Challenges and Practices in Human Resource Management of the Muslim World

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BACKGROUND

In a highly competitive environment of the 21st century, ignoring cultural and religious issues in management is committing corporative suicidal. Failure to optimize the benefits of culture-based management practices has led to flaws in many organizations’ implementation approaches. Realization of maximum benefits of a culture-based management practice essentially requires knowledge of spiritual and mental factors, which include “soft” (management) factors, as well as “hard” (physical) factors such as systems, tools and techniques. These critical factors are requisites of a successful career in management in South East Asia in general, and in Malaysia particular. They apply in all key management processes; leadership; planning; customer service; supplier and community relations; production and distribution of products and services; and benchmarking.

Human capital development highly depends on corporate culture that relates to value-based management system. This encompasses all the definitions of universal purpose enshrined within civilizations that studies human values. For the Muslim societies it must be consistent with the Islamic worldview. The contemporary management facing diversified issues related to human resource (recruitment, equal opportunities, and fair remuneration schemes despite different genders etc.) across civilizations shall establish the normative standards in the organizations to ensure good corporate governance based on the core purpose and values.

Accordingly, the dynamics of current discourse about fair terms of employment, compensation, equal employment opportunities- women’s rights and opportunities and adequate remuneration; should be seen in the light of local as well as global contexts and circumstances. This means that the enactment of equal employment opportunity and the multi facets discourse may take many diverse forms within different Islamic societies.

OBJECTIVE

The aim of this paper is to study

i) how to inculcate religious requirements into human management practice with the emphasis on value-based management as enshrined in Islamic worldview that promotes taqwa, akhlaq, itqan and good universal values, which are readily acceptable to more than one billion people in the world;

ii) to enhance the level of effectiveness and efficiency. This requires the practice of universal good conducts at all levels of the organisation that could lead to the improvement in the level and quality of operation performance; and

iii) to enhance the level of compliance and confidence among Muslims and corporate stakeholders.

The present paper while attempting to achieve above objectives, seeks to address two main questions.
First, what are some of the key Islamic values on human resource management (HRM), and how may they impact employment in formal organizations?

Second, how do the contextual differences in different parts of the Muslim world impact the prospects of HRM within each society?

The paper seeks to highlight these questions by presenting some key perspectives on current Muslim societies’ practices vis-à-vis Islamic view. However this may defuse misunderstanding between some contemporary practices in various Muslims’ societies and their possible implications for hiring and firing is not to be misconstrued as Islamic.

Firstly, the regions occupied by Muslims, broadly defined from Iran to North Africa, in middle East is of primary strategic importance due to both non-human resource because of oil reserves, but there has been slow economic development in general. Another important key to building competitiveness is the effective management of human resources. This can be a challenge for indigenous firms trying to overcome economic and cultural barriers to modern management methods. It is also a conundrum for firms operating in unfamiliar countries. To achieve success, global businesses need cultural awareness, but how might this be defined? However it will be a great mistake to attribute it as Islamic because of the myth that “all Arabs are Muslim and all Muslims are Arab.” The country with the largest population of Muslims is Indonesia. Arab countries represent approximately 18 percent of the world’s Muslims who have lived alongside Christian and Jewish minorities for centuries. There exists second largest population of Muslims as minority living with altogether different traits in a Hindu majority of India.

Besides Malays spread over many countries in South East Asia has own culture, is a unique due to the existence of multi-ethnic, race, religion and lingual groups in the country. As evident from diversity adherence to various cultures existing within a workplace in this part of the world has its implications at workplace. Besides the fast pace in the process of industrialization in South East Asia region, study had been conducted documenting the Muslims’ adherence to a particular style of management, which could ensure success of corporate leadership and motivation practices in these countries.

