

The Link between Islamic Human Resource Management Practices, Emotional Intelligence and Affective Commitment in Islamic-Based Malaysian Organisations

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ABSTRACT

An important task for any organisation is to manage its employees well in order to enhance their performance. The fact that they are dealing with people makes it difficult to have one style of management that fits all. There have been many studies on this focusing on Western and Chinese run companies while fewer studies have examined how Islamic teachings are used to govern employees in their workplace. This study evaluated the level of acceptance and adoption of Islamic Human Resource Management practices among organisations in Malaysia in relation to emotional intelligence and affective commitment. Although the sample size of this study was small, the results provided important preliminary findings on the topic. The findings of this study showed a significant positive relationship between Islamic HRM practices, emotional intelligence, and organisational commitment, specifically affective commitment, among selected Islamic-based organisations in Malaysia.

Keywords: Islamic HRM, emotional intelligence, affective, commitment, Malaysia

INTRODUCTION

Managing an organisation well is crucial to its success. Globalisation has made it very challenging to incorporate one style of management that can be applied to all types of work situations. Studies have mainly focused on Western and Chinese styles of management. Hashim (2009) expressed concerns over the fact that even though many researchers discuss religious influences on HRM practices, these studies were rarely

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highlighted in the literature especially the ones focusing on Asia.

According to Tayeb (1997, p. 355), “everywhere in the Islamic world, stretching from West Africa to Lebanon, and Malaysia to Indonesia, Muslims have witnessed a comeback to Islamic traditions and the fundamentals of their faith, as a way of declaring their identity, and as means to fight the injustice, oppression socially and politically experienced in their societies, also as an alternative to materialism and tensions of the twentieth century.”

Due to the scarcity or abundance of skilled resources in many parts of the world, the need to manage and compete effectively has shaped human resources policies and practices (Ali, 2010). Countries with Muslim majority, unlike in the Western world, face challenges because there are no obvious distinctions between spiritual guidelines and personal and organisational conduct (Ali, 2010). For example, hard-work is seen as a spiritual fulfilment, noble and thus, all able-bodied Muslim employees must work hard to attain the goals of their organisation (Ahmad, 1976). These concepts if understood well will encourage believers towards higher performance. Due to the overlapping nature of Islamic teachings and the concepts found in human resource policies and practices, Islamic perspectives emphasising on work and work-related issues are still seen as relevant in today’s world.

This study has three objectives: first, to undertake preliminary investigation on the implementation of Islamic approaches

in HRM practices, and the importance of emotional intelligence in the context of Malaysia; second, to look at the impacts of both variables on affective commitment as a type of organisational commitment; third, to explore possible relationships between Islamic HRM practices and emotional intelligence. Although some aspects of ‘emotional wisdom’ contained in Islamic teachings are similar to the concept of emotional intelligence, no studies have been conducted to examine this similarity. Thus, this study aims to examine the relationship between Islamic HRM practices and organisational commitment; emotional intelligence and organisational commitment; and Islamic HRM practices and emotional intelligence.

Conceptual Framework

This study looks at the influence of Islamic values on basic HRM functions (i.e. recruitment, selection, job performance, training and compensation). Emotional intelligence as used in this paper refers to the capabilities to perceive and manage feelings in ourselves and in others (e.g. Salovey & Mayer, 1990; Mayer & Salovey, 1997; Goleman, 2001) while organisational commitment is defined as the worker’s sentiments or commitment to stay with the organisation. The concept of organisational commitment can be divided into three components: affective, normative and continuance commitment. Employees with high affective commitment stay with an organisation because they want to, not because they have to (continuance

commitment) or because they ought to (normative commitment) (Allen & Meyer, 1990). Affective commitment relates to a higher sense of belonging and is considered as a strong determinant to loyalty (Allen & Meyer, 1990) and hence, this study adopts only affective commitment as the dependant variable. The research framework in Figure 1 shows the relationships between the variables.

