Islamic revival in Asia and human resource management

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Introduction

The last three decades or so have seen a lively debate among both academics and practitioners on the role of national culture in the shape and operation of business organizations. Some authors have emphasized the universality and similarities between organizations (e.g. Cole, 1973; Form, 1979; Hickson et al., 1974; Kerr et al., 1952; Negandhi, 1979; 1985), and some others the uniqueness of organizations given their cultural contexts (e.g. Hofstede, 1980; Laurent, 1983; Lincoln et al., 1981; Meyer and Rowan, 1977). However, as Tayeb (1988) argues, the two sides of the debate are not mutually exclusive. Rather, they complement one another. That is, certain aspects of organizations are more likely to be universal, such as shopfloor layout, hierarchical structure, division of functions; and some areas are more culture-specific, such as human resource management (HRM).

Notwithstanding this debate, what is certain is that organizations and their employees do not live in a vacuum, separated from their societal surroundings. To start with, national culture, as a set of values, attitudes, and behaviours, includes also those which are relevant to work and organization. These are carried into the workplace, as part of the employees' cultural baggage. Work-related values and attitudes, such as power distance, tolerance for ambiguity, honesty, pursuance of group or individual goals, work ethic, and entrepreneurial spirit, have been argued to be part of the cultural identity of a nation (Hofstede, 1980; Tayeb, 1988; Wiener, 1981).

Moreover, the society at large has certain expectations from its organizations and exerts influences on them, through various formal and informal means. Political, social and economic institutions, such as the economic structure, trade unions, social groups, the educational system, and pressure groups, can all exert their own influences in turn on organizations (Hofstede, 1980; Tayeb, 1996).

The societal context can also influence the means by which managers perform their tasks and implement organizational strategies (Smith et al., 1989a; 1989b; Tayeb, 1995). The question of culture and organization is also relevant within the context of transferring management policies and practices across nations (Beechler and Yang, 1994; Tayeb, 1994; Welch, 1994). There are many factors which contribute to the formation and perpetuation of national culture, of which religion, as we shall see below, is a major one, but by no means the only one (Hofstede, 1980; Weber, 1930).
A relevant question to ask at this stage is: are all activities of an organization affected by national culture to the same degree? Culture is a group/social phenomenon; wherever there are interactions between people, there is a place to look for manifestations of culture. Within organizations interactions among people take place at two levels:

(1) with those outside the boundaries of organizations (e.g. suppliers, customers, government); and
(2) with those inside them (employees, including management as well as the rank and file).

HRM is a significant part of an organization's internal interactive process and is argued to reflect employees' cultural characteristics or “baggage”. Further, religion, especially in those nations such as certain Muslim countries where it plays a dominant part, constitutes a significant part of this cultural baggage. The influence of Islam's HRM, prevalent on certain countries, could be of interest to people and organizations who wish to do business with them, such as multinationals, trade partners, and international joint ventures.

The argument of the paper can be put thus: in a predominantly Muslim country, Islam, through national culture, influences organizations. HRM is a significant aspect of organizations which is most likely to be subject to cultural influences. It follows that HRM in countries where Islam plays a dominant role, reflects Islamic values held by their people. Before elaborating this argument further, it is important to discuss briefly the three key issues: HRM, the interface between HRM and religion, and Islamic values. Various researchers have defined HRM in different ways and assigned to it different features. The section below reviews some of these briefly in order to clarify the present author's position, which in turn helps develop the main argument of the paper.

**Human resource management**
The origin of HRM in modern organizations is a largely Western phenomenon that can be traced to the personnel management function (Burack and Smith, 1977). The gradual parting of ways of personnel management and HRM culminated in a total separation when HRM, as a distinctive discipline, was introduced to their MBA curriculum by the “Harvard group” (Beer et al., 1984) and “Michigan/Columbia group” (Fombrun et al., 1984) in the USA in the early 1980s.