Muslim managers in Malaysia tend to be trusted by their employees if their actions follow their words, and they behave in ways consistent with local values, and demonstrate loyalty, honor and trustworthiness. Their competence is demonstrated through their possessing the right skills for the job and by being able to achieve set targets. For the employees, the managers are the symbols of motivation and that inspire them to want to work. In the field of management, leadership plays a significant role in effecting the motivation, commitment and predisposition of the workforce in that it provides focus, meaning and inspiration to those who work for a company. As architects of an organization, managers need to project themselves as role models that embody and convey to their workforce desirable attitudes, values and beliefs, in actions as well as in words.

This diversity in the discourse and enactments of various practices and opportunities is also reflected by various international statistical reports, such as the 2004 Human Development Report (UNDP, 2004), which suggests significant differences in terms of recruitment, equal opportunities, and fair remuneration schemes despite different genders etc and gender empowerment within Arab and non-Arab Muslim countries. The Report suggests that most countries in the world have a long way to go to achieve full empowerment masses specially women. UNDP (2004) also offers an international comparison of female economic activity rates. The data reveals significant differences among Muslim majority countries with respect to non-Arab and Arab contexts. While female economic activity in many non-Arab Muslim countries, such as Bangladesh, Indonesia, Turkey seems comparable to countries, such as Australia, Canada, USA and UK, female economic activity rates in Arab Muslim countries remain
extremely low. UNDP (2004: 274) provides an estimation of the earned income through purchasing power parity, a rate of exchange that accounts for price differences across countries, allowing international comparisons of real output and incomes. In the non-Arab Muslim block, Turkey has topped the list followed by Bangladesh and Indonesia. It may be noted that Pakistan, despite high gender empowerment, remains low in economic activity and income parity. The Arab Muslim countries remain lowest in terms of income parity, with Egypt ranked first within the Arab-Muslim block, followed by Kuwait and Sudan.

The data also suggests that the issues faced by women within Islamic and Western contexts and consequently the opportunities available to them are substantially different. Furthermore, the context-specific differences among Islamic societies are all the more visible. Countries like Turkey, Bangladesh and Indonesia (all from the non-Arab Muslim block) appear to be far more equitable in terms of gender-wise income parity and economic activity when compared to Saudi Arabia, Oman, Jordan and Syria (all from the Arab Muslim block). This suggests a great deal of diversity in Muslim societies with respect to gender empowerment and equal opportunity.

Secondly, there is no distinct style of resources management that can be clearly identified as Muslims’ management practices due to their world wide presence facing different social and practical realities. Perhaps the various geo-political legacies have been instrumental in creating role models of managers along the approach of the culture as values and practices. Values are judgments about “the way things should be done.” Practices are the “ways things are done in this culture.” Any particular style may succeed if considered as appropriate, as it is incongruous with the values of a workforce. From a more positively, perspective absence of a management style could help foster an openness, receptivity and willingness on the part of managers to learn about such management practices which have evolved from a variety of sources, such as those of the Islam; irrespective of Arabs, non-Arabs, West and the East. The following paragraphs discuss on the problems of the human resource diversity from Muslims’ perspective.

THE DILEMMA OF MANAGEMENT

Today’s companies are funded by shareholders, managed by the top management, and overseen by the board of directors. The relationship of these three groups is called corporate governance. Various problems have been experienced in the governance of corporations. The shareholders are often visualized as a group interested only in its narrow self-interest of earning money. The top management is often accused of unethical practices or mixing up corporate interest with personal interest. The board of directors is thought of as a group uninterested or ineffectual, or both, in overseeing the affairs of the corporation. Root cause is unfair and biased dealings with stakeholders.

Stakeholders’ relationship management is difficult when there are unfair and biased dealings with the stakeholders. Organizations do not necessarily have to deprive one stakeholder in order to benefit another stakeholder. Stakeholder relationship need to be based on mutual trust and understanding.

Thus the Islamic teachings are clear. Islamic revealed knowledge sources are clear on the nature of human behavior. The Holy Quran provides extensive references to what is the right and wrong behavior. Right behavior is the key to just stakeholder management hence ensuring excellence in management.
The organization therefore shall establish interrelated components to form a value system by defining 1) core human purpose; and 2) values’ system. The organization will be run on value-based human management strategies and system and shall operate in an integrated approach. These set of core purpose and values will serve eventually the needs of all stakeholders.

