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ISLAMIC ETHICS AND HR PRACTICES: EMPLOYEES' PERCEPTION

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ABSTRACT

Each company has a strong human resource department to put in the best people with extra – ordinary talents, skills and knowledge. The department always looks out for the best people in the given community to serve the company well and lead it to the path of development. The purpose of this study is to see if the ethics are being properly implemented and how Islamic ethics impact HR functions. The methodology used is survey analysis of the 104 respondents who participated in the research. The findings showed that Islamic ethics are not inculcated to a large extent as people are not aware of this terminology. This study highlights the importance of Islamic ethics in the business world.

INTRODUCTION

People choose their careers based on their abilities and interests and look for job satisfaction on a whole [1]. Human resource usually look after the best talents that can lead to the profits of the company and make it appear different from the other companies. It is even more than recruiting and selecting people for the respective companies. It is offering them the best jobs that looks after their security and protects their rights and giving them equal opportunities, such as avoiding gender bias in certain gender dominated world. This is only practised in theory and not in the real world. This is because every company sets its policy according to its own terms and conditions.

These policies regarding human resources are set by the companies and cannot be altered for anyone and everyone working in them. The policies set are good and bad depending on what basis they have been kept. Some organisation set them for their own betterment and profit basically as per their needs and wants

to fulfil their desires. Seidu [2] found the principles state that people are happy and prosperous if they infuse these beliefs and morals in their life and work ethics. According to Ferrel et al. [3], a business to be competitive and successful against other businesses, it should use ethics in very strategy. Tufail [4] in his research said that a business cannot survive in the competitive world without ethics. If it has no set of regulations, then anyone can cheat anybody in the world thus failing the whole business system. As noticed by many HR practitioners, Muslim countries do not work in line with Islamic methods in the department of HR. They do not follow or practice Islamic ethics properly and do not inculcate them well in the policy of the company. Many foreign and local companies have open up in Muslim countries.

According to Abdur Rahim [5], Islamic philosophy also describes the Islamic principles apart from the Islamic theology. Islamic philosophers have come up with standard morals and basis for ethics. According to Branine & Pollard [6], they stated that the core Islamic principles are Niya, Taqwa, Ehsan, Adl, Amana, Sedq, Etqan, Ekhlis, Shura, and Sabar in relation to the human resource management. Certain companies are not considering Islamic values in certain fields due to rise in competition among countries and companies and partly due to globalization. According to Namazie & Frame [7], "Islamic HRM practices are able to mitigate this competition by ensuring Islamic ethics, guidelines and principals in organization." They do not know that this competition can be avoided only if Islamization is being introduced in every other country including Muslim countries. They have the rules that should be present in their policies to follow but some of them do not follow them.

Hashim [8] says that there is an Islamic perspective to the HRM and business ethics is important for the better performance of the company. However, this is different because most companies tend to follow Islamic ethics but actually don't. They are more into conventional methods of human resource management. The comparison between a company following Islamic ethics and a company that is set by the conventional one will help us in knowing what the practices are; that the companies are going against to seek profit and harming others. Even if they claim to be having Islamic values, there are certain loopholes that make them the same as that of the other profit seeking ones.

This study aids to look into the aspects that will study how the Muslim countries are practising Islamic ethics and other human resource activities in their companies. It will try to analyze if the activities are being practised according to Islam and how are they different from the conventional methods of human resources practises. This study can help people in HR field to follow Islamic ethics and imply and practice Islamic ways for better results.

METHODOLOGY

This study used quantitative analysis to determine the relationship between the Islamic ethics and the HR. There are 104 respondents from selected HR companies are participated in this study.

Ethical Consideration

The consent form is required before using the respondents' data in order to avoid involved in any kind of ethical problems. It is very important for one to approve and permit someone to use their data for the research. This study is doing a descriptive analysis of the data, so it should be kept in mind not to alter or convert any data into presenting wrong information

Data Collection And Data Assessment

This study will use quantitative method because of the nature of data which is statistical. This will help to understand the relationship between the variables better. The study covered the survey in order to analyse the impact of Islamic ethics and HR practices. The primary data of this study is collected from the information collected through the survey analysis. The secondary data of this research is collected from the other resources. The data assessed will evaluate the relationship between Islamic ethics and HR department.

