Human Resource Management Practices from Islamic Perspective; A Study on Bangladesh Context

By Md Suliman Hossin, Idris Ali & Ilham Sentosa

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Design/Methodology/Approach: This paper highlighted and discussed the importance of Islamic human resource management practices in Bangladesh in addition to a brief discussion on all HRM practices. Nonetheless, this study is based on secondary documents and data obtained from a variety of articles, books, newspapers, journals, and websites.

Findings: It is found in this research that there may be nine IHRM system principles that can positively influence four major IHRM systems, including recruitment and selection, training and development, performance evaluation, and pay and compensation.

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Findings: It is found in this research that there may be nine IHRM system principles that can positively influence four major IHRM systems, including recruitment and selection, training and development, performance evaluation, and pay and compensation. If all four activities are carried out in accordance with Islamic principles, then the long-term organization can be maintained, and the growth of human capital will be assured.

Originality/value: Explore the key IHRM values of the Al Quran and the rising need for the IHRM system in Bangladesh. Thus, the findings of the study may help to formulate the policies and implement the IHRM program in the Islamic banks.

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I. Introduction

Human resource management is a key factor in maintaining institutions in the business and maintaining sustainability and productivity for long periods of time in the current hypercompetitive period. Humans have become one of the most important factors in the aggressive marketplace of today, as Kamrujaman, Al Mamun, & Akter (2014) said. Managing human resources is one of the main anchors, for the most employee- oriented production companies, to keep companies in operation and competitors alive (Mutasim, Ab, Shahid & Alam, 2011). In brief, we therefore need appropriate HRM practices in order to meet the organizational goal and ensure organizational development. HRM has a vital role in every organization to enable the best use of resources to attain organizational and individual goals, Chowdhury, Hoque and Mawla (2012). Though modern HRM practices play a key operational role in the organization again, therefore large companies are often confronted with high - level decisions on the management of protests, even in some cases with high turnover. Bangladesh is largely a Muslim-majority country with 89% Muslim population, but again the concept is highly new and rarely practiced in the field of Islamic human resource management. As the modern form of HRM practices in some places is becoming controversial, Islamic practices in the management of human resources may be more permissible and biased.

II. Practices of Human Resource Management in Bangladesh

The practices of modern human resource management in Bangladesh are not new. Even though modern Human resource practices are widely known across all sorts of businesses organizations, few business sectors are not prepared to accept the latest HRM practices. However, modern HRM practices are very popular all over the world to achieve organizational goals and objectives and human capital development. Akter & Pangil, (2018); Kamrujjaman, Al Mamun, & Akter, (2014) indicated that, in order to achieve organizational objectives, organizations should effectively manage their human capital by implementing an effective human resource management process. Moreover, due to lack of effective HRM practices, employees’ dissatisfaction with their organization leads to low performance and productivity. As modern HRM practices are not free of bias, and Bangladesh is a Muslim-populated country, Islamic human resource management practices will be the most acceptable and effective way for any organization to achieve its strategic goals and human resource development. In Bangladesh, Islamic banking, insurance and microfinance companies operate their business in accordance with Sharia law, but these firms practice western HR policies and practices. In most cases, these practices contradict the law of Sharia law. In addition, Mutasim et al. (2011) mentioned that Islamic HRM practices are essential but are hardly ever emphasized in the literature. Not only that, because of the lack of Islamic guidance on HRM, is one of the major constraints to the practice of Islamic HRM in a Muslim majority country like Bangladesh.

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III. **Methodology**

This study starts with an initial discussion with the Islamic perspective on the general HRM practices. The academic papers, standard works, as well as relevant literature in human resource management domains, practices Islamic human resource management, as well as Islamic principles, are being reviewed. To validate the pertinence of the articles, this study was verified by the journal's overall score published on the Science and Scopus website. The list of identified articles has been sent to the experts in Islamic Human Resource Management to ensure that they are appropriate for our review.

Besides, this study was also carried out in an unstructured search by EBSCO host, Google Scholar, Science Direct, Emerald, Springer Link, JSTOR, University Library world cat, and ProQuest for the available literature with the same keywords. The inclusion criteria have been set out in this study. In connection with this current research, there are only articles relevant to human resource management activities from an Islamic perspective. For this review, as many as a hundred potentially essential articles have been collected for abstract screening.

