is worth noting that Islam emphasized on these practices over 1400 years ago where Hadith relates to knowledge acquisition, Hadith points to sharing it with other people.

No doubt, revelation is the real source of all knowledge and, therefore, religious education comprising the teaching of the Qur'an and Sunnah should have priority in an Islamic state, but to deny the need of worldly knowledge comprising natural sciences, social sciences, humanities, arts and literature is not at all justified. Islam aims at the welfare of its followers in this world as well as in the next world. In other words it implies the acquisition of knowledge of this material world as well as the acquisition of knowledge of the spiritual world for achieving success in both the worlds.

Leadership: Leadership is an incredibly complex and varied topic, encompassing everything from interpersonal relationships to corporate strategy [19]. Leadership plays a key role in Islam. The role is very well highlighted in both the Quran and Sunnah, with explicit details on how the conduct should be of the leaders and how the relationship shall be governed. In Islamic organizations, managers are expected to seek advice and to consult with their subordinates before making decisions. Islam emphasizes that people in position of power should treat subordinates kindly, as if their subordinates are their brothers and sisters. Leaders consult their followers in the running of their affairs.

Leaders in Islam have a guiding role; it is about leading from the front, showing empathy and support. Leadership in Islam is a trust (*Amanah*). It represents a 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. Hence, the focus of leadership in Islam is on doing good [202]. And since it has been referred to as trust, Islam emphasizes on accountability of this trust,

Abdullah bin 'Umar heard Allah's Apostle saying,

"Everyone of you is a guardian and responsible for what is in his custody. The ruler is a guardian of his subjects and responsible for them [];(Sahih-Bukhari, Volume 3, Book 41, Number 592).

The role of leaders is highlighted in Al-Quran, Allah (SWT) states in Al-Quran (21:73):

"And we made them leaders guiding (men) by our command and we sent them inspiration to do good deeds, to establish regular prayers and to practice regular charity; and they constantly served Us (and Us only)."

Similarly 'Umar (*ra*), was quoted as saying to the people:

I have appointed over you governors and agents not to beat your bodies or take your monies, but rather to teach you and serve you [21].

It is important that the leaders keep their trust and fulfill their obligations, one of the characteristics of an effective leaders are that they seek consensus and commitment to goals [19], this is highlighted in the teaching of Islam where, leaders are enjoined to seek advice and develop consensus. Allah (Swt) directed his Prophet (pbuh) to consult with his companions.

Allah says in Al-Quran (42:38):

"And those who have answered the call of their lord and establish prayer and who conduct their affairs by consultation and spend out what we bestow on them for sustenance."

Allah (Swt) also says:

"And by the mercy of Allah, you dealt with them gently. And had you been severe or harsh-hearted, they would have broken away from about you; so pass over (their faults) and ask for (Allah's) forgiveness for them; and consult with them in affairs. Then when you have made a decision, put your trust in Allah." (Al-Quran, 3:159).

A leader should be emotionally intelligent, setting aside personal issues and getting on with the job, they should know how to be comfortable when emotions are running high [19], Islam emphasizes on taking a calm and collected approach towards the followers.

Abu Hurairah (RA) narrated:

"The Messenger of Allah said, 'The strong person is not he who has physical strength but the person is strong if he can control his anger.'" (Al-Bukhari and Muslim).

Employee Relations: According to the nature of life and humans needs, people have been working together and helping each other to meet their different needs and overcome life problems. For this purpose, people need to coordinate their efforts to reach their goals [16]. This coordination and support at work is critical to smooth operations of the business, it leads to enhanced communication and ultimately results in timely, effective and efficient individual and business performance. Armstrong [5] found support at work to be a key ingredient in establishment of trust at work. Keeping in view the Islamic principles, organization would be able to create positive relations at work with minimal conflict and this could be achieved if employer and employee both understand their obligations towards their relationship, similarly following Islamic HR principles by all employees within the organization can minimize conflict in the organization by understanding Individual responsibility within a framework of co-operation with others. It is important that people in position of power should treat subordinates kindly, as if their subordinates are their brothers and sisters. The first and foremost key to establishment of cordial work relationships is respect.

Allah (Swt) states in Al-Quran (2:83):

“And speak nicely to people.”

Furthermore it is Prophet (pbuh) emphasized and identified a key component in building better relationships by saying that:

“Do not dispute with your brother, ridicule him, nor promise him and then break your promise.” (Al-Tirmidhi).

One of the reasons why relationships at work become strained is when employees fail to fulfill their job roles properly, therefore in Quran it is emphasized that:

"O you who believe! Fulfill your obligations"(Al-Qur'an, 5:1).

The value of this in organizational context is highlighted by Armstrong [5] who noted that Work involves a degree of obligation or necessity (it is a task set either by others or ourselves), furthermore to stop prolonging conflict at workplace and call restore sanity and peace at workplace, Prolonged conflict and detrimental effects to group and employee's physical and psychological well-being [22]. Islam understands the

negative consequences of lengthened conflicts and therefore to cater for such situations the Prophet (PBUH) said, Narrated by Abu Aiyub

"It is not lawful for a Muslim to desert (not to speak to) his brother Muslim for more than three days while meeting, one turns his face to one side and the other turns his face to the other side. Lo! The better of the two is the one who starts greeting the other."(SahihBukhari, Volume 8, Book 74, Number 254).

Furthermore it was emphasized and guarantee of character was provided for person who avoids conflicts, Narrated by Um KulthumbintUqba, The prophet said that:

"He, who makes peace between the people by inventing good information or saying good things, is not a liar."(SahihBukhari, Volume 3, Book 49, Number 857).

CONCLUSION

Religious influences on HR are important but are rarely highlighted in literature, the current study seeks to fill this gap. Since the center of attention in both Islam and HR are people, this study would help Muslim employer and those employing Muslim to create better organization. The HR functions were analyzed in the light of Islamic teaching. It is suggested that most of the modern HR functions are in line with Islamic teachings. The study analyzed Recruitment and Selection, Compensation, Knowledge Management, Leadership and Employee Relations in light of Islam. A detailed questionnaire to evaluate the level of Islamic HR principles followed by organizations has also been developed.

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