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Principles of Islamic Universality in The Implementation of Performance Appraisal in Islamic- Based Development Institutions

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Abstract

Performance appraisal in an Islamic-based development institution plays an important role to ensure that work movement can be appraised and becomes a guide towards improvement as well as to be beneficial to employees and the surrounding environment until the target of the institution is achieved. To describe this matter, this article will outline two objectives. The first objective is to identify performance appraisal in Islamic based-development institutions; and the second objective is to analyse the performance appraisal in the Islamic based-development institutions based on the Islamic universality principle. Next, this article uses library study for the purpose of data collection. After that, the collected data is analyse using the content analysis method. The findings of this article show that the universality principle is an important element in enforcing performance appraisal in Islamic development institutions so that the management may evaluate according to the true guidelines and contribute to the development of an institution to achieve the intended goals.

Keywords: Performance Appraisal, Islamic-Based Development Institutions, and Universality Principle.

Introduction

Fundamentally speaking, Islamic-based development institutions are institutions that are based on Islamic *tasawur* and are guided by the al-Quran and hadiths in performing management and development activities (Kamri, 2007; Ahmad, 2016). Employees carry out management and development activities within the institution involved so that the set target may be achieved. Inadvertently, employees play an important role in a given institution until the existence of human resources that plays a role in ensuring the employees within the institution are well managed within their role as the acting developer. Among the process in human resources are choosing and hiring workers, training and development, payroll and reparation, as well as performance appraisal.

With that, this article will focus on the discussion on performance appraisal specifically through the Islamic universality principle in Islamic development institutions with two objectives, namely to identify performance appraisal in Islamic development institutions and to analyse performance

appraisal in Islamic development institutions based on the Islamic universality principle. Therefore, the discussion in this article is divided into five parts, beginning with the introduction, Islamic development institutions, performance appraisal, universality principle in enforcing performance appraisal in Islamic development institutions, and conclusion.

What is an Islamic-based Development Institutions (IBDI)?

Ideally, an Islamic-based development institution is an institution that is based on Islamic *tasawur* by managing and implementing development from a spiritual and physical point based on the shariah of Allah SWT (Kamri, 2007; Ahmad, 2016). Islamic development institutions comprise of several aspects that cover various dimensions of human necessities such as the place of worship, education, banking, finance, socioeconomic, administration, legal, medical, as well as community, all included in *ijtima'iy, siyasi* and *tijari* (Ahmad, 2010).

Historically, the first Islamic-based development institution was seen during the time of the prophet Rasulullah SAW where there existed a Nabawi administration which was when the Islamic state was formed in Madinah after the migration of Rasulullah SAW to Madinah circa 662M (YaPEIM Management Academy, 2010). Although the development institution at that time was only oriented around state administration affairs, it was considered to be the best model as it was based on the al-Quran and hadith in all aspects of its management and administration (Akademi Pengurusan YaPEIM, 2010).

Until now, the rise of Islamic-based development institutions is seen to exist in various sectors. Globally, the existence of Islamic-based development institutions can be proven through the establishment of Islamic Development Bank (IDB), International Islamic Trade Finance Corporation (ITFC), Islamic Corporation for the Development of Private Sector (ICD), Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), World Waqf Foundation (WWF) which focuses on economic development based on the Quran and hadith. In addition, there are also institutions born to strengthen aspects of education, development and so on such as Islamic Research & training Institute (IRTI), Islamic Solidarity Fund for Development (ISFD), International Institute of Islamic Thought (IIIT), Organization of Islamic Cooperation (OIC).

Furthermore, Islamic-based development institutions are seen as not only developed in countries where the majority of the citizens are Muslim, but Islamic development institutions are also seen to exist and flourish in non-Muslim countries that regard Muslims as their minorities. In the Netherlands, the existence of an Islamic institution was proven to be successful in helping the minority Muslims become house owners through the *murabahah* contract (Harun & Abdullah, 2017). Meanwhile, from an educational aspect, the creation of Oxford Centre of Islamic Studied (OCIS), the Oxford University proved that Islamic development institutions are not only happening in Islamic nations, but have penetrated the entire world.

Not only globally, the development of Islamic-based development institutions also continues to grow at the national level. In Malaysia, the first Islamic-based development institution was found to be built in the administrative sector. This can be proven through the establishment of the National Council for Islamic Affairs Malaysia (MKI) in 1974 and was changed to the Division of Islamic Affairs

(BAHEIS) in 1984 before being upgraded to a Department effective 1 January 1997 and known as the Department of Islamic Development Malaysia (JAKIM). After that, there are also Islamic-based development institutions from the management sector such as the Department of Wakaf, Zakat and Hajj (JAWHAR) which was built in 2004, Lembaga Tabung Haji (LTH) established in 1969, Federal Territory Zakat Preaching Center (PPZ) which was built on in 1991, Selangor Zakat Center (PZS) in 1994, Penang Zakat (ZPP) in 1994 and so on to manage and develop institutions in accordance with Islamic law.