IV. **The Practice of Human Resource Management from Islamic Point of View**

Human resource management (HRM) refers to the process of ensuring, developing, inspiring and supporting human assets (J. Hashim, 2010b). However, Islamic human resource management (IHRM) is based on acting in the interests of all people in a particular society, focusing on individual behaviour and it also affects the operation or practice of management, because the values and belief systems of individuals performing these roles are composed of Islamic ideology (Ababneh, 2016). Islamic HRM proposes that representatives are not only a hireling, but they also are significant resources, and they ought to be considered as a wellspring of amazing and dynamic workforce resources, and it rehearses accentuations on the improvement of worker's individual aptitudes, capacities, perspectives and occupation information to contribute for achieving authoritative goals (Mutasim et al., 2013). Human resource management is an important procedure that can monitor the human capital's ability to form associations (Rumbley, Van’t Land, & Becker, 2018). The character and morality of Islam influence the management of human resources (Gadelrab et al., 2020).

For Muslim leaders and representatives, the rehearsal of senior executives is undoubtedly clearly influenced by the strict beliefs and guidelines from the Holy Qur'an (the Islamic Scripture) and the Holy Sunnah (Prophet Muhammad said, did or conducted) as Allah mentioned in Quran (59:7) "... and whatsoever the Messenger (Prophet Muhammad PBUH) gives you take it and whatever he forbids you, abstain from it ..." (Branine & Pollard, 2010). Monitoring human assets in Islamic perspective solves different difficulties (J. Hashim, 2010a). Cropanzano et al., (2001) have recognized the difficulties that constitute human resource management practices and these practices include culture, legal framework, innovation, hierarchical structure and scale. The Islamic Value Framework provides information and practice for building a comprehensive approach to deal with human resources management (Sarfraz, Qun, Abdullah, & Ali, 2018). The IHRM provides some innovative methods to deal with any situation. The leaders or managers can have multiple options to lead and influence their associates, partners, customers, workers and other stakeholders (Abbasi, Rehman, & Bibi, 2010). The IHRM plays important and significant roles for organizations to gain competitiveness (Umphress, Labianca, Brass, Kass, & Scholten, 2003).

Adeel et al. (2018) discovered the positive link between Islamic principles and human resources management. This includes the practice of the association to practice Islamic values to monitor human assets. The supervision of human assets in Islamic methodology affects authoritative judges (Jung & Ali, 2017). In order to gain trust, promising people must be trustworthy and reliable. Allah said: "Everyone swears by the money he earns." In order to seek someone's greatness, Islam urges individuals to unite to find something perfect. Allah said in the Quran: (17:7) "... if you do well, you do well for yourself and if you do sin, you do it to yourself". "You (humans) have not shown any demonstrations, but we are observing When you are locked firmly, "the Prophet Muhammad (SWT) said:“Allah prefers when someone does anything, they must do very well.” (Kim & Park, 2017, and Greenberg, 1987).

a) **Major principles and values of an Islamic human resource management system**

The basic standards of the Islamic administrative framework have had a huge impact on the behaviour of Human Resources management, as follows.
b) **Intention (Nya)**

In Islam, every action should have a goal (Sulaiman, 2018). The Prophet Muhammad said: “The activity is recorded according to the goal, and the individual will receive the same compensation or rejection” (Helen McLaren, 2020). A person will always enjoy freedom and have the responsibility to change the public’s perspective. The Qur’an (chapter 13, verse 11) states: “God will not change the state of a country unless it changes something in it” (Majid, Zainol, Daud, Rashid, & Afthanorhan, 2018). The implementations of these rules on the HRM is that the workers should not be punished for making mistakes unwillingly and should be paid or rejected for the goals, ideas, plans and procedures of its goal, not just for the results of its work activities that are not controlled by external components (Ruzicka, 2018; Barnett et al., 2020).

c) **Forever mindful of the Almighty God (Taqwa)**

Taqwa means to be conscious of the existence of Allah, acting toward pleasing Allah, fear Allah and seek protection from the anger of Allah and His punishment (Mohd. Sidek et al., 2017). In the IHRM perspective, when people own Taqwa, it is easy to take ethical behaviours in homes and workplaces. (Mushtaq & Khan, 2018; Kamil, N. M. et al., 2010).

