



Islamic Ethics in Human Resource Management

Abul Hasan M Sadeq

Vice-Chancellor

Asian University of Bangladesh

Email: sadeqaub@gmail.com

Abstract: *A number of ethical issues have been raised in business, management, and HRM literature. In a business, ethics influences how the management accomplishes the functions pertaining to the selection of personnel, recruitment, retrenchment, performance appraisal, workload, remuneration scheme, and so on. This proposed study was made mainly on the basis of secondary data and information. In Islamic sense, human resource is recognized, as the most valuable asset because it is the greatest creature of Allah (SWT). The relevance of HRM and HRD to economic growth only emerged as an important economic school of thought after the World War II. But Islam however, emphasized its importance from the very beginning of the civilization. In this study some Islamic principles of ethics in HRM have been discussed. The prime responsibility of human resource (employees) of an organization like tolerance and liberal attitude, justice, mutual consultation, profit sharing etc have also been discussed. From the analysis of the study it is found that if HR is not focused the overall performance of the organization and the essence of Islamic principles which have dealt with in a right and ethical manner, the work efforts will be affected adversely.*

Key Words: Ethics, Human Resource, Management, Islamic Principles of HRM.

1.Introduction: Ethics may be defined as a set of norms and values by which we distinguish between what is right and what is wrong, what is good and what is bad, what is desirable and what is undesirable, what we should do and what we should not. Each person in this world is guided by his/her own set of ethical norms even without realizing it. In every day life, one often makes value judgement of what is righteous and what is wrongful in what he/she is doing or facing. All these aspects of value judgements constitute the principle of ethics of the person concerned.

The need for putting oneself in the right set of ethics stems from the truism that one's ethics shapes his entire lifestyle; it determines the way he behaves, the way he runs his family affairs, office and business, and the way he deals with his subordinates and superiors, with his children, relatives, neighbourhood, and the society at large. In a business, ethics influences how the management accomplishes the functions pertaining to the selection of personnel, recruitment, retrenchment, performance appraisal, workload, remuneration scheme, and so on, which determine the level of commitment, dedication and the motivations of the workforce, and thus ethics determines the performance of a business entity.

The principle of ethics is not the same in time and space, however. In a laissez-faire economy, any wage for the workforce is all right as long as it is determined by market forces, while exploitation of labour is ethically unacceptable in the Islamic code of life due to its principles of 'adl (justice) and ihsan(benevolence), and the Islamic relationship of ukhuwwah (brotherhood) between the employers and employees.



Ethics has recently been emphasised in business. Business laws and rules are not enough to save the parties concerned from abuse and inefficiency. It is possible to get around and manipulate things to satisfy one's own interest even if it affects the others if ethics does not govern decisions. A person may use his company's stationery for his own personal work, which will be difficult to detect. But an ethical mind will immediately recognise this and stop this from happening. A manager can recruit a friend or his/her relative who is less suitable than some other candidates, even if the manager is observed to follow all the recruitment procedures. Such recruitment will, of course, affect the performance of the business concerned. Ethics will determine the true observance of the rules, and fair treatment of matters that are not covered by laws and rules explicitly. Thus, ethics can serve the interests of all parties, the employers, the employees and the consumers.

If we look at history, we can find many instances where certain sections of society were deprived of their due rights. For instance, African Americans were discriminated against in their workplaces until 1950s and 1960s. The situation did not improve until the employers had been compelled to develop employment policies that incorporate different laws such as 'Equal Employment Opportunity' and other administrative regulations. Despite all these laws, condition did not change dramatically. Even very recently, the issue has been raised that minorities and women are not given their due rights. For instance, the July 1994 unemployment rate for African American males over 20 years old was 10.5 percent compared with 4.9 percent Caucasian males of the same age. Moreover, when employed, non-Caucasians tend to hold unskilled or semiskilled jobs characterised by unstable employment, low status, and low pay.¹ This scenario is more or less true throughout the world and it concerns all individuals regardless of their colour, sex, race, religion, age, national origin, or position in an organization. In more recent literature on business ethics, many ethical concerns have been raised,² which need to be addressed for justice, fairness, efficiency and excellence in human performance.