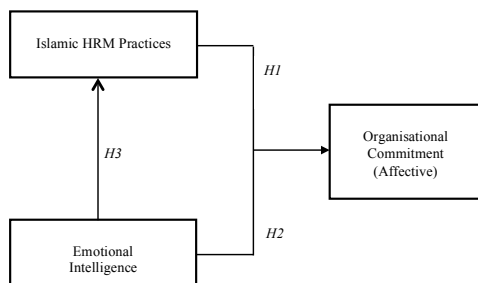


Figure 1. Conceptual Framework

Hypotheses Development

Earlier studies on Islamic management showed a link between organisational commitment and Islamic administration styles. For instance, Hashim (2010) found a direct relationship between Islamic HRM practices and organisational commitment. Yousef (1999) reported that organisational commitment and job satisfaction are indicators of behaviours of organisational commitment in a non-western setting. In analysing the Islamic working attitude in Kuwait, Ali and Al-Kazemi (2007) reported a positive relationship between Islamic work attitude and allegiance of directors in Kuwait.

Studies also identified that recruitment and selection play an important role in ensuring positive organisational outcomes. According to Ballantyne (2009), apart from replacing employees or adding to a workforce, selection of workers aims to bring together those who can perform well and demonstrate commitment. Training and development were also found to be related to the commitment of workers (McGunnigle & Jameson, 2000). Management of organisations continuously look for ways to create excellent and dedicated workers, which can basically be inferred from various situations such as decreased non-attendance, diminished turnover, enhanced employment performance, and company performance (e.g. Baptiste, 2008; Chew and Sharma, 2005; Joiner and Bakalis, 2006; Lok and Crawford, 2001). Other studies (e.g. Batt, 2002; Huselid, 1995; Patterson, West, Lawthorn, and Nickell, 1997) also linked HR practices with various outcomes, especially in relation to the level of employee commitment.

Islam encourages its followers to become competent and develop talent in whatever they do. Islam promotes work as important in life. Hence, employees ought to give their best and strive for excellence for themselves, the general public, and more essentially for the Hereafter (Yousef, 2001; Sidani, 2005; Mostafa, 2003). Hence, the following hypothesis is proposed:

H1: There is a significant relationship between Islamic HRM practices and affective commitment.

Barrett (1999) opined that an organisation's success may be related to its ability to tap its employees' potential through its organisational culture and emotional intelligence of its managers. According to Cherniss (2001), emotional intelligence encourages organisational effectiveness through enhanced collaboration while Anari (2012) reported a significant positive relationship between organisational commitment and emotional intelligence among English language teachers. Salami (2007) examined the relationship between emotional intelligence, self-efficacy and work attitude (i.e. career commitment, organisational commitment and work-family conflict) among secondary school teachers in Southwestern Nigeria. The outcomes of the study showed emotional intelligence and self-efficacy influenced work attitudes of the teachers. In other words, emotional intelligence influences the behaviour of an individual in the workplace. Kauts and Saroj (2010) indicated that teachers with a high-level of emotional intelligence are more positive in their attitude. This is due to their capabilities to screen the inclinations and feelings of others. A number of studies also reported similar links between emotional intelligence and work attitudes such as career commitment, and organisational commitment (Carmeli, 2003).

Lopes, Salovey, Co'te' and Beers (2005) discovered that emotional intelligence influenced interpersonal alertness and genius-social propensities in groups while Jordan and Troth (2004) highlighted that emotional intelligence anticipates group achievement. Arifin, Mohd and Azhar (2004)

and Khani-M and Lalardi (2012) confirmed the link between emotional intelligence and organisational commitment. Since past studies have directly or indirectly connected emotional intelligence to an individual's behaviour and attitude, it is also assumed that emotional intelligence is connected to organisational commitment specifically the affective commitment. Based on the above arguments, the following hypothesis is proposed:

H2: There is a significant relationship between emotional intelligence and affective commitment

Islamic teaching offers many benefits and its mission is far beyond the development of intellect to include one's entire existence (Abubakar, Abdullah & Sani, 2015). Islam emphasises on the human soul, and Muslims are advised to avoid any negative emotions and strengthen positive emotions.

