



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: A
ADMINISTRATION AND MANAGEMENT
Volume 19 Issue 7 Version 1.0 Year 2019
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

The Framework of Appraising Employee Performances: A Study based on Islamic Principles

By Dr. Mohammad Rahim Uddin

International Islamic University Chittagong

Abstract- Ethics and justice are essential for personal life and the workplace. Religion plays a vital role in establishing ethics and judgments. Islam has a complete code of ethics and faith in every aspect of our life like spiritual, social, political, and economical. Both the Islamic Sharia-based and secular Muslim populated country has some contradiction and challenges in executing the employee performance appraisal system based on Islamic work ethics and faith. This paper review the relevant literature regarding performance appraisal based on an Islamic perspective. Details literature has been analyzed based on contemporary performance appraisal issue and the Islamic view of work ethics. Islamic work ethics and non-Islamic work ethics have some common as well as a different point of view regarding appraising employee performance. The current study proposed an Islamic performance appraisal model for meeting challenges arises from non-Islamic practices. In this paper, a conceptual framework employee performance appraisal has been presented based on Islamic work ethics for meeting challenges from traditional contradiction.

Keywords: *islam, islamic performance appraisal, islamic work ethics.*

GJMBR-A Classification: *JEL Code: M51, M19*



Strictly as per the compliance and regulations of:



RESEARCH | DIVERSITY | ETHICS

The Framework of Appraising Employee Performances: A Study based on Islamic Principles

Dr. Mohammad Rahim Uddin

Abstract- Ethics and justice are essential for personal life and the workplace. Religion plays a vital role in establishing ethics and judgments. Islam has a complete code of ethics and faith in every aspect of our life like spiritual, social, political, and economical. Both the Islamic Sharia-based and secular Muslim populated country has some contradiction and challenges in executing the employee performance appraisal system based on Islamic work ethics and faith. This paper review the relevant literature regarding performance appraisal based on an Islamic perspective. Details literature has been analyzed based on contemporary performance appraisal issue and the Islamic view of work ethics. Islamic work ethics and non-Islamic work ethics have some common as well as a different point of view regarding appraising employee performance. The current study proposed an Islamic performance appraisal model for meeting challenges arises from non-Islamic practices. In this paper, a conceptual framework employee performance appraisal has been presented based on Islamic work ethics for meeting challenges from traditional contradiction.

Keywords: *islam, islamic performance appraisal, islamic work ethics.*

Paper type- Review paper.

I. INTRODUCTION

Human resource management practice varies in different organization, especially the organization following religious ideology. The difference in the value system requires efforts and investigations directing to obtaining conformity between this sciences and their own value system (Mellahi & Budhwar, 2010). Islamic HR practices facing encounters from the adaptation with non-Islamic management while observing and maintaining religious prescriptions and norms. Present study organized to address the perspective of the Quran and Sunnah for the HR practitioner to have a better understanding of rational performance management.

Principal esteem of HR practices of performance appraisal process determines the employee performance and also helps in identifying the lack of performances of the employee. Defective performance appraisal system causes a decline in employee productivity that makes the employee frustrated. Performance management, as well as the reward, also needs to determine from the appraisal

system. Efficient employees deserve to be rewarded duly. It is an integral part of the organization to make them feel happy. Not only excellent performance but also worse performance also adequately checked and informed to the employee for necessary correction.

Moreover, an appropriate appraisal system also has urgency for better performance management. Use of inappropriate appraisal system is demoralizing and unethical also. Improper organization of performance evaluation is the cause of unfair assessment. Unfair and irrelevant assessments are contrary to ethical guidelines of justice, fairness, people's rights, and are it is not within the boundary of the Islamic system. Religious guidance plays a vital role in determining personal deeds and actions in social life and also in the workplace. Guideline from Quran and Sunnah offer a comprehensive standard with ethics for every single phase of life. This aspect covers the spiritual, physical, and mental, societal, or intellectual part of human life (Razimi, Noor, & Daud, 2014). As like other aspects of worldly life, Islam also has played a vital role and guideline regarding appraising employee performance.