A key feature which distinguishes personnel management and HRM is that the latter has a strategic element in it (Rowland and Summers, 1981). Legge (1989), for instance, argues that HRM is distinctive in at least three ways. First, personnel management focuses on the management and control of subordinates, HRM concentrates on the management team. Second, line managers play a key role in HRM in co-ordinating resources towards achieving profit, which is not the case under personnel management. Finally, the management of organizational culture is an important aspect of HRM, but plays no role in personnel management. Thus, Legge argues that HRM is a more
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centrally strategic task than personnel management. Other researchers (e.g. Poole, 1990; Storey, 1992) also regard the linking of HR practices to the strategic aims of the business as the core feature that distinguishes HRM from personnel management.

The scope for HRM varies across organizations. Walton and Lawrence (1985), for instance, identified four major areas of HRM policy: reward systems, including compensation and benefits; employee influence mechanisms such as participation; job design and work organization; and employee selection and development (see also Rosenzweig and Nohria, 1994). The present author takes a wide view of HRM to include aspects of the management styles employed in an organization, which directly or indirectly affect its employees, such as leadership behaviour, management-employee relationships, power and authority structure, and intrinsic motivation policies. Organizational culture, as a broader context in which HRM polices are decided and implemented, can also be considered in a discussion of HRM. The management of organizational culture is a significant aspect of HRM (Legge, 1989), integrating it with other aspects of an organization's way of life.

Religion and HRM
HRM policies are generally decided by the companies' senior managers, with or without consultation with their employees. But they are often adopted and implemented with some reference from the national context within which the organizations operate (Tayeb, 1996). These include: national culture, political ideology of the government, the economic conditions, trade unions, and the legal system. Religions in many countries, with either secular or religious constitutions, have a certain degree of influence on the cultural characteristics of their people and their institutions. In the countries which are expressly modelled after a religious ideal, this influence is of course far more extensive and inclusive, as illustrated in Figure 1. In the Islamic republic of Iran, for instance, all social institutions mentioned above and many more, such as the educational establishments and their priorities, the media, the arts, the political structure, the army, and private and public sector organizations, are all required to conform to Islamic values and instructions.

In most countries the influences of national context on HRM are formally incorporated in the rules and regulations governing employee-management relations, some more explicitly than others. These rules and regulations can either be related to the employees' individual rights, such as equal opportunity, job security, wage levels, work schedules, work injuries and post-employment economic security. They can also be related to the employees' collective rights, such as unionization, bargaining, the resolution of contract disputes, and participative decision making.

Islam and workplace
In the past 25 years the world has seen a huge growth in what outsiders call Islamic fundamentalism (Overman, 1994). Muslims themselves dislike the
phrase, but it is not inaccurate. Everywhere in the Islamic world, from West Africa to Lebanon, Malaysia and Indonesia, Muslims have witnessed a return to Islamic traditions, to the fundamentals of their faith, as a way of asserting their identity, as a means to fight the social and political oppression and injustice they experienced in their societies, and as an alternative to materialism and tensions of the twentieth century (The Economist, 1994; Feillard, 1997).

Islam revivalists now quote from the Koran and the stories of Mohammed’s life to explain Islamic roots of their socio-economic policies. Many Muslim countries have begun efforts to re-institute within their territories their own indigenous ways of running their social, educational and commercial organizations. Islamic banks, insurance companies, clinics and hospitals, universities, restaurants, and research foundations are some of the more visible and widely known manifestations of such fundamental regeneration of Islamic values (Endot, 1995).

For Muslims, Islam is not a man-made institution; the Koran contains the words of God, revealed syllable by syllable to Mohammed some 1,400 years ago. The deeds of its adherents are therefore inseparable from divine commandments. Islam is generally viewed by some non-Muslims as being a fatalist religion. But the Koran specifically asserts that humans are able to choose and to intervene in their destiny, and that they are held responsible for the consequences of their deeds. However, they are not left alone to run their life. God has equipped them with the Koran and the traditions of Prophet Mohammed, which in Islamic view, is one of the most important sources of guidance that humans can use to steer their actions and beliefs.

