

**Islamic HRM Systems and Employee Outcomes: A Quantitative Study of Integrity,  
Motivation, and Performance**

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**Received:** 09-10-2025

**Revised:** 21-11-2025

**Accepted:** 04-12-2025

**Published:** 27-12-2025

**ABSTRACT**

*This research creates a conceptual framework for investigating how Islamic teachings affect human resource management (HRM) practices and evaluates the effects of adopting an Islamic approach to HR on organizational workforce outcomes. The framework was put into operation via a structured questionnaire, with principles from the Qur'an and the teachings of the Prophet Muhammad (PBUH) serving as the basis. Convergent and discriminant validity analyses were conducted to confirm the measurement constructs' validity. The results show that numerous current HRM principles are founded in Islamic teachings and that embracing an Islamic approach to HR plays a major role in cultivating a dedicated and essential workforce. All constructs showed acceptable validity, affirming the strength of the proposed framework. Both Islam and HRM, from a practical standpoint, center on human well-being and ethical conduct, stressing the importance of positive behavior and responsibility in organizational life. Considering the significant worldwide Muslim population, incorporating Islamic principles into HR practices is pertinent across various organizational contexts. While providing useful insights for non-Muslim managers aiming to engage Muslim employees effectively, the study also clarifies workplace expectations for both Muslim employers and workers. The research adds to the existing literature by examining the relationship between religion and HRM practices, which has not been thoroughly investigated. By offering a unique empirical scale for assessing how closely organizations adhere to Islamic HR principles, it enhances comprehension of the impact of faith on management practices.*

**Keywords:** Islamic HRM, Indispensable Worker, Recruitment and Selection, Compensation, Knowledge Management, Leadership

**INTRODUCTION**

It is certain that businesses and their employees do not exist in isolation; individuals bring their beliefs, values, and attitudes to the workplace. Religion has consistently played a significant role in influencing individuals' behavior, whether in personal contexts or at work. The majority of countries now formally include the impact of religion on HR practices in their laws and regulations governing employee-employer relationships (Hashim, 2010). Islam is called a comprehensive way of life because its teachings encompass all areas of human existence. Mankind was intended to live peacefully and harmoniously, following God's teachings conveyed through Prophets throughout history, as the noble aim of Human creation (Ather & Sobhani, 2008). The performance of an organization hinges on the effective management of its human resources. The teachings of Islam can significantly impact the creation of a

friendly work atmosphere, given that both HRM and Islam focus on humans, with the Quran being revealed as a guide for all people.

The literature contains well-established gaps regarding the impact of Islamic teaching and its role in guiding the development of a more productive business entity. It is noteworthy that management literature has largely overlooked Islam. Although religious influences on HR are essential, they are rarely emphasized in literature (Hashim, 2010). Mainstream business research has clearly overlooked the potential relationship between religion, management practices, and business outcomes (Mellahi & Budhwar, 2010). While there are limited attempts to depict the nature and contents of management, convincing empirical studies examining HRM from an Islamic perspective are scarce (Branine & Pollard, 2010).

According to Ali (2009), Islam offers a distinctive perspective on the equilibrium between work and life, as well as on human conduct in the workplace. A thorough framework to guide Islamic organizations in clarifying organizational and employee behavior has not yet been created. This study aims to address this gap. The Islamic literature cited in the study centers on Al-Quran (the Word of Allah (SwT)) and the Hadith (the Words of the Prophet Muhammad (PBUH)). This study addresses the following HR practices and issues, with the aim of analyzing them in relation to Islamic teachings

- Recruitment and Choice
- Remuneration
- Knowledge Management
- Guidance
- Workforce Relations

Devout Muslims hold a firm conviction that drawing closer to their faith can resolve their issues. They view Islam as not only divinely ordained but also as a comprehensive belief system that regulates all facets of life, including the public and private spheres as well as political and economic domains. It holds great significance for the domain of commerce, as Islam and worldly affairs are inextricably linked (Tayeb, 1997). The Quran, which contains God's word revealed to Muhammad (PBUH) around 1400 years ago, offers solutions to all human problems. It states,

“Verily in the remembrance of Allah do hearts find rest” (Al-Quran, 13:28).

## **LITERATURE REVIEW**

### **Islam and HR**

According to Mathis & Jackson (2009), HRM involves creating management systems aimed at ensuring human talent is used effectively and efficiently to reach organizational objectives. The main aim of HRM is to ensure that the business can achieve success through its employees (Armstrong, 2009).