This paper covers a literature review incorporating the ideas and discussion on the subject of employee performance appraisal based on an Islamic perspective. More specifically performance appraisal system is addressed based on description available in the Quran, thoughts and practices of Prophet Mohammad, and Islamic philosopher. The design of the paper comprises the view of employee performance appraisal based on Quran and Sunnah, the institutionalization of Islamic Instructions, leanings, guidance, and recommendation for the manager. The research aims to link the teachings of the Quran and Sunnah to the applied concepts of performance appraisal so that the learning generates thoughts and awareness to the HR practitioner. This study also addresses the Islamic norms and values of HR for the modern organization. Researcher and practitioner will get the idea about the current HR concept that is relevant to Islamic practices and also contradictory with Quran and Sunnah.

Author: Assistant Professor, Department of Business Administration International Islamic University Chittagong.

II. OBJECTIVES OF THE STUDY

The extent and the objectives of the current study are to address the challenges of Islamic performance appraisal system in non-Islamic culture. Many Islamic organizations are available in non-Islamic culture also some employees who have Islamic faith and believe but are employed in non-Islamic work culture. The current study also makes an effort to prepare a guideline model according to the Islamic faith to check the challenges of non-Islamic culture.

III. BACKGROUND OF THE STUDY

Performance appraisal has been termed as different pronunciation like execution examination, employee personal rating, employee merit rating, and employee appraisal or evaluation. Prescribed guidelines and suggestions are available in performance appraisal methods for evaluating employee's performances. Setting standards of work to compare it after assessing performance is a prescribed system for employee appraisal. Sending feedback to employees after assessing the performance gaps motivate the employee to develop and keep the persistence of their performance. Performance appraisal information also uses for deciding employee promotion, transfer, and training.

Moreover, an appropriate evaluation system helps in managing employee performance by reducing the performance gap that helps employee for a better career. So employee performance assessment policy should be adequate. Although the policy of appraising employee performance designed by the higher level authority of the organization, it is influenced by the national culture within which the organization exists (Tayeb, 1998). National culture is a combination of politics, economic situation, trade union, and legal system. Religious ideology in many countries has an impact on the organization culture. Islamic guidelines cover every aspect of human life like personal and organizational practices, political and economic issues, and also business activities. Islamic principles recognize both worldly and hereafter rewards and punishment. A proper guideline, news, and message in this regard send to the humankind through the revelation and Messengers.

True believers of Islam believe in the Day of Judgment and Resurrection. They also have faith in the presence of the divine court for receiving reward and punishment for their deeds. All good and bad deeds are recorded and will be presented in front of all in the Day of Judgment. Everybody will back to the creator and receive reward or punishment for his deed (Quran, 18:87-88). All individual shall be accountable to God for his earthly life (Ahmad, 1995). Human deeds and activities like atom size small or less than atom will not deduct from the personal record (Quran, 99:7-8). That

he might reward those, who believe and do good works. For them is a provision and a rich provision. It reveals from the declaration that depending on the conduct and behavior in this world, all men of this world treated for reward and punishment in the Day of Judgment. Accordingly the learning from these Quranic declarations it is clear that principles Islamic values and guidelines in the organizational management system have a substantial impact on human beings and their behavior (Razimi et al., 2014). There is a need to evaluate current corporate practices related to employee performance appraisal in the light of the Islamic guidelines and try to find areas requiring improvements. Explanation on applied implications of Islamic guidance based on the Quran and Sunnah is presented in the following part.

IV. PERFORMANCE APPRAISAL ISSUES ISLAM

Islamic approach regarding human resources management covers an individual's material, physical, social, and divine aspects. Like this, Islamic values determine employees' performance considering justice, fairness, accountability, and responsibility in his organizational life (Quran, 16: 90, and 7: 85). Islam considers not only the employees' issue but also the employer issue. Almighty warns the appraiser to judge the performance based on true justice and accountability (Quran, 4: 58). The employer also asked not to disclose personal information publicly, even though the intention is to teach other workers (Quran, 4: 149). Discrimination based on race, color, ethnicity, and region also prohibited in Islam (Hashim, 2007). Unhappy employees with the appraisal scores should be permitted to appeal against their objections. Both employer and employee should follow the attention given in the Quran and Prophet's saying, and also guideline provided by the four immediate successors of the prophet. Here in the next part, performance appraisal is discussed based on the Islamic faith and believes.

