

**COMPARISON OF MODERN AND ISLAMIC HRM:
IMPACT OF IHRM ON ORGANIZATIONAL
COMMITMENT
(A SURVEY AMONG EMPLOYEES OF ISLAMIC BANKS IN PAKISTAN)**

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Abstract

This paper aims to survey perception of employees towards Islamic Human Resource Management, and if IHRM is followed in the organizations, then what employees think about their own organization and how the commitment level of employees is effected solely based on their prior two perceptions. A questionnaire for data collection and survey approach has been used to study the perception of IHRM on employee-commitment. The result shows that MHRM and IHRM do not produce similar results. The application of MHRM results can only be achieved in the life of this World, but the results of the IHRM can be achieved in the life of this World, and also in the life of World-Hereafter. Section-4 presents a survey based research, comprised of quantitative data showing the perception of employees about IHRM and its resultant impact on Organizational Commitment. The research suggests the importance of

adopting IHRM based strategies to increase organizational commitment among employees.

Keywords: *Islamic HRM, modern HRM, organizational commitment, concepts, implications*

A. Introduction

It is pertinent to highlight that in order to check the impact of IHRM fundamental factors on organizational commitment; a regression analysis is required to be carried out. Regression analysis shall clarify the interdependency and impact of the dependent and independent variables. However, due to limited scope and paucity of time for this study, the work initially attempts to carry out survey of the [1] perception of employees towards Islamic Human Resource Management, [2] And if IHRM is followed in the organizations, then what employees think about their own organization and [3] last but not the least how is the commitment level of employees effected solely based on their prior two perceptions.

To fulfill the study objectives, the data was gathered by using a structured and self-administered questionnaire. The questionnaire consisted of four sets of questions to measure each of the variables. After necessary demographic questions, items on employee's perceptions regarding his/her view about organization's alignment with the Islamic Human Resource Management were asked. Then, all the important functions of IHRM were checked by different questions focusing on the following fundamentals of IHRM:

1. Understanding of Islamic knowledge
2. Compensation
3. Recruitment
4. Performance appraisal

Each variable was measured by a set of four questions with three possible answers: YES, NO and DO NOT KNOW (DNK). "YES" answer would mean that the employee perceives that

implementation of IHRM in true letter and spirit has positive effects on the organization as a whole and employees in particular. “NO” would mean that the employee perceives that even if fundamentals of IHRM in true letter and spirit are implemented, it would have nil effect or impact on organization’s success and employee commitment towards the organization. “DNK” would mean that the employee is “not-sure” about the link presented to him/her for response.

As per the statistics of the Islamic banking department of the central bank of Pakistan i.e. SBP, there are five banks which are purely Islamic in nature. Other than these purely Islamic banks, conventional banks have also opened Islamic banking subsidiaries. However, for this survey, only pure Islamic banks were selected. The respondents were purposively chosen among employees of these five banks operating in Pakistan. Keeping in view the limited time available with the bankers and the nature of this particular study, purposive sampling was carried out and a total of 87 usable responses were obtained. A gender distribution of 50% male and 50 % female was targeted at the start. However, there was slight variation in the actual responses due to the organizational limitations. The banks that were selected for the survey were:

1. Meezan Bank Limited
2. Al Baraka Bank
3. Bank Al Islami Pakistan Limited
4. Burj Bank
5. Dubai Islamic Bank

Although the market share, reserves and experience of these banks differ a lot, however for the purpose of this study numbers of responses collected from the all banks were kept same. Two different branches of each of the above-mentioned banks were selected to collect 20 responses from each bank. Out of the sample size of 100, 87 usable responses were received. Around 68% of the respondents were in the age range of 26 to 40 years. Around 78% of the respondents completed their post-

graduate degrees, which indicates that the respondents were highly educated. The respondents were highly educated and experienced on the average.

