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A Qualitative Approach towards the Understanding of Managerial Employees in Islamic Organizations

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A QUALITATIVE APPROACH TOWARDS THE UNDERSTANDING OF MANAGERIAL EMPLOYEES IN ISLAMIC ORGANIZATIONS

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Abstract

The critique on the failure of Islamic organizations to represent the Islamic nature has been pointed towards employees' competency in understanding the Islamic concept. Hence, this study seeks to delve into the understanding of the employee in Islamic organizations regarding the concept, implementation and challenges in such organizations by employing the qualitative method. The study involves three Islamic organizations namely Islamic Banking, Takaful and Islamic Property Management Company located in three states of the East Coast of Peninsular Malaysia i.e. Kelantan, Terengganu and Pahang. Managerial employees from the three organizations were interviewed and the outcomes were triangulated with the experts. The findings show understanding among managerial employees in Islamic organizations is appropriate but there are still more that need to be improved.

Keywords: *Employee; Understanding; Islamic Management; Islamic Oorganization; Malaysia.*

A. Introduction

An Islamic organization differs in many aspects compares to its conventional counterpart. Although the philosophy of both management systems seems similar, the practical point of view and its implementations' different (Mansor F, and Tengku Kasim T S A., 2008), have observed the distinguishing features between Islamic and conventional organization (Norkefli J, Mokhtar A I, Aini Z., 2015). The most essential feature is in terms of the basis of the management in the organization. While conventional management system does not take into account the element of faith, the basis of Islamic management system is in the principles of faith. By referring to *Al-Qur'an* and *Sunnah* as their foundation of faith, the aims of an Islamic organization are not solely for worldly benefit but also in the Hereafter. According to these concepts make Islamic management systems more comprehensive than other management systems. Islamic management practices can lead organization towards worldly satisfaction and pleasure of Allah (Ab Mumin A G, Basir S A, Mohamed H A., 2012).

The contradiction in organizational objectives makes the conventional management practices are less appropriate to be implemented in an Islamic organization. According to an Islamic organization should practice management based on Islamic values that reflect the organization itself (Tengku Kasim T S, Mansor F., 2007) describes Islamic management as a management based on values or value-based management (YaPEIM, A. P.). More specifically as (Mohamed H A, Ab Ghani A M, Basir S A., 2011), Islamic organizational management emphasizes three important elements which are the concept of *tawhid* (faith in the oneness of Allah), the culture of *Itqan* (perfection) and the values of *Ihsan* (doing goodness). Besides, the importance of humanity (Insaniyyah), *Syura* (consultation) and *Istiqamah* (consistency) have also been highlighted by Ab Mumin A G, and Basir S A, Mohamed H A., (2012).

Despite the belief that Islamic organizational management should direct towards implementation which conforms to the beliefs and

practices of Islam, there are assertion that this is rather uncommon and inconsistent in the practice of Islamic organizations these days (Mohamed H A, Ab Ghani A M, Basir S A., 2015; AbdullahA, Mohd Salleh M Z, Muhammad M Z., 2018). In this case, many organizations under the study of have implemented Islamic concept in their management. In contrast (Sulaiman M, Abdul Sabian N A, 2014), observed only some Muslim-owned organisations are either partially or wholly performed Islamic management (Abu Bakar M S, Wan Zakaria W F A, Salleh K., 2016). Moreover, the clients and the public have also criticized the aspect of management in Islamic organizations. The study of disclosed that critiques on Islamic organizations such as Islamic banking, Takaful and Islamic property management institutions are related to the performance of duties by employee (Abdullah A, Mohd Salleh M Z, Muhammad M Z., 2018). The people who criticize tend to have the perception that the employees have little understanding on the *shariah* aspects implemented in their organizations.

The outcomes from previous studies indicate the importance of employees' understanding regarding the Islamic management concept in Islamic organizations. Hence, this study intends to acquire a clearer picture on employees' understanding in the management of Islamic organizations. Specifically, this study looks into the perspective of managerial employees on the concept, implementation and challenges in Islamic organizations.

