



Human Resource Management through an Islamic Len: A Systematic Review & Research Agenda and Practical Implications

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Abstract

Islamic HRM values are numerous centuries old, but they are still applicable in the modern business world due to their flexibility. The values are about respecting humanity in terms of equality, honesty, fairness in decision-making, and accountability in leadership and followership. A systematic literature review has been presented in this paper that shows that if these principles are practiced in business today, there is a positive influence on employee satisfaction, the trust relationship between employer and employees, job commitment, and overall organizational performance. The employees and managers view themselves that Islamic HRM practices are the right way of managing systems within the working place as they are righteous. However, there are different opinions from the Western world that cause resistance against Islamic HR practices. Islamic HRM must face current business challenges when it comes to its practical implications.

Disciplinary: Management Sciences (Business Development, Business Management).

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1 Introduction

With the advent of globalization, an amalgamation of working practices in business is witnessed where Muslims and the West come together under one roof for business matters. When two different cultures are present, there is a difference in attitudes towards business perspectives and how business matters occur in each culture. The nature and contents of management are distinct for the two cultures and have to be managed effectively so that these differences do not

affect the employees and their performance. The following paper would present a systematic review of human resource management through an Islamic lens to provide a research plan and practical implications for the modern world. The basic Islamic understanding of the HRM practices that would be useful for today's modern business systems would be reflected in this review.

The systematic review's objective is to evaluate human resource management through an Islamic lens so that management practices could be scrutinized in the context of Islamic culture to be applied in today's world. Since collaboration among different cultures is the requirement of current times for innovation purposes, diversity across cultures has become a concern. Hence, Islamic human resource management's role would be appraised through this systematic review of previous studies to view these principles' workings in Muslim and non-Muslim contexts.

2 Method

A systematic review of several databases was conducted between 17 December to 22 December 2020. All the aspects of human resource management and Islamic culture were included so that different authors' perspectives in different years could be overviewed. A careful selection of studies was made so that identical ones could be excluded. The reason for excluding the identical ones is to keep the data precise and free of repetition.

2.1 Eligibility Criteria

Study eligibility would be based on the inclusion of research no older than the year 2000. Also, the included studies were published in English. The studies were also included based on the selected keyword search. Those studies that were excluded were off-topic and did not match the results of the keywords. The selected studies had to be matched with the relevance to the objective of the study.

2.2 Data Sources

The research articles were taken from several data sources such as three articles from Personnel Review, two articles from International Review of Management and Marketing, and the rest were taken from African Journal of Business and Management, Journal of Islamic Business and Economic Review, Journal of Islamic Accounting and Business Research, International Journal of Human Resource Management, Bangladesh Journal of Islamic Thought, Journal of International Management Studies, International Journal of Academic Research In Business and Social Sciences, International Journal of Islamic Business and Management, Asia Pacific Journal of Business Administration, University of Haripur Journal of Management, The Dialogue, Research Gate, European Journal of Business and Social Sciences, Qudus International Journal of Islamic Studies, Journal of Industrial Engineering and Management, Purushartha: A Journal of Management, Ethics and Spirituality, International Journal of Development Research, Research Journal Al-Basirah, Al-Idah, Business and Economic Review, Asian Social Sciences, Journal of Entrepreneur Education, Advances In Economics, Business and Management Research, and Journal of Managerial Sciences. Also, extended research was conducted, which means the cited articles at the end of selected

research were also reached for gaining an extended view of the opinions. Many of the articles were selected through this approach as they turned out to be relevant for this research paper.

2.3 Risk of Bias in Studies and Its Removal

The selected studies' possible bias for the systematic review was removed by omitting the identical research and older than the year 2000. It was considered that studies older than this year would be outdated and might not present the views that are related to today's notions and viewpoints of the business world and Islamic human resources. Hence, this bias of personal thoughts of the authors older than the year 2000's studies was likely removed.

2.4 Data Collection Process

The data was collected with a keyword search. The keywords used were 'Islam and human resource,' 'Islam and a human resource management,' 'Islamic human resource,' 'Islamic human resource management,' 'Islamic culture and a human resource management,' 'teachings of Islam and HRM,' 'Islamic HRM and modern business culture,' 'Quran-based HRM' and 'Western culture and Islamic human resource management.