Human resource development, guided by the core purpose and imbued with core values, is a major asset for the organization and the main driver to achieve performance excellence. The organization shall focus its efforts on human capital development by focusing on:

Core Purpose: The organisation shall encourage employees to act as servant and vicegerent of Al-Mighty as the highest stakeholder; and demonstrate ethical behaviours in all undertaking. This must be imbued in its vision and mission statements.

Core Values: The organisation shall ensure that core values are defined, documented, implemented and maintained at the personal and organisational levels; and manifested through observable behaviors.

Figure 1: Value-based Management System Model
ISLAMIC WORLDVIEW

The worldview of Islam is not merely the mind’s view of the physical world as it is not based upon philosophical speculation formulated mainly from observation of the data of sensible experience. Unlike the secular western scientific conception of the world that is restricted to the world of sense and sensible experience; the worldview of Islam encompasses both the physical world (al-dunya) and the hereafter (al-akhirah). In Islam, both al-dunya and al-akhirah are two fundamental elements in which everything of the former aspect must be related in a profound and inseparable way to the latter’s. What Muslims need to know is that everything they do in this worldly life, whether it is a good or bad deed, will be reflected in the hereafter and they will be either rewarded or punished accordingly. Al-dunya in this context is the preparatory abode while al-akhirah is the last abode. Thus Islamic worldview stands as the vision of reality (haqiqah) and the truth that appears before our mind’s eye revealing what existence is all about; for it is the world of existence in its totality that Islam is projecting. Worldview, is then ru’yat al-islam li al-wujud (Islamic perception on existence).

Taqwa: It is an Islamic term denoting piety. The word is derived from the root verb “waqa” which means self defense and avoidance. Depending on the context, the denotation of the term in classical Islamic religious literature includes godliness, devoutness, piety, God-fearing, pious abstinence and uprightness. One can establish taqwa by true iman (faith), which in return will cause great love and fear of Allah. Taqwa will purify one’s heart and soul and will lead him to do righteous deeds and avoid the evil ones. In Islam, taqwa is the only and greatest standard of one’s nobility and worth as Allah s.w.t. says: The noblest, most honourable of you in the sight of God is the most advanced of you in taqwa.

Akhlaq: The word akhlaq is the plural for the word khulq which means innate disposition, inner thought, feeling and attitudes. Akhlaq or moral is an important aspect of Islam and this could be implicitly understood through the mission of the Prophet Muhammad s.a.w itself that is to perfect morality and mannerism (makarim al-akhlaq). Islamic education provides great emphasis on good morals and character, making it a comprehensive mode of living. The model for Muslims in this regard is the Prophet Muhammad s.a.w himself whom Allah s.w.t has addressed: Indeed, you have such a great character.

Itqan: The term itqan derived from the root word “atqana” which means to make things thoroughly or to dispose of things in perfect order. In Arabic, the word “itqan” is used to indicate the level of quality. The only place in the Quran whereby Allah s.w.t specifically use the word “atqana” is in Surah an-Naml. The word is used to describe a scene in the hereafter, which says: "And you see the mountains and think them firmly fixed, but they shall pass away as the clouds pass away. (Such is) the artistry of Allah, who disposes of all things in perfect order, for He is well acquainted with all that you do."
The verse explicitly indicates that Allah’s work is done with itqan. In view of the fact that the concept of itqan or quality work has a direct association with Allah s.w.t, Muslims are required to ensure that all activities in their daily life are planned and executed at the best level of performance. Moreover, the Prophet s.a.w said: “Allah loves to see one’s job done at the level of itqan”.