RESULT AND DISCUSSION

Figure 1 shows majority about 48% of the participants does not agree that a company succeed without inculcating ethics in the business. But, there are about 28% of the participants agreed with the statement. Many of the respondents seem to support the fact that business does not need ethics to be a part of the successful batch of companies. Very few of them agree to the fact that businesses need ethics to succeed.

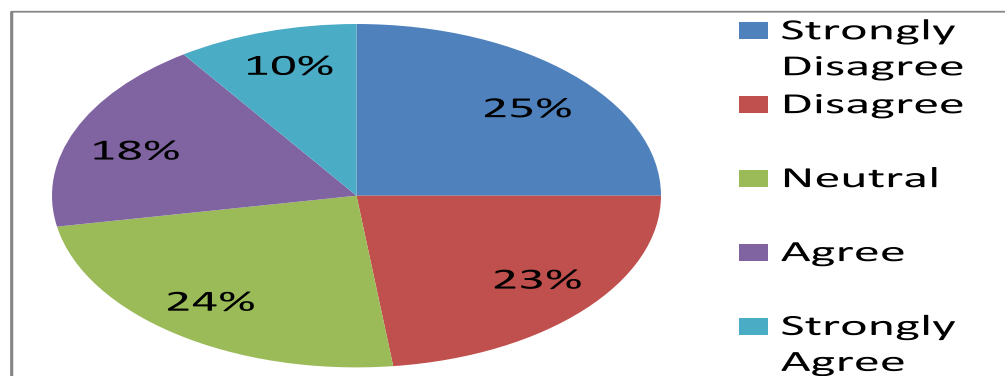


Figure 1: Can A Company Succeed Without Inculcating Ethics In The Business

Figure 2 shows about 55% of the participant's company follow general ethics. While, there are 45% of the participant's company follow Islamic ethics. Most of the businesses follow general ethics rather than that of the Islamic ethics. The possible reason why many of them might not follow Islamic ethics is probably due to the fact that they are unaware of the term 'Islamic ethics'.

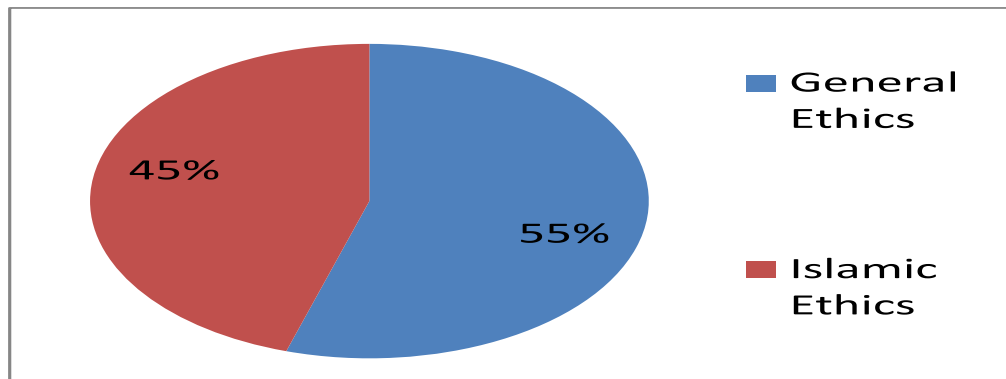


Figure 2: Does Your Company Follow General / Islamic Ethics

Figure 3 shows about 57% of the participants agreed that the role of Islamic ethics is to help in benefitting not only the business but humanities as well. It also helps in making rules and regulations. Most of them agreed to bring about rules and regulations in the offices.