There are no studies on the relationship between Islamic HRM practices and emotional intelligence although the idea of 'emotional wisdom' in Islam is relevant to emotional intelligence. Emotional components include anger management, social intelligence, and empathy. Thus, it is likely that HRM practices using Islamic approach will have an influence on an employee's emotional intelligence. Therefore, the following hypothesis is proposed:

H3: There is a significant relationship between Islamic HRM practices and emotional intelligence

MATERIALS AND METHOD

This study focuses on selected Islamic organisations in Malaysia including government and non-government entities. Islamic organisations here refer to organisations that have 100% Muslim ownership or organisations with the Muslim partner holding majority share. Four organisations agreed participate in this survey: Islamic Centre of Universiti Putra Malaysia (UPM), Islamic Centre of Universiti Tenaga Nasional (UNITEN), Board of Zakat Selangor, and Islamic Training Institute Malaysia. Fifty sets of questionnaires were distributed to each of the above organisation.

Measurements

The survey utilised three sets of measurements. The first was the Islamic HRM practices adopted from Hashim (2009) consisting of 20 items that cover recruitment, selection, performance appraisal, training and development, and compensation. Items include: 'My organisation considers Islamic understanding as an important criterion in selecting the candidates,' and 'My organisation believes in justice and fairness in assessing employee performance.'

Emotional intelligence was assessed using a 20-item measurement introduced by Schutte, Malouff, Hall, Haggerty,

Cooper, Golden and Dornheim (1998) which own awareness, own management, other's awareness and other's management. Samples of the items include, 'I know when to speak about my personal problems to others,' and 'When another person tells me about an important event in his or her life, I almost feel as though I experienced this event myself.'

Affective commitment measurement was taken from the original Organizational Commitment Questionnaire (OCQ) developed by Meyer and Allen (1997). The total number of items in the measurement is eight. Samples of the items include, 'I would be very happy to spend the rest of my career with this organisation,' and 'I enjoy discussing about my organisation with people outside it.' The measurement also consists of four reversed items which were re-coded during the analysis stage.

Reliability Analysis

Values for Cronbach's Alpha recorded for pre-testing were 0.935, 0.802, and 0.807 for Islamic HRM practices, emotional intelligence, and affective commitment respectively. The Cronbach's alpha values for all variables exceeded the minimum alpha of 0.6 (Hair, Black, Babin, Anderson & Tatham, 2006), thus the constructs measures were deemed reliable.

Table 1
Reliability Analysis

Variables	Cronbach's Alpha	N of Items
Islamic HRM Practices	0.935	20
Emotional Intelligence	0.802	20
Affective Commitment	0.807	8

RESULTS AND DISCUSSIONS

Out of 200 questionnaires distributed, only 100 were returned and deemed usable, translating into a response rate of 50%.

Table 2
Socio-Demographic Profile of the Respondents

Demographic Factor	Frequency	Percent (%)
Gender		
Male	58	58.0
Female	42	42.0
Total	100	100.0
Age		
20 to 25 years	18	18.0
26 to 30 years	25	25.0
31 to 35 years	29	29.0
36 and above	28	28.0
Total	100	100.0
Level of Education		
High School	25	25.0
STPM/Diploma	40	40.0
Degree	31	31.0
Masters	3	3.0
PhD	1	1.0
Total	100	100.0
Organisation		
ILIM	15	15.0
LSZ	40	40.0
PUSAT ISLAM	25	25.0
UNITEN	20	20.0
PUSAT ISLAM UPM	100	100.0
Total		

Table 3
Correlations

		Islamic HRM Practices	Emotional Intelligence
Islamic HRM Practices	Pearson Correlation	1	.428**
	Sig. (2-tailed)		.000
	N	100	100
Emotional Intelligence	Pearson Correlation	.428**	1
	Sig. (2-tailed)	.000	
	N	100	100

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

Majority of the respondents that participated in this study were male employees (58%) compared with female employees (42%). Majority of the respondents were in the age group between 31-35 years (29%) followed by those in the age group of more than 36 years (28%); 25% of the respondents were in the age group between 26-30 years while 18% were in the age group between 20-25 years. In terms of educational attainment, most of the employees were diploma holders (40%) followed by degree holders (31%), and high school graduates (25%). Respondents holding a Master's degree and a PhD were 3% and 1% respectively of the total sample size. Majority of the respondents were from the Board of Zakat Selangor (40%) followed by respondents from Islamic Centre of UNITEN (25%), respondents from the Islamic Centre of UPM (20%), and respondents from the Islamic Training Institute Malaysia (15%).