The ethical norms and values may originate from different sources. First, and probably the most important source, is the religion that one believes in. Every religion seems to have a common goal of guiding one to what is right and to save him/her from what is wrong. However, not all religions are equally comprehensive in the coverage of all dimensions of human life. Some are partial, and others are limited to rituals. The second source lies in the social customs and traditions. The ethical norms are guided by the societal world-view and out look towards life in which one lives. One particular behavior may be considered right in one society but may be treated elsewhere as an offence, even punishable by death. A final source of ethics is a mixture of religion and social traditions. It is this mixture that causes people in different time and place to adopt different sets of values, even though they may follow the same religion.



The objective of this paper is to address the issues in business ethics in human resource management (HRM) with special reference to the Islamic way of life. The paper has five sections. Section 2 highlights major ethical issues in HRM, while Islamic principles of ethics in HRM are discussed in Section 3. Islamic ethics in major ethical issues in HRM are analysed in section 4, and a final Section concludes the paper.

2.Ethical Issues in HRM

A number of ethical issues have been raised in business, management, and HRM literature. One general listing of such issues appeared in McLagan.³ which includes the following.

1. Maintaining an appropriate level of confidentiality.
2. Saying “no” inappropriate requests.
3. Ensuring truth in claims.
4. Balancing organizational and individual deeds and interests.
5. Avoiding conflicts of interest.
6. Managing personal biases.
7. Showing respect for, interest in, representation of individual and population differences.

Gandtz and Hayes provides another set of ethical issues in HRM as discrimination, psychological testing, anti-union activity work design, employment security, employee discipline, confidentiality, employee privacy, technology-induced displacement and negotiating practices.⁴

Danley et al surveyed 1000 HRM professionals which revealed that “most serious” ethical problems in HRM were favouritism in hiring, training, promotion, pay, and discipline due to friendships with top management; sexual harassment; inconsistent discipline practices; not maintaining confidentiality; sex discrimination in promotion, compensation, and recruitment; non-performance factors used in appraisals; and arrangements with vendors or consulting agencies leading to personal gain.⁵

To us, another probable way to identify a priory the ethical issues in HRM is to look at the HRM functions, and examine ethical concerns in performance of these functions. The major HRM functions may include recruitment, hiring, firing, compensation, job performance appraisal, work assignment (workload and stress related issues), HR development (training), labour relations, and so on.

Obviously, the ethical issues in HRM and the degrees of severity in these issues depend on time and space, although some of them are expected to be common across the societies. For example, the racial problem in HRM may be specified to some societies, while issues like favouritism and unfair treatment may well exist everywhere in different intensities.



3. Islamic principles of Ethics in HRM

In an Islamic sense, the basis of dealing with and managing human beings in an organization lies well beyond the common perception concerning the human factor of production and its management. The term human resource (HR) is a metaphor which associates human beings with material resources that are bought and sold in the market. Human service cannot be separated from the whole human being who, according to Islam, is the best creation. Thus a human being has been termed as the vicegerent, and hence deserves an appropriate treatment.⁶ This implies a unique set of ethical principles in HRM. The Islamic principles of ethics in HRM may broadly be categorised as follows:

1. **Al-Ukhuwwah and al-Ihsan** (Brotherhood and Benevolence): In general, human beings originated from the same parents and hence are brothers in the societal relationship. In particular, the basis of relationship between the employers and the employees is al-ukhuwwah or brotherhood. “Those who are (working) under you are your brothers.” This implies a behavioural norm characterised by kindness, sympathy, understanding, cooperation, and caring and sharing. Besides, one is commanded to show the behaviour of al-ihsan (benevolence) to others.⁸
2. **Al-’Adl** (Justice and Fairness): This implies paying what is due to others and fair treatment with all parties concerned. A HR manager should practice justice and fairness in his dealings with the employees as well as the enterprise in both interpersonal and inter-group interests. “Allah commands you to justice.”⁹
3. **Ifa al-’Aqd** (Fulfilling the contract): A HR manager should guarantee what is due to an employee and should get from the employee what is due to the enterprise as per the contract. At the same time, he should serve the interest of the business as per his contract with the organization. “And fulfill your contract.”¹⁰
4. **Huquq al-’Ibad** (People’s Rights): One is asked to take care of the right of others in dealings, and not to violate their rights for personal gains.¹¹ A HR manager has to guarantee the rights of the employees, the organization and all concerned.
5. **Al-Ujrah** (Fair Compensation): A due compensation that corresponds to an employee’s contribution to output should be provided. “Woe to those who deal in fraud, those who take the full measure when they receive from others, but give less when give them in measure or weight.”¹² Besides, the compensation should be able to meet the basic needs of the employees, at least. “Those who serve you have been made subservient to you. Therefore, the person who has his brother under him should feed him from what he eats and give him clothing that the wears.”¹³



6. **Al-Ta'awun** (Cooperation): People should cooperate with one another in birr (good things). Business is a good activity¹⁴, and hence cooperation is required in this.

7. **Al-Amanah and al-Ikhlas** (Trust and Honesty): A HR manager has the trust of the organization to look after its interest and also a trust from the employees to safeguard their welfare, and thus he/she needs to maintain a proper balance in the interest of both parties.¹⁵ He/she should be honest and sincere to both the employees and organization. The essence of the Islamic code of life is to make the people honest and sincere in their undertakings.

These principles of ethics provide the basic framework for Islamic ethical codes in HRM.

Besides, there are other general Shari'ah principles and injunctions which have bearing on the ethics in HRM, for example, the Shari'ah injunction concerning non-permissibility of sexual relationship without marriage. Thus Shari'ah requirement provides an ethical norm of relationship between man and woman. Any kind of behavior and environment that might lead to prohibited relationship is unacceptable in the Islamic ethical norm of relationship, but it consensual or non-consensual. Accordingly, the sexual harassment in the workplace becomes unethical.

Such ethical principles are many with applications in HRM. In what follows we shall apply the major Islamic principles of ethics in some of the issues of HRM.

4. Islamic Ethics in HRM Practices

a) Recruitment, Selection and Retrenchment

Recruitment is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings.¹⁶ Selection involves a process of choosing individuals who have relevant qualifications to fill existing or projected job openings,¹⁷ while retrenchment refers to dismissal of employees.

In recruitment, organizations use various means to attract applicants. The most commonly used instrument for this purpose advertising. But what might go wrong with job advertisements? In many instances, companies deliver a message that only certain groups, race, or gender will be preferred for a certain position although non-preferred ones can do the job with equal efficiency or even better. Sometimes, the qualifications of candidates are listed in the advertisement so as to suit a particular person that the HR manager is interested in. Such favoritism affects the interest of the enterprise and destroys the rights of the better candidates. The Islamic way of life does not allow favoritism in recruitment since this kind of unethical behavior violates the ethical principles of justice (Al- Adl), fulfillment of contract with the employer to look after the interest of organization (Ifa-al-Aqd), and the right of others in dealings (Huquq al-Ibad).



In selection, personal bias and subjective judgment are the two most important factors that often stand against should decision making. When organizations lack any standardised selection procedure and depends upon unstructured questions for interview sessions, there remains great room for biased decisions. This is why many countries have introduced laws to administer the selection process. For instance, the U.S. Civil Rights Act requires that any test used in the selection process or in promotion decisions must be validated if its use has had an adverse impact on women or minorities. Validity is a basic requirement for any selection test. It is the extent to which a test measures what it is supposed to measure. But such rules and laws may not alone guarantee fair treatment and ethical behaviour. There might be many ways to get around these rules and laws. A survey of Danley et al revealed favouritism in the selection of workforce on the part of the HR management.¹⁸ This kind of favouritism is not permitted in Islamic system since it goes against the interest of the organization as well as the rights of other candidates and thus violates the Islamic principles of ethics in HRM, namely, *al-'adl, al-amanah and al-ikhlas and huquq al-'ibad*.