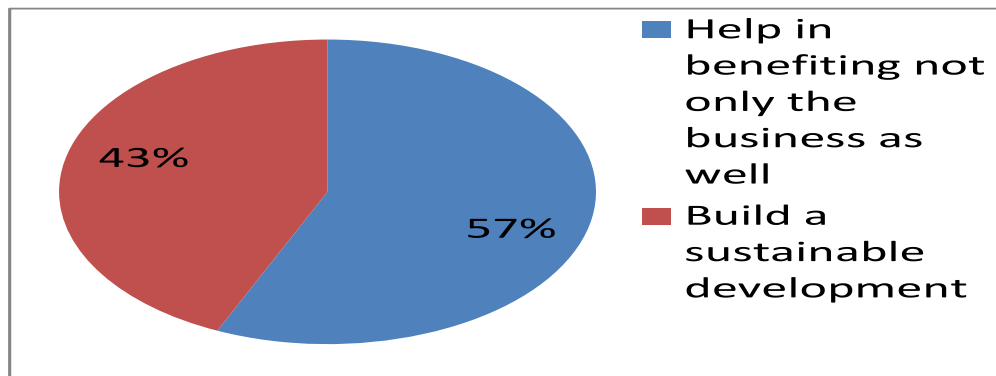


Figure 3: What Is The Role Of Islamic Ethics

Figure 4 shows about 20% of the participants strongly agreed that Islamic ethics playing an important role in the development of HRM strategies and techniques and thereby improving the functions of the company. Besides that, the Islamic ethic helps in benefitting the business, build a sustainable development and make rules and regulations. About 39% of them agreed with the statement and 22% are neutral. There are about 19% of the participants disagreed.

Figure. 5 shows about 16% of the participants strongly agreed that company provide a career path. There are 40% of them also agreed to company providing them a career path to develop and rise in their careers. About 23% of them are neutral, 13% of them disagreed while 8% of them strongly disagreed. Figure 6 shows the availability of companies to conduct fair job interviews, where 41% of the respondents agreed, 39% of them said maybe while 20% of them disagreed.

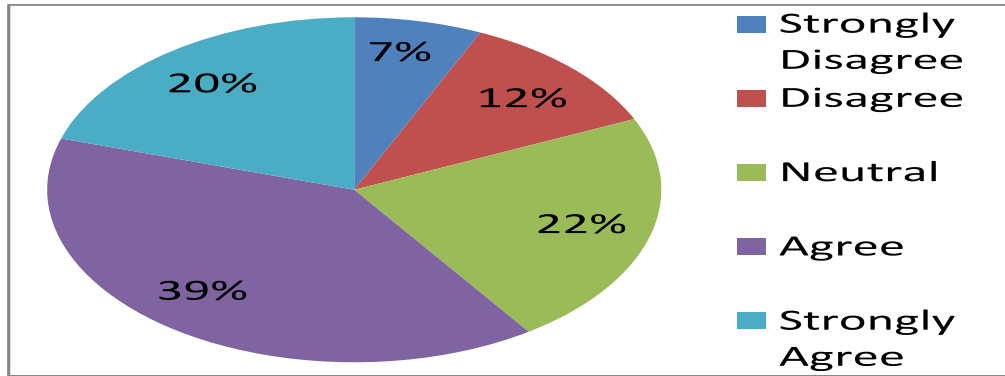


Figure 4: Can Islamic Ethic Help In HRM Recruiting People, Compensation And Career Development