Islam, unlike many other religions, is an all-encompassing creed, it governs every aspect of life, public and private, political and economic, and as such is relevant to business activities. In other words, there is no separation between worldly and religious aspects of life. Broadly speaking, the principles of Islamic economics are quite similar to economic ideas of the people who are building a post-Marxist left in the West (The Economist, 1994). The basic organization of

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**Figure 1.** Influences on religion on HRM in societies based on a religious model.
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an economy should be left to the market. The Koran advocates a system based on individual enterprise and individual reward. The role of state, according to Muslim scholars, should be limited to matters the market cannot really cope with, such as the broad direction of the economy, and natural monopolies.

At the micro level, the good Muslim businessman should be guided by his conscience—and by God's written instructions—to do the right thing by other people. He should pay a reasonable wage, charge a fair price, and be decently restrained in the way he spends his profits. He should also take care of the environment, God's handiwork around him. The Koran specifically tells the believers that God has put all that is in the earth under their command.

There are obvious practical difficulties in this. Who, for instance, decides what a reasonable wage is? These difficulties, however, are not peculiar to Islamic economies. They are shared by many people in the West who are trying to construct an alternative to the politics of pure individualism. These people also accept the market as the essential driving-force of any economy, but they too wish to set it within a moral framework that will ensure support for the weak through the compassion and self-discipline of the strong.

Islam and nations

An important point to note is that although Muslim nations have a great deal in common, there are also differences among them. And these differences can be observed in economic and business as well as social aspects of life. Saudi Arabia, for instance, adheres strictly to the Sacred law (Shari'ah) in many spheres of life, while Turkey has turned to secular laws for the administration of its economic and social affairs. The position of women in society and socially acceptable codes of behaviour for people in general, and in business life, are cases in point.

The Taliban regime in Afghanistan, especially in the urban and rural areas under its control, does not allow women to work outside their homes and girls to attend schools and other educational institutions. The authorities have even ordered that windows of all houses are painted over so that unveiled women cannot be seen from outside. A woman's face is considered to be a cause of men's corruption and therefore has to be covered. Men are told to grow beards.

In Pakistan in the early 1980s General Zia Islamized the country's law and introduced new codes of conduct. For instance, government employees had to give up their European-style clothing and adhere to strict Islamic dress. Education in state schools was segregated, and girls would wear head scarves. The economy was to be run on Islamic lines, including reinstitution of an old Islamic wealth tax, zakat, and Islamic banking practices. Many of General Zia's Islamic laws are still in force in the country.

In Malaysia, the government, as discussed below, has been implementing an Islamization policy for some time now, according to which companies have to organize their activities and manage their employees in accordance with the Koranic teachings. The chief Minister of the State of Kelantant has taken this further (The Economist, 1996). The market by the bus station in the state capital
looks similar to others in Malaysia: it is filled with stalls selling satay, noodles, fruit and pancakes. But at sunset the market empties. The food is covered and the hungry are expelled by guards with megaphones, until, 20 minutes later, the mosque discharges the faithful after prayers. In supermarkets, separate checkout queues have been instituted for men and women. Unisex hairdressers are banned. Most recently, women have been warned not to wear "excessive lipstick".

In Turkey, the balance between secular and religious, having been tilted sharply in a secular direction by Attaturk in the 1920s and 1930s, has now shifted back towards Islam. Religious education is much more widespread than it used to be. More women now wear a mild form of the garb prescribed by Islamic modesty. In the 1995 general elections an Islamic party won 20 per cent of the vote, the largest share for a single party. This party has promised to take Turkey back into the centre of the Islamic world.

In Saudi Arabia women are not allowed to drive their own cars. As far as work is concerned, they are barred from public office. As a result, they have turned to business and professions for employment. But here too they work under certain constraints. According to The Economist (1995) most women who are active in private businesses (as owners) are in the retail trade: in a shopping mall in Jeddah, eight out of 20 shops are owned and run by women and notices forbid men to enter the shops women run. Teaching is a profession open to women but it is difficult for them to apply for positions which are located outside their home towns. In this patriarchal society, women must have written permission from their husbands or fathers before they can travel. Women generally operate under difficulties: they have to be discreet, and the places where they work are segregated.