I consider/ feel/ believe	Codes
My Organization practice the principals of Islam like Amanah, Justice, Righteousness	UI 1
I believe that my organization never misquotes or give wrong statements	UI 2
My organization never mis-lead or misguides	UI 3
My organization feels that a good Muslim will be a good employee	UI 4
Considers Islamic understanding an important criterion in selecting the candidates.	RC 1
Uses Islamic criteria in selection	RC 2
Practice Islamic approach in recruiting the potential candidates	RC 3
Recruits candidates responsibly and do it with full of Amanah	RC 4
Practices Islamic approach in appraising employees	PA 1
Measures the employees" performance regularly with full Amanah, Justice and with having a fear of ALLAH	PA 2
Does not practice any favoritism in evaluating employees' performance	PA 3
Practices a fair performance assessment for all employees	PA 4
Informs the candidates about the salary they will receive	CP 1
I am getting a competitive package and is justified for the output I give	CP 2
Gives enough compensation for additional work	CP 3
Believes that compensation policy for the employees is rational	CP 4
I feel that if my organization is doing justice for me , I should also give my best of the services	OC 1
I always feel that I am not in office to complete my required 9 hours of job but I should concentrate on the given tasks and try to kill all tasks daily	OC 2
I am not supposed to relax on desk when branch manager is not present	OC 3
I always try to leave on time for the break and sometimes even come back early	OC 4

B. Discussion

1. Human Resource Management (HRM)

It would be appropriate to start the discussion by refreshing the concept of management science and human resource management (HRM). According to Kuper and Kuper (1989: 366-367), human resource is the stock of acquired talents, skill and knowledge which may enhance a worker's earning power in the labor market. The art of using the human resource for achieving positive results is recognized as management science.

Management science is not as comprehensive or accurate as a physical science such as mathematics or chemistry. Physical sciences deal with non-human entities, and it is the inclusion of human element that raises questions in some minds about management qualifying as a pure science. Different people will not think, act, or react in the same manner under identical circumstances. Therefore, management will never become as pure a science as the physical sciences, but great strides have been made in systematizing knowledge and generalizing certain truths. Management is indeed a *Social Science*, a term that accurately describes its true nature (Terry and Franklin, 1982: 6).

Kuper and Kuper (1989: 366-367) mention that there are numerous definitions of *management*. Most popular and often quoted is "getting things done through other people." Another, "Management is a distinct process consisting of activities of planning, organizing, actuating and controlling, performed to determine and accomplish stated objectives with the use of human beings and other resources."

Human Resource Management (HRM) is defined as the procurement, allocation, utilization, and motivation of human resources in the international context. It is described as a process governed and directed by policies, strategies, rules and culture. Some are of the view that HRM is a concept behind an art practiced by management around the world in organizations public or

private, profit or nonprofit focusing on organizational resources. Some claim that HRM is more than just “*People Management*” as is often perceived. It is rather an optimizing strategy for human capital management and development (Samuelson and Nordhaus, 1989: 885-891).

The basic principle for HRM is that the people working in an organization are its greatest asset for achieving objectives. HRM is a rational and holistic approach to the management of people that requires and develops organizational structures and systems, individual attitudes and behavior. It also means development of the physical, mental, and social conditions of a person. Important principle elements ascribed to HRM are: recruitment, induction, performance management, career development, reward and recognition (Terry and Franklin, 1982: 3, 6-11, 18).

Islam has no disagreement with the definition and scope of Modern HRM. The concept of HRM is generally, well defined by Holy Qur’ān and Sunnah.



Categorically speaking, the development of Man (as a human resource) in every field of life is the ultimate goal of Islam. The difference between the Islamic and Modern HRM does not lie in definition, but in their concept. Those are mentioned in Al-qur’ān:2:28; 2:148; 2:246-248; 4:150-151; 4:163; 5:100; 6:32; 13:31; 19:76; 21:33; 23:12-13; 23: 51-52; 28:68; 32:9; 37:142, 40:78; 51:21; 67:2; 73:20;3:14-15.

The relation of HRM with the branches of social science can be observed and understood by the figure which shows that all the major branches of social science i.e. Anthropology, Sociology, Psychology, Economics, Political Science and History are involved in the process of HRM.