There is a profound connection between HR and Islam. According to Armstrong (2009), HRM practice revolves around people, as it pertains to every facet of their employment and management within organizations.

Likewise, while the subject of the Quran is humanity, it does not focus on human anatomy, physiology, or anthropology; rather, it addresses the guidance of humans in everyday matters. The concept of guidance is central to the Quran's teachings (Ahmed, 2008). The connection between HRM and Islam is clear, as one goal of HRM is to foster commitment – the degree to which a person identifies with and engages in an organization (Armstrong, 2009). At the same time, Islam requires all its adherents to fulfill their responsibilities by exerting maximum effort in their work, which necessitates total dedication (Hashim, 2010).

A number of companies have emphasized that their human resources constitute one of the essential competencies that set them apart from their rivals and are crucial to achieving competitive advantage (Mathis & Jackson, 2009).

It is crucial to observe that in earlier periods of Islamic history, workers were regarded as the creators of value and wealth within the marketplace. According to Syed and Ali (2010), in Islamic thought, workers are placed at the core of economic activities, and without them, value and wealth cannot be generated. Therefore, establishing an organization that integrates Islamic principles in personnel management can be crucial for obtaining valuable contributions from employees in the workplace. Moreover, the study examines several crucial HR practices that could be significantly influenced by Islamic principles and values.

### **HUMAN RESOURCE MANAGEMENT FROM THE ISLAMIC PERSPECTIVE**

#### **Recruitment and Selection.**

According to Mathis & Jackson (2009), recruitment involves identifying and engaging individuals required by the organization, whereas selection pertains to the aspect of recruitment focused on determining which applicants or candidates should be hired for positions. In terms of recruitment and selection, Islam stresses merit as the sole criterion. "In fact, the best one you can hire is the strong and trustworthy" (Al-Quran, 28:26). Discrimination in recruitment and selection processes is a problem organizations face (Armstrong, 2009). Islamic principles ensure the avoidance of such issues by objectively informing people of the benefits. As narrated by Abu Huraira, Allah's Apostle stated, "To judge justly between two persons is regarded as Sadaqa" (Part of Hadith, Sahih Bukhari, Volume 4, Book 52, Number 232).

In the Al-Quran (4:58), it is stated: "Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice. What Allah commands is admirable. In truth, Allah always hears and sees.

In the context of hiring employees, Islam places a strong emphasis on justice. Islam clearly states the harm of injustice, as The Prophet (PBUH) said: "He who hires a person knowing there is someone more qualified has betrayed Allah, His Prophet, and the Muslims." (Taymeeyah, 1968). According to Islamic teachings, it is ensured that employees are chosen for hire based on their qualifications, competencies, ability to perform, and trustworthiness.

These are the true qualities that organizations should seek in a potential employee; adhering to Islamic principles would ensure the appropriate person is chosen for the job. The employer must regard it as an Amanah (Trust) for which he/she will be held accountable, as this is crucial.

**Compensatory payment.** According to Armstrong (2009), the initiation of an employment relationship involves a commitment from the employee to offer their skills and effort to the business in exchange for a reasonable salary or wage, known as the pay-work bargain. Islam guides businessmen to pay reasonable wages (Tayeb, 1997) punctually, as exemplified by the Prophet's (PBUH) well-known saying: "Give the laborer his wages before his sweat dries." (Ibn Majah).

Due consideration has been given to the concept of fairness in Islamic teaching. The Quran warns against depriving people of what is rightfully theirs: "And do not deprive people of their due and do not commit abuse on earth, spreading corruption." (Al-Quran, 26:183).

The Prophet (PBUH) provides a more precise and focused instruction, The Prophet (PBUH) said, as narrated by Abu Huraira,

„Allah spricht: »Am Tag der Auferstehung werde ich gegen drei Personen sein: 1. Jemand, der in meinem Namen einen Vertrag schließt, sich aber als untreu erweist.« 2. A person who sells a free individual (like a slave) and consumes the payment, 3. And a person who hires a worker and has him complete the entire job but does not pay him his wages.'“(Sahih-Bukhari, Volume 3, Book 34, Number 430).

It should also be noted that overloading work and requiring someone to work beyond their capacity are discouraged in Islam. Consequently, it is crucial for individuals to perform tasks that align with their capabilities and to receive appropriate remuneration for their work, as stated in the Al-Quran (2:233): “No soul shall have a burden laid on it greater than it can bear.”