Retrenchment may be the result of disciplinary action or lay-off. Bias for or against some employees may lead to unfair disciplinary measures involving undue dismissal of some employees. Besides, management of a company may decide to downsize the workforce during recession. But how ethical is the decision of retrenchment? The question arises that during recession, if a company reduces the workforce size to maintain its profitability, then how can individuals survive in that hard period? This basic ethical issue is well addressed in Japanese corporate culture. Japanese companies provide a lifetime job security to their employees. The issue of retrenchment during recession can be solved by cooperative action of all the employees. Instead of letting some of them to be retrenched, the employees may decide to take a lower remuneration until the company recovers its financial position.

While Islam allows resorting to disciplinary measures, if needed, it emphasises justice, fairness and protection of rights of both the employees and employers in this, as revealed in the principles of *al-'adl* and *huquq al-'ibad*. Besides, the Japanese corporate culture to help each other incase of need is very much consistent with the Islamic ethical system of cooperating with each other in good things, the principle of *al-Ta'awun*.¹⁹

b) Training and development

Every organization should give its employees a chance to excel in their careers. An organization should provide training and other facilities for its employees so that they can gain additional skills and knowledge and thus they can promoted to higher positions through the hierarchy of their service. It is a right as well as an obligation of the employees to equip themselves with adequate training. This process not only helps the employees to have a better career opportunity, but it



also increases employee productivity. Besides, the organization should provide a mechanism so that future leaders are available in time from within the organizational workforce. This can be done by providing appropriate training facilities.

The Islamic ethical system makes knowledge obligatory for all. This knowledge is not limited to basic Islamic knowledge, but rather it is also obligatory to acquire knowledge and skill of the profession that is necessary to fulfil one's contract with his/her employer. Thus the emphasis is on dual qualities in the workforce, the moral quality and the professional quality (professional knowledge).²⁰

Seeking knowledge is personal obligation. It is also a social obligation in the sense that the Islamic society should come forward to help individuals when they cannot afford to fulfil this obligation themselves. More appropriately, the employers are in obligation to help the employees in this. This is because the employer is required to help an employee fulfil his basic needs by paying him a suitable salary subject to the maximum of the employee's contributions in the production process.²¹ The professional skill will increase the employee's productivity to deserve such a suitable salary. In another sense, the professional skill in itself may be considered as a basic need since an employee is unable to deliver his/her contracted service without it. Therefore, appropriate training facilities for its employees should be included in the terms of HR management and development.

c) Performance Appraisal

Performance appraisal is the formal system of periodic review and evaluation of an individual's job performance. This is a very sensitive issue in any working environment. If any organization fails to use this instrument effectively and with fairness, there might arise serious frustration among employees. Those contributions more than others must be rewarded. Otherwise, they will lose motivation to work.

Inappropriate use of performance appraisal is not only demoralizing, it is also clearly unethical practice. Many performance appraisals use subjective types of evaluate questions. Such a poor design may lead to unfair evaluation. Other than the design of the appraisal form, a bias in the evaluator also can do serious damage to the employees as well as the organization. A biased appraisal on the part of a HR manager may lead to unfair treatment of some employees and to the dismissal in some cases and undue promotions in others. Clearly, this violets the ethical principles of justice and fairness (al-'adl), and people's rights (huquq al-'ibad) and hence unacceptable in Islam.

d) Compensation

It is the responsibility of any business organization to compensate its employees with appropriate remuneration. An ethical problem may arise when undue labour exploitation takes place to make unpaid gains. It may also arise through favoritism in pay and promotion.²²



The choice of an appropriate remuneration can be made by considering several factors: the economic condition and pay structure of the society concerned, the performance of the company and the contribution of the employees to the output of the enterprise.