2. Fundamental Concept of Modern Human Resource Management (MHRM)

According to *Will Durant*, "Every science begins as concept and ends as art; it arises in hypothesis and flows into achievement. Concept is a hypothetical interpretation of the unknown (as in metaphysics), or of the in-exactly known (as in ethics or political concept); it is the front trench in the siege of truth. Science is the captured territory; and behind it are those secure regions in which the captured territory; and behind it are those secure regions in which knowledge and art build our imperfect and marvelous world. Concept seems to stand still, perplexed; but only because she leaves the fruits of victory to her daughters the sciences, and herself passes on, divinely discontent, to the uncertain and unexplored (Durant, 1985: xxii-xxiii)." However, Samuelson and Nordhaus (1989: 4) has explained that economics (which includes HRM) as a field of study and discourse which should be considered as the sixth field of study of Concept. And, Terry & Franklin (1982: 4) have the view that *Human Resource Management* (HRM) owns a concept and concept, which should be clearly defined and elaborated in *Modern Human Resource Management* (MHRM). In contrast, the *Islamic Human Resource Management* (IHRM) owns a concept and concept.

Ahmad (1982: 13-15, 72-103, 127-145) mentions that the concept of Modern HRM is based on the denial of metaphysical phenomenon or holds a mechanical concept of life in which the existence of non-material things is not recognized. It holds secular concepts regarding the creation of Man and other creations; creation and administration of the universe by Laws of Nature; the mechanical or accidental concept of universe; universe being subservient to Man to benefit according to his personal

instincts and whims; no concept of life Hereafter and trial; people's sovereignty; concept of humanism; concept of rights and obligations; protection laws for life, property and honor.

Ahmad also mentions that the concept of Modern HRM considers man completely free in his thought and action, and regards this worldly life alone to be the sole target. It is the material gain alone, which counts. It disregards the soul and its real needs, and gives exclusive attention to human body and its demands. In addition, moral values, which prove to be a barrier in the realization of worldly objectives are either rejected, or regarded as a changing subject with the need of time. Thus, Modern concept of HRM is not compatible to Islamic concept of HRM, because the man fabricates a secular concept and the Lord of universe reveals Islamic concept to man.

3. Fundamental Concept of Islamic Human Resource Management (IHRM)

There is no disagreement among the social scientists on this viewpoint that all social sciences are based on certain philosophies and concepts, so is the case of Islamic human resource management (IHRM), which is based on revelation, a metaphysical phenomenon, revealed to Man, based on *Qur'ān*, *Sunnah*, *Ijmâ'* (consensus), *Qiyâs* (analogy), etc. (Hasan: 1993).

The concept of Modern HRM is the outcome of human mind, but the concept of Islamic HRM is divine in character and is based entirely on *Qur'ān* and *Sunnah*. Islamic Human Resource Management (IHRM) is a science to accomplish the high standard of morality expressed under the term 'Righteousness'. The Holy *Qur'ān* states:

"It is not righteousness that ye turn your faces towards East or West; but it is righteousness, to believe in Allah and the Last Day, and the Angels, and the Book, and the Messengers; to spend of your substance, out of love for Him, for your kin, for orphans for the needy, for the wayfarer, for those who ask, and for the ransom of slaves; to be steadfast in prayer, and give Zakah, to fulfil the contracts which ye have made; and to be firm and patient, in pain (or suffering) and

adversity, and throughout all periods of panic, such are the people of truth, the God-fearing.” (Qur’ān 2:177)

The concept of Islamic Human Resource Management (IHRM) is clearly mentioned in the above verse. A concept, however attractive, remains lifeless and ineffective if not integrated with practice. The Muslims own a concept, which encompasses every branch of natural and social sciences, including HRM as a part of Islamic social sciences. It is explained in Qur’an (Man-God Relationship: 2:21-22, 2:27, 2:29-31, 2:33-34, 2:43, 2:126, 2:153, 2:165, 2:177, 2:245, 2:254, 2:261-262, 2:264, 2:281, 3:49, 5:91, 5:93, 6:152, 16:52, 16:71,16:75, 16:128, 17:23-25, 17:30, 18:38, 19:55, 20:112, 23:62, 23:115, 24:22, 29:69, 33:35, 34:37, 65:3,71:10-12, 90:5, 90:10; Man-Man Relationship: 2:27, 2:39, 2:43, 2:180, 2:188,2:220, 2:229, 2:237, 2:280, 2:282-283,4:9-10, 16:90, 17:24-25, 19:32, 20:112,22:36, 24:61, 65:3, 70:32;Ownership of God:3:129, 3:180, 3:189, 4:126,4:131-132, 4:170, 5:17-18 ,5:40,5:120, 6:158, 9:116, 10:55,10:68, 14:2, 15:23, 16:52,16:75, 16:95, 16:114, 19:40,20:6, 20:112, 21:19, 22:64,24:64, 25:2, 31:26, 34:1,48:14, 53:31, 57:2, 57:5,63:7,85:9;Ownership of Man:2:180, 2:188, 2:220, 2:229,4:2, 4:4, 4:6-10, 4:12,4:20,4:29,4:58,6:94,6:152,17:34,18:34,18:82,30:38,39:29,51:15,19,65:6,20:112,24:50,27:11,27:52,28:37,29:14,30:9,39:51,41:46, 42:40, 43:65, 49:11; Sanctity of Private Property: 2:180, 2:188, 2:220, 2:229,4:2, 4:4, 4:6-10,4:12, 4:20, 4:29, 4:58, 6:94,6:152 17:34 18:34 18:82,30:38, 39:29, 51:15-19, 65:6.

