

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

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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.

Index terms— islam, islamic performance appraisal, islamic work ethics.

1 Introduction

uman 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,

43 2014). As like other aspects of worldly life, Islam also has played a vital role and guideline regarding appraising
44 employee performance.

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

55 2 II.

56 3 Objectives of the Study

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

62 4 III.

63 5 Background of the Study

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

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

80 True believers of Islam believe in the Day of Judgment and Resurrection. They also have faith in the presence
81 of the divine court for receiving reward and punishment for their deeds. All good and bad deeds are recorded and
82 will be presented in front of all in the Day of Judgment. Everybody will back to the creator and receive reward
83 or punishment for his deed ??Quran,. All individual shall be accountable to God for his earthly life (Ahmad,
84 1995). Human deeds and activities like atom size small or less than atom will not deduct from the personal record
85 (Quran, 99:7-8). That he might reward those, who believe and do good works. For them is a provision and a rich
86 provision. It revels from the declaration that depending on the conduct and behavior in this world, all men of this
87 word treated for reward and punishment in the Day of Judgment. Accordingly the learning from these Quranic
88 declarations it is clear that principles Islamic values and guidelines in the organizational management system
89 have a substantial impact on human beings and their behavior (Razimi et al., 2014). There is a need to evaluate
90 current corporate practices related to employee performance appraisal in the light of the Islamic guidelines and
91 try to find areas requiring improvements. Explanation on applied implications of Islamic guidance based on the
92 Quran and Sunnah is presented in the following part.

93 6 IV. Performance Appraisal Issues Islam

94 Islamic approach regarding human resources management covers an individual's material, physical, social,
95 and divine aspects. Like this, Islamic values determine employees' performance considering justice, fairness,
96 accountability, and responsibility in his organizational life (Quran, 16: 90, and 7: 85). Islam considers not only
97 the employees' issue but also the employer issue. Almighty warns the appraiser to judge the performance based on
98 true justice and accountability ??Quran, ??: 58). The employer also asked not to disclose personal information
99 publicly, even though the intention is to teach other workers ??Quran, ??: 149). Discrimination based on race,

100 color, ethnicity, and region also prohibited in Islam (Hashim, 2007). Unhappy employees with the appraisal
101 scores should be permitted to appeal against their objections. Both employer and employee should follow the
102 attention given in the Quran and Prophet's saying, and also guideline provided by the four immediate successors
103 of the prophet. Here in the next part, performance appraisal is discussed based on the Islamic faith and believes.

104 **7 a) Justice, fairness, and accountability**

105 The spiritual dimension of human performances guided by Islam is Justice, fairness, and accountability. A true
106 believer of Islam feels accountable and responsible towards the Creator and shows the best effort without any
107 worldly gain. In every aspect of life, like constructing laws, interaction in societies, and daily business practices,
108 a Muslim is expected to be fair and accountable (Syed & Ali, 2010). Allah says, "and he who does righteous
109 deeds and he is a believer, he will neither have a fear of injustice nor deprivation" ??Quran, ??0:112). People
110 will receive reward equivalent to his deeds (Quran, 6:132) and man has nothing except that for which he strives
111 ??Quran, ??3:39). Productivity based on hardworking is encouraged in Islam. As well as laziness and waste of
112 time by remaining idle or doing any unproductive activities like gossiping are highly discourage (Abeng, 1997).
113 Life is meaningless without specific work, and engagement in economic activities is an obligation. Cooperation
114 and consultation at work is a source of happiness and human success. Being jobless is highly discouraged,
115 and searching a legitimate source of income and dedication towards job and work is encourages in Islam. The
116 arrangement of economic activity is an obligation upon its believers (Yousef, 2000). A Muslim should obey all
117 commandments and keep away from all he is forbidden to do (Islam, 1996).