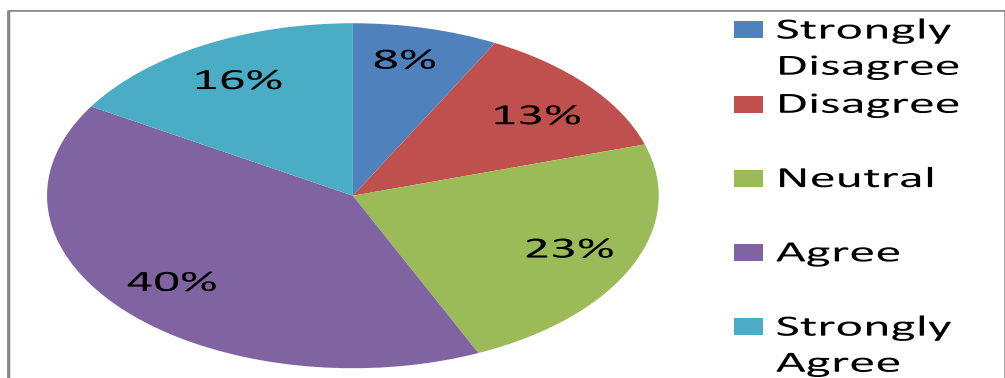


Figure 5: Do The Companies Provide Career Path

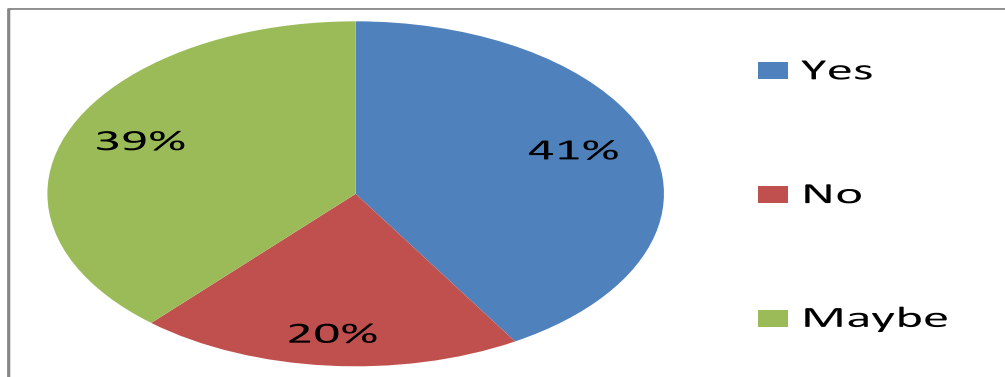


Figure 6: Do The Companies Conduct Fair Job Interviews

Figure 7 shows that most of them found job appraisal system to be good, about 46% of the respondents agree their companies use a fair appraisal system. There are also 39% of the respondents are disagree with it and 15% of them are neutral with the statement.

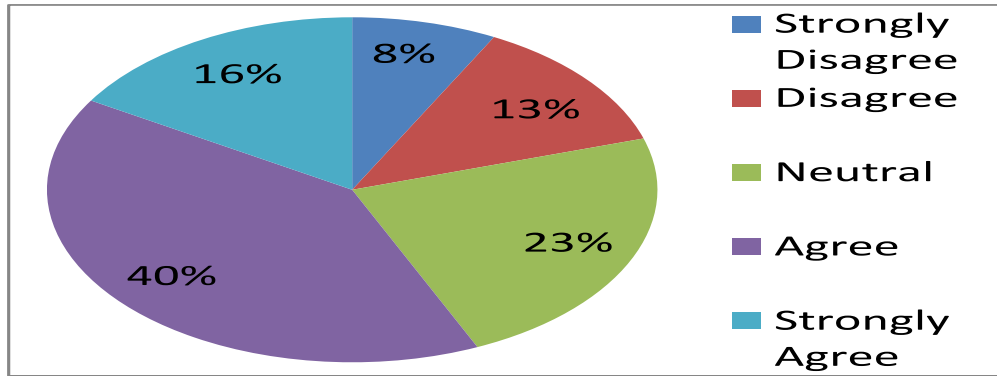


Figure 7: Do The Companies Use A Fair Appraisal System

Figure 8 shows about half of the participants agreed their companies providing information to the employees about their performance which is good for the employee to evaluate themselves. There are also 28% of the respondent’s companies does not provide employees performance information

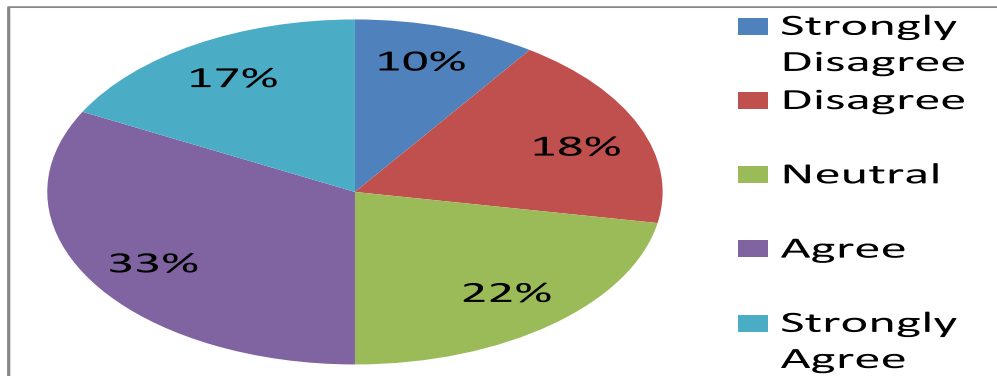


Figure 8: Do The Companies Inform Their Employees About Their Performance

Figure 9 shows about 30 % of the respondents are strongly agreed and 20% agreed that companies do select and recruit competent people as they require efficient human resource for the development of the company. They even provide necessary training to the employees to develop. About 39% of the participants companies not really select and recruit competent people.