B. Literature Review

According to Nik Hassan N M. (1994), the major success factors of an organization's management are related to the attitude of the leader and worker, in addition to the organizational structure of the organization. In order for organizational objectives to be achieved, it is important for organizational management to align all these factors together (Ismail S., 2009). In regards to this, human capital developments coupled with quality work management are also the major determinant factors for the material

and eternal success of Islamic organizations. As good employees know about organizational goals and strive to achieve those goals which eventually bring to organizational success (Mansor F, and Tengku Kasim T S A., 2008).

Adding to the point on employee as the success factor for organizations especially the Islamic organizations (Ghozali M, Kamri N A., 2015), has demonstrated some implications of Islamic personality and professionalism. Apparently, employees who believe in Almighty God and the concept of work as a trust are more cautious and responsible in attitude. The emphasis that has been put on the concept of *tawhid* (faith) guides employees to pursue both organizational achievements and afterlife rewards. In the same manner, observed the positive relationship between personal Islamic qualities and work quality of employee in Bank Islam Malaysia Berhad (BIMB) (Abd Rahman R, Lyndon N, Awang A H., 2015). The stronger the personal Islamic qualities of an employee, the better the quality of job done.

Furthermore, Mansor F, and Tengku Kasim T S A. (2008), explained that employees' qualities are affected by several aspects such as learning, skills and experience of the employee. In another study, has showed positive relationship between organizational learning and employees' efficiency (Mansor N, Luqman A., 2012). Also, product knowledge among Islamic banking employees has evidently increased after being given training (Raja Harun T W. Ab Rashid R, Hamed A B.). In relation to this, have perceived the needs for knowledge empowerment among employees through training. In this way, there will be mutual understanding between employees regarding organizational goals (Ghozali M, Kamri N A., 2015; Mansor N, Luqman A., 2012).

In addition, study concerning excellent work culture has expressed the important role of motivational factors. The greater the motivational factors, the better the performance of the employees. In this case, the element of motivational factors includes having a work environment and the role of manager conducive (Al-Qudsy S H., 2008). With regards to the latter, Islam is very concerned about the aspect of leadership since any

action taken by a leader either good or bad will always be an example to his subordinates (Ismail S., 2009). In agreement Tengku Kasim T S, Mansor F (2007), stressed that excellent work culture should be applied to employees at all level in an organization. In the end, the interaction between leader, employee and well-defined systems point toward the culture of excellence in an organization.

Various initiatives have been taken by organizations to promote understanding of Islamic organizational management among employees. In Islamic organization such as Tabung Haji (Pilgrimage Fund), employees' understanding is promoted through the implementation of Tabung Haji Value and Work Ethics (NEKTH) (Kamri N A, 2008) .There is three phases in the implementation of the code of ethics. Long-term phase involves the distribution of manuals as the primary reference whereas short-term phase includes induction course for new employees. Another phase is continuous which encompasses regular activities such as morning briefing and prayer. The outcome from the implementation shows satisfactory understanding among employees.

Meanwhile for JCorp, series of phases are involved in the implementation of Islamic ethics among employees (Mohamed Noh M M, Basir S A, Wan Husin W N, 2014). Basically, the phases involve are introduction, implementation, assessment, preservation and monitoring, as well as continuous improvement. Employees will first be introduced to Islamic work ethics through trainings and courses. Then their compliance to the work ethics will be evaluated and monitored so that continuous improvement can be made to ensure accomplishment of desired outcomes.

C. Method

The study employed qualitative methodology to identify employees' understanding towards the management in Islamic organizations. In-depth study on the perspectives of employees on the concept, implementation and challenges in Islamic organizations was done through qualitative method. Three Islamic organizations from three

segments (Islamic banking, *takaful* and Islamic property management) located in three states on the East Coast of Peninsular Malaysia (Kelantan, Terengganu and Pahang) were involved in this study case studies. Managerial employees from the three organizations were interviewed by semi-structured face-to-face technique for one hour in average at their organizations. The data from the interviews were transcribed and analyzed using thematic analysis. The data were also validated through triangulation with expert interview.

C. Results and Discussion
1. Concept

Based on the interview question to identify respondent's perspective of Islamic organizational management, the data collected from the respondents can be classified into several themes as in Table 1.1.

Table 1.
Summary of themes on Islamic Management Concept

Respondents' perspective on management concept in Islamic organizations.	• Adherence to the teachings of Islam based on primary sources such as the Quran and Hadith and other. • Application of Islamic values and ethics in carrying out duties such as *siddiq* (true), trust (trustworthy), *tabligh* (delivering), and *fathanah* (wise) • Linked to success in the world and hereafter.