In Iran women have to follow a strict Islamic dress code at work, and indeed elsewhere. A policy of segregation of sexes is observed in prayers, wedding ceremonies, public transport, queues at shops and so forth. However, unlike Arab women in Saudi Arabia and the Persian Gulf states, Iranian women are doing well in many spheres of public life. Some 95 per cent of young girls go to primary school. Older girls have a smaller chance than boys of getting higher education, but the gap is closing. Girls are doing well in technical schools, colleges and universities. Women can go into most jobs and professions, and, unlike their Saudi counterparts, they can drive their cars and vote. They can stand for parliament and there are many women members of parliament.

In Kazakhstan, under the USSR culture, women could and did achieve high positions in business. Now that the country is independent, its old, predominantly patriarchal culture, which lay dormant under the Soviet rule, is enjoying a revival, replacing the "Russian Communist" culture. As a result, the perception of the role of women in society and in the workplace is changing. In the short term at least it is unlikely that women will have the same opportunities as they had before (Pollard, 1994). Furthermore, the reviving Kazakh Islamic culture places a great emphasis on age and seniority and prescribes "proper" junior-senior relationships, stemming from its nomadic
Employee traditions (Rywkin, 1982). This could have repercussions for organizational issues such as hierarchy, authority structure, and promotion and compensation policies.

**Major Islamic work-related values**

Latifi (1997), in a study of traditional and modern Islamic texts, identified the following work-related characteristics:

- equality before God;
- individual responsibility within a framework of co-operation with others;
- a view that people in positions of power should treat subordinates kindly, as if their subordinates are their brothers or sisters;
- fatalism but also a recognition of personal choice; and
- encouragement of consultation at all levels of decision making, from family to the wider community, to the country as a whole.

Having remodelled these values according to Hofstede’s dimensions (Hofstede, 1980; Hofstede and Bond, 1988), Latifi concluded that Islamic traditions would place Iranians broadly on a middle point on power distance, uncertainty avoidance, and individualism; nearer the masculinity end of femininity/masculinity dimension; and close to the long-term end of the time-orientation scale.

Other scholars, both within and external to the management discipline, have identified further Islamic values which have their roots in the Koran and the teachings of Mohammed and his successors. Ali (1988), for example, in a study of values of Muslim students in the USA, developed 53 statements which he grouped into two sets of values: work ethic and individualism/self-reliance. He argued that in Islam work is obligatory and self-reliance is a source of success. Further, he proposed that although one’s loyalty revolves around self and family, within the workplace loyalty to one’s superior is necessary for an organization to survive.

Sherif (1975) identified nobility, patience, self-discipline, good appearance, abstinence, resolve, sincerity, truthfulness, servitude and trust as major Islamic values. While he did not discuss the implications of these values for the workplace, they could clearly have an impact on both management and employee behaviour. For instance, trust and truthfulness might lead to the delegation of authority to employees further down the hierarchy. Self-discipline could reduce the need for external control mechanisms, such as clocking in and out as a means to monitor manual workers. Similarly, Endot (1995), following his review of the literature, identified 11 major Islamic values which have consequences for organizations and are also incorporated in the model advocated by the Malaysian government as part of its Islamization policy. Endot (1995, p. 436) identified 11 basic values of Islam that lead to a “respectable nation”: trustworthiness, responsibility, sincerity, discipline,
dedication, diligence, cleanliness, co-operation, good conduct, gratefulness and moderation.

**Islamic values and HRM**

From the above discussion of Islamic values one could, to some extent, speculate as to what HRM might look like in Muslim countries. However, it should be borne in mind that it is not easy to isolate the effects of Islam on HRM from those of other socio-cultural institutions, such as education, and political factors like power of trade unions and government economic and industrial policies. Nevertheless, given the pervasiveness of Islam and its influence on various spheres of material as well as spiritual life in most Muslim countries, it is possible to discern certain patterns in Muslim workplaces which are compatible with their Islamic origins.

Islam emphasizes that the nature of relationships among people is egalitarian, and, further, urges leaders to consult their followers in the running of their affairs. Translated into workplace behaviour this should mean a consultative decision-making process, and a fairly diffused power structure. Self-discipline, trustfulness, honesty, resolve, loyalty, and abstinence, should encourage managers to trust their subordinates' judgement and integrity, which could in turn lead to a participative management style. Co-operation, patience, and family-like relationships among people, should encourage teamwork and mutual support within an organization and care for the community outside it.