Islamic concept does not only demand to have certain beliefs, and practice some rituals, but it also fervently demands to have firm belief in the revealed knowledge (Holy Scriptures), sent by Allah (*subhanahuwata’âla,*) through His Messengers (peace be upon them), to confirm the Truths of this universe and the Man itself. Thus, the Islamic concept of HRM means, true belief in the revealed knowledge, total submission to the Will of Allah, to live a life according to the teachings of Allah and his Messengers, to understand the purpose of Man’s life on this planet as a unit, and an organic whole, which cannot be divided into

several compartments. It is mentioned in Al-Qur'an (Faith:- in Angels:2:177, 2:285, 4:136; - in God:2:8, 2:62, 2:136, 2:162,2:177, 2:285, 3:52, 3:84, 4:136, 4:162, 4:175, 5:59,5:69, 5:83, 7:121, 7:126,7:158, 8:41, 9:18, 24:47,29:10, 29:46, 40:84, 49:15,64:8; -in the Last Day:1:4, 2:4, 2:62, 2:177,4:136, 4:162, 5:69, 9:18; - in Messengers:2:136, 2:177, 2:285, 3:84, 4:136, 4:162, 5:12, 5:59, 7:158, 24:47, 47:2, 49:15,64:8; - in Scriptures:2:4, 2:136, 2:177, 2:285,4:136, 5:69, 8:41, 47:2).

Consequently, the concept of the Holy Qur'ān does not bifurcate Man's life of this world and the Hereafter. This concept has been clearly mentioned at many places in the Holy Qur'ān(2:28; 2:148; 2:246-248; 4:150 &151; 4:163; 5:100; 6:32; 13:31; 19:76; 21:33; 23:12-13; 23: 51-52; 28:68; 32:9; 37:142, 40:78; 51:21; 67:2; 73:20). However, the Modern commentators have also elaborated this concept in their *Tafsîrs*(Abdullah Yousuf Ali, THE HOLY QURÂN English translation & meanings, revised & edited. (Kingdom of Saudi Arabia, u.d.); Mufti Muhammad Shafi, Ma-ârif-ul-al-Qur'ân, (Karachi: Dârul-Ishâ'at); Mawlâna Amin AhsanIslâhi, Tadabbur al-Qur'ân,(Lahore:IdaraTadabbur al-Qur'ân); SayyidAbul-a'laMawdûdi, Tafheem-ul-Qur'ân,(Lahore: IdaraTarjuman al-Qur'ân); Pîr Muhammad Karam Shah al-Azharî, Zia-ul-Qur'ân, (Lahore: Zia-ul-Qur'ân pub.).

