

Human Resource Management An Islamic Perspective

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Abstract

This study is presented to examine the contributions of Islam in human resource management (HRM). HRM both from traditional and Islamic viewpoint has been defined. Some Islamic principles of ethics in HRM such as the principle of amanaha (trusteeship), the principle of dual responsibility, the principle of institutional loyalty, the principle of public interest, the principle of due benefit, the principle of efficient use of resources has been discussed. Besides, these, some fundamental functions of human resource management both from traditional and Islamic viewpoint have been assessed. From the analysis of the study, it is found that human resource development (HRD) of a company or an industry is the precondition of enhancing its production increase. In Islamic sense, human resource is recognized, as the most valuable asset because it is the greatest creation of Allah. The relevance of HRD to economic growth only emerged as an important economic school of thought after the World War II. Islam, however, emphasized the importance of this factor fourteen hundred years ago. The paper concludes with this that if HR is not the overall performance of the enterprise and the essence of Islamic principles, which have been dealt with in a right and ethical manner, the work efforts will be affected adversely. It will, in turn effect justice and fairness to all concerned i.e., the employees and the organization, in order to produce a healthy, conducive and satisfying work environment, leading to optimum performance in all organizations.

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Concept of Human Resource Management (HRM)

The term "Human Resource Management" (HRM) may be defined as the functions of management process concerning with the people at work of an organization. This term (HRM) has various substitutes such as 'Personnel Management', 'Manpower Management', 'Labour Management', 'Personnel Administration' etc. HRM is usually used today in the place of the old term Personnel Management of Labour Management or Personnel administration. But there is some little difference between Personal Management and Human Resource Management. Personnel Management is used in narrow sense, which includes man power recruitment, selection process, training and development, promotion, transfer and placement etc. On the other hand, HRM is used in a broad sense which also includes—job analysis, performance appraisal, man power development programme, maintaining discipline, handling grievance, wages and salaries administration etc. except the above functions. Different authors have defined it from different angles. Some of the them are mentioned below:

Personal Management is that part of the management function which is concerned with people at work and with their relationship within an enterprise.¹

Personnel Management is that part of the management function which is primarily concerned with human relations within an organization. Its objective is the maintenance of those relationship on a basis which, by consideration of the well-being of the individual, enables all those engaged in the undertaking to make their maximum personal contribution in the effective working of the undertaking.²

The work of personnel department deals specially with procuring, hiring, placing, utilizing and maintaining an effective workforce that will aid in the accomplishment of the firm's objectives.³

Importance of Human Resource Management

HRM is the most important among all the branches of management for any organization or an institute. Because, people or human resource is vital for the effective operation of an organization or a company. Even Human Resource is assumed as the most important asset among all other resources of a company. It leads all the other resources. Yet the "human assets" are virtually never shown on the balance sheet as a distinct category, although a great deal of money is invested in the recruitment, selection and training of people.⁷ A manager will be successful even with inadequate plans, organization, equipment, or controls by hiring the right people or human resource for the right jobs and motivating, appraising and developing them. On the other hand, a manager may be failure with excellent plans, methods, clear organization chart, setting up modern assembly lines, and sophisticated accounting controls by hiring the unskilled or wrong people or by not motivating subordinates.⁸ So, it is clear that human resource development of a country is the precondition for its production increase.

In the view point of Islam, human resource or human being is recognized as the most valuable assets because it is the great creature of Allah. The relevance of human resource development to economic growth only emerged as an important economic school of thought after the World War II. But Islam, however, emphasized the importance of this factor fourteen hundred years ago. At the present time, Muslim countries have their large number of human resource (about 130 crore) and material wealth. Unfortunately, this resource remains undeveloped. "The present day Muslim socio-economic environment is such that it is unable to motivate people to render their best either in their own interest or in the interest of the society." (Chapra, 1988)⁹

Actually, every thing exists in the heavens and on earth is directed or managed under the control of Allah who is the sovereign and supreme owner of all. In this regard the holy Qur'an commends:

To Him belongs every being that is in the heavens and on earth; all are devoutly obedient to Him.¹⁰

Human Resource Management refers to the practices and policies one needs to carry out the "People" or human resource aspects of a management position, including job analyzing, recruiting, screening, training and development, rewarding and appraising.⁴

Manpower management effective describes the process of planning and directing the application, development and utilization of human resource in employment.⁵

From the above definitions it may be said that Human Resource Management refers to the functions of management process dealing specially with job analyzing, recruiting, selecting, training and developing, placing, compensating, integrating, appraising, utilizing and maintaining the employees properly for attaining the desired objectives of an organization.