**Human resource Management System:** The basic strategic intent for human capital development for excellence must be value-based management system model as shown in Table-1. It requires the example of universal purpose and human values consistent with the Islamic worldview and morality based on taqwa, akhlaq and itqan as spelled out below in the table. First, the management shall establish these values as part of corporate culture in the organisations to ensure good governance. Secondly, the management must also clearly define the corporate purpose. Thus human resource guided by the core purpose of efficiency and effectiveness, is a major asset for the organisation and the main driver to achieve performance excellence. The organisation shall focus its efforts on human capital development through establishing core purpose which the organisation shall encourage employees to achieve skillfully because it is also an act of responsibility as servant and vicegerent of Al-Mighty on earth; and demonstrate ethical behaviours in all undertaking.

Thus it must be clearly defined, documented, implemented and maintained at the personal and organisational levels; and manifested through observable behaviors and measurable targets. This counts on values policy, objectives, planning, implementation and evaluation.

<table>
<thead>
<tr>
<th>Dimensions of Core Values</th>
<th>Personal</th>
<th>Organisational</th>
<th>Quality (Itqan)</th>
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</thead>
<tbody>
<tr>
<td>Piety (Taqwa)</td>
<td>Moral (Akhlaq)</td>
<td>Effectiveness (Syiddah al-Maf’ul)</td>
<td></td>
</tr>
<tr>
<td>Trustworthiness (‘Ittimaniyyah)</td>
<td>Caring (Ihtimam)</td>
<td>Efficiency (Iqtidar/Fa’aliyyah)</td>
<td></td>
</tr>
<tr>
<td>Justice (‘Adalah)</td>
<td>Cooperation (Ta’awun/Musa’adah)</td>
<td>Innovativeness (Tajdid/Ihdath)</td>
<td></td>
</tr>
<tr>
<td>Sincerity (Ikhlas)</td>
<td>Courtesy (Mulathofah/Adab)</td>
<td>Discipline (Intidzam)</td>
<td></td>
</tr>
<tr>
<td>Honesty (Amanah)</td>
<td>Humility (Tawaduk/Wadho’ah)</td>
<td>Commitment (Iltizam/Iida’)</td>
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</tr>
<tr>
<td>Gratefulness (Syukur)</td>
<td>Tolerance (Tasaamuh)</td>
<td>Learning (Ta’allum)</td>
<td></td>
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<tr>
<td>Courage (Shujaah)</td>
<td>Respect (Ihtiram/Ri’ayah)</td>
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**Values Policy:** The organisation shall a) define and develop a values policy leading to the achieving of the organisational goals; b) ensure that the policy is based on the values management system; and c) ensure that the policy is understood at all levels of the organisation.

**Values Objectives:** The organisation shall a) define values objectives based on the values policy; b) facilitate implementation of the values objectives; and c) ensure that continual efforts are undertaken to sustain good values practices at all levels of the organisation.

**Values Planning:** The organisation shall a) establish a values planning process, which b) defines the values requirements, practices and resources; and c) coordinate the activities needed to meet the values objectives. Values planning shall always be consistent with the values policy and objectives for avoiding any inconsistencies in the system.

**Implementation:** The organisation shall internalize the core values starting from top management to the lowest level of the organization through understanding, communicating, committing and practices. This can be achieved by enhancing and strengthening the spiritual exercises for personal development; and considering work as an act of worship (ibadah).

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Evaluation: The organisation shall therefore prepare a values manual as a document for reference; and implement the values system manual effectively for evaluation purposes. This may be done by executives attributed by a responsibility. Thus the management shall appoint a representative responsible for following:

- ensuring that the management system is established, implemented and maintained;
- reporting on the implementation of the management system;
- suggesting new areas for continuous improvement;
- coordinating the organisation’s values activities; and
- being a reference point for values system implementation.

The company executive shall a) establish values evaluation procedures, b) maintain values evaluation record and c) report on values evaluation in the Internal Audit Report.

STRATEGIES AND RESOURCE ALLOCATION PROCESSES

The organisational leadership shall establish appropriate processes that deliver results that meet the customer/stakeholders requirement. This will allow organisation to establishing the following enabling mechanisms in the organisation in order to develop a value-based management system.

