

**HUMAN RESOURCE MANAGEMENT FROM ISLAMIC PERSPECTIVE:  
EXPERIENCES OF GLCs**



**RESEARCH MANAGEMENT INSTITUTE  
UNIVERSITI TEKNOLOGI MARA  
40450 SHAH ALAM, SELANGOR  
MALAYSIA**

**BY :**

**IDRIS BIN OSMAN  
MOHD HALIM BIN MAHPHOTH  
MARYAM JAMEELAH BINTI MOHD HASHIM**

**SEPTEMBER 2012**

Surat Kami : 600-RMI/SSP/DANA 5/3/Dsp (294 /2011)  
Tarikh : 15 Jun 2011



En Idris Osman  
Fakulti Pengurusan Perniagaan  
Universiti Teknologi MARA Cawangan Melaka  
KM. 26, Jalan Lendu  
78000 Alor Gajah, Melaka

Y. Brs. Profesor./Tuan/Puan

#### KELULUSAN PERMOHONAN DANA KECEMERLANGAN 06/2011

Tajuk Projek : Human Resource Management (HRM) Practices in Islamic Perspectives  
: GLCs Experiences  
Kod Projek : 600-RMI/SSP/DANA 5/3/Dsp (294 /2011)  
Kategori Projek : Kategori F (2011)  
Tempoh : 15 Jun 2011 – 14 Jun 2012 (12 bulan)  
Jumlah Peruntukan : RM 5,000.00  
Ketua Projek : En Idris Osman

Dengan hormatnya perkara di atas adalah dirujuk.

2. Sukacita dimaklumkan pihak Universiti telah meluluskan cadangan penyelidikan Y. Brs Profesor/tuan/puan untuk membiayai projek penyelidikan di bawah Dana Kecemerlangan UiTM.

3. Bagi pihak Universiti kami mengucapkan tahniah kepada Y. Brs. Profesor/tuan/puan kerana kejayaan ini dan seterusnya diharapkan berjaya menyiapkan projek ini dengan cemerlang.

4. Peruntukan kewangan akan disalurkan melalui tiga (3) peringkat berdasarkan kepada laporan kemajuan serta kewangan yang mencapai perbelanjaan lebih kurang 50% dari peruntukan yang diterima.

Peringkat Pertama	20%
Peringkat Kedua	40%
Peringkat Ketiga	40%

5. Untuk tujuan mengemaskini, pihak Y. Brs. Profesor/tuan/puan adalah diminta untuk melengkapkan semula kertas cadangan penyelidikan sekiranya perlu, mengisi borang setuju terima projek penyelidikan dan menyusun perancangan semua bajet yang baru seperti yang diluluskan. Sila lihat lampiran bagi tatacara tambahan untuk pengurusan projek.

Sekian, harap maklum.

**“SELAMAT MENJALANKAN PENYELIDIKAN DENGAN JAYANYA”**

Yang benar

  
DR. OSKAR HASDINOR HASSAN  
Ketua Penyelidikan (Sains Sosial dan Pengurusan)

Penolong Naib Canselor (Penyelidikan) : 603-5544 2094/2095  
Bahagian Penyelidikan : 603-5544 2097/2091/2101/5521 1462  
Bahagian Perundingan : 603-5544 2100/2787/2092/2093  
Bahagian Inovasi : 603-5544 2750/2747/2748

Bahagian Penerbitan : 603-5544 1425/2785  
Bahagian Sokongan ICT : 603-5544 3097/2104/5521 1461  
Bahagian Sains : 603-5544 2098 /5521 1463  
Pejabat Am : 603-5544 2559/2057 / 5521 1636

Penolong Pentadbiran : 603-5544 2090  
Fax : 603-5544 2096 / 2767  
Unit Kewangan Zon 17 : 603-5544 3404  
: 603-5521 1386



## CHAPTER I

### INTRODUCTION

#### 1.0 Background of Study

Muslims in developing nations faced the greatest challenge where globalization becomes a threat that must be executed with development (Dr. Mahathir, 2000). Globalization has influenced local employees to adapt Western management (Branine, 2011) and this issue increasingly resulted inconsistency of aspects, religion and business practices. Khan et al (2010), Metcalfe (2007), Maznil (1997), Tayeb (1997) and Abuznaid (2006) believe religion plays important and significant roles for organizations to gain competitiveness. In Muslims countries, Islamic principles affect human behaviors. It must be maintained by the *Quran* and *Sunnah* to treat employees fairly and justly.