Cross-national research is required to investigate the implications of Islam for organizations operating in Muslim countries to verify such speculative models as mentioned here. Studies looking at specific business matters in Muslim countries, such as economics or banking and finance issues, are fairly common (e.g. De Belder and Khan, 1993; Khan, 1991; Naughton and Shanmugam, 1990). Studies on the impact of Islam on HRM matters is less prevalent; however, the studies conducted in Iran, Malaysia and six Arab countries of the Middle East discussed below, could shed some light on this issue.

**Iranian study**

Latifi (1997), who closely observed a sample of Iranian managers at work over a period of time, discovered traces of Islamic values in Iranian managers' HRM style. She found that Iranian employees viewed their managers as sympathetic brothers and sisters or compassionate fathers and mothers. In addition, this family-like relationship appears to have been extended to include "social" and "teacher" roles for the managers. They were frequently involved in their subordinates' private lives and family matters. Some of those interviewed said they would make their time and organizations available for high school and university students who would wish to conduct a research project or acquire work experience as part of their courses. They saw this as fulfilling a part of their responsibility to the society and to the next generation of managers.
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**The Malaysian survey**

The government of Malaysia, led by Prime Minister Mahatir, has been initiating and implementing an Islamization process in the country. The ultimate goal of this process is to infuse Islamic values throughout the society at all levels, from individual to institutional. The Prime Minister wants Malaysians to take pride in their cultural heritage and adopt values and attitudes which bring out the best behaviour in them.

In a survey of nine organizations in Malaysia, Endot (1995) studied the ways in which this macro-level policy had percolated down to the organization and employee levels.

In pursuance of Islamic teachings one company offers its employees interest-free loans for vehicle or house purchase, or for preparation for a wedding ceremony. Another organizes Islamic study circles for managers, whereby participants get together once a week to discuss some aspects of Islamic teaching and socio-political issues, the intention being to develop Islamic personality. Normally the circles, segregated for men and women, are headed by a leader. The circles also help create cohesiveness of relationships among the members and some kind of unity of thoughts on the issues discussed.

One organization occasionally sends its employees on short courses in Islamic teachings. The objective is not so much management development as to make the employees understand Islam and its values. The same organization sends female employees to courses about the role of women in Islam within the context of family, as a wife for example. The selection process for new recruits and their subsequent training are also influenced by the Islamization process. One organization recruits individuals who have graduated in Islamic studies. They are then exposed to modern management techniques. Another recruits business-related graduates and then trains them on the Islamic aspects of their work.

Endot (1995) found that all organizations placed a great emphasis on worship and had a prayer room. In one organization prayers were compulsory and certain times had been set aside for the purpose. Here women were required to wear clothes that conform to Islamic custom. Most organizations held frequent religious sermons and used corporate culture to inculcate Islamic awareness among employees. In one company the practice of supplication (doa) was conducted daily before and after working hours. In all the firms in Endot’s study the management urged their subordinates to understand that they were accountable for their work not only to the organization, but to God (Allah), and that their work was considered by Islam as a form of worship of God.

**The Arab Middle Eastern survey**

According to Muna (1980), in many organizations in Arab countries of the Middle East, decision making and management-employee relationships are characterized by a process of consultation, rooted in their Islamic traditions and emphasized in the Koran, which asserts that those who conduct their affairs by consultation are among the ones on whom God’s mercy and heavenly rewards
will be bestowed. In practice, however, the situation appears to be quite different. In a survey of executives in six countries, Muna (1980) reports that the importance of consultation was emphasized by the interviewees. He argues that there are strong expectations among senior managers, partners, and even some friends and relatives to be consulted on organizational or daily issues. Further, consultation, for some managers, seems to be an effective “human relations” technique. It is used to avoid potential conflicts between executives and their subordinates; to please, to placate, or to win over people who might be potential obstacles to one’s ideas or actions; and to provide the person consulted with a “face saving” mechanism. Also, consultation is seen as an information gathering mechanism. However, in any given situation a few selected people are merely consulted, and the selected few are determined by the circumstances. Moreover, although consultation can occur, decisions are never made jointly and are not delegated down the hierarchy.