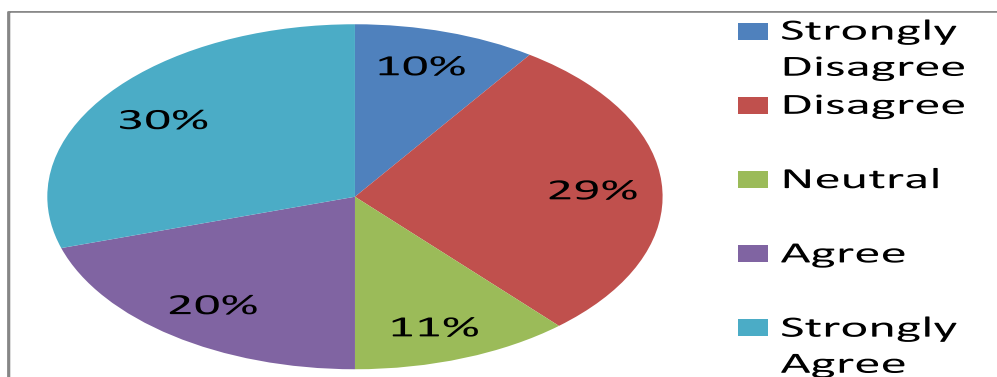


Figure 9: Do The Companies Select And Recruit Competent People

Figure 10 shows about 53% of the participants agreed that their companies select and recruit people with brotherhood spirit and 24% disagreed with that. After selection, people are continuously trained to be able to fit in the organization. About 23% of the participants does not justifying the selection and recruitment criteria of their companies.

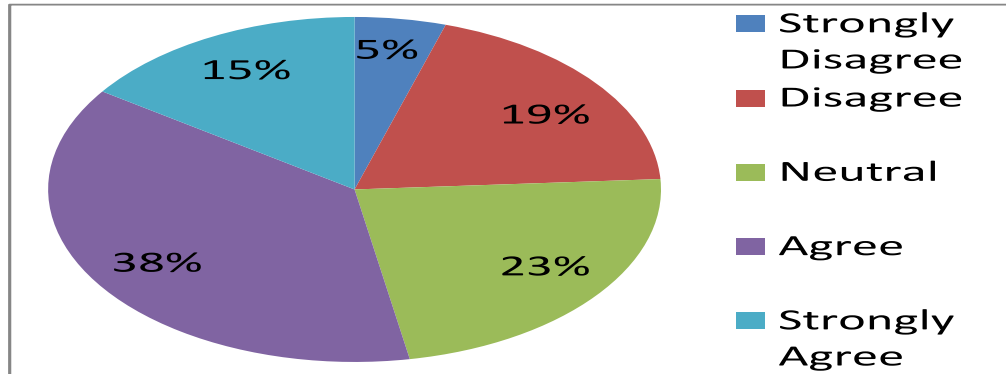


Figure 10: Do the companies select and recruit people with brotherhood spirit

Figure 11 shows that 9% and 35% of the participants strongly agreed and agreed respectively that their companies select and recruit candidates with Islamic values. About 24% of the participants disagree that their companies select and recruit candidates with Islamic values.

Figure 12 shows about 42% of the participant’s company stress on their objective of training. There are 40% of the participants disagreed that their company stress on their objective of training. About 18% of the participants are neutral with the statement.

Fig. 13 shows about 50% of the participants are agreed that their companies seek to provide Islamic training on a continuous basis. There are 25% of the participants are disagreed that their companies seek to provide Islamic training on a continuous basis and there are 25% of the participants remain neutral with the statement