From the Islamic point of view HRM refers to that part of management process which is concerned with human aspects such as procuring, training and developing, placing, compensating or rewarding, appraising, utilizing and maintaining the employees within an enterprise in the light of the principles of Islamic *shari'ah*. In this regard, some basic ethical manners of Islam like *al-ukūwwah* and *al-ihsan* (brotherhood and benevolence), *al-adl* (justice), *huqūq al-ibād* (peoples right), *al-ujrah* (fair compensation), *al-amānah* and *al-ikhhlās* (trusteeship and honesty) etc. must be ensured to the organization so that employees get maximum satisfaction as well as the owners can earn their fair profit or due benefit.

It is remarkable that if human resource is not dealt with in a right and ethical manner, the work efforts will be affected adversely, which will, in turn, affect the overall performance of the enterprise.⁶

He directs the affairs from the heavens to the earth then it ascends into him".¹¹

Although, individual ownership is recognized in Islam but it is nothing just for *amānah* (trust). It must be used according to the direction or wish of Allah. Indeed, all the creatures in the heavens and on earth are accountable to Him and dependant on Him but there is no other being to whom he can be accountable. So, human being must be accountable to Allah for all their activities. In this regard, the Holy Qur'an commands: "He can't be questioned for his acts, but they will be questioned (for theirs) i.e., Allah is self-subsisting."¹² Islam encourages the human beings to devote themselves to work in time after finishing their prayer so that the optimum use of human resource can be ensured. In this regard, Allah says in the Holy Qur'an: "And when the prayer is finished, then you may disperse through the land, and seek of the Bounty of Allah." Here bounty means, means of living or livelihood that is given by Allah.¹³

Objectives of the Study

The main objective of the study is to evaluate the contribution of Islam in Human Resource Management. The specific objectives are:

- i) To outline the concept of HRM from both the conventional and Islamic perspectives.
- ii) To identify the Islamic principles of ethics in HRM
- iii) To assess the fundamental functions of HRM from both the conventional and Islamic perspectives.

Methodology of the study

This study was made mainly on the basis of secondary data and information. The major sources of data were the literature of management, journals, and different relevant research studies. Some academicians and experts in Islamic Management have also been consulted.

In an Islamic sense, the basis of dealing with and managing human beings in

an organization lies well beyond the common perception concerning the human factor of production and its management.¹⁴ A human being has been termed as the viceregent, and hence deserves an appropriate treatment. Thus the operational level, management behaviour from the Islamic perspective with emphasis on HRM may be expressed in terms of at least the following seven principles:¹⁵

(1) The Principle of *Amānah* (Trusteeship). At the conceptual level, the management can not be indifferent to his ultimate role as *khalīfah*, vicegerent of Allah. According to Islamic principles the power, wealth, and knowledge are *amānah* entrusted to man. Allah (SWT) says in the holy Qur'an.

Allah has purchased the believers' soul (persons) and their goods for the exchange of Paradise.¹⁶

It indicates that all believers are entrusted to use their soul and goods as *amanah*. Being the trustee he should not abuse his knowledge or misuse his power, position and privileges. Thus a true believer should be utterly fair in the execution of his management function. Obviously, there should be complete absence of nepotism and favoritism.

(2) The Principle of Dual Responsibility. Man is accountable for his action to his superior not only during his life but also to the Creator both in the world and the hereafter. The pre-supposition of the reality beyond the temporal sphere is fundamental to the Muslim world—view system which is to be given operational meanings in actual management system.

(3) The Principle of Institutional Loyalty. It is quite proper to state that Islamic management is based on the principle of institutional loyalty rather than personal loyalty per se. We must emphasise here that the authority of the management is recognized in Islam to ensure discipline and smooth functioning of the organization. However, this requirement to obey the authority, is not absolute but to the extent permitted by the *Shari'ah*. The employee is expected to do his job efficiently and

honestly guided by the in-built system of reward and punishment.

(4) The Principle of Public Interest. Islamic management is thus objective oriented rather than personality oriented, although management principle stresses on the development of both the institution as well as the individual. Simultaneously, the pursuance of individual objective is permissible as long as they do not come into conflict with the collective objectives of the community as a whole.