### **Knowledge Management.**

Knowledge is defined as what people understand about things, concepts, ideas, theories, procedures, practices, and how things are done. To improve efficiency and effectiveness, seize market opportunities, and achieve a competitive edge through learning and knowledge creation systems, organizations develop knowledge management programs (Gilley, Gilley, Quatro, & Dixon, 2009). Islam places a strong emphasis on the pursuit of knowledge, as evidenced by the first word revealed in the Quran: IQRA (meaning READ). The term is an Amar (Order) in Arabic, signifying that Allah (SWT) has commanded and mandated it for humans to read as the initial step in pursuing knowledge.

The pursuit of knowledge serves as a means to transition from the unknown to the known, aiding individuals in improving their behavior and performance. The Prophet (PBUH) emphasized the necessity for Muslims to be knowledgeable by stating, “The seeking of knowledge is obligatory for every Muslim.” (Al-Tirmidhi, Hadith: 74).

When both the employer and the employee recognize their duty to pursue and exchange knowledge, they will grow, correct their errors, appreciate their work, act as anticipated, and ultimately enhance both individual and organizational performance. The Prophet (PBUH) stated: "Gain knowledge and share it with the people." (Hadith: 107, Al-Tirmidhi).

Knowledge acquisition and sharing are central to contemporary knowledge management processes. It is noteworthy that Islam placed emphasis on these practices more than 1400 years ago, with Hadith#74 pertaining to the acquisition of knowledge and Hadith#107 emphasizing its sharing with others.

It is certain that the Quran and Sunnah are the true sources of all knowledge, making religious education a priority in an Islamic state; however, denying worldly education that includes Science, Art, and Literature is completely unacceptable. As Islam aims for the well-being of humanity in this life and the next, obtaining education about the material world and knowledge of the spiritual realm is essential for achieving success in both domains.

### **Leadership.**

Leadership is a highly intricate and diverse subject, covering aspects ranging from interpersonal dynamics to corporate strategy (Hiebert & Klatt, 2001). In Islam, leadership is crucial. The Quran and Sunnah underscore the importance of this role, providing clear details about how leaders should behave and how relationships should be managed.

In Islam, leaders are expected to guide by leading from the front and demonstrating empathy and support. In Islam, leadership is viewed as a trust (Amanah). This indicates that the leader will endeavor to assist and direct them, safeguard them, and ensure they receive fair and just treatment. As a result, the focus of Islamic leadership is on performing good deeds (Beekun & Badawi, 1998).

As leadership is equated with trust, Islam places great importance on the accountability of this trust. Abdullah bin 'Umar heard Allah's Apostle say, "Every one of you is a guardian and responsible for what is in his custody. The ruler is a guardian of his subjects and responsible for them .... [ ]; (Sahih-Bukhari, Volume: 3, Book: 41, Number: 592).

Leaders are emphasized in the Al-Quran, where Allah (SwT) states in Al-Quran (21:73): "And we made them leaders guiding (men) by our command and we sent them inspiration to do good deeds, to establish regular prayers and to practice regular charity; and they constantly served Us (and Us only)."

According to Hiebert & Klatt (2001), one trait of effective leaders is their pursuit of consensus and commitment to objectives. This aspect is emphasized in Islamic teaching, which advises leaders to seek counsel and build consensus. Allah (SwT) instructed us to seek advice from our companions (Co-Workers in an Organization). Allah states in the Al-Quran (42:38): "And those who have responded to their lord's call, establish prayer, manage their affairs through consultation, and spend from what we have granted them as sustenance."

In the Quran, Allah (SwT) explicitly identifies the benefit of being soft and gentle for the Prophet (PBUH). Allah (SwT) states: "And by the mercy of Allah, you treated them with gentleness. Had you been severe or harsh-hearted, they would have distanced themselves from you; therefore, overlook their faults, seek forgiveness for them from (Allah), and consult them on matters. Once you have made a choice, place your trust in Allah. (Al-Quran, 3:159).

In the narration mentioned above, the Prophet (PBUH) serves as a means through which Allah (SwT) provides guidance to humanity—particularly to leaders—regarding how they should behave toward others. An effective leader needs to possess emotional intelligence, managing to put personal problems aside and focus on the work at hand; they should know how to maintain comfort in high-tension situations (Hiebert & Klatt, 2001). Islam stresses the importance of adopting a calm and composed demeanor when dealing with followers.

Abu Hurairah (RA) reported that "The Messenger of Allah said, 'A person is not considered strong because of physical strength; rather, the true strength lies in controlling one's anger.'" (Muslim and Al-Bukhari). In a similar vein, Umar (RA) stated: "I have appointed governors and agents over you not to beat your bodies or take your money, but to teach and serve you." (Buraey, 1985).