4. Foundations of Islamic Human Resource Management (IHRM)

In this section, some useful Islamic foundations for IHRM are presented which are adapted from the Holy Qur'ân and Ahādîth: (i) Tawhîd (Unity of Allah), Risâlah (Prophecy of Muhammad, PBUH) and Ākhirah (the life after death). (ii) Man and all other creations owe their existence, to Allah alone. (iii) The universe is created & administered in accordance with the regulations set by Almighty Allah, known as "Laws of Nature." (iv) Negation of the mechanical concept of universe, which claims, it a product of an accident. (v) Whole universe is subservient to Man for his use and benefit. (vi) Life of the humankind in this world is a

place of trial, on which depends his life of the Hereafter. (vii) Allah alone is the Sovereign; this concept of sovereignty gave birth to the concept of human unity and human equality. (viii) Everyone is equal in the eyes of Allah. All humans enjoy equal rights and can seek redress, if wrong, through a court of law. Everyone has protection of his life, property and honor. (ix) The Islamic concept is based on *Wahī* (revelation), which demand a believer to adopt a balance between the requirements of body and soul, and function for the larger interest of human good. This concept is not neutral to morality. It believes in eternal moral values, through which nations rise and fall. (x) Fundamentals of Islamic concept come from Qur'ān and Sunnah. Islam condemns every innovation, for which there is no proof in the fundamentals. (xi) However, Islamic concept is not static. It gives a golden rule of *Ijtihād*, an instrument, for use in all places and times of need. (xii) Regarding the reason of truth, Islam prescribes that where there is valid evidence for another point of view, it should be accepted with humbleness. However, where the evidence is fake or lacking, the Islamic concept feels obligated to expose that discrepancy. The truth is exclusive and should be accepted without compromise. The good value is recognition of Allah as the source of all truth. (xiii) A common misunderstanding about Islam is that it demands blind faith in its principles and blocks the way of evaluation. This is a mistaken view, which has created hostility between the Modern HRM and Islamic HRM. On the contrary, Islam repetitively invites and encourages humankind for judicious thinking for *Development* in all walks of life (Malik, 2002; Ballantine, Khurshid & Ahsan, 1994; M.N. Rizavi, 1996; Nadvi, 2000; Yahya, 1992).

5. Implications of Modern Human Resource Management (MHRM)

The concept of Modern HRM has the following impact on HRM: (i) Meaning and purpose of Man's life has gone astray. (ii) Physical comfort is confused with the true happiness of soul and body. (iii) The *Economic Man* of today has changed into an

Economic Animal. (iv) Moral fiber of the society has torn apart. (v) The religious, ethical, social and economic life of the inhabitants of this planet has become artificial (man-made), unemotional and mechanical.

6. Implications of Islamic Human Resource Management (IHRM)

The concept of Two-Lives has a very important impact on IHRM. Conventional HRM confines itself to activities having an impact on the economic aspects of our life in this world. It is believed that the human life is only confined to this world in which we are living in. In contrast, the first significant point that brings out a marked difference in the approach of human beings towards HRM according to Qur'ân: 3:14-15 is the very fact that our activities have impact not only in this world but also in another world that we have to live after we finish our life in this world.

“Flair in the eyes of men is the love of thing they covet: Women and sons; heaped-up hoards of gold & silver; horses branded for (blood & excellence); and (wealth) of cattle and well-tilled land. Such are the possessions of this worlds’ life; But in nearness to Allah is the best of the goals (to return to). Say shall I give you glad tidings of things for better than those? For the righteous are gardens in nearness to their Lord, with rivers flowing beneath; Therein is their eternal home; with companions pure (and holy) and the good pleasures of Allah..For in Allah’s sight are (all) His servants”.

These verses clearly show the concept of two lives both of which have economic gains and benefits of their own kind and taste. The first life has material pleasures like women, sons, gold, silver, horses, cattle and good land and the other life of the Hereafter has spiritual pleasure, gardens, rivers, eternal houses and companions, and that will be an eternal home.

“Nay (behold), ye prefer the life of this world; but the Hereafter is better and more enduring”.(Al-Qur'ân: 87:16-17)

Similarly, in verse 2:62 it has been mentioned that those who live a righteous and pious life, they will not have fear in this world, nor shall they grieve in the hereafter. All these verses also show

the difference of two lives with the achievements in the Hereafter showing a priority over this worldly life because of its much better, enduring and eternal economic benefits.

The concept of two lives, in fact is like two phases. The first phase is transitional which begins with the present life on this earth. All of its material conveniences and pleasures will come to an end on an appointed day. From here starts the second phase, the life of the Hereafter which is eternal and endless in terms of life and its pleasure and possessions (Al-Qur'ân: 2: 210, 3:14-15, 3:117, 9:25, 9:38, 10:24, 16:74-76, 17:18-20, 18:16-17, 18:46-49, 22:56, 28:60, 9:64, 43:35, 52:1-10, 82:1-5, 102:1-8). Thus, the concept of two-lives plays a very important role in getting the positive results in HRM.