A mere interaction of demand and supply forces may not lead to a fair and ethical amount of compensation in a labour abundant society and this may lead to undue exploitation of workforce. In Islamic ethics, the compensation should correspond to the employee's contribution. "Woe to those who deal in fraud, those who take the full measure when they receive from others, but give less when give them in measure or weight"²³ (The principle of *al-ujrah*)

Besides, the Islamic system requires a humanity (brotherhood) element in the fixation of compensation. An organization should arrange a compensation for its employees that lets them meet their basic needs in a standard of living that is comparable with the employer,²⁴ subject to the maximum of the employees' contributions in output.²⁵ This is required by the Islamic principles of ethics, namely, brotherhood and benevolence (*al-ukhuwwah* and *al-ihsan*) and fair compensation (*al-ujrah*).

Besides, there may arise an issue of favouritism in pay and promotion. This will involve undue favour to some by violating the right of others. This goes against the Islamic principles related to people's rights (*huquq al-'ibad*) and justice and fairness (*al-adl*), and hence unacceptable.²⁶

e) Work Load and Stress

The level of stress and workload is another major area that human resource managers must take care of. They need to appreciate that an employee has a family and other social responsibilities. Besides, an employee is human being and not like a machine. So an organization should not burden their employees with so heavy a workload that is beyond their usual norms of responsibilities unless they agree to do so willingly. They should be provided with an extra hand if they are required to do so and they should be compensated for this duly. "Do not impose an extra burden on your brothers, and if you need to do so help them out"²⁷ Any violation of this ethical norm of Islam in the assignments of responsibilities to the employees and officers contradicts with the Islamic ethical principles of Brotherhood and benevolence (*al-ukhuwwah* and *al-ihsan*), justice and fairness (*al-'adl*), and relating to the fulfilment of contracts with the employees and officers (*ifa al-'aqd*).

Islamic history demonstrated how a superior should behave with his/her subordinates. For example, Prophet Musa worked for a long time under Shu'aib for livelihood. During the time of appointment, Shu'aib declared a term of contract to Musa as follows: "And I do not intend to put heavy burden on you. Allah



willing, you will find me among the righteous people. He (Musa) replied, so be it (the contract) between me and you, whichever of the two terms I fulfil, (I trust) I will not be wronged. Allah is the witness of what we say.”²⁸ It is worthwhile to note that the term of not putting an extra burden in the above occasion has been taken in a spirit of religious obligation, which places a reinforced ethical dimension to the issue.

f)Corporate culture

Corporate culture is the system of shared values, beliefs and habits within an organization that interacts with the formal structure to produce behavioral norms.²⁹ Corporate culture plays a great role in employee job satisfaction, and also the level and quality of employee performance. Thus its impact is crucial for the success of a company.

From the view point of Islamic ethics, a corporate culture should have certain constituent elements as outlined below:

5.1.Sense of Responsibility and Accountability

The comprehensive nature of Islam makes all the day-to-day activities of man as ‘ibadah (worship) to Allah. Mankind has been created for the ibadah of Allah alone,³⁰ and that a man has been asked to work for livelihood.³¹ Therefore, economic work must be considered an ‘*ibadah*. Thus a person enlightened with the teachings of Islam considers his office works as a means to attain Allah’s pleasure. This makes a man responsible being in his work and activities all the time. Such an orientation also brings about a sense of accountability. A *Mumin* (believer) feels that he is accountable not only to his employer, but also Allah. Thus, such a conscience will motivate him to work even when the supervisor is out of sight.

5.2.Relation of trust and confidence

The Qur’an teaches man to keep trust on others. Suspicion of the employees may hinder work performance substantially. When the boss puts trust in his employees, the employees also respond positively. Subordinates should be trusted unless and until they are proven to be otherwise.