a) *Justice, fairness, and accountability*

The spiritual dimension of human performances guided by Islam is Justice, fairness, and accountability. A true believer of Islam feels accountable and responsible towards the Creator and shows the best effort without any worldly gain. In every aspect of life, like constructing laws, interaction in societies, and daily business practices, a Muslim is expected to be fair and accountable (Syed & Ali, 2010). Allah says, "and he who does righteous deeds and he is a believer, he will neither have a fear of injustice nor deprivation" (Quran, 20:112). People will receive reward equivalent to his deeds (Quran, 6:132) and man has nothing except that for which he strives (Quran, 53:39). Productivity based on hardworking is encouraged in Islam. As well as laziness and waste of time by remaining idle or doing

any unproductive activities like gossiping are highly discourage (Abeng, 1997). Life is meaningless without specific work, and engagement in economic activities is an obligation. Cooperation and consultation at work is a source of happiness and human success. Being jobless is highly discouraged, and searching a legitimate source of income and dedication towards job and work is encourages in Islam. The arrangement of economic activity is an obligation upon its believers (Yousef, 2000). A Muslim should obey all commandments and keep away from all he is forbidden to do (Islam, 1996).

b) *Individual responsibility*

Islam establishes laws and rules in every aspect of life to ensure harmony in life and to work together and to facilitate maintaining human relations in society. Regulations and laws in Islam precisely confirm the individual's rights considering one's position, status, and the totality of his traits. Whoever as a family member, organizational member, owner, employee, or other role players in different time and situation is honored with specific rights according to Islamic faith and values. All the people in front of Allah are equal in status. Ethical behavior and daily practices make an individual is honored to Allah. Discrimination between people has not accepted anyway. A person is individually responsible only for his deeds, and no other person will be held obliged for the mistake of others (Ali & Weir, 2005). Thus an employee has to be morally required to check and monitor his/her job performances and personal development. Every individual will ask for his deeds (Quran 74:38). Warnings for Islamic believers that people should aware of their deeds and are, therefore, able to take care of and correct their mistake. Every individual will be the witness against himself. An employee will monitor his performances and moral duty. Faithfull towards almighty make both employer and employee to be obliged to own obligations and entitlement. They believe contractual arrangement and self-assessment will be verified and checked in the hereafter (Quran 75:14). Violation of human rights proves that an individual is not accepting the rules and laws of almighty. The guideline in the Quran and Sunnah ensure the standard framework of morality for evaluating others. This framework allows employee and employer to consider their performance according to their contribution towards the organization and society.

c) *Authority in appraising performances*

Traditionally superior boss of the department and organization used to appraise the performances of the subordinate. This method of estimating employee performance is questioned for biases. Subconscious consideration also causes the wrong judgment of employee evaluation. Sometimes the evaluator doesn't have a good idea about the criteria of appraising employee performances. Biases and partial view cause the employee dissatisfaction of appraising

performances. Islamic ideology doesn't allow such discrimination. Information from all possible sources for appraising employee performance is essential for the proper justification. Job-related Information from the employee, and other people like those who are taking service from the employee, and those who are coordinating the service provider have a significant impact on maintaining justice in evaluating employee performances. In modern or traditional human resources management called it three sixty degree performance appraisals (Ali & Weir, 2005). Only the employer in the evaluation process is discouraged in Islamic practices.

Future performance of the employee depends on systematic evaluation connecting to job performance and individual potential for development. Some factors had been considered for evaluating employee performance in the early period. Among the factors, knowledge about the job, output quality, and quantity, leadership ability, and initiatives, supervision, co-operation are essential. Performance assessment should be based on past performance leading to future improvement. The guideline in Islam also confined some feature regarding the employee performance appraisal. Islamic scholars define specific rules like judgment and behavior to measure employee performance (Ali & Weir, 2005). Judgment based appraisal consider some specific employee traits based on the Islamic faith. These traits and attributes are politeness, honesty, kindheartedness, shouldering, accountability, maturity, fairness, determination, consistency, devotion, and so on. The criteria also come from the contract between employer and employee regarding employment condition. Muslims are required to do their job without any negligence, laps, and omission. They should do their best for more efficiency and competence (Ahmad, 1995).

Behavior-based performance appraisal considers competence and honesty that make an employee excellent. The behavioral approach of performance appraisal considers the Islamic faith as a basis. Caliph Omar had focused and observed his associates' job; behavior had shown in their workplace. For example, Omar focuses on some behavioral trait of his assistant. Whether, the deputy had visited the sick people, taken care of slave belongs to them, and the treatment to the disenfranchised was under his focus. Based on the observation about the stated issue, Omar used to decide to appraise his subordinate performances (Ali & Weir, 2005).