### **Employee Relations.**

Coordination and support in the workplace are essential for the smooth functioning of the business. They foster better communication and culminate in timely, effective, and efficient performance at both the individual and organizational levels. According to Armstrong (2009), support at work is essential for establishing trust in the workplace. Considering Islamic principles, the organization can foster positive workplace relations with minimal conflict by ensuring that both employers and employees comprehend their responsibilities in regard to their relationship. In a similar fashion, adherence to Islamic HR principles by all employees in the organization can reduce conflict by fostering an understanding of personal obligations within the work structure. The essential prerequisite for the establishment of amicable professional relationships is respect. In Al-Quran (2:83), Allah (SwT) says: "And speak nicely to people."

Moreover, the Prophet (PBUH) highlighted and pinpointed an essential element for improving relationships with the words: "Do not dispute with your brother, ridicule him, nor promise him and then break your promise." (Al-Tirmidhi).

One reason work relationships can become strained is the inability of employees to adequately fulfill their job responsibilities. This is why The Quran stresses, "O you who believe! Fulfill your obligations" (Al-Qur'an, 5:1). The significance of meeting obligations in an organizational context is emphasized by

Armstrong (2009), who stated that work entails a certain level of obligation or necessity (as it consists of tasks assigned by others or oneself). This obligation is essential for halting the continuation of workplace conflict and for reinstating peace and sanity at work.

Extended disputes and harmful impacts on the physical and psychological health of employees and the group (Dreu, Dierendonck, & Dijkstra, 2004). The Prophet (PBUH) recognized the adverse effects of prolonged conflicts, as narrated by Abu Aiyub.

A Muslim is not allowed to abandon his fellow Muslim brother for over three days. This includes situations where, upon meeting, one person turns away from the other. Lo! The superior one of the two is the individual who initiates the greeting. (Sahih Bukhari, Vol. 8, Book 74, No. 254).

Moreover, individuals who steer clear of conflict are labeled as honest. As narrated by Um Kulthum bint Uqba, the Prophet (PBUH) stated, "He who brings about peace among the people by fabricating beneficial information or uttering kind words is not a liar." Number 857 in Book 49 of Volume 3 of Sahih Bukhari.

### **Indispensable Worker**

In order to reach the top, it is necessary to cultivate abilities that enhance those already possessed. While it is recognized that developing strengths can be challenging, the study pinpointed several employee strengths that contribute to an employee's indispensability and assessed the impact of Islamic practices on these identified strengths.

### **Honesty and Integrity**

It is required of employees that they demonstrate integrity, honesty, diligence, and suitable conduct in all activities that are personal to them, professional or business-related. According to Armstrong (2009), the employee's obligations encompass loyalty, competence, honesty, and obedience. Although there has been minimal investigation into the impact of Islamic practices on employee honesty and integrity, some discussions about Islam's role in fostering these qualities can be found in research. Islam emphasizes democratic and classless relationships among individuals. This implies that in the workplace, there is an emphasis on participative decision-making within a power structure that is relatively diffused. Among other aspects of decision-making styles, Islam places a strong emphasis on the principle of honesty (Mellahi & Budhwar, 2010), along with self-discipline, trustfulness, resolve, loyalty, and abstinence (Tayeb, 1997).

### **Ability to Get Results**

The employee's ability to achieve results is contingent on their focus on outcomes, the setting of ambitious goals, and their capacity for taking initiative. According to Zenger, Folkman, and Edinger (2011), an employee's focus on results is influenced by their skill in organizing, planning, anticipating problems, and clearly visualizing desired outcomes. A widely used method for motivating individuals to innovate is the establishment of stretch goals, which are also referred to as challenge goals or big, hairy, audacious goals (Simons, 2010). According to Ordóñez, Schweitzer, Galinsky, & Bazerman (2009), challenging or "stretch" goals create a gap between current and expected performance, motivating increased effort and persistence.

According to Zenger et al. (2011), the capacity to take initiative, which is a significant contributor to achieving results, hinges on several factors: an employee's ability to foresee problems; a focus on rapid action; effective navigation of uncertain situations; and the establishment of ongoing engagement. No research has been identified that assesses empirically how Islamic practices affect employees' ability to

achieve results. This study aims to address this gap and determine the key influences on employees' ability to achieve results.

**Internal Motivation**

According to Mathis & Jackson (2009), motivation is the internal drive that leads a person to take action. It is evident that the firms with the best performance have employees who are strongly motivated, and that HRM functions which plan and put into action HRM practices are based on a solid grasp of motivation theory (Gilley et al., 2009) Moreover, motivation is essential for the success of organizations (Chew, 2005).