Other than that, Islamic-based development institutions in the education, banking, and medical sectors are not exempted from performing their function in accordance with Islamic shariah, which is based on al-Quran and hadith. In the educational sector for example, the establishment of Universiti Sultan Zainal Abidin (UniSZA) in 1980, Universiti Islam Antarabangsa Malaysia (UIAM) in 1983, Kolej Universiti Islam Melaka (KUIM) in 1996, and Universiti Sains Islam Malaysia (USIM) in 1997 proved that Islamic development institutions are flourishing. Next, in the banking sector, the establishment of Bank Islam Malaysia Berhad (BIMB) in 1983 was seen to have a great impact on the growth on the Islamic institutions when the Islamic Bank Act was gazetted and became the rule for the establishments of other banking institutions (Ahmad, 2016). In the medical sector, the establishment of Pusat Rawatan Islam Sdn. Bhd. (PUSRAWI) in 1984 and Hospital Tawakal, too in 1984, diversified the Islamic development institution sector.

However, in implementing the management and development in these institutions, employees play an important role that has to be managed well to ensure the employees contribute their energy and perform their responsibilities with dedication and ethically. Among the important matters in managing employees in these institutions are evaluating work performance and evaluating the worker. The next section will discuss specifically the act of implementing performance appraisal in greater detail.

Why is there a Need for Performance Appraisal in Islamic-Based Development Institutions (IBDI)?

Performance appraisal is an approach the management team utilizes to measure performance based on the guidelines set out to ensure employee's achievements in the institution are in line with the target (Yusof, 2018). Performance achievement of an employee in the institution is a behavioural aspect that needs to be measured and appraised to determine the worker's quality as well as to signify the institution's overall achievement (Yusof, 2018). Due to this, performance appraisal is seen as a systematic explanation on the advantages and weaknesses related to the individual's job before making any related decisions (Fijiacmuti, 2017).

Among the steps involved in appraising a worker's performance is determining the goal of the appraisal, running a work analysis, determining the performance criteria, creating an appraisal format, running a performance appraisal, and reviewing the received information of the worker's performance (Poon, 1994). This is to ensure that each identified weakness can be curbed and overcome to ensure that the institution's goals are achieved. Other than it, it is also important to increase work productivity, offer a chance to the worker and manager to discuss the weakness, to be a beneficial guidance for the worker, and to ensure that the organization recognized the weaknesses

and strengths of the worker as well as to expand the worker's knowledge, skills, and ability (Yusof, 2015).

However, in implementing performance appraisal, specifically in Islamic development institutions, Islamic principles must be emphasized to ensure that the appraisal is done in line with the Islamic shariah and does not violate the Islamic guidelines. Due to this, the implementation of performance appraisal in Islamic development institutions should take into account the halal and haram aspects that are based on the al-Quran and hadith (Yusof, 2015). Among the principles that can be applied in implementing performance appraisal in Islamic development institutions is through the Islamic universality principle. This matter will be discussed in detail in the next sub-topic.

Analysis of Universality Principle in the Implementation of Performance Appraisal in Islamic Development Institutions

Islam is a religion that is able to fulfil the universal demands (Senturk, 2012) by prioritizing a harmonious life on earth and in the hereafter (al-Faruqi, 2008). There are at least eight principles that are characteristically universal that were proposed by Khan et al., (2010), deemed to be suitable to be the basis in implementing performance appraisal in Islamic development institutions. The principles that were identified and suitable to be applied are; first of all, the devotion to Allah SWT; secondly, solidarity; thirdly, justice; fourth, cooperation; fifth, trust; sixth, accountability; seventh, steadfastness (*istiqamah*); and eighth, congregation. With that, this article will explain these principles and further describe its implementations in the performance appraisal in Islamic development institutions.

a) Devotion (*al-Ubudiyyah*) to Allah SWT

The value of devotion is Rabbani (al-Qaradhawi, 2009) whereby it allows conscious feelings of the greatness of Allah SWT to rise and to admit one's strengths and weaknesses (Suraiya, 2011). This act of devotion will also lead them to be more responsible, open-minded, and balanced. This will in turn give confidence to the person that Allah SWT is always observing their movement and actions during the entire task completion (al-Qaradhawi, 2009) and will finally cause a soul to always hope for help and retribution from Him (Awang, 1987). Therefore, Syed Ismail (2008) has set four preconditions to materialise the claim. Firstly, the source of income must be halal; secondly, the methods of implementation must be clean; thirdly, it will not cause harm; and as the fourth precondition, it should be consistent with Islamic work values.

b) Solidarity (*al-ukhuwwah*)

Humans are Allah SWT caliphs that have been entrusted to enrich the earth. The principle of solidarity in Islamic development institutions is important as an institution normally comprises of workers that come from various backgrounds, beliefs, and race. Due to this