Leadership at the organisational level, the leader should set direction, create a focus on the needs of the stakeholders and set performance levels and reward with justice and spiritual abundance. The direction shall include the basis of action is to please the Creator; clarity and alignment of the personal vision and mission; provide the individual with the force of motivation beyond the material gain; and work in the true sense is pure worship.

Therefore the organisation shall utilize the various levels’ resources with accountability and transparency; and the allocation of resources objectives of the organisations are met with optimum effectiveness. The organisation shall ensure strategies crafted will focus on delivering the desired result; and sustaining future performance with organisational growth in a balance perspective. The organisation shall develop also develop systems and technologies in an integrated manner; and technologies to be deployed accordingly and shall not be restricted.

Performance Management

The organisation shall implement a Performance Management System that focussed on getting the right results and creating stakeholders value in an effective performance management system; suitable performance management system must be in place in the organization; rewards the right behaviors based on the core values; and demonstrates a just and equitable rewards and recognition practice. The system that is just and equitable will lead to management excellence.

Methodology

The organisation must establish the methodology for analysis and continuous improvement. The methodology known as discover, action, engage and institutionalize (DAEI) shall be applied for the following levels: personal, process and organisational. The “DAEI” steps can be briefly described as follows.

Discover: This initial step will reveal the variance existing between planned objectives versus actual result at the various levels. This will encourage the next course of action which is to study the “gap” or situation.
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**Action:** The situation need to be clearly defined, data to be gathered, measured and analyzed for the root cause of the problem/issue. Once done, the next step is the engagement step.

**Engage:** This is the solutioning and implementation step. Monitoring of the solution is necessary and look-out for improvement opportunities during this step.

**Institutionalize:** This is the control phase where the solution implemented is consistently producing the desired result. The stable condition is then standardized and knowledge gained documented and institutionalize.

**TRACKING THE RESULT**

The organisation shall continually view the outcome and result in terms to the perspective of the stakeholder with integrity and transparency; to exist with meaningful and worthy purpose of its being; to increase shareholder’s value in the value management system framework; to contribute to society by producing product and services for the public good and to serve humanity’s needs; profitability and shareholder value is consequential to fulfillment of societal needs; the organisation shall focus on creating the right results; and this must be defined in measurable terms by the stakeholders of the organisations. To gauge the results there must be a continuous internal Audit, control of documents and management review and training for continuous improvement.

**Internal Audit:** The organisation shall establish and maintain documented procedures for the planning and implementation of internal values audits of the personal, interpersonal and organisational values; scheduled internal audits shall be conducted by auditors which shall not be from the same department; and the regularity and frequency of audits shall be at an interval of not more than a year duration.

**Control of Documents:** The organisation shall establish, document, implement and maintain the values management system in order to achieve a sustainable culture of excellence. The Value Management System documents shall be controlled and maintained by relevant authority in organisation and are subjected to change; and the changes can be reviewed and amendments will reflect the intention of the organisation to continuously improve.

**Management Review:** The management shall review the all documents of the value management system on suitability and effectiveness; any changes shall be understood in the organisation; at define interval; sufficient to ensure their continuing adequacy; satisfying the requirements including the audit results, customer satisfaction and values management system; and records of such management reviews shall be documented.

**Training:** The organisation shall embark on values training and morale rejuvenation programmes to boost positive work ethics and maximization of efficiency and productivity. Documented procedures and records for the training shall be in placed in order to provide for staff continuous development accordance to value management system the core purpose of man’s existence the role of the servant and the vicegerent.

**CONCLUSION**

Overall, the relatively low international ranking of Muslim majority countries in terms of social and professional empowerment and income parity betrays ineffectual attempts to introduce good HRM practices in Muslim societies. In this context, this paper may be treated as an ‘advisor’ to social activists in Muslim majority countries, written with an aim to supporting greater transparencies within employment opportunities and overall societal contexts. However, it argues for taking into account the
processes and practices that would be more compatible with the formal and informal institutions of Islamic values. The paper has demonstrated some of those incompatibilities and also suggested some possible way forward toward fairness through different contextualized means.

Notes:
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