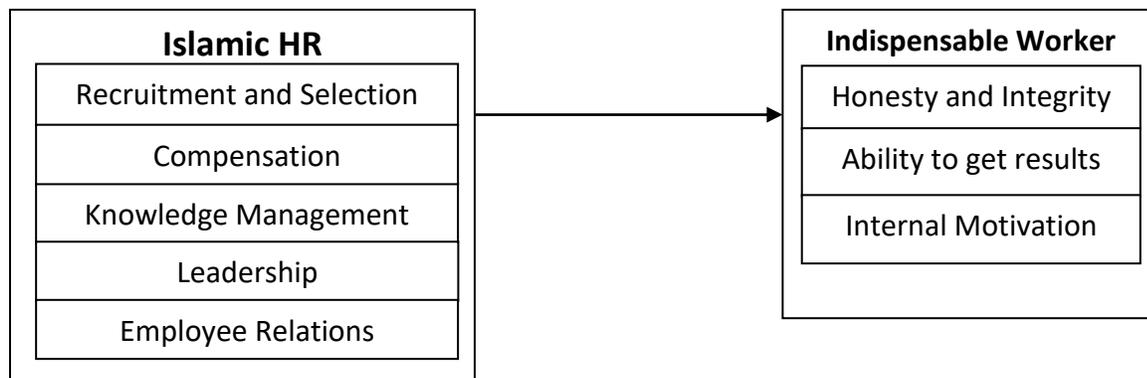
While extrinsic motivation helps retain workers on the job, to foster performance, individuals must be intrinsically motivated (Minbaeva, 2008). Intrinsic motivation correlates with satisfaction, deriving pleasure from the work, experiencing a sense of accomplishment, receiving acknowledgment, being treated with kindness and thoughtfulness, obtaining feedback, and participating in organizational decisions (Skudiene & Auruskeviciene, 2012).

The necessity of examining motivation in relation to Islamic beliefs is growing, given that the motivational factors in Western countries may not be the same as those in Islamic civilizations. Western organizational theory focuses on individualistic, performance-oriented, and economically based approaches (Branine & Pollard, 2010), such as Maslow's theory While physiological needs take precedence over social needs for individuals, in Islamic societies people would rather go without food or drink if their immediate family is hungry. According to Ali (2009), Islam contradicts Maslow's Hierarchy of Needs by asserting that human needs are complex and not necessarily arranged in a hierarchy. Matters and difficulties of this kind necessitate that companies take account of the values and beliefs of individuals in order to inspire their workforce.

At the individual level, there is certainly motivation for employees who adhere to Islamic teachings. This is shown by the Prophet's (PBUH) statement that “Work is a worship and that perfection of work is a religious duty: God bless the worker who learns and perfects his profession” (Cited in: (Ali, 2009)).

Some of the adverse effects stemming from the ineffective use of human resources include job dissatisfaction, low employee commitment, high turnover rates, and poor workforce quality. It should be noted that Islam encourages individuals not just to work, but also to seek excellence and perfection in their endeavors. However, in order to achieve this, employees need to operate at their full potential and dedicate themselves to achieving excellence and success for both themselves and society.

**Conceptual Framework**



### **Hypotheses**

H1: Islamic Recruitment and Selection has a positive influence on an Indispensable Worker

H2: Islamic Compensation has a positive influence on an Indispensable Worker

H3: Islamic Knowledge management has a positive influence on an Indispensable Worker

H4: Islamic Leadership has a positive influence on an Indispensable Worker

H5: Islamic Employee Relations has a positive influence on an Indispensable Worker

H6: Islamic HRM has a positive influence on an Indispensable Worker

### **METHODOLOGY**

#### **Sample and Data Collection**

The research data was gathered from a Pakistani Islamic organization. Businesses with entirely Muslim ownership (Hashim, 2010) are referred to by Islamic organizations. The decision to gather the data stemmed from a meeting with the organization's president, who demonstrated a firm conviction in Islamic values at work during that meeting. A total of 60 Muslim employees, differing in their job positions, were surveyed. The data was collected from just one organization, which means the sample is very limited. The respondents were given the questionnaires to complete and return later. The distribution of the respondents is illustrated in Table 1.

#### **Instrumentation**

Based on the interpretation of the related verses mentioned in Al-Qur'an and Hadith, a specially constructed questionnaire was developed in order to gather the data. Following table shows the classification of HR Practices and Indispensable Worker measured in the study.