7. Analysis of MHRM & IHRM

Despite all this contrast between the two lives and the insignificance of the first life vis-à-vis the second life, the Qur'ân implies to ignore and neglect the first life. All enjoyments of first life are required to be enjoyed, but only in a way that it becomes a source of achievements in second life. The following verses explain this concept:

“Who hath forbidden the beautiful (gifts) of Allah, which he hath produced for his servants, and the things, clean and pure, (which he hath provided) for sustenance.” (Al- Qur'ân 7:32); *“It is Allah who made out of the things he created some things to give you shade of the hills, he made some for your shelter, he made you garments to protect you from heat, and coats of mail to protect you from your (mutual) violence. Thus, does he complete his favours on you, that ye may bow to his will.”* (Al- Qur'ân 16:81)

The Qur'ân encourages Muslims to take their portion of the beautiful bounties of Allah in this world and use these worldly gifts which he has produced for his servants. *“Do not forget thy portion in this world”.* (Al- Qur'ân 28:77)

Qur'ān suggests a middle course between the two different conceptions of life, which is "moderation" in every walk of life. *"Hold a just balance between those extremes."* (Al- Qur'ān 25:67). It also means neither to renounce this world, because the life of asceticism destroys all working potentialities, nor to be engrossed and involve in the economic pursuits of life to such an extent, that the second life is forgotten.

Qur'ān describes the objective of both lives by using the term **"Falah"** which means prosperity, betterment and success of both worlds which depend upon the righteous behavior and good deeds related to the second life. *"The believers must (eventually) win through"*(Al-Qur'ān 23:1). To achieve this objective, it enjoins the Believers to go for the greatest success of this world without endangering the good and benefits of the next world by walking on the path of truth and piety that is to believe and obey Allah and his Apostles instructions and do good and righteous work, which will certainly bring peace, happiness, calmness of heart and the prosperity of this life and that of the Hereafter (Al-Qur'ān: 2:35, 2:62, 2:197, 2:281, 2:200-201, 23:51, 72:16).

The greediness of this world should not be the objective of a Muslim but to live a life of honor and piety by lawful economic activities looking for the good of both worlds.

"But whosoever turns away from my message, verily for him is a life narrowed down, and we shall raise him blind on the Day of Judgment".
(Al-Qur'ān: 20:124)

Qur'ān considers only those worldly successes as valuable, which are pure and possess good of both worlds even it may be very little in quantity it counts the reward of the next world as the profits of this world. On the other hand, by walking on the path of faith, righteousness and piety, if one loses all the worldly pleasures or possessions of this life, he is not considered as a failure in the view of the Qur'ān because he will for sure get excellent rewards and will be successful in the next life forever in the Paradise, without any fear and grieve. And those who don't obey Allah will go to hell fire(Al-Qur'ān: 2:38-39, 2:62, 2:175)

The comfort and order in this world is an important element of Qur'anic teachings on pursuing the benefits of this world. The Holy Qur'an abhors "*Fasad*" which is equivalent to

chief-ness, and condemns it very strongly and informs of the severe punishment in this world and the Hereafter.

"--- And do no mischief on the earth after it has been set in order. That will be the best for you if ye have Faith." (al-Qur'an: 7:85); " --- Allah loveth not mischief." (al-Qur'an: 2:205); "(Those who) do mischief on earth these cause losses only to themselves."(al-Qur'an: 2:27).