(5) The Principle of *Shūra* (Consultation). The scheme of the *Shari'ah* encourages that management should try to create a working environment, which generates cooperative forces and encourages consultation in the process of decision making process. *Ijmā'*, as a source of Islamic law, is well recognized in Islamic jurisprudence. It has an important bearing in moulding the management and administrative behaviour. The Qur'an has indeed encouraged people to think and consult in matters of mutual interest.

(6) The Principle of Due Benefit: Islamic management is based on the non-exploitative relationship between labour and capital, representing employees and employers respectively. It is the duty of the management to ensure that employees are not only paid in full but be paid in due time. A famous Hadith of the Prophet (SAAS) states that a worker's wage must be paid before his sweat dries.¹⁷ This clearly demonstrates that the employee is an object of care and concern and the speed in the payment of wages conveys this message. On the other hand, employee is also required to discharge their duties honestly and efficiently.

(7) The Principle of Efficient Use of Resources. As in the Western capitalist management Islamic management, is equally concerned with efficient use of resources in order to increase productivity and better utilization of both human and non-human resources. This is indeed a Qur'anic imperative.

Human resource management is based on so many functions and every

function can be explained in Islamic ethical perspective. Some times these discussions may be guided by indirect hints of Islamic principles. Now we shall discuss the very important functions of HRM according to the Qur'an and Sunnah:

(A) Recruitment. Recruitment is the process of searching prospective workers and stimulating them to apply for jobs in the organization.¹⁸ In recruitment organization uses various means to attract applicants. The most commonly used instrument for this purpose is advertising. But what might go wrong with job advertisements? In many instances, companies deliver a message that only certain groups; race or gender will be preferred for a certain position although non-preferred ones can do the job with equal efficiency or even better. Sometimes, the qualifications of candidates are listed in the advertisement so as to suit a particular person that the HR manager is interested in. Such favoritism affects the interest of the enterprise and destroys the rights of the better candidates. The Islamic way of life does not allow favoritism in recruitment since this kind of unethical behavior violates the ethical principles of *al-'adl*, fulfillment of contract with the employer to look after the interest of organization if *al-aqd*, and the right of others in dealings (*huqūq al-ibād*)

(B) Selection. Selection, as the name implies, involves picking for the hire a subset of workers from the total set of workers who have applied for the job.¹⁹ Different parameters are exercised in employee selection in various organizations in the world. The pre-requisites of appointment in Islam are discussed above citing the instance of Hazrat Musa exclusively. In connection to this, the utterance of Hazrat Shuaeb's (AS) daughter regarding Hazrat Musa (AS) mentioned in the Holy Qur'an, is also worth mentioning here. Observing the voluntary service of providing drinking water to the animals of the daughters of Hazrat Shuayeb (AS) by the exiled Prophet Musa (AS) at the well of Madaen the damsels reported to their father:

Said one of the damsels, "Oh father, engage Him on wages: truly the best of men for thee to employ .is the (man) who is strong and trust-worthy."²⁰

Other citations of the same kind are:

(Joseph) said: "set me over the store houses of the land; I am a good keeper, knowledgeable.²¹ Indeed I have full strength for the purpose, And may be trusted.²²

In light of the above discussion, following are the main qualities which are recognized by Islam in the appointment of a personnel: ²³

- a. to be honest, pious and acceptable as an aristocrat to Allah (SWT).
- b. to have proper wisdom and educational qualification.
- c. to have experience and efficiency.
- d. to have physical ability to work.

Personnel possessing the above mentioned four qualities can originate a prosperous organization and can help the management to materialize its objective without facing any supervision- problem, corruption, disorder, nepotism.

When organizations lack any standardized selection procedure and depend upon unstructured questions for interview sessions, there remains great room for biased decisions. This is why many countries have introduced laws to administer to selection process. For instance, the U.S Civil Rights Acts require that any test used in the selection process or in promotion decision must be validated if its use has had adverse impact on woman or minorities. Validity is a basic requirement for any selection test. It goes to the extent to which a test measures what is supposed to measure. But such rules and laws may not alone guarantee fair treatment and ethical behaviour. There might be many ways to get around these rules and laws. A survey on **Danlay et al** revealed favoritism in the selection of workforce on the part of the HR management. This kind of favoritism is not permitted in the Islamic system since it goes against interest of the organization as well as the rights of other candidates and thus violates the Islamic principles of ethics in HRM, namely, *al 'adl 'al amānah 'al ikhlās* and *huqūqul ibād*.²⁴

(C) Retrenchment. Retrenchment may be the result of disciplinary action or lay-off. Bias for or against some employees may lead to unfair disciplinary measures

involving undue dismissal of some employees. Besides, management of a company may decide to downsize the workforce during recession. But how ethical is the decision of retrenchment? The question arises that during recession, if a company reduces the workforce size to maintain its profitability, then can individuals survive in that hard period? While Islam allows resorting to disciplinary measures, if needed, it emphasizes justices, fairness and protection of rights of both the employees and employers in this, as revealed in the principles *al 'adl* and *huqūq al-ibād*.