**Table 2: Classification of HR Practices and Indispensable Worker**

<b>Scale</b>	<b>Subscale</b>
<b>Islamic HR Management</b>	Recruitment and Selection
	Compensation
	Knowledge Management
	Leadership
	Employee Relations
<b>Indispensable Worker</b>	Honesty and Integrity
	Ability to get Results
	Internal Motivation

### **DATA ANALYSIS**

#### **Factor Analysis.**

After the actual data had been collected, a factor analysis was performed on each of the sub-scales for Human Resource Management and Indispensable Worker. If the factor analysis yielded multiple factors, the most reliable one among them was chosen for further analysis.

In the case of Recruitment and Selection, there were 7 items. Subsequently, factor analysis was conducted on all seven of these items. The analysis yielded one factor. Two factors resulted from the Factor Analysis of Compensation. One compensation item was removed because of its low factor loading, and Factor 1, which had 3 items, was kept for further analysis.

In the case of Knowledge Management, the factor analysis yielded two factors. Two factors were produced by the Factor Analysis of Leadership, with factor 1 being retained and consisting of 6 items. Employee relations generated a single factor composed of 5 items. For Indispensable Worker, each subscale (Honesty and Integrity, Ability to get Results, and Internal Motivation) yielded a single factor solution. The particulars of the items for each factor, which were completed and employed for the study's measurement, are shown in Table 3.

**Table 3: Items Factor loading**

<i>Recruitment and Selection</i>	<i>Loadings</i>
<b>RS1</b> Organization puts strong emphasis on selecting most capable people available in the talent pool.	<b>.702</b>
<b>RS2</b> Organization holds trustworthiness as a necessary ingredient for employee selection.	<b>.563</b>
<b>RS3</b> Employee past experiences/credentials are checked/verified before final selection.	<b>.620</b>
<b>RS4</b> Organization has reasonable measures to ensure employee selection based on their competency and Qualification.	<b>.752</b>
<b>RS5</b> Organization clearly informs candidates about job details (Job Description, Pay, etc.) before commencement of work.	<b>.657</b>
<b>RS6</b> Organization provides equal opportunity to all prospective employees to apply for the vacant post.	<b>.745</b>
<b>RS7</b> Organization makes sure that no one is recruited on account of favoritism/nepotism.	<b>.622</b>
Eigenvalues	<b>3.133</b>
% Variance	<b>44.75</b>
<b><i>Compensation</i></b>	
<b>C1</b> Wages for work were mentioned to me in advance	<b>.516</b>
<b>C2</b> I believe that I am paid reasonable wages	<b>.837</b>
<b>C3</b> I am paid in accordance to the work I do	<b>.837</b>
<b>C4</b> Organization pays me for extra amount of work I do	<b>.617</b>
Eigenvalues	<b>2.05</b>
% Variance	<b>51.30</b>
<b><i>Knowledge Management</i></b>	
<b>KM 1</b> Organizational has means to learn new tools and techniques for its employees	<b>.898</b>
<b>KM 2</b> Organization regularly arrange workshops/trainings/seminars to share knowledge	<b>.864</b>
Eigenvalues	<b>1.63</b>
% Variance	<b>81.56</b>
<b><i>Leadership</i></b>	
<b>L1</b> Managers/Leaders constantly act as a guide	<b>.824</b>
<b>L2</b> Managers/Leaders treat us fairly and with justice	<b>.642</b>
<b>L3</b> Managers/Leaders do good and enjoin us to do good	<b>.692</b>
<b>L4</b> Managers/Leaders put themselves for accountability	<b>.779</b>
<b>L5</b> Managers/Leaders fulfill their covenants and obligations	<b>.757</b>
<b>L6</b> Leaders/Managers constantly consults us in daily/routine organizational affairs	<b>.603</b>