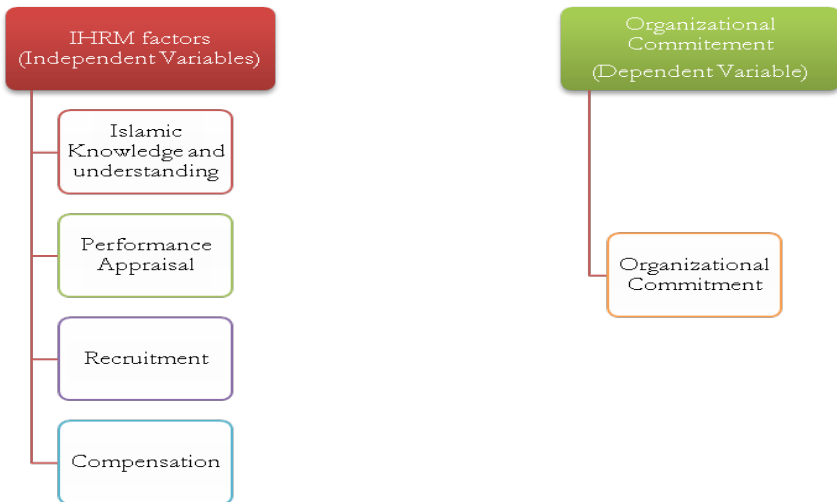
Those who get involved in this act of "*Fasad*" are informed of severe punishment in this world and the Hereafter. The things which the Qur'an considers in the category of *fasad* is breaking Allah's covenant after it is ratified; breaking of relationships, mischief on earth by hoarding, mixing, blending, black-marketing; fraud in weights and measures. All these things result in man's own loss in both worlds (Al-Qur'an: 2:11, 5:36, 11:85, 18:28, 20:81, 26:183, 28:32, 28:82).

Economic system of Islam stands on this concept that Allah has created Man and all that is in the heavens and on the earth and he loves his creation (Al-Qur'an: 2:21, 2:29-30-31, 3:180). He is the only one to be worshiped without any rival. He is the real sustainer and owner of all that is in the heavens and to him belong the entire heritage and He has all the knowledge (Al-Qur'an: 2:22, 2:29, 3:129, 3:180, 24:64). Allah has placed Man as trustee and inheritor on this earth and all that is created in the heavens and on the earth, is for him to explore by the perfect knowledge inspired to him by Allah to use and enjoy its fruits in effective ways to achieve the success of both worlds. Allah has given many things in his hands as a trust with an authority, power and freedom of its use and enjoyment according to his wish. But, the use of these worldly bounties of Allah should be in accordance to the instructions of Allah, not merely to his own Lusts. He should handle this trust with honesty and skill, with mindfulness of Allah and with the consciousness of responsibility to Allah (Al-Qur'an: 2:30-31, 2:33, 4:27, 6:165).

8. Islamic HRM and Organizational Commitment of Employees in Islamic Banks of Pakistan

As discussed before, if an organization comprehensively implements all the HRM functions in true Islamic perspective, ultimately organizational commitment of the employees is increased. This Conceptual framework has been developed and tested by Rahman&Shahid (2009, 1269-1278) in Malaysian banking sector. This study attempts to test the same conceptual framework through survey among Islamic banks in Pakistan. Notwithstanding above, this study attempts to understand the perception of employees about IHRM and their commitment towards the organization.

As it has already been highlighted in the literature above; that employee's organizational commitment in any organization which is abiding by the tenants of Islamic Shariah; is a function of organization's understanding of the basic Islamic principles, presence of an effective performance appraisal system, quality recruitment and competitive compensation system. Hence the framework for the study can be developed as shown in the figure below:



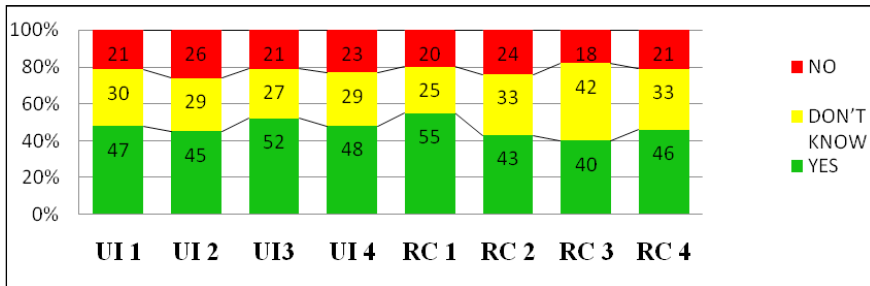
9. Results

Reliability Analysis of the questionnaire was carried out using psychometric test. The first table depicts the value of Cronbach Alpha is above 0.5 which is considered a safe value to further carry on survey as suggested by Nunnally (1978). The value of 0.793 depicts that the items of the questionnaire are internally coherent and the tool used is reliable. Hence the results of the survey are valid.

