An islamic perspective on human resource management religion essay



Human behavior is a direct function of perspectives. 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 life the distinct contrasts between the two most widely talked about perspectives- The Western Thought and The Islamic View.

Relating the same fundamentals to a business viewpoint, 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 of business entities are handled as the environmental fabric of that country suggests. Some authors have emphasized the universality and similarities between organizations (e. g. 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 (e. g. 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 sixty countries and identified five major dimensions that accounted for the sharpest differences among employees. These may be called individual-difference factors.

- * Lecturer, Department of Business Administration, AMU, Aligarh.
- ** Lecturer, Department of Business Administration, AMU, Aligarh.
- *** Research Scholar, Department of Business Administration, AMU, Aligarh. https://assignbuster.com/an-islamic-perspective-on-human-resource-management-religion-essay/

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 shopfloor layout, hierarchical structure, division of functions, organizational process, information management; and some areas are more culture-specific, such as human resource management (HRM).

HRM is a significant aspect of organizations which is most likely to be subject to cultural influences. Human resource management 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- Human Resources. Two key issues which will be addressed are: human resource management and the teachings of Islam highlighting the manners in which human resources should be dealt with. Ù;

HUMAN RESOURCE MANAGEMENT

The origin of HRM in modern organizations is a largely Western phenomenon that can be raced 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 group" (Beer et al., 1984) and "Michigan/Columbia group" (Fombrun et al., 1984) in the USA in the early 1980s.

Experience has shown that human resources 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, https://assignbuster.com/an-islamic-perspective-on-human-resourcemanagement-religion-essay/

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 illustrated in Figure 1.

Figure 1: Contextual Influence on HRM

Source: Adapted from Tayeb (1997)

LITERATURE REVIEW

Naeur 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. Omar Hasan Kasule, Sr. (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. (1994), explains the significance of a stable family institution. Khaliq 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."

Chodhury (1989) presented Islam as a comprehensive way of life for its adherents. The spiritual and ethical reconstruction of individuals, societies and the world order 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 https://assignbuster.com/an-islamic-perspective-on-human-resource-management-religion-essay/

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 Chodhury 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 Owaihan (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 economicas 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 Ouran alone and not on the verses of Prophet Muhammad (s. a. w.).

METHODOLOGY

This paper deals with the Islamic Perspective of Human Resource

Management. Islam helps in teaching the various manners in which we can
manage our most valuable assets effectively. This way a Muslim manager
can not 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 righteousness.

For Muslims, Islam is not a man-made institution; the Quran contains the words of God, revealed syllable by syllable to Mohammed 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 highest stage 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" (Ibn Maja). 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 atleast 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 II).

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 widest and most beneficent 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 chief Minister of the State of Kelantan has taken this further {The Economist, 1996}.

In Saudi Arabia women are not allowed to drive their own cars. As far aswork 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 whoare 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 women run. 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 Kazakhistan, now that the country is independent, its old, 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 reviving Kazakh Islamic culture 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 https://assignbuster.com/an-islamic-perspective-on-human-resource-management-religion-essay/

issues such as hierarchy, authority structure, and 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 per cent 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' Human Resource Management 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 Prime Minister of Malaysia, Mahatir, 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;

Consultation at all levels of decision making

In order to plan Human Resources 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

perspective which are to be taken care of for an effective Human Resource Management.

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 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 of Prophet Muhammad (s. a. w.), a person is encouraged to develop good characteristics and behaviors (Bukhari). 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 (Ahmad, 2006). According to another Hadith, kindness is a strength and, therefore, managers are expected to be kind enough to others whether they are your employees, customers, or suppliers (Muslim).

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 (Hanafy 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 (Hanafy and Sallam, 2006). Averse 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 corporate, 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 milieux', 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 neither subscribes high power distance nor low (Kazmi and Ahmad, 2006). Islam teaches to respect and care 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 accords high honor to scholars, don't 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 sincerity, conscientiousness and good knowledge to be applied in all endeavors, justice, truthfulness, patience, prohibition of loving world and wealth, and avoidance of pride. The modern ways to compete in fast growing environment and Islamic culture to succeed in accordance to the teachings of Quran are most of the times contrast to each other as depicted in Figure 2.

Figure 2: Distinction between Modern Culture and Islamic Culture

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

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-leader 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 Godconsciousness 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 four 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 a