In this study, a correlation method was used to measure the relationship between Islamic HRM practices and emotional intelligence. Table 3 shows the correlation between Islamic HRM practices and emotional intelligence.

The results indicate that correlation exists between Islamic HRM practices and emotional intelligence at 0.428, and this correlation was significant at the 0.01 level among the selected Islamic-based organisations in Malaysia. The correlation is interpreted as positive and moderate perhaps due to the fact that the Islamic teachings, like the human resource, have always promoted the need to be tactful and to control one's own emotions while keeping good relations with each other. A study that explored the diversity of cultural

values among the Malay, Chinese, and Indian management employees in Malaysia highlighted that the three races believe in the importance of tact at work (Zawawi, 2008). Tact, in the study, was defined as a value that focused on the skill to interact with people, and this includes the ability to handle one's emotions.

The relationship between Islamic HRM practices and emotional intelligence and affective commitment was tested using multiple regression analysis.

Table 4
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	Sig. F Change
1	.603 ^a	.364	.351	.35383	.364	27.778	.000

Table 5
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.955	2	3.478	27.778	.000 ^b
	Residual	12.144	97	.125		
	Total	19.099	99			

a. Predictors: (Constant), Emotional Intelligence, Islamic HRM Practices
b. Dependent Variable: Affective Commitment

Table 6
Coefficients

Model		Unstandardised Coefficients		Standardised Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.695	.468			
	Islamic HRM Practices	.433	.083	.470	5.242	.000
	Emotional Intelligence	.340	.134	.228	2.541	.013

a. Dependent Variable: Affective Commitment

As can be seen from Tables 4, 5 and 6, the regression model was found to be significant ($p=0.000$, $F=27.778$). The adjusted R^2 was 0.351 meaning 35.1% variance in commitment towards the organisation was explained by Islamic HRM practices and emotional intelligence. Based on the coefficient table, the regression equation is: $0.695 + 0.433$ (Islamic HRM Practices) $+ 0.340$ (Emotional Intelligence).

Table 6 shows that the predictor variables of Islamic HRM practices ($p = 0.000$; $B = 0.433$), and emotional intelligence ($p = 0.013$; $B = 0.340$) were significant to affective commitment in the context of Islamic-based organisations in Malaysia. The finding is consistent with results of previous studies (e.g. Ab Rahman & Shahid, 2009; Hashim, 2010; Batt, 2002; Huselid, 1995; Patterson et al., 1997) that highlighted a positive relationship between Islamic HRM practices and organisational commitment.

The significant relationship of emotional intelligence towards affective commitment is confirmed by previous studies conducted by Jordan and Troth (2004); Lopes et al. (2005); Arifin et al. (2004); and Khani-M and Lalardi, (2012). Here, the increased level of emotional intelligence indicated increased level of organisational commitment. As explained by Nikolaou and Tsousis (2002), the fact that emotionally competent employees may be awarded with more opportunities and at the same time are more capable in identifying emotions and effectively use them have contributed to employees becoming more committed to their employers.

CONCLUSION

The results of this study showed positive impacts of Islamic HRM practices and emotional intelligence on affective commitment among employees in selected Islamic-based organisations in Malaysia. Based on these findings, these variables should be considered by organisations when strategising. In sum, since affective commitment is often regarded as the strongest component in organisational commitment, organisations must pay close attention to its predictors.

However, it is also important to note that the present study has some limitations that need to be considered by future research. First, the research examined only four Islamic-based organisations, with a small sample size. In the context of Islamic HRM practices, the questionnaires can be further refined to incorporate more Islamic elements and develop specific Islamic HRM practices questionnaires so that detailed data can be obtained in order to understand context of the variable better.

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