d) **Kindness and treatment while feeling the presence of God (Ihsan)**

In the Islamic point of view, Al-Ihsan means kindness or goodness (Sadiq, Mokhtar, Sadiq, & Mokhtar, 2018). However, it implies a believer’s demonstration of love, and he firmly believes that Allah exists, and watching the act of worship (Kadhim, Ahmad, & Ahmad, 2018). Islam requires relatives to help each other and meet their needs. Therefore, the concept of Ihsan has great significance in the field of human resources management. As Quran says in surah Al-Kahf (13:30); those who have faith in and work morality, verily We shall not suffer to perish the reward of any who do a [single] righteous deed” (Mohamed, Sultan, Abidin, Shaladdin, & Abdullah, 2014). The meaning of the above verse is not only related to the goodness, virtue, and generosity but also to rights and fairness of employers and workers in the HRM in Islamic viewpoint (Majeed & Zanib, 2016).

e) **Justice (Adl)**

Fairness is a moral concept that everyone should develop, whether he/she is a leader or a subordinate (K. Khan, Abbas, Gul, & Raja, 2013). The Qur’an says in surah Maida (5:8); “Oh, who believe! Stand out firmly for Allah as a witness to fair management and do not hatred of others to you make you swerve to wrong and abstain from fairness”. Justice can also ensure individual opportunity and unity (Loi, Hang-yue, & Foley, 2006). In Islam, people have freedom in their beliefs, the Quran mentioned in surah Baqarah (2:256); “There is no religious impulse”. “All individuals are equally indifferent to gender, colour, race, wealth, prestige, profession, status, and knowledge. The real counts are their activities and behaviours” (Betts, Setterstrom, Pearson, & Totty, 2014). The Prophet Mohammed stated that individuals are equal as he said: ‘An Arab has no preference over a non-Arab, nor a non-Arab over an Arab, nor is a white one to be preferred to a black one, nor a black one to a white one, except in piety - righteousness (Tirmiji) (Rokhman & Hassan,
2012). In any organizations where fairness and justice prevail, the workers are treated and paid fairly and equally, especially in human resource management in the Islamic perspective (Fischer & Smith, 2006). Therefore, managers and employers will treat their subordinates with humility and politeness and never underestimate them or ignore their views and suggestions (Rokhman & Hassan, 2012).

f) **Trust (Amanah)**

The concept of trust is the basic belief in managing authority connections because everyone is considered responsible for their actions in the organization, especially in the field of human resource management (Jusoh & Ibrahim, 2018). The Qur'an says in surah A'raf (8:27): “O you who believe! Betray not Allah and His prophet, not betray knowingly your Amana (things entrusted to you, and all the duties which Allah has ordained for you) (Hazween et al., 2019). In light of the above verse, trust is the fundamental issue, which inculcates trustworthiness in both the managers and workers in the human resource management practice (Hasmiene et al., 2018). At the same time, the leader or manager is an "Ameen" or trustee, and his or her superiors and subordinates should trust him/her (Islam & Samsudin, 2018). Therefore, any misuse of assets or mismanagement is considered an infringement of trust. The association is the trust of the individuals who own it and the individuals who work in it, especially in the human resources management organizations in Islamic viewpoint (Erihadiana, 2019 Khairiah Ahmad et al., 2017).

g) **Truthfulness (Sidq)**

The philosophy of Sidq or truthfulness refers to do and say what is correct and lawful. However, Islam prohibits lying or cheating under any circumstances (Erdil, 2016). There are many sections in the Qur'an that emphasize moral and honest evaluation. As Allah said in the Qur'an, Taoba (9:119); “O you who believe! Fear Allah and being with truthful people”. The Qur'an also says in the Qur'an (Ahzab) (33:70): “O you who believe! Fear Allah and talk about proper fairness expression” (M. Hashim, 2012). As pointed out from the Qur'anic verse which mentioned above, just like reminding subordinates and managers should not use their sentiments as a guide, which may cause them to deviate from the correct way of fairness, care and reliability (F. N. Rahman, 2010). In this way, executives and subordinates, while seeking the worship and kindness of God, show restraint, fulfill their legally binding obligations and are completely straightforward and submissive (Ebrahimi & Yusoff, 2017). Therefore, the managers and subordinates are highly required to be honest and to work hard, while searching Allah’s blessings and mercy. Subsequently, in the view of the IHRM, authenticity and reliability are essential for feasible management (Nuriman & Fauzan, 2017).