Basically, the findings show that respondents understand the fundamental of Islamic organizational management. Their perspectives on Islamic organizational management as relation to Islamic values and eternal success are in congruent to the standpoints of previous literature. As stated earlier, YaPEIM, A. P. (2017) referred Islamic management as a value-based management. Moreover, the importance of Quran and Sunnah as the foundation of Islamic organizational management has been highlighted by Mansor F, and Tengku Kasim T S A. (2008). It is the involvement of the element of faith and extensive time horizon which

make Islamic management distinctive and more inclusive from others (Mansor F, and Tengku Kasim T S A., 2008; Norkefli J, Mokhtar A I, Aini Z., 2015; Ab Mumin A G, Basir S A, Mohamed H A., 2012).

2. Implementation

Respondents were also asked about their perspectives regarding implementation of Islamic management in their organizations. The themes that can be concluded from respondents' feedback are related to application of Islamic values in many aspects of organizational activities as in Table 2. Among the responses, attire is the most frequent aspect mentioned by respondents. Moreover, findings show that organizations encourage and provide the environment for employees to perform routines as a Muslim. In previous literature, a favorable surrounding has a positive influence on employees' motivation towards excellence (Al-Qudsy S H., 2008). Moreover, courses and training are provided for employees to keep them informed on their organizational management concept. Indeed, employees play a big part in representing the nature of Islamic organizations which conforms to the viewpoint of on the significance of employee's quality to Islamic management (Mansor F, and Tengku Kasim T S A., 2008).

Table 2.
Summary of Themes on Implementation of Islamic Management Concept

Respondents' perspectives on the implementation of Islamic management concept in Islamic organizations.	• Daily morning Quran and prayer recitations and weekly *tazkirah* • Employees are always encouraged to do good deeds such as worshipping, being sincere and honest in carrying out their duties. • Religious aspects such as congregational prayer (*salah al-jama'ah*) and recitation of Quran (*tadarus al-Quran*) during the month of Ramadan are highly emphasized. • Islamic values and principles are implemented in

	all organizational activities involving behaviors, words, attire and etc. • Employee's attire should be decent and cover the aurah as prescribed in Islam. • Courses and training to provide employees with sufficient awareness and appreciation of Islamic management concept • Ensure no involvement in the element of riba and the like in its entire operation

3. Challenges

Finally, the feedbacks regarding the challenges in the implementation of Islamic management concept in Islamic organizations are tabulated in Table 3.

Table 3.
Summary of themes on challenges in Islamic management concept implementation

Respondents' perspective on the challenges in the implementation of Islamic management concept in Islamic organizations.	• Not much problem to give orders to follow the implementation • But not in terms of consistency and full compliance to the implementation. Some people still lacking in some aspects of the implementation • The importance of having a diplomatic leader and cooperation of the employee

Almost all respondents are in agreement that they do not face too much problem. Nevertheless, they do not deny the challenge in ensuring the consistency and full compliance to the Islamic management concept. The possible reason for that to happen as according to one respondent is due to educational background factor. Some people might not come from Islamic educational backgrounds which limit their appreciation to the Islamic concept. In past literature, employee's understanding has been associated with the educational background of the employee. Apparently,

employees who have Islamic educational background are better in understanding and implementing Islamic management concepts (Abd Rahman R, Lyndon N, Awang A H., 2015). Moreover, some respondents are in the opinion that leaders play a vital role in ensuring the execution of Islamic concept (Ismail S., 2009), such as to provide the suitable environment as well as courses and training (Ghozali M, Kamri N A., 2015; Mansor N, Luqman A., 2012).

D. Conclusion

Due to criticism that has been observed towards the management of Islamic organizations, this study looked in-depth into the understanding of managerial employees in Islamic organizations particularly regarding the concept, implementation and challenge of Islamic management. In conclusion, managerial employees in Islamic organizations seem to have appropriate understanding regarding the management of Islamic organizations. However, improvements are still needed to ensure consistency and utmost compliance of Islamic concept among the employees. Notably, the findings suggested that the empowerment of knowledge among managerial employees need to be more comprehensive. Only through this way all negative perception towards Islamic organizations from the public can be rebutted.

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