118 **8 b) Individual responsibility**

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

133 Violation of human rights proves that an individual is not accepting the rules and laws of almighty. The
134 guideline in the Quran and Sunnah ensure the standard framework of morality for evaluating others. This
135 framework allows employee and employer to consider their performance according to their contribution towards
136 the organization and society.

137 **9 c) Authority in appraising performances**

138 Traditionally superior boss of the department and organization used to appraise the performances of the
139 subordinate. This method of estimating employee performance is questioned for biases. Subconscious
140 consideration also causes the wrong judgment of employee evaluation. Sometimes the evaluator doesn't have
141 a good idea about the criteria of appraising employee performances. Biases and partial view cause the employee
142 dissatisfaction of appraising performances. Islamic ideology doesn't allow such discrimination. Information from
143 all possible sources for appraising employee performance is essential for the proper justification. Job-related
144 Information from the employee, and other people like those who are taking service from the employee, and those
145 who are coordinating the service provider have a significant impact on maintaining justice in evaluating employee
146 performances.

147 In modern or traditional human resources management called it three sixty degree performance appraisals (Ali
148 & Weir, 2005). Only the employer in the evaluation process is discouraged in Islamic practices.

149 Future performance of the employee depends on systematic evaluation connecting to job performance and
150 individual potential for development. Some factors had been considered for evaluating employee performance
151 in the early period. Among the factors, knowledge about the job, output quality, and quantity, leadership
152 ability, and initiatives, supervision, cooperation are essential. Performance assessment should be based on past
153 performance leading to future improvement. The guideline in Islam also confined some feature regarding the
154 employee performance appraisal. Islamic scholars define specific rules like judgment and behavior to measure
155 employee performance (Ali & Weir, 2005). Judgment based appraisal consider some specific employee traits
156 based on the Islamic faith. These traits and attributes are politeness, honesty, kindheartedness, shouldering,
157 accountability, maturity, fairness, determination, consistency, devotion, and so on. The criteria also come from
158 the contract between employer and employee regarding employment condition. Muslims are required to do their

159 job without any negligence, laps, and omission. They should do their best for more efficiency and competence
160 (Ahmad, 1995).

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

167 **10 V. Appraisal Model based on Islamic Guideline**

168 Islam is a complete guideline for a Muslim. It integrates each facet of life and governs the duties of the human
169 being. Both the worldly and hereafter life is Here in this discussion, a framework of performance appraisal
170 presented in the figure-1 considering guideline from Quran and Sunnah. This framework linked with the different
171 part as the contract between employer and employee approaches to define standards and measures of performance
172 and feedback as well based on Islamic principles. The model framework is elaborately presented in the later part.
173 It is expected that this framework will show the guideline about the holistic application of Islamic directive for
174 appraising employee performances.

175 **11 a) Contractual arrangement**

176 The contracts we enter into, and the promises and pledges we make in our dealings with one another, are an
177 integral and essential part of Islam. There are numerous guidelines in the Quran and many sayings of our
178 beloved Prophet Muhammad (SAW) which guide in this regard. Islam considers the employment of a person is
179 the compulsory association between employer and employee. The contract is an agreement between two parties
180 based on legal bindings. Therefore the boundary and conditions of the contract should be maximized and
181 fulfilled by all parties of the agreement. That is, both the employer and the employees have expected to meet the
182 conditions of the deal. Also, as a Muslim, one should meet the requirements of the contract when it arises from
183 their services either as an employer or an employee. Almighty warns all Muslim to aware about the contract and
184 instructs all believers of Quran to fulfill their contract and obligations, and all the people will be asked about
185 their commitment in the final day of judgment (Quran 17:34, and 5:1). Islam explicitly allows any person to
186 choose their life. And also the person will be accountable for his deed. For good deeds, people will receive a good
187 reward, and for evil deeds also they receive equal punishment (Ahmad, 2009).