V. **Conscientious of Self-Improvement (Itqan)**

This concept refers to a constant struggle for self-improvement within oneself in order to accomplish better work (Isgandarova, 2019). However, the expectation of continuous improvement is that people work harder by learning new information and abilities, and improve the nature of their projects and administration (Sadeghi-boroujerdi, 2006; Khan Shahid et al., 2018). In terms of human assets, executives are constantly striving to improve their qualities, requiring directors and representatives to work more actively, and improve the nature of their projects and administrative management through innovation, preparation, development, and creative progress (Sa’ari & Harun, 2018).

a) **Sincerity and keeping promises (Ikhlas)**

Compliance is the moral commitment of every Muslim (Salleh, 2015). It is a sin to deliberately ignore one’s promise, and breaking one’s word is not allowed in Islam. Islam characterized a person as a hypocrite who fails to meet one’s commitment intentionally. Islam also emphasizes to fulfill one’s promise as Allah said in the Quran in surah Maida (5:1); “O you who believe! Fulfil (all) obligations…” (Cruz, 2013). Keeping promise and sincerity, therefore, inculcate trust and authenticity in any organizations and provide trustworthiness and collaboration between managers and workers basically in terms of human resource management practice (Monjur, 2015; Alimin et al., 2018).

b) **Consultation (Shura)**

The best way to make the decision about worldly affairs in the absence of Quranic text and hadith is called consultation or Shura (Mohamad Yunus, 2018). Islam emphasized that, in collective issues, all decisions should be made through meetings and consultations (Bartlett, Longo, Puzhko, Gagnon, & Rahimzadeh, 2018). In the practice of Islamic human resource management, the managers or supervisor must seek guidance and consult others before making a decision. As the Quran says addressing the believers in surah shura (42:38); “their matters are shura among them…” (Sheikh & Bhatti, 2017). The concept of Shura guides the managers and leaders properly to treat their workers and followers equally and being humble in their coping with other people (Alade, Muhammad Nasri, & Ahmad Bashir, 2016). Therefore, the managers and leaders in any organizations are highly required to make any decisions or conduct their affairs by mutual consultation, especially in human resource management practice (Ogunbado & Ahmed, 2019).

c) **Patience (Sabar)**

Tolerance is the highest state of Iman (full of confidence in the unity of God, and Muhammad is his
A victorious prophet and messenger) (Saritoprak, Exline, & Stauner, 2018). In HRM perspective, tolerance and quietness are inseparable. Showing restraint in choice will reduce the chance of making mistakes and expand the chance of success of the management, especially in the practice of human resource management fields (Mohamed-Saleem, 2016). There is much verse in Quran emphasized people to be patient and quiet in their daily affairs, and it is the key way to success in this worldly life especially in HMR management practice and the life after death as well. As the Quran says in Surah Al-Imran (3:200); “O you who have believed, endure and survive and remain stationed and fear Allah that you may be successful”. The Quran also stated in surah Baqarah (2:153) that Allah always with those people who are patient “O you who have believed, seek help through patience and prayer. Indeed, Allah is with the patient” (Rusdi & Indonesia, 2017.; Achour et al., 2015b).

Therefore, in any organizations where IHRM is practised, the managers, employers and subordinates should be very patient in dealing with their respective affairs in their work, especially in core areas of HRM practices.

VI. Practices of Islamic Human Resource Management (pihRM)

a) Recruitment and Selection

Enlistment is the process of selecting potential competitors for the association to take advantage (Crowley-henry & Ariss, 2018). From the perspective of IHRM, the determination is to choose the right personal strategy, which will affect the trust and dedication to the association. If the candidates are elected in order of favouritism and not because of his ability, generally speaking, people will feel sceptical and unfaithful (Abbazi & Zarqan, 2019). Al-Quran provides a very simple but very relevant criterion for selecting the best applicant. As the Qur’an says in Surah Al-Qasas; (28:26); “O my (dear) father! Engage him on wages truly the best of men for you to employ is the (man) is strong and trusty”. (Ghernaout, 2017). The Qur’an also mentioned another set of standards, namely Accountability and skills required to handle specific jobs. As Allah said in surah Yusuf (12:55); “As I know, placing me on the warehouse of this land, I do Will guard them” (Corr Zoli*, 2017). In order to ensure the selection of the ideal individual, the Islamic method should be considered to select the best attributes of the applicant (Ghernaout, 2017). In addition, IHRM’s approach does not allow recruitment to be biased because it abuses fair, ethical standards and enters into agreements with companies to take care of the enthusiasm of the association and the privileges of others in transactions. As the Qur’an says in surah An-Nahl (16:90); “Allah ordered fairness and doing good to friends and family. He forbids every shameful behaviour, unfairness and resistance” (Hunter, Shortland, Crayne, Ligon, & Samuel, 2017).