Arab executives generally seem to dislike committee or group meetings. Consequently, on the decisions concerning more than one subordinate, the executives seem to prefer one-to-one consultation with each subordinate, thereby de facto avoiding majority decisions. Indeed Arab executives have a strong preference for personalized and informal methods of conducting interpersonal business affairs.

While consultation with subordinates occurs in Arab organizations, Muna (1980) argues that joint decision making per se is rare. This, according to Muna, may be for a number of reasons. First, subordinates might view joint decision making as an indication of management weakness; second, both executives and subordinates dislike teamwork; and third, there is an expectation by subordinates to be consulted about decisions, but not to participate in making those decisions.

**Discussion and concluding remarks**

This paper attempted to discuss the implications of the recent revival of Islamic values in certain Asian countries for workplace behaviour. Islam, like any other religion, plays a significant part in the cultural make-up of the nations where it is a dominant factor in political and social life. This is especially so because of the nature of this religion, where both material and spiritual spheres of life are considered its appropriate domain.

This paper began by discussing briefly the role of national culture in organizations in general. It then moved on to focus on HRM, an aspect of organizations which is more prone to cultural influences than others. HRM is viewed here as more than glorified personnel management with some element of strategy included. Rather, it is argued that the scope of HRM extends to other facets of organizations which relate to employee and management behaviour, such as their relationships with one another, management style, and, more importantly, the culture of the organization itself. Islam’s precepts and basic work-related values and their implication for certain Muslim societies were
discussed. The findings of three studies conducted in Iran, Malaysia and the Arab Middle East were given as examples of how, in practice, these Islamic values might translate themselves into workplace behaviours.

Some speculation was made earlier in the paper as to how Islamic values might manifest themselves in workplace behaviour. Taking Islamic precepts and teachings at their face value, one would expect to observe, for instance, teamwork, consultative, participative, egalitarian management styles in Muslim organizations. The limited evidence discussed here shows that this is far from being the case. The findings of these surveys are also compatible with those of a much earlier survey conducted in 14 organizations in the pre-Islamic-revolution Iran (Tayeb, 1979). She found a high power distance among employees and their managers, leading to highly centralized decision-making styles, with little evidence of widespread consultation and employee participation. However, there is also evidence that Muslim managers do adopt a father figure, familial role within their organizations vis-à-vis their subordinates, and assume a social role in the wider community. This is compatible with their Islamic roots.

A few explanations can be offered for the inconsistencies observed between what might be expected and what actually takes place within the workplace. The Islamic characteristics and values discussed in the paper represent the ideals of Islam as conveyed to Muslim communities, initially by the Prophet Mohammed and his immediate successors some 1,400 years ago, and then handed down to the believers through the centuries. How these ideals are translated into practice is a different matter. They are, by their nature, open to interpretation, and the workplace is a notoriously fertile ground for such interpretations, given its varied constituencies and its varied interests and goals.

As was pointed out earlier, it is very difficult to disentangle the effects of Islam on HRM from those of other social, economic and political factors which make up the character of a society as a whole. Another point to bear in mind is that Islam is a religion that takes on local features in the countries where it is practised. That is, a great deal of local societal characteristics are over time incorporated in "Islamic" codes of conduct, and as a consequence there are variations among these countries in the interpretation of Islamic values. Saudi Arabia and Malaysia, for example, are both Islamic nations, but there is a vast difference between them in the way in which the two societies are organized and the kind of attitudes and behaviours which are expected of their people. Such variations and differences are naturally reflected in the organizations operating in Muslim countries.

Finally, it is possible that in many Muslim countries, which are at various stages of industrialization, we are witnessing the effect of what Kerr et al. (1952) call "the logic of industrialization", which is perhaps militating against the influence of Islam in the workplace. As was mentioned earlier, extensive comparative studies of HRM in Muslim countries are needed to examine the influence of Islam on HRM.
References


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