On the other hand, the subordinates have the responsibility to be trustworthy and reliable. Trustworthiness is an essential requirement of the Islamic principle of ethics. “He/she does not have iman (belief) who does not have amanah (trust).”³² Trustworthiness has been highlighted in the Quran as an appreciable quality of employees: “....truly, the best employee that you employ is the one who is strong and trustworthy.”³³ Thus the relationship of trust is an essential quality in the Islamic work environment.



5.3. Management by Participation or Collective Decision Making (Shura)

The process of Shura (consultation in decision making) is one of the most important features of Islamic management process. “ Do Shura with them in affairs, and when you have arrived at a decision put trust in Allah...”³⁴ In appreciation of the qualities of the successful people the Qur’an states, “And their affair are conducted by mutual consultation(Shura).”³⁵ The *Shura* is thus an essential attribute of Islamic management.

The shura provides a mechanism whereby everybody can express his or her opinions freely. Then decision is made by taking all the opinions into consideration. But a question arises: is it necessary to include every employee for certain decision making? The answer is ‘no’ and it is not possible to do so all the time. Instead, therefore, a supervisor may consult with his/her relevant subordinates for effective decision making. In the higher level, the top management can get the feedback from supervisors of different functional departments and units.

Decision by consultation has several advantages. First of all, it helps generate ideas. Secondly, different opinions help reach the best decision. Thirdly, it enhances people’s motivation because the relevant people or groups of people realise that they are part and parcel of the decision-making process. An ethical problem may arise in this case when the supervisors are surrounded by some “Yes, sir” type of subordinates. This will stand in the way of arriving at a sound decision, since the persons concerned do not express their opinions sincerely and frankly, and do not also let the supervisors reach more sincere employees for opinions. This violates the Islamic principles of ethics, especially the principle *al-amanah* and *al-ikhlas*.

5.4. Organisational Communication

Effective communication is a key to success in any organisation. The level of hierarchy, the operating procedures of an organisation, and the existing practice of the management, all of them influence the effectiveness of communication. Communication gap may seriously affect the performance of an enterprise. The objectives, plans, targets, organizational priorities, and the adopted ways and methods to achieve them must be adequately communicated to the people at all levels of the organization so that they may play their desired roles in achieving what are planned and targeted. Besides, the roles and regulations, and also the rewarding system available should be made known to the people concerned. In the absence of adequate communication, the workforce will have to work in the dark, which will affect job satisfaction and, finally, the performance of the enterprise itself.



In the Islamic system, communication is considered as an essential quality of a good leader, be it a leadership in the affairs of religion or in a business. As a leader of the Islamic ummah, the responsibility of the Prophet was to communicate the message of Islam to the people, which he did to the best of his ability. In his final address, the Prophet not only communicated what he was supposed to communicate, but he also instructed those who were present to communicate the message to those who were not present there. This provides a guiding principle of effective communication in all activities.

5.5.Industrial Relation

In the capitalistic work environment, the employees and employers are considered as two different groups of people with conflicting interests, which tend to create a sense of enmity, struggle and rivalry between the two groups. As a result, labour unions are formed to fight with the mighty employers. The resulting disturbances, strikes, lockouts and disorder in production and administration are the natural outcome of such an undesirable industrial relation. The socialist system, on the other hand, goes to the other extreme by withdrawing the rights of the employees to voice out their grievances and forcing them to be satisfied with whatever has been allotted to them. The resulting dissatisfaction leads to inefficiency in production, but not the strikes.

The Islamic ethical system does not view employers and employees as two different groups characterized by two conflicting sets of interests. But rather, they are brothers such that one brother must look after the interest of the other brother.³⁶ In an organization, therefore, the employer must look after the employees and, on the other hand, the employees must look after the interest of the organization and thus the employer, in a brotherly manner. This is a conducive relationship of brotherhood and cooperation.³⁷

One should, however, remember that such a desirable outcome in the business environment of a Muslim society depends on the degree of adherence to Islamic principles by the Muslim entrepreneurs and employees that may vary in various degrees from person to person, and also from society to society. The ethical principles imply potential outcome, but the reality depends on whether the principles are adhered to.