(D) Training and Development. Every organization should give its employees a chance to excel in their careers. An organization should provide training and other facilities for its employees so that they can gain additional skills and knowledge and thus they can be promoted to higher positions through the hierarchy of their services. It is a right as well as obligation of the employees to equip them with adequate training. This process not only helps the employees to have a better carrier opportunity, but it also increases employee productivity. Besides, the organization should provide a mechanism so that future leaders are available in time from within the organizational workforce. This can be done by providing appropriate training facilities. In Islamic ethical system, knowledge is obligatory for all (every male and female).²⁵ This knowledge is not limited to basic Islamic knowledge, but rather it is also obligatory to acquire knowledge and skill of profession that is necessary to fulfill one's contract with his/her employer. Thus the emphasis is on dual qualities in the work force, the moral quality and the professional quality (professional knowledge).

(E) Performance Appraisal. Performance appraisal may be defined as any procedure that involves (1) Setting the work standards, (2) Assessing the employee's actual performance relative to these standard and (3) Providing feedback to the employee with the aim of motivating that person to eliminate performance deficiencies or to continue to perform above par.²⁶ If any organization fails to use this instrument effectively and with fairness, there might arise serious frustration among employees, Many performance appraisals use subjective types of evaluative

questions. Such a poor design may lead unfair evaluation. A biased appraisal on the part of a HR manager may lead to unfair treatment of some employees and to the dismissal in some cases and due promotion in others. Clearly, this violates the ethical principles of justice and fairness (*al 'adl*), and peoples right (*haqūq al 'ibād*) and hence unacceptable in Islam.

(F) Compensation. It is the responsibility of any business organization to compensate its employees with appropriate remuneration, An ethical problem may arise when undue labour exploitation takes place to make unpaid gains. It may also arise through favoritism in pay and promotion. Islamic system requires a humanity (brotherhood) element in the fixation of compensation. An organization should arrange a compensation for its employees that lets them meet their basic needs in a standard of living that is comparable with the employer, subject to the maximum of the employees' contribution in output. This is required by the Islamic principles of ethics, namely, brotherhood and benevolence (*al ukhwah* and *al ihsan*) and fair compensation (*al ujrah*). Besides, there may arise an issue of favoritism in pay and promotion. This will involve undue favor to some by violating the right of others. This goes against the Islamic principles relating people's right (*huquq al- 'ibād*) and justice and fairness (*al- 'adl*) and hence unacceptable.

(G) Work Load and Stress: The level of stress and workload is another major area that human resource managers must take care of. They need to appreciate that an employee has a family and other social responsibilities. Besides, an employee is a human being and not likes a machine. So an organization should not burden their employees with so heavy a workload that is beyond their usual norms of responsibilities unless they agree to do so willingly, They should be provided with an extra hand if they are required to do so and they should be compensated for this duty, Prophet (SAAS) said, "Do not impose an extra burden on your brothers, and if you need to do so, help them out,"²⁷ Islamic history demonstrated how a superior should behave with his/her subordinates. For example, Prophet Musa

(AS) worked for a long time under Shu'ayeb (AS) for livelihood. During the time of appointment, Shu'ayeb (AS) declared a term of contract to Musa (AS) as follows: "And I do not intend to put heavy burden on you. Allah willing, you will find me among the righteous people. He (Musa) replied; so be it (the contract) between me and you, whichever of the two tenns I fulfill, (I trust) I will not be wronged. Allah is witness of what we say.²⁸

Conclusion

Human resource is the engine of growth that puts all other resources into action and gets things done including business and economic activities. It is, therefore, important to manage the human resources as efficiently as possible which plays an important role. If HR is not dealt with in a right and ethical manner, the work efforts will be affected adversely, which will, in turn, affect the overall performance of the enterprise. World religions present many good and universal values that are often common across belief systems. This would probably be true in most of the Islamic principles of ethics in HRM too. The essence of the Islamic principles, which have been discussed in this paper, is justice and fairness to all concerned, i.e., employees, employers and organization, in order to produce a healthy, conducive and satisfying work environment, leading to optimum performance in all organizations.

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