

Islamic Work Ethics, Performance Management And Gender Difference Among Muslim Employees

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Abstract

Islamic human resource management observed the concept of tawheed and use Quran and sunnah in accomplishing the human resource function. Thus, the integrity and ethics are very important in ensuring the functions are managed effectively. Previous studies on Islamic human resource have discussed on the functions and organization performance. As few have investigated on Islamic ethics, this study focused in determining the relationship between Islamic work ethic, performance and gender differences in performance management. The study was conducted in Malaysia among employees of Islamic organizations using self-administered questionnaires. Findings reveal that there is a significant relationship between ethics and performance management. In addition, the mean differences between genders is also significant. Several implications were discussed at the end of the paper.

Keywords: Tawheed, Islamic Human resource management, Religious organization, Malaysia

Introduction

Organizations rely on human resource management as one of the key elements in ensuring organizations objectives are achieved. Human resource functions include recruitment, selection, training, development, compensation and performance management. It is a field that most managers must appreciate though not many managers perceived it as significant. In addition, the role of human resource management has evolved from personnel management to human resource management and finally to strategic human resource management.

Performance management is one of an important process in human resource management. It integrates between training, development and compensation. Therefore, managers should practice justice in performance management as it affects the employees' career and growth. Performance management can be assessed using traits, behavior or results. Hence, it is important that ethical aspects is considered as one of elements in performance management. Furthermore, Smith & Rae (2007) suggest assessing ethical behavior during performance appraisal as it is useful in evaluating employees' credibility.

Many scholars have studied the Islamic concepts in management, finance and human resources. Previous studies (Alorfi, 2012; Junaidah 2009; Muhammad,

Muhammad & Tayyib, 2014) on Islamic human resources management have focused in understanding the human resource functions that are related to Islamic concepts. There were few studies (Budhwar & Fadzil, 2000; Junaidah, 2010; Mohd Ezani, Nordin, Nur Atiqah & Khairul, 2011) that attempt to relate the contribution of Islamic human resource principles to organizational performance and social justice. Most of these studies laid a foundation for further investigation in Islamic Human Resource Management. However, female and male perceptions in job-related construct is inconclusive. Studies on Islamic work ethic is also limited especially on it relations with performance management. As it was found that employees who were involved in unethical behavior and was not punished but get rewarded will have an impact on organization and their peers (Rajan & Chloninger (2008), it is crucial to understand the relationship between ethical behavior and performance. Thus, the objectives of this paper are as follows:

1. To determine the relationship between Islamic work ethic and performance among employees of an Islamic organization.
2. To determine any significance difference between males and females in employees performance management.

This paper will contribute towards a deeper understanding of Islamic work ethics and performance management. It acts as a guidance in performing a better decision especially for human resource managers.

The paper is organized as follows. After a brief introduction on the issues and objectives, the following section will discuss on previous studies related to performance management in accordance to Islamic human resource, Islamic work ethics and gender differences followed by a description on methodology that was applied to facilitate empirical investigation. Then the findings and discussion will be presented. Finally, the limitations and recommendations for future research is highlighted.

Literatures

Human resource management functions are important as it relates directly to the employees in an organization (Mohd. Shahril, Murshidi & Norzaidi, 2014; Junaidah, 2008). In a dynamic and competitive environment where information is available by everyone, it is pertinent for organizations to manage all resources which are instrumental in ensuring their survival. As Islamic Human Resource Management main goal is to observe the concept of tawheed (oneness of God) in every HRM process (Faizatul & Faudzinain, 2013; Muhammad & Naeem, 2012) and the uses of the Quran and prophet's saying or actions (hadeeth or Sunnah) as its primary reference and benchmark (Kamel & Budhwar, 2010), the performance management must consider the process and its ultimate goal. Moreover, Islam sees performance target as a promise or contract that must be fulfilled by both employee and employer (Abbas, 2010). The employers produce a printed copy of the performance target for referencing purposes which must be based on the principles of justice, responsibility and accountability (Khaliq, 2008; Ilhaamie, 2010; Abbas, 2010; Junaidah, 2008). Performance appraisal, will then be utilized as a basis for promotion and training decision. Many biases and disagreement occur during these processes. Thus, appraisers must ensure that they do not commit any error in their appraisal (Junaidah, 2008), through the use of appraisal methods that have high validity to ensure justice in performance appraisal (Bilal et al., 2010).