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

195 **12 b) Setting standard and Measuring Performances**

196 The precise standard of the job helps the employee to have a clear vision about their duties. Working hour,
197 quality and quantity of output, payment for the average working hour and overtime, criteria of recruitment, and
198 the way of measuring and comparing employee performance is the primary concern for setting the standard of the
199 job contract. The standards of every single activity for every individual are notified in the Quran and Sunnah.
200 Almighty warned that every soul will be responsible for its actions ??Quran, ??4:38). Individual only will be
201 responsible for his job and duties.

202 **13 Contract between employee and employer based on Islamic 203 guideline**

204 Performance standards -Accountability -Self-responsibility -Contractual agreement

205 **14 Compare performances**

206 Measuring performances based on information from employee self, peer, superior, customer Meeting standard

207 **15 Gap between standards and actual**

208 Required benefits and services -Ehsan -Opportunity for improvement

209 **16 Feedback**

210 No other will be responsible for the mistakes of others (Hashim, 2010). Identifying performance loophole and
211 determining employee compensation and benefits is the primary goal of appraising employee performances.

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

222 **17 c) Compare performance**

223 After setting standards and measuring performances comparing is not a tough job. Comparing performance also
224 based on justice, fairness, and accountability of the manager. Comparison of performance also depends on the
225 criteria given in the contract (Rahman, Alias, Shahid, Hamid, & Alam, 2013). Appraisers should be sent for
226 training to ensure justice and accountability ??Quran, ??: 58). Discrimination to the employees is not acceptable
227 in Islam. Race, gender, color, religion should not be the base for comparing employee performances (Hashim,
228 2007). Moreover, an unhappy employee with appraisal score should be permitted to appeal against objections
229 about the appraisal procedure.

230 **18 d) Reporting Appraisal Results**

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

237 Base pay, festival bonus, salary increment, payment for overtime, permission for necessary leave, medical
238 allowance and leave, and other types of compensation should pay to the employee. The pay gap between or
239 among different grad should reasonable that no employee will feel deprive themselves. All these conditions and
240 terms of payment are place in front of the employee before the agreement (Hashim, 2007).

241 On the other hand, being honest, a sincere to work is mandatory for employees. Deception from work and
242 cheating in the contract is not allowed in Islam. Paying less than the contractual amount or deviation from the
243 original payment also treated as fraud. Allah warns Muslim in the Quran, not to being a fraud. Fraud will fall
244 into misery, and all of you will receive equivalence to what you did. Being exact and measure duly is an essential
245 part of justice (Quran, 83: 1 -7). The employer should pay according to the contract and job responsibilities.
246 Illegal deduction from the actual amount is forbidden in Islam. Quran state not to withhold from the right of
247 people they deserve (Quran, 7: 85). Some scholar also encourages paying even more. Excellent performance
248 and sincere efforts should be rewarded or at least recognized even if they fall short of the expectations (Hashim,
249 2010).

250 **19 e) Feedback**

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

261 **20 VI.**

262 **21 Conclusion**

263 Islam has a complete set of principles derived from the Quran and Sunnah. Moral and spiritual guideline of
264 Islam is vital for the employment relationship. We, as a Muslim, have to understand the principles and distinct
265 characteristics of Islamic Management system. The proposed performance appraisal model presented in the
266 current study will help to develop a standard method of appraising employee performances both for Muslim
267 populated and non-Muslim populated countries' organizations. Individual and organizational responsibility for
268 employment agreement is the basement of the Islamic faith. Accountability guided by Islam is effective against

21 CONCLUSION

269 faulty perceptions to possess by conventional non-Islamic management practices. Organizations available in a
270 region with secular culture also expected to gain justice, accountability, and fairness in appraising employee
271 performance based on the proposed framework shown in the present study. This review emphasizes on the
272 surface of Islam for measuring employee performances. More effort is necessary to understand the role of Islamic
273 values regarding the duties and responsibilities of employer and employee for the employment contract, setting
274 performance standard, evaluating performances, and for sending feedback. ^{1 2}

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