2.5 Data Analysis

Data analysis was done by formulating a table and narrative summaries of the selected research. The systematic review of the findings was done in a narrative synthesis manner.

3 Result and Discussion

The search from all the databases yielded 578 research articles. The articles that occurred the same were excluded, and those older than the year 2000 were also not considered. Those relevant are presented below in the form of a table, chronologically so that the overview of the Islamic HRM perspectives with time is demonstrated well for a deeper understanding. Further detailed discussion on the extracted themes and discernment from this systematic review would be presented subsequently.

Table 1: Analyzed result

| Authors | Year | Study purpose | Key findings |
|----------------|------|--|--|
| Hashim | 2008 | To recognize the salient features of Islamic HRM for better HR management of non-Muslim managers | The quantitative study's findings revealed that Islamic parameters were highly correlated with increased job satisfaction and commitment among the employees. This information could be useful for non-Muslim managers for their Muslim employees working in MNCs. |
| Abbasi et al. | 2010 | To understand the Islamic model of management | The results revealed that Islam provides a complete guideline package for today's businesses as the model and can be adopted by any kind of business model |
| Ali | 2010 | To interpret whether the Islamic HR angles are enough to manage/evolve human resources in the present world | The article takes examples from other religions such as Judaism and Christianity and elaborates on their Islamic HR perceptions. Challenges are outlined that need further research and practical steps to eliminate them. |
| Branine et al. | 2010 | Exploring the nature and contents of Islamic practices in management and their direct implications on the human resource management in Arab countries. | Islam is misunderstood, and its unnecessary negative impact is seen in the business world as well. MNCs need to understand that Islam gives importance to friends, family, and kinship. Islam is not against their religion and is looking to resolve issues that are causing friction among different cultures other than Islam in the workplace. |

| Authors | Year | Study purpose | Key findings |
|-----------------------|------|--|---|
| Khan et al. | 2010 | To understand the modern-day human resource practices following Islam. | The secondary research article mentioned that Islam promotes peaceful co-habiting of different cultures with equality and justice. These and other Islamic teachings could be seen in today's business HRM practices so that the firm culture could be nonviolent and sincere. |
| Noufal | 2012 | To reveal Islamic aspects of management that would be sustained in modern world business HR areas like reward, benefits, employee engagement, thriving culture for obligation and accountability | The secondary research article revealed that Islam is based on unity, purpose, responsibility, autonomy, an all-inclusive decision-making process, trust, dialogue, cost and time efficiency, honesty, expertise, and keenness to learn. Leadership should also be held accountable and must only be for the welfare of the followers. |
| Nik Ab. Rahman et al. | 2013 | To evaluate the role of theoretical frameworks of Islamic human resource management practices and their effect on levels of trust within an organization | The cross-sectional research showed that Islamic HRM strongly influenced trust within the firm, but the appraisal system did not show any significant relationship. |
| Zaman, et al. | 2013 | To highlight the Islamic features that are ingrained in Islamic HRM and are proved successful in today's world in a distinct way comparable to modern HRM | The secondary research article revealed that Islam HRM directions do not teach materialistic approaches that are quite evident in modern HRM as Islamic HRM builds employee-employer trust relation, which is a positive sign for organizational commitment and performance |
| Malik et al. | 2014 | To implement the Quran-based HRM practices in Islamic banking along with justice to improve employee job satisfaction with the aid of organizational justice | The research's quantitative results indicated that Islamic HRM practices do not directly increase job satisfaction but do through the path of organizational justice. Justice and honesty are ingrained within the Islamic teachings, and thus, Muslim employees have inherited these features in their nature and infused them in their work. |
| Sulaiman et al. | 2014 | To measure the impact of Islamic HRM on the Islamic managers' organization | The qualitative study findings revealed that Muslim managers were well-aware of Islamic HRM practices and have employed them in their organizations. Also, they have seen positive results in the overall firm workings. |
| Azmi, IAG. | 2015 | To investigate the effect of Islamic HRM practices in a developing country | The study's quantitative analysis revealed that one Islamic HRM practice is significantly related to organizational performance, which is training and development despite Islamic recruitment and selection to a large extent. |
| Balla et al. | 2016 | To gauge Islamic HRM's implementation on the employees' organizational knowledge, presentation, faith, obligation, and devotion to the group's supervisor. | The mixed qualitative and quantitative research has revealed that Islam provides values incorporated in HRM practices for better organizational results performance-wise. |
| Khan | 2016 | To scrutinize the effect of Islamic values on human resource management in the modern world and the resolving the contemporary issues in the workplace | The article indicates that human resource management's Islamic way with its ingrained faith, such as integrity, equal rights, obligatory emphasis, justice, and loyalty, provides positive employee motivation results. Organizational success and harmony are guaranteed if Islamic principles are observed within organizational HRM practices. |
| Mahesar et al. | 2016 | To analyze the effect of Islamic HRM on employee outcomes and engagement in Pakistani Islamic banks | The study's quantitative analysis showed that Islamic HRM has a highly significant relationship with employee outcomes and is beneficial for engagement. |
| Saleem et al. | 2016 | To highlight the fundamental Islamic principles regarding HRM for employing better policies for an effective management system. | The extensive literature review study found that Islam gives high significance to its basic principles. If instilled within the HR practices of today's businesses, employee commitment levels are sure to increase, which is conducive to better organizational performance based on equal rights and a reward system. |
| Siddique et al. | 2016 | To compare the role of religion and culture on the HR practices of Saudi Arabia and Iran | The results indicated that the religious culture directly affects the policymaking within that country's businesses, either in Iran or Saudi Arabia. Islamic influence was seen more in Saudi Arabia, and thus its effects were seen in business workings, social relations, and employee-employer interactions. |
| Berber et al. | 2017 | The role of Muslim employees in White HRM and contribution to religious diversity in workplaces | The qualitative study revealed that Muslim employees in Netherlands organizations have to face religious friction. The HRM policy in such firms has to be designed, so that religious diversity is appropriately managed across different cultures. |