Human resource recognised as a source of competitive advantage in organizations (Khan et al, 2010; Haslinda, 2009; Junaidah, 2010; Hamid & Zhan, 2008). Khalid et al (2008) agreed to manage human resource in global competitiveness must be considered the cultural awareness, especially in religion. Thus, interference of religion into human resource management (HRM) proves to maintain competitive advantage and promoting a good relationship between employer and employee in organizations. Nik Mutasim (2009) and Khan (2010) found the positive relationship between Islamic principles and human resource management. Junaidah (2010) added is an obligation for organizations to practice Islamic principles to manage human resource.

Islamic HRM have concerned the justice and fairness (Abulhassan, 2006). According Junaidah (2008), managing human resource in Islamic approaches does influence organizational justices. Islam a complete religion of life and objectively create the universe to

uphold justice and truth (Mahathir, 2000). The verse 85 of the Surah Al-Hijr (15) in the Quran says:

*“We created not the heavens, the earth and all between them, but for just ends”.*

In the Verse 38-39 in the Surah Ad-Dukhaan (44) which says:

*“We created not the heavens, the earth and all between them, merely in (idle) sport. We created them not except for just ends, but most of them do not understand”.*

Ziba Kazemian et al, (2011) said Islamic principles cannot be without justice. In HRM functions, the justice will be achieved with application of Islamic principles. Justice is required in Islam and had been revealed by Allah (SWT) as a fulfillment of the Islamic creed (‘aqidah). In Surah Al-Nahl (90) in the Quran, Allah (SWT) has mentioned:

*“Allah commands justice, the doing of good and liberality to kith and kin, and He forbids all shameful deeds and injustice and rebellion: He instructs you, that ye may receive admonition”.*

There are obligations of Muslim to establish and uphold justice as part of pious deed (*taqwa*) and faith (*iman*) enjoined by the religion (Prof. Dr. Mahmud, 1993).

Justice is a value and virtue in all religions and is upheld by all societies (Syed Othman, 1994). It is a universal value which is acceptable to every society. In organizations, all activities must be based on the concept and principles of justice. According to Dr. Mahathir (1993), justice in Islam means placing something in its rightful place which consists of three aspects. First, placing someone in a post or function appropriate to his capabilities, second to mete out sentence or make a decision appropriate to a situation or the person about to receive it and last to place wealth or property to those who rightly deserves them. Allah (SWT) emphasizes that He is the administrator of the universe and administers it justly. The verse in Surah Al-Ghafir (47), Allah says:

*“And Allah will judge with justice and truth but those whom men invoke besides Him, will not be in a position to judge at all. Verily is Allah alone who hears and sees all things”.*

Organizational justice is very important and its represent employee’s perception about the fair treatment in organizations (Ghulam et al, 2011; Dr. Muhammad Ehsan Malik et al, 2011). This perception then influence employees outcome by affecting the way they thinks, feels and behave. According to Guest (1997) and Purcell *et al.* (2003), employee’s outcome creates significant relationship between human resource management and performance. In order to raise the good performance, HRM practices must be conducted fairly and unbiased

manner to all employees in organizations and justice must be considered a main factor influencing human resource effectiveness.

## **1.1 Problem Statement**

Human resource management has significant contributions to organizational competitiveness. According to Khalid (2008), building competitiveness for the effective management of human resource must be concerned on cultural awareness, especially in religion. Islam has significant effects, not only on economic and political organizations but also on human relationships (Metcalf, 2007). Islamic knowledge and understanding should be adopted as a core principle in all organization which applies the Shariah to manage human resource. Nik Mutazim (2008) and Ab. Aziz (2008) said the Islamic principles should be common to all basic functions of human resource management to achieve excellent results in organization.

According to Abbasi et al (2010), the Islamic perspective on management studies is important area of research for modern management scholars. However, limited literatures in Islamic Management have witnessed the increasing interest to explore its application. The gaps of understanding and applying the Islamic principles in managing human resource have caused the widely adoption of Western practices in daily business activities. Junaidah (2009), Branine (2010), Budhwar et al (2006) and Tayeb (1997) agreed the important of managing human resource in Islamic management but very limited empirical studies have examined. Kamel Mellahi et al (2010) said much more research is needed to gain the understanding the roles of Islam, especially related to HRM issues.

Among developing nations, Muslim countries have faced the challenge of adaptation to Western management practices (Abbas J. Ali, 2010). Faten and Ross Brennan et al (2009) said the importing Western management has insufficient evidence to prove increasing organizational performance. In Malaysia, the previous researches have more concerned on HRM and its effect on organizational commitment and performance. Ilhaamie (2010) found the considerable impact of Islamic perspective on HRM but there are some Malaysian Islamic organizations do not fully implement in Islamic human resource practices.