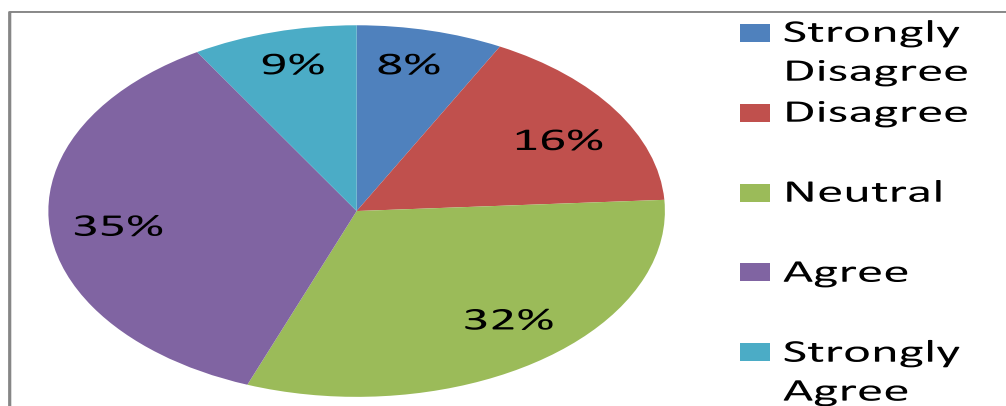


Figure 11: Do The Companies Select And Recruit Candidates With Islamic Values

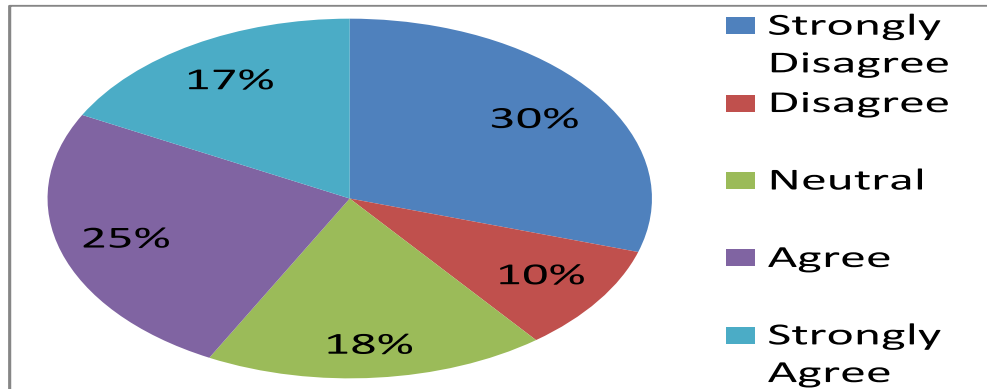


Figure 12: Do The Companies Stress On The Objective Of Training.

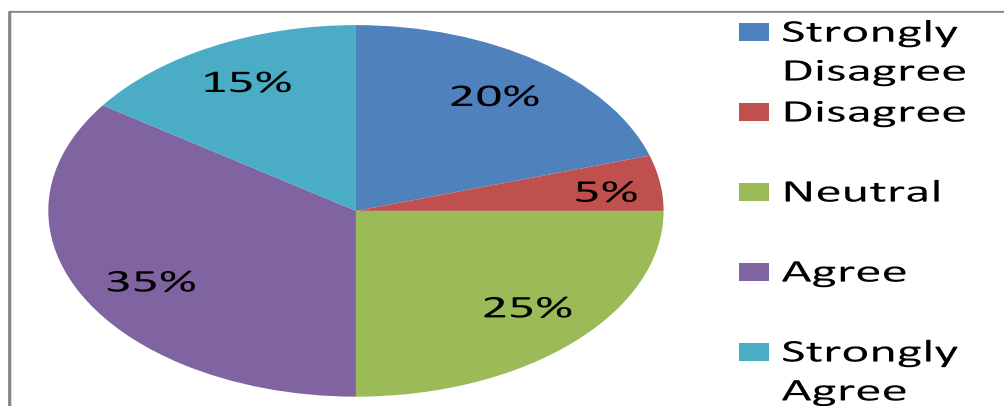


Figure 13: Do The Companies Seek To Provide Islamic Training On A Continuous Basis

Ethics are important for the business to develop and should be integrated in the organisation system. If ethics are inculcated properly in the business, the organisation and individual is look forward to succeed both spiritually and worldly. Islamic ethics is a concept developed in Muslim countries and should be followed to bring about changes in the business and reform it for better performance. It brings about efficiency and effectiveness therefore developing the business system. HRM functions like training, compensation, recruitment and selection can improve with the Islamic concept in the companies. With Islamic ethics, people will learn the core concepts of Islamic values such as brotherhood, trust, honesty, etc. It has different values associated with each of the functions like compensation, selection, training, job appraisal, and other performance evaluation methods. These are added for bringing about the best of humans who can succeed both in the corporate world and the Akhirah (day of judgement).

CONCLUSION

The obtained results show that the Islamic ethics are not followed in compensation, recruitment, selection, training. But they are more into training in relation to Islamic ethics. This study lacks empirical evidence in relation to that of the Islamic values and its implementation in the business and the study area should be expands whereby there are many countries that have Islamic

ethics present in their systems of the business in order to generate awareness among all the people regarding importance of Islamic ethics and its implementation in the business.

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