V. APPRAISAL MODEL BASED ON ISLAMIC GUIDELINE

Islam is a complete guideline for a Muslim. It integrates each facet of life and governs the duties of the human being. Both the worldly and hereafter life is

the concern of Islam to seek Allah's pleasure. Thus following the guideline of the Quran and Sunnah should be the way of achieving the goal in this world and

hereafter. Allah has created this humankind for his worship (Quran, 51:56).

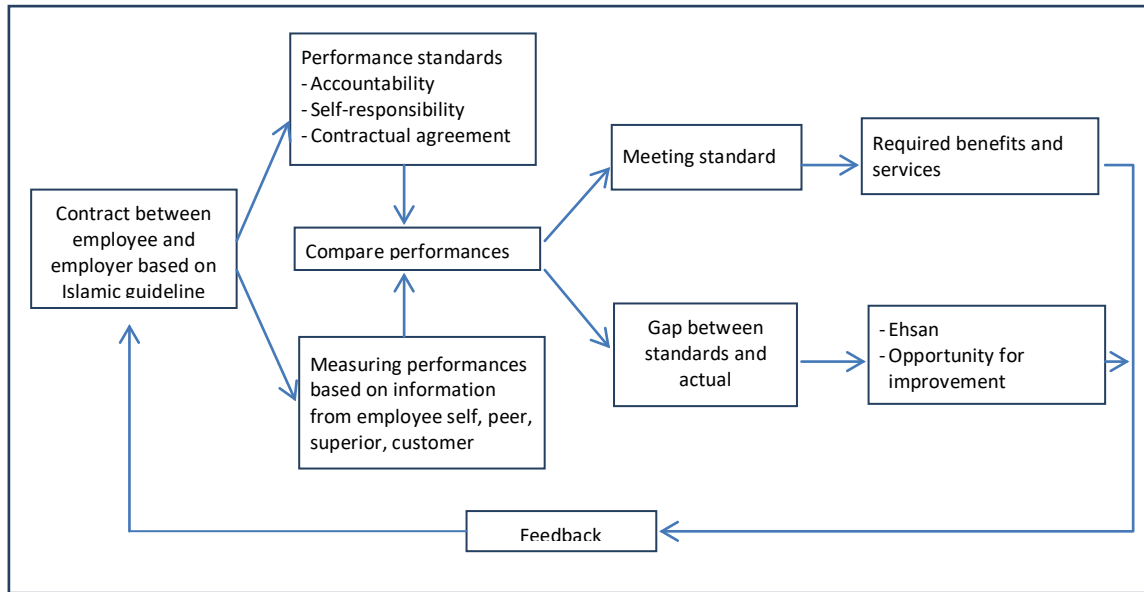


Fig. 1: Proposed conceptual model of Islamic Performance Appraisal system

Here in this discussion, a framework of performance appraisal presented in the figure-1 considering guideline from Quran and Sunnah. This framework linked with the different part as the contract between employer and employee approaches to define standards and measures of performance and feedback as well based on Islamic principles. The model framework is elaborately presented in the later part. It is expected that this framework will show the guideline about the holistic application of Islamic directive for appraising employee performances.

a) *Contractual arrangement*

The contracts we enter into, and the promises and pledges we make in our dealings with one another, are an integral and essential part of Islam. There are numerous guidelines in the Quran and many sayings of our beloved Prophet Muhammad (SAW) which guide in this regard. Islam considers the employment of a person is the compulsory association between employer and employee. The contract is an agreement between two parties based on legal bindings. Therefore the boundary and conditions of the contract should be maximized and fulfilled by all parties of the agreement. That is, both the employer and the employees have expected to meet the conditions of the deal. Also, as a Muslim, one should meet the requirements of the contract when it arises from their services either as an employer or an employee. Almighty warns all Muslim to aware about the contract and instructs all believers of Quran to fulfill their contract and obligations, and all the people will be asked about their commitment in the final day of judgment (Quran 17:34, and 5:1). Islam explicitly allows

any person to choose their life. And also the person will be accountable for his deed. For good deeds, people will receive a good reward, and for evil deeds also they receive equal punishment (Ahmad, 2009).