6.Conclusion

Human resource is the engine of growth that puts all other resources into action and gets things done including business and economic activities. It is, therefore, important to manage the human resources as efficiently as possible in which ethics plays an important role. If HR is not dealt with in a right and ethical manner, the work efforts will be affected adversely, which will, in turn, affect the overall performance of the enterprise. Besides as a behavioral norm, it is undesirable to behave with HR in a manner that lacks fairness.



From both counts, ethics in HR management is of paramount importance. It should, therefore, be given due place in business schools and training programmes that deal with the HR issues, and at the management levels of the organisation. This also necessitates formulation of relevant ethical principles in the context of societies concerned.

Again, besides the formulation part, adherence to the principles of ethics is another important factor. It is impossible for an organization to monitor the conducts of HR managers and all its employees or to oblige them to follow the ethical principles with the help of rules and laws or by force. The adherence is expected to depend substantially on one's moral standard and the sense of responsibility. Religion or one's belief provides an internal control factor in this matter which is shaped by one's sense of accountability to the Super Being (God/Allah) since, in one's belief, he or she may hide his unethical behavior from man, but not from God, to whom he or she is accountable. In the Islamic belief system, it is *taqwa* (consciousness or the accountability to Allah) that can best guard human behaviour.

World religions present many good and universal values that are often common across belief systems. This would probably be true in most of the Islamic principles of ethics in HRM, too. The essence of the Islamic principles of ethics, which have been discussed in this paper, is justice and fairness to all concerned, i.e. employees, employers and the organisation, in order to produce a healthy, conducive and satisfying work environment, leading to optimum performance in an organization.

Notes and References:

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6. See AbulHasan M. Sadeq.(1990). Economic Development in Islam, Kuala Lumpur, Pelanduk Publications, pp.45-52. Interestingly enough, this has also been recognised, although in different degrees, by some western scholarship. See H.P. Dachler and G. Enderle, "Epistemological and Ethical Considerations in Conceptualizing and Implementing Human Resource Management, "Journal of Business Ethics, 8 (8), 1989, pp. 597-606.
7. Al- Bukhari, Al.Sahih (this is a part of a full tradition of the Prophet Muhammad (PBUH)).
8. Al-Qur'an 16:90.



9. Al-Qur'an 5:8. Also see 4:58; 16:90; 6:152.
10. Al-Qur'an 5:1.
11. Al-Qur'an 4:29
12. Al-Qur'an 83:1-3.
13. Al-Bukhari, *Al-Sahih*.
14. And that is why people are asked to engage themselves in business activities. See Al-Qur'an 62:10.
15. Al-Qur'an 2:283; 4:58; 8:27; 23:8; 70:32.
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17. Ibid, p.G-11.
18. J. Danley, E. Harrick, D. Strickland and G. Sullivan, op.cit, pp. 1-12.
19. "Cooperate with each other in good things and do not cooperate in bad things." Al-Qur'an 5:2.
20. For further discussion on this, see the present author's *Economic Development in Islam*, Kuala Lumpur: Pelanduk Publications.(1990). pp. 38-59.
21. ibid, pp. 38-59.
22. J. Danley et al, op. cit, pp. 1-12.
23. Al-Qur'an 83:1-3.
24. Al-Bukhari, *Al-Sahih*
25. That is, if the productivity of employees do not justify such compensation, the compensation does not have to be so. Otherwise, the enterprises will be bankrupt. For a detailed discussion on this matter, see present author's *Economic Development in Islam*, Kuala Lumpur, Pelanduk Publications, 1989.
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33. Al-Qur'an 28:26.
34. Al-Qur'an 3:159.
35. Al-Qur'an 42:38.
36. "You cannot be a *mumin* (believer) unless and until you like for your brother what you like for yourself." Bukhari, *Al-Sahih*; Muslim, *Al-Sahih*.
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