b) Training and Development

The organization should urge its representatives to add additional capabilities and information through preparation and promotion plans (Wang & Wart, 2007). It improves representative efficiency and encourages workers to have better career opportunities (Ayentimi, Burgess, & Brown, 2018). The Islamic ethical framework makes information mandatory for everyone. This information implies not only basic Islamic information but also has mandatory information and expertise, which is very important to complete the agreement with their manager (Burke-smalley & Hutchins, 2014; Tarique & Caligiuri, 2009). Subsequently, Islam emphasized the dual characteristics of the labour force, moral qualities and professional qualities (Bhatti, 2014; Budhwar & Pereira, 2019). Thus, nowadays, organizations are focusing on investing in employee development through internal and external training.

c) Performance Appraisal

Perform inspections in HRM refers to evaluate the performance of a person’s activities. If this is not feasible, it will lead to a decrease in efficiency and may cause dissatisfaction (Vimala Kadriresan1 et al., 2015). In order to avoid this situation, representatives who work effectively should be compensated appropriately, which will make them feel necessary and become an important part of the association (Glaister, Tatoglu, & Karacay, 2018). Individuals with poor performance should be informed so that they may work more actively to achieve their goals (Dysvik, 2010). Improper use of inspections is not only demoralizing, but it is also dishonest. A biased assessment violates the ethical principles of justice and fairness, people’s rights, and is not part of the Islamic system. As the Prophet (PBUH) has forbidden to involve any unethical practices and he said; “Whoever cheats is not from me” – Muslim, (M. Rahman, 2016) Some investigations support the idea that the reasonableness of performing inspections and the workers’ responsibilities to their associations have been firmly established (J. Hashim, 2009).

d) Compensation and wages

From an HRM practice perspective, Islam urges managers to compensate their representatives or employees based on their capabilities, encounters, information, capabilities, and work did (Alvaredo, Atkinson, Piketty, & Saez, 2013). However, companies should avoid any preference, tendency, or prejudice. Their goal is to allow them to recognize workers with fair and considerable compensation. As Allah said in Surah A’raf (7:85); "... So provide full measure and full weight and don't make mistakes in human things ..." (Adachi, 2018). The Islamic Human Resources Department requires senior executives to practice that the salary
level should be sufficient to meet the needs of employees, such as the purchase of nutrition, clothing, ready-made accommodation, and the typical costs of basic items with special consideration of the main standards/regulated transportation conditions (Ottainah & Almutairi, 2017). Regardless of the gender orientation of the experts, there is no difference in compensation workers (Surah a Nahl; 16:97, Surah al-Kahfi; 18:30) (Doktoralina, 2016).

At the same time, Employers should also practice that the wages should be paid immediately after the employees complete their work because the Holy Prophet (PBUH) said: "Pay the wages to the worker before he dries his sweating." He also said that they should be paid immediately after the work Reward (Sunan Ibn Magja), Anas (RA) pointed out that the Prophet (PBUH) never paid anyone low wages (Khattab, 2016). It is also mentioned in the Hadith: "One of the three people with whom the Prophet (PBUH) will contend on Judgment Day is a person who keeps in touch with the worker and appreciates all his profits, but he does not pay his due compensation" (Uddin, Iqbal, & Hoque, 2014). In Islam, delay paying the workers or employees is not allowed, because this is unfair and cruel. Those companies that do not pay their workers on time are disobeying rules of the Holy Prophet and Allah (SWT) (Sunan Buhari, Surahed: 85; Surah Alav: 85; Surah Meida: 8) (Haji - Kahfi; 18:30) (Doktoralina, 2016).

VII. Conclusion

People in the west have developed modern HRM methods from an approach that may be applicable from their perspective, but in the Muslim majority country where Muslims strive to adopt the real-life examples of Prophet Mohammed SAW (PBUH) and the teaching of Qur'an thus making the Islamic human resources management system the only tool that could be very successful. As Bangladesh is a Muslim-majority country and Islamic business organisations, NGOs and foundations are growing in number, the importance of IHRM practices is also increasing. If the company formulates policies in compliance with Islamic values, employee dissatisfaction will be minimized, productivity will increase, and the overall sustainability of the company will increase through the general discussion of IHRM practices in this article. However, future research on this topic can be performed by collecting data from the Islamic Financial Institutes of Bangladesh.

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