Clarity and visibility of the contract agreement is the primary step for meeting agreement. In the next clarity of understanding minimizes chances of conflict between employee and employer. Finally, ambiguity in the employment contract is the sources of dispute between the parties. Islamic sharia state that individual responsibility in the agreement is the prime obligation for negotiating parties attach to the contract (Nasim Mirza, 2016). Both the parties in the employment contract should determine the wage without any fear from each other. With fair compensation, employees should serve their job honestly. No effort, less than their payment is allowed, and everybody should measure and serve equally what they are receiving from others (Quran 83: 1-3).

b) *Setting standard and Measuring Performances*

The precise standard of the job helps the employee to have a clear vision about their duties. Working hour, quality and quantity of output, payment for the average working hour and overtime, criteria of recruitment, and the way of measuring and comparing employee performance is the primary concern for setting the standard of the job contract. The standards of every single activity for every individual are notified in the Quran and Sunnah. Almighty warned that every soul will be responsible for its actions (Quran, 74:38). Individual only will be responsible for his job and duties.

No other will be responsible for the mistakes of others (Hashim, 2010).

Identifying performance loophole and determining employee compensation and benefits is the primary goal of appraising employee performances. Islamic sharia argues that the manager should be fair and ethical at the time of measuring employee performance. Their goals should be to evaluate employee performance rather publicize or criticize the weakness of the employee (Azmi, 2010). Performance appraisal in Islam teaches the manager not to leave any effort of employee that demands reward (Hashim, 2010). Not a single amount or atom's weight will depart from the accountability of Muslim teaches every manager to count every unique contribution in the production process (Quran, 99:7-8). Islamic sharia not only clearly state about the measurement of work standards but also teaches how to measure it either directly or indirectly. The second Caliph of Islam shows how to measure employee performances. He observed the employees job of the employee. After that, he used to ask the recipient of the service about the employee. Finally, he has given the employee to say their opinion about their job. Based on the information collected, he had decided about the remuneration of the employee (Ali, 2010).

c) *Compare performance*

After setting standards and measuring performances comparing is not a tough job. Comparing performance also based on justice, fairness, and accountability of the manager. Comparison of performance also depends on the criteria given in the contract (Rahman, Alias, Shahid, Hamid, & Alam, 2013). Appraisers should be sent for training to ensure justice and accountability (Quran, 4: 58). Discrimination to the employees is not acceptable in Islam. Race, gender, color, religion should not be the base for comparing employee performances (Hashim, 2007). Moreover, an unhappy employee with appraisal score should be permitted to appeal against objections about the appraisal procedure.

d) *Reporting Appraisal Results*

Comparing actual performances with the standards of performances address the performance level or productivity of the employee. Wages for performing any job should be as soon as possible after completing the assignment (Quran, 53:39). Due respect, workplace safety and security, and affordable wage should be the concern of output of performance appraisal. Affordable payment means the necessity of the employee. In this regard, Islam allows more payments for the married employee to survive with his children, parents, or other family members to meet their food, clothes, and schools.

Base pay, festival bonus, salary increment, payment for overtime, permission for necessary leave,

medical allowance and leave, and other types of compensation should pay to the employee. The pay gap between or among different grad should reasonable that no employee will feel deprive themselves. All these conditions and terms of payment are place in front of the employee before the agreement (Hashim, 2007).

On the other hand, being honest, a sincere to work is mandatory for employees. Deception from work and cheating in the contract is not allowed in Islam. Paying less than the contractual amount or deviation from the original payment also treated as fraud. Allah warns Muslim in the Quran, not to being a fraud. Fraud will fall into misery, and all of you will receive equivalence to what you did. Being exact and measure duly is an essential part of justice (Quran, 83: 1 - 7). The employer should pay according to the contract and job responsibilities. Illegal deduction from the actual amount is forbidden in Islam. Quran state not to withhold from the right of people they deserve (Quran, 7: 85). Some scholar also encourages paying even more. Excellent performance and sincere efforts should be rewarded or at least recognized even if they fall short of the expectations (Hashim, 2010).

e) *Feedback*

Constructive criticism about performance is highly essential for employee development. Positive feedback encourages the employee to perform better. Favorable placement of information about poor performance helps employees to take necessary correction. Comments should be constructive, not corrosive. Islam asked to show "Ehsan." Not being harsh for unexpected performances to the employee is Ehsan. It is the moral duty of Muslim. Sending feedback is the ultimate goal of performance appraisal intending to suggest them to improve their performances (Dar, Bashir, Ghazanfar, & Abrar, 2014). Feedback from performance appraisal makes an opportunity for the employer to arrange training to remove the deficiency of employee. There is a positive correlation between performance appraisal and organizational performances (Abutayeh & Al-Qatawneh, 2012). The employer should address the problem instead to address the person at the time of sending feedback. Using both way conversations between employer and employee is also essential approaches for sending feedback.