| Authors | Year | Study purpose | Key findings |
|--------------------|------|--|---|
| Islam & Barghouthi | 2017 | To observe the practical implications of Islam in contemporary HRM. | The article disclosed with examples from various verses of the Holy Quran that Islam has taught all the important HRM aspects, such as hierarchy, gender, leadership, etc., that are practiced today in the business world. |
| Khan | 2017 | To examine the role of Islamic HRM practices in terms of employees, employers, and customers' points of view | The secondary research article revealed that the previous literature has corroborated that Islamic work ethics are strongly related to job satisfaction. Compensation and salaries based on justice are more respected among the employees and employers that work better in creating organizational harmony. |
| Nadvi & bin Junaid | 2017 | To compare the Islamic HRM practices and their impact on organizational commitment in terms of employees' perception | A survey approach was adopted to collect results that stated that Islamic HRM had different organizational outcomes and implications in this world than modern HRM. The results were stated in terms of the employee's perception of their organization where Islamic HRM is being practiced. |
| Razimi et al. | 2017 | To assess the practices of Islamic human resources for increasing work motivation among employees and overall organizational performance | Islam teaches certain values to its followers inculcated in Islamic human resource management, such as kindness, treating everyone equally, and giving respect. Consequently, the human resource practices are refreshed in an Islamic way, leading to increased work motivation and overall firm performance |
| Rahman | 2018 | To interpret the Islamic approaches and context for human resource management in organizations today. | The secondary research article concluded that Islamic organizations are under Western culture's influence despite following Islamic religious parameters even in Islamic countries. |
| Sabir & Bhutta | 2018 | To comprehend the Islamic way of recruitment and selection in the modern business world under the light of HRM practices | The secondary research article mentioned no difference between the Islamic teachings of recruitment based on proficiency, justice, honesty, humbleness, patience, and contemporary HRM practices. |
| Uyun & Muafi | 2018 | To measure the influence of Islamic HRM practices on organizational learning and an overall impact on social, environmental, and religious performance | The quantitative research article showed statistical results that Islamic principles positively impact organizational learning and social, environmental, and religious engagement. |
| Abbazi & Zarqan | 2019 | To understand the relationship between Islamic teachings and HRM to face today's human resources' current challenges. | The findings' statistical results displayed that all the basic HR aspects if followed Islamically, would yield better results in terms of job satisfaction and organizational trust among the workers. There is a positive relationship between trust and the reward system of the firm. |
| Chowdhury et al. | 2019 | To evaluate the role of Islamic HRM practices as an important strategic tool for the organizational effectiveness | The results indicated that if proper knowledge of Islamic practices, successful organizational outcomes are indispensable. Undoubtedly, Islamic HRM practices positively influence recruitment, selection, performance evaluation, training, development, etc. |
| Hadjri et al. | 2019 | To assess the effect of Islamic human resource management on organizational commitment and employee performance | Islamic recruitment and selection criteria strongly influenced organizational commitment and employee performance extracted from Indonesian bank employees' quantitative study. |
| Wiryanto | 2019 | To assess if there is a need for increased knowledge of Islamic management principles for today's businesses' problem-solving strategies | The results showed that when the comparison between Western and Islamic concepts is made, there is a dire need for more awareness for the Western world to incorporate Islamic HR values for better problem-solving |
| Hossin & Sentosa | 2020 | Reviewing and discussing the role of Islamic human resource management practices and their requirement in the banking firm | The secondary research article indicated that nine principles of Islamic HRM pose a positive effect on four systems: recruitment, training, development, performance appraisal, and compensation. |
| Javed et al. | 2020 | Evaluating the role of Islamic ethics relevant to the leadership styles and their impact on managerial effectiveness. | Statistical analyses showed that transformational and transactional leadership styles were positively related to managerial effectiveness; however, Islamic ethics intervention did not show any results. |