Eigenvalues	3.536
% Variance	58.940
<b><i>Employee Relations</i></b>	
<b>ER1</b> Colleagues at work speak in a nice and polite manner	.662
<b>ER2</b> Colleagues at work do not dispute over small issues	.849
<b>ER3</b> Colleagues at work show respect towards each others	.865
<b>ER4</b> Colleagues at work fulfill their obligations	.845
<b>ER5</b> Colleagues at work greet, share good things and try to refrain from lying and backbiting	.798
Eigenvalues	3.258
% Variance	65.156
<b>Indispensable Worker</b>	
<b><i>Honesty and Integrity</i></b>	
<b>HI1</b> I show concern and consideration for others	.796
<b>HI2</b> I am trustworthy	.781
<b>HI3</b> I on most occasions demonstrate optimism	.638
<b>HI4</b> I deal well with ambiguity	.680
Eigenvalues	2.112
% Variance	52.80
<b><i>Ability to Get Results</i></b>	
<b>AR 1</b> I am organized and good at planning	.746
<b>AR 2</b> I can create a high performance team	.627
<b>AR 3</b> I can inspire and motivate others	.816
<b>AR 4</b> I am willing to take risk and challenge the status quo	.710
Eigenvalues	2.274
% Variance	56.859
<b><i>Internal Motivation</i></b>	
<b>IM1</b> The more difficult the problem, the more I enjoy trying to solve it	.646
<b>IM2</b> I Enjoy working for this Organization	.785
<b>IM3</b> I have a sense of accomplishment when I complete the work assigned to me	.882
<b>IM4</b> I am driven towards meeting the organizational objectives	.673
Eigenvalues	2.264
% Variance	56.597

**Instrument Reliability.** Each of the factors were subjected to reliability analysis; Cronbach's alpha was used to test the reliability of the instrument. A Cronbach's alpha value of greater than 0.6 is also considered acceptable (Yong, Hua, & Mei, 2007). The results are shown in Table 4.

**Table 4: Reliability Analysis**

Scale	Subscale	Reliability
<b>Islamic HR Management</b>	Recruitment and Selection	.788
	Compensation	.663
	Knowledge Management	.765

<b>Employee Strengths</b>	Leadership	.848
	Employee Relations	.859
	Honesty and Integrity	.696
	Ability to get Results	.741
	Internal Motivation	.709

**Instrument Validity.** Validity of an instrument refers to the extent to which it measures what it intends to measure. To validate the instrument the current study employed Content and Construct validity.

**Content validity.**

If there is widespread consensus among participants and researchers that the items included address all facets of the variable being assessed, a construct is considered to possess content validity. Thus, content validity hinges on the researchers' effectiveness in developing items that encompass the content domain of the variable being measured (Nunnally, 1978). According to Cooper and Schindler (2008), content validity illustrates an adequate handling of the subject matter. The constructs created for the various dimensions were based on a thorough literature review and meticulous assessments by the scholars. This multi-stage process utilized (literature review, expert opinion) in the methods resulted in a refinement of the constructs used and in the final analysis.

**Construct Validity.** Construct validity indicates how well the theoretical essence of the construct is captured. The present study assesses Construct validity through the use of convergent validity and discriminant validity. An AVE of 0.5 or higher for the constructs indicates the establishment of convergent validity (Sweeney & Soutar, 2001). According to Diamantopoulos & Siguaw (2000), a benchmark value of 0.4 is also acceptable.

Table 5 shows the AVE of each of the construct.

**Table 5: Convergent Validity**

Scale	Subscale	AVE
<b>Islamic HR Management</b>	Recruitment and Selection	.44
	Compensation	.51
	Knowledge Management	.81
	Leadership	.66
	Employee Relations	.65
<b>Employee Strengths</b>	Honesty and Integrity	.52
	Ability to get Results	.52
	Internal Motivation	.56

According to Sekaran (2003), discriminant validity assesses how much sufficiently distinct constructs are not strongly correlated with one another. According to Sweeney and Soutar (2001), the criterion for assessing discriminant validity is that the square root of the AVE for each construct must exceed its inter-correlations with other constructs. Table 6 shows the discriminant validity of the constructs.

**Table 6: Discriminant Validity**

1	2	3	4	5	6	7	8
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<b>1.RS</b>	<b>(.66)</b>							
<b>2.Compensation</b>	.427**	<b>(.71)</b>						
<b>3.KM</b>	.312*	.441*	<b>(.90)</b>					
<b>4.Leadership</b>	.579*	.315*	.415**	<b>(.81)</b>				
<b>5.Relations</b>	.347**	.174	.364**	.277*	<b>(.80)</b>			
<b>6.Honesty</b>	.277*	.043	.118	.296*	.563**	<b>(.72)</b>		
<b>7.Ability</b>	.500**	.135	.137	.333**	.320*	.469**	<b>(.72)</b>	
<b>8. Motivation</b>	.246*	-.018	.139	.214	.342**	.516**	.472**	<b>(.75)</b>

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

According to Churchill (1979), evaluating convergent and discriminant validity should be adequate for assessing the instrument's construct validity. As the constructs demonstrate convergent and discriminant validity. The instruments can now be deemed reliable and valid for measuring various aspects of the Islamic approach to HR and constructs related to an indispensable worker.