VI. CONCLUSION

Islam has a complete set of principles derived from the Quran and Sunnah. Moral and spiritual guideline of Islam is vital for the employment relationship. We, as a Muslim, have to understand the principles and distinct characteristics of Islamic Management system. The proposed performance appraisal model presented in the current study will help to develop a standard method of appraising employee performances both for Muslim populated and non-

Muslim populated countries' organizations. Individual and organizational responsibility for employment agreement is the basement of the Islamic faith. Accountability guided by Islam is effective against faulty perceptions to possess by conventional non-Islamic management practices. Organizations available in a region with secular culture also expected to gain justice, accountability, and fairness in appraising employee performance based on the proposed framework shown in the present study. This review emphasizes on the surface of Islam for measuring employee performances. More effort is necessary to understand the role of Islamic values regarding the duties and responsibilities of employer and employee for the employment contract, setting performance standard, evaluating performances, and for sending feedback.

REFERENCES RÉFÉRENCES REFERENCIAS

- Abeng, T. (1997). Business ethics in Islamic context: Perspectives of a Muslim business leader. *Business Ethics Quarterly*, 7(3), 47-54.
- Abutayeh, B., & Al-Qataweh, M. (2012). The Effect of Human Resource Management Practices on Job Involvement in Selected Private Companies in Jordan/LES EFFETS DE LA PRATIQUE DU MANAGEMENT DES RESSOURCE HUMAINE SUR LA RESOLUTION DU TRAVAIL SELECTIONNE DES ENTREPRISE PRIVEE EN JORDANIE. *Canadian Social Science*, 8(2), 50.
- Ahmad, K. (2009). Leadership and work motivation from the cross cultural perspective. *International journal of commerce and management*, 19(1), 72-84.
- Ahmad, M. (1995). Business Ethics in Islam The International Institute of Islamic Thought: Pakistan.
- Ali, A. J. (2010). Islamic challenges to HR in modern organizations. *Personnel Review*, 39(6), 692-711.
- Ali, A. J., & Weir, D. (2005). Islamic perspectives on management and organization: Taylor & Francis.
- Azmi, I. A. G. (2010). Islamic human resource practices and organizational performance: a preliminary finding of Islamic organizations in Malaysia. *Journal of Global Business and Economics*, 1(1), 27-42.
- Dar, A. T., Bashir, M., Ghazanfar, F., & Abrar, M. (2014). Mediating role of employee motivation in relationship to post-selection HRM practices and organizational performance. *International Review of Management and Marketing*, 4(3), 224-238.
- Hashim, J. (2007). *Human resource management: Islamic approach*: Prentice Hall, Pearson Malaysia.
- Hashim, J. (2010). Human resource management practices on organisational commitment: The Islamic perspective. *Personnel Review*, 39(6), 785-799.
- Islam, S. S. (1996). Accountability: A Comparative Study of Human Responsibility Between Islam and Man-made Doctrines. By Sheikh Osman Abdul Kader al-Safi. *Intellectual Discourse*, 4(1 & 2).
- Mellahi, K., & Budhwar, P. S. (2010). Introduction: Islam and human resource management. *Personnel Review*, 39(6), 685-691.
- Nasim Mirza, M. O. (2016). *Corporate Social Responsibility: The Perspective of Orthodox Islam*. Lahore University of Management Sciences.
- Rahman, N. M. N. A., Alias, M. A., Shahid, S., Hamid, M. A., & Alam, S. S. (2013). Relationship between islamic human resources management (IHRM) practices and trust: An empirical study. *Journal of Industrial Engineering and Management (JIEM)*, 6(4), 1105-1123.
- Razimi, M. S. B. A., Noor, M. M., & Daud, N. M. (2014). The concept of dimension in human resource management from Islamic management perspective. *Middle-East Journal of Scientific Research*, 20(9), 1175-1182.
- Syed, J., & Ali, A. J. (2010). Principles of employment relations in Islam: a normative view. *Employee Relations*, 32(5), 454-469.
- Tayeb, M. H. (1998). *The management of a multicultural workforce*: Wiley.
- Yousef, D. A. (2000). Organizational commitment as a mediator of the relationship between Islamic work ethic and attitudes toward organizational change. *Human Relations*, 53(4), 513-537.