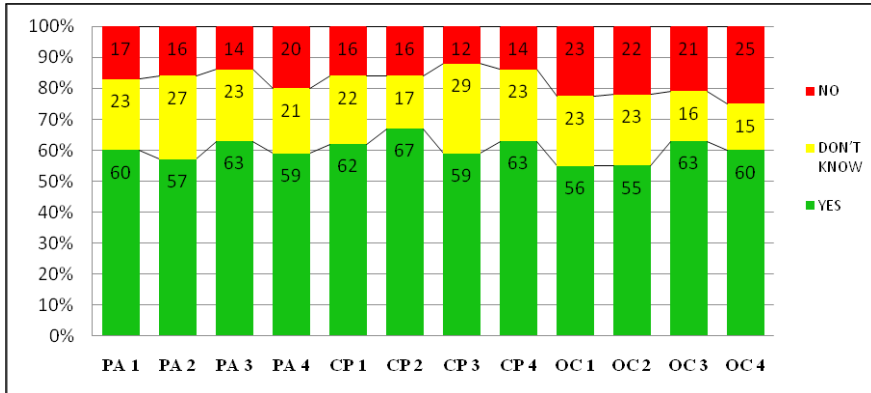
The next shows the items of the questionnaire and their codes. These codes represent the Independent variables. 'UI' represents Understanding of Islamic Knowledge, 'RC' represents Recruitment, 'PA' represents Performance Appraisal, 'CP' represents Compensation and OC represents Organizational commitment.

Cronbach's Alpha	Cronbach's Alpha based on standardization	No of items
.793	.755	20

The results received on the above items are given in the following two graphs:



And the following is the responses of remaining three variables



C. Conclusion

The first graph depicts that respondents, at the first instance have given an average of 45% YES response about the belief that Islamic Banks do follow the Islamic Business ethics as highlighted in the literature. It means that what they perceive about their organization is that their banks are abiding by the tenants of Islam, the banks have basic understanding and knowledge of Islam and hence the employee feels that because of the above-mentioned perception/belief my bank following all the ethical and moral values as taught in the religion. Further respondents have a mixed voice regarding true Islamic recruitment system based on justice and Amanah as the responses in YES category vary from 45% to around 60 %

The second graph above shows the responses received for Performance evaluation, Compensation and Organizational Commitment. Employees think that their bank is very effectively assessing the performance of its employees. The responses in YES category average at 60 %. The responses received about competitive compensation packages are even higher averaging to 65%.

As its evident from this survey based research, employees who perceive that their organization practices Islamic HRM fundamental functions, the organizational commitment of employees is increased manifold. The responses received about employee's commitment are almost touching 63 %. Hence need of the time is that fundamentals of Islamic HRM are adopted across the board in all the Islamic organizations in particular and other organizations in general.

A new metaphysics and a modified methodology for HRM, with a radical Faith-oriented approach are long overdue. The development of Modern science of HRM, under a secularist-materialist worldview has led the humankind to profound consequences, because it has neglected the ethical, philosophical, and religious dimensions of HRM. Consequently, the humankind's physical comfort is confused with true happiness of soul and body. The Global village today, with all its technological advancement, is crying out for a meaning and purpose of Man's life, which the scientific and technological advancements have failed to provide. To ensure normal human life, effective steps for the Islamization of HRM in the 21st century, should urgently be taken, to save the human race from the forthcoming catastrophe.

It is the responsibility of the political leaders, thinkers, philosophers, and scholars of the Muslim Ummah to ponder a strategy for social sciences inspired by Islam that could save their destiny in this world and the Hereafter. The verdict of Qur'an is very clear and loud in this regard: *"Verily, never will Allah change the condition of a people until they change what is in themselves, but when (once) Allah willeth a people's punishment, there can be no turning it back, nor will they find, besides him any to protect."* (al-Qur'an 13: 11).

To measure the impact of IHRM on organizational commitment, this study is aimed to be further enhanced and the framework used in this paper shall be further utilized to gather data and carryout regression analysis to measure the impact of both the variables in quantitative terms.

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