### FINDINGS

To assess the degree of practice of Islamic HR in the organization, a mean score was calculated for each construct. The respondent was asked to indicate the extent to which HR practices are being followed in the organization using a Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).Results are summarized in table 7.

**Table 7: Mean Scores for Islamic Human Resource Management**

	N	Minimum	Maximum	Mean	Std. Deviation
<b>RS</b>	60	1.71	5.00	3.7762	.67385
<b>Compensation</b>	60	1.50	5.00	3.1500	.80148
<b>KM</b>	60	1.00	5.00	3.1083	1.10887
<b>Leadership</b>	60	1.83	5.00	3.2750	.73186
<b>Relations</b>	60	2.20	5.00	3.8700	.77924
<b>IslamicHR</b>	60	2.31	4.71	3.3508	.61262
<b>Valid N</b>	60				

The average score for all HRM practices exceeded 3 (Neutral). With a mean score of 3.87, Employee Relations had the highest average, while Knowledge Management (KM) had the lowest. The average score for Islamic HR (Recruitment and Selection, Compensation, Knowledge Management, Employee Relations) was 3.35. This demonstrated that Islamic principles based on HR are commonly applied within the organization. For each of the hypotheses, correlation and regression analyses were conducted. The findings are summarized in table 8. A single hypothesis could have been created to test the impact of Islamic HR, but it would have lacked objectivity. In order to enhance the objectivity, practicality, and results focus of the study, a number of hypotheses have been formulated. The findings indicate that Compensation and Knowledge Management did not affect an Indispensable Worker. The Islamic approach to HRM has been demonstrated to significantly impact the development of an indispensable worker.

**Table 8: Regression Analysis predicting influence of Islamic HR on an Indispensable Worker**

<i>Hypotheses</i>	<i>Regression Weights</i>	<i>Standardized Beta Coefficient</i>	<i>Adjusted R<sup>2</sup></i>	<i>F</i>	<i>p-value</i>	<i>Hypotheses Supported</i>
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<b>H1</b>	RS → IW	.417	.160	12.225	.001	Yes
<b>H2</b>	Compensation → IW	.063	-.013	.234	.631	No
<b>H3</b>	KM → IW	.162	.010	1.570	.215	No
<b>H4</b>	Leadership → IW	.344	.013	7.795	.007	Yes
<b>H5</b>	ER → IW	.501	.238	19.41	.000	Yes
<b>H6</b>	IslamicHR → IW	<b>.356</b>	<b>.112</b>	<b>8.430</b>	<b>.005</b>	<b>Yes</b>

**Note: \*p < 0.05, RS: Recruitment and Selection, IW: Indispensable Worker, KM: Knowledge Management, ER: Employee Relations.**

## DISCUSSION, IMPLICATIONS AND CONCLUSION

The aim of the research was to investigate how far a Muslim organization applies an Islamic approach to HRM. The research suggests a comprehensive framework to assist in evaluating the extent to which the practices are adhered to. In addition, the research assesses how an Islamic approach to HR affects the development of a vital workforce. The study's findings show that there is overall support for the impact of Islamic HR practices on the creation of an indispensable employee. The study did not succeed in collecting proof of the effect of Compensation and Knowledge Management on IW, however.

No studies have assessed the specific impact of Islamic HR prior to this point. studies have been carried out regarding the impact of an Islamic approach to HR, yielding favorable results. For example, Hashim (2010) identified a beneficial effect of Islamic HR on employee commitment. According to Rokhman (2010), the Islamic work ethic positively influences job satisfaction and organizational commitment. This contributes to the originality of the current research and enhances its value, as this specific area is among the least studied in management science research.

## FUTURE RESEARCH

The current study is not free from limitations; a major limitation is the narrow sample size. Future studies could significantly benefit from a larger sample size taken from a variety of organizations. Apart from this there is still space for inclusion of other HR practices and issues like performance management, Health & Safety, job satisfaction, employee turnover and work & pay. There is still space to add new paradigms to the present study. Future research can focus on including another stream of literature namely labor process theory, according to which HRM is a rational management technique which is used to mechanize and simplify work and thus to control the work and the worker in order to benefit the capitalistic enterprise. Further research can be carried out on how human resources relate to the capitalistic enterprise where the resources that can be easily replaced if needed. From Islamic point of view in depth research is needed that finds out if Islam is really compatible with capitalism and if not, what kind of alternative system should the Muslims follow?

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