Smith and Rae (2007) suggest incorporating ethical behavior in assessing the employees' performance as the integrity of the company relies on the ethical values of the decision makers. In Islam, work is

viewed as an obligation. Abbas and Al-Owaihan (2008) suggest Islam value work "as a means to further self-interest economically, socially and psychologically, to sustain social prestige, to advance societal welfare and reaffirm faith" (p. 10). Work is deemed as a virtue whereby Islam condemns laziness as well as parasitic living that rely on others (Darwish, 2001; Leat & El-Kot, 2007, Soraya, 2010) but focus on cooperation and consultation. Abbas & Al-Owaihan (2008) believe that Islamic work ethic is built on four pillars, namely effort, transparency, competition, and morally responsible conduct. Islamic work ethic constructs distinguishes itself by giving greater emphasis on intention rather than on results (Abbas & Al-Owaihan, 2008). Thus, the concept of Islamic Work ethics requires both employers and employees to perform responsibilities decently and engage in a lawful professions (Saeed, 2016) with full commitment and engagement.

Studies in Islamic work ethics globally and cross culturally has focused in development of scales which were applied in investigating organizational management and context (Saeed, 2016). These studies have found strong support for Islamic work ethics with attitude, organization commitment, job satisfaction and loyalty. However, they have overlook the role of performance management that can provide as an input to training as well as compensation. As the work values can be reinforced through performance management, this study expects Islamic work ethics will have an association with performance management.

Although Rast & Tourani (2012) maintain that the impact of gender difference in job-related constructs is inconclusive, Selvarajan, Slattery, & Stringer (2015) assert that the vast majority of research shows the existence of such difference. Saner & Eyupoglu (2012) postulate that the reported inconsistency might be due to other uncontrolled intervening variables. A number of researchers (e.g. Kashdan et al., 2009; Selvarajan et al., 2015; Saner & Eyupoglu, 2012) therefore suggest the need to report gender differences in assessing a construct that relates to perception.

Research Methodology

The study was conducted among employees from Islamic organizations namely Religious Council in two states of Malaysia. These organizations vision is to transform the Islamic treasury to become a catalyst in order to improve Muslim community. Therefore, it is pertinent that the employees possess good ethical

values and is being reflected in the performance management. In an organization that promotes Islamic understanding, there must be an alignment between what they preach and the action they do. However, reports in several newspapers and magazines on the mismanagement of waqf (Utusan Malaysia 2009, Sinar Harian, 2014)) and the questionable methods in distribution of zakat (Hairunnizam Wahid, Sanep Ahmad & Radiah Abdul Kader, 2009) smear the image of these organizations.

Malaysia is an Islamic country that progress gracefully economically and socially. 61% of its population is Muslim. Thus, many activities and decisions made are mostly being influenced by Islamic rules and regulations. Moreover, in a study by Junaidah (2009), it shows that most human resource activities are “culture- specific” where the environment normally reflects their beliefs and values.

Using simple random sampling, 150 questionnaires were distributed but only 61 questionnaires were returned and eligible for further analysis. The measurement was adapted from previous studies. The questions on performance management was adapted from Junaidah (2008), while the measurement on Islamic work ethic was adapted from Abbas (1998). The data was analyzed using SPSS 17.0 Windows Software program.

Findings and Discussions

Among the respondents, 61.7% is male, 48.3% of the respondents are between 20 – 29 years old, 36.7% have working experience between 1 to 5 years, 61.7% has Islamic education background and 71.1% of the respondents are supportive staffs. The details are shown in Table 1.0.