The conceptual framework or model of the findings is shown in Figure 1. The conceptual model shows that Islamic teachings are rooted in HR practices, mainly in Muslim countries. The fundamental Islamic values are trust, equality, justice, responsibility, accountability of leadership and the followers, unity, obligation, fairness in decision-making, learning, co-existence of different

cultures and respecting them, and friendship among diverse kinds of people. These values instill a positive sense of belonging to the organization where they are practiced. When Islamic aspects like equality and fairness are ingrained in HR practices like recruitment, payment, compensation, and reward system, the employees develop. It does not matter whether the company is Muslim or non-Muslim; however, it does matter when the firm is multinational and has diverse employees, including Muslims. The Muslim employees respect such non-Muslim CEOs more and show higher job satisfaction, low turnover, strengthened employee-employer relationships, and better organizational performance. It has been researched that Muslim employees' and managers' perceptions were positive when Quran-based HRM practices were followed within their Muslim firms. Similarly, it has further been researched that the Muslim employees working in a non-Muslim firm where Islamic HRM practices like equality and trust were followed, such employees' perceptions were heightened.

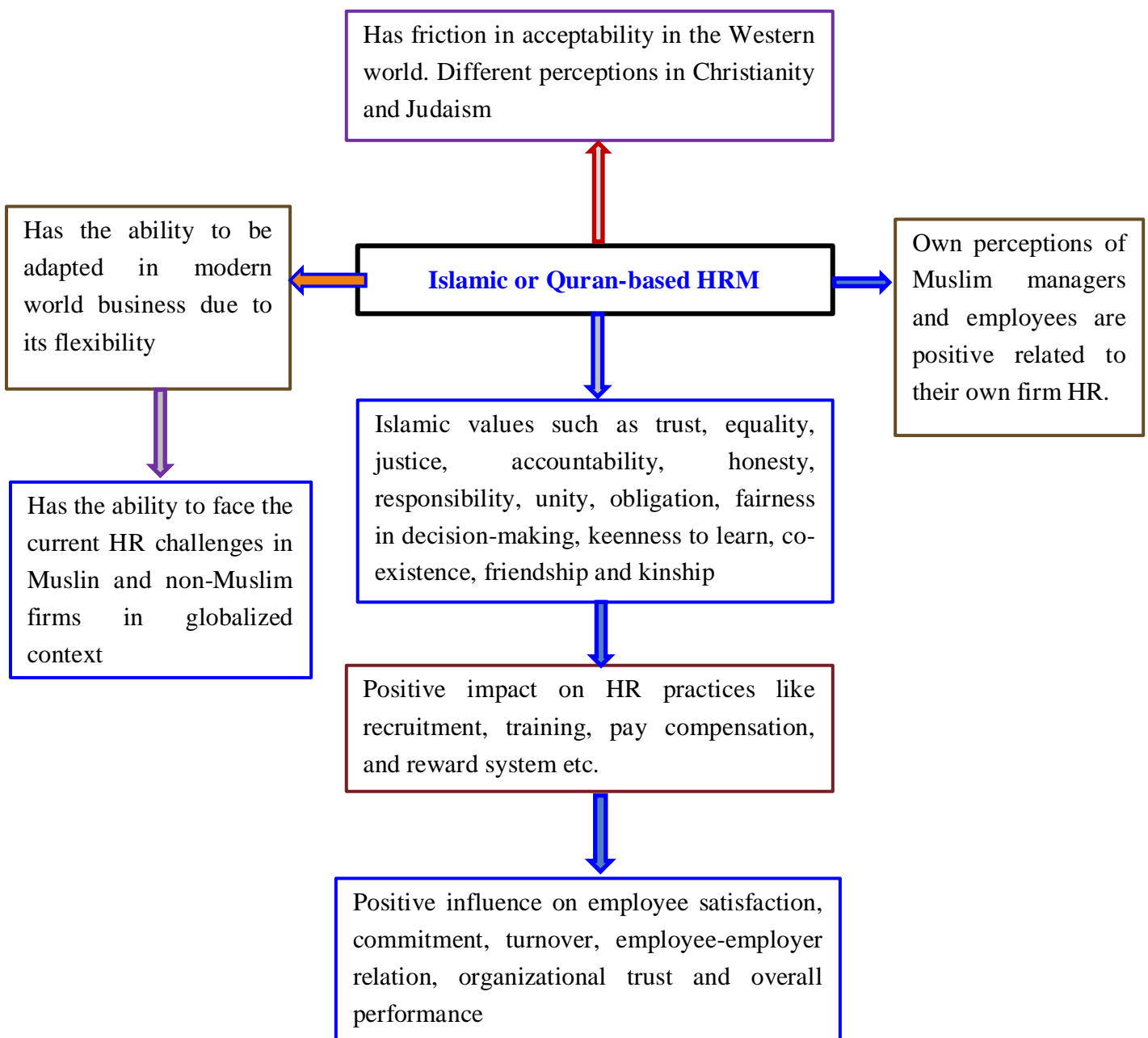


Figure 1: conceptual framework/model of the findings

The systematic review also elaborates that Islamic HRM can be adapted in the modern world, even in multinationals in a globalized world. Multinational companies have a diversified workforce, and Muslims are part of it. The needs of such employees have to be considered if the firm has to prosper. Therefore, Islamic values like justice and unity have to be implanted in the global firms as the Islamic system has flexibility. However, it has been observed that the Western world is not welcoming of these values, and there is some resistance to accepting the Islamic HRM practices in the Western world. Religions like Christianity and Judaism are not supported, and Islamic HRM has to face challenges regarding the West's different mindsets.

4 Conclusion

Islam has all the salient features within its teachings applicable to this world, even if it is the business world. Since humans run businesses, and religion is for humankind's betterment, if the fundamental teachings of Islam are incorporated in the enterprises' human resource planning, the people working for either Muslim or non-Muslim firms would be content. They would know that they are respected, treated with kindness, given just and fair compensations for their struggles and hard work, and their leadership and the followers are accountable for their deeds. No one person would be held responsible illegally for the acts that they do not commit. All of the employees would work under one roof as a family, which is the soul of the Quran's teachings. If such remains the state of working space, no possibility could hinder the firms from thriving in a globalized arena with tough competition.

5 Availability of Data and Material

Data can be made available by contacting the corresponding author.

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