Table 1: Demographics of respondents

Characteristic	Frequencies (n=61)	Percentage (%)
Gender		
Male	37	61.7
Female	23	38.3
Age		
20 – 29	29	48.3
30 – 39	22	36.7
40 – 49	8	13.3
50 and above	1	1.7
Years of Service		
Less than 1	16	26.7
1 – 5	22	36.7
6 – 10	5	8.3
11 – 15	6	10.0
More than 15	1	1.7
Islamic Education Background		
Yes	37	61.7
No	23	38.3

A reliability test was run on the variables. The cronbach alpha result shows that all variables are between 0.8 to 0.9 which indicates good reliability.

Mean and standard deviations is 3.9 and 0.5 for performance management while for Islamic ethical behavior, the mean and standard deviation is 4.47 and

0.4 respectively. The variance is not high which indicates that they are acceptable for analysis. In order to identify the relationship between Islamic work ethics and performance, a correlation test was conducted. The result shows there is a significant relationship between Islamic work ethics and performance where $r = 0.410$ ($p < 0.01$). The result is similar to Castro (2009) who found that respondents with religious background and religious support has significant relationship with ethical behavior. Similarly, Naresh Kumar & Raduan Che Ros (2010)

also discovered that Islamic work ethic support innovation capability which indicates employees who embrace Islam in their life will excel in organization thru improved capability. As there is an association between Islamic work ethics and performance management, it suggest that managers' values is incorporated in their assessment of employees. Hence, good values and ethics will be reflected throughout the organization as the result of their assessment. Table 2.0 shows the result.

Table 2: Pearson Correlation between Performance management and Islamic work ethics

	Performance management	Islamic work ethics
Performance management	1	.410**
Islamic work ethics	.410**	1

**correlation is significant at the 0.01 level

Further, an independent-samples t-test was conducted to compare any significant differences between gender and performance management. For the performance management function, the score for female is higher ($M = 4.01$, $SD = 0.56$) as compared to their male counterparts ($M = 3.65$, $SD = 0.67$). The comparison was statistically different for

performance management at $t(53) = -2.21$, $p = 0.031$. Contrary to the findings by Metcalfe (2006), women in Malaysia do not experience career development constraints. There is no barrier for female employees to attend training which will eventually lead to a better performance management result. Table 3.0 shows the t-test result.

Table 3: Results for Independent Samples Test between Gender and Performance management

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Performance Management	Equal variances assumed	1.562	.216	2.127	58	.038	-.35546	.16713	-.69002	-.02091
	Equal variances not assumed			2.215	52.759	.031	-.35546	.16047	-.67736	-.03357

Conclusions and Recommendations

The study was conducted in organizations that encouraged the uphold of Islamic values. These organizations were selected as they are the

benchmark for other firms to practice Islamic principles. As limited studies were done on the Islamic work ethics (Saeed, 2016) and its relation with performance, this study attempts to fill the gap by investigating on their relationship and the gender differences in performance management. Findings was interesting as it suggests that differences between male and female is obvious in performance management. Moreover, the findings also support Junaidah (2009) and Naresh Kumar & Raduan Che Ros (2010) suggestion that Islamic work ethics is widely applicable in most government organization in Malaysia as the national culture permeates organization values.

This paper is not without limitations. One of its limitations is it focuses on one aspect of Islamic human resource management, which is performance management. The other aspects on human resource

functions such as staffing, training and compensation is not discussed.

For future research, it is recommended that a study is conducted in multinational organizations that operate in a different cultural context as the advent of globalization requires every organization to understand the complexities of human resources in different countries (Plessis, 2010). The human resource function is more critical especially in multinational companies that are engaged in strategic alliances. The challenges involved the host and home country differences as it is related to cultural values which eventually require different approach in managing people. This could enable a comparison with the findings in this study and eventually enhance further understanding on the concept of religiosity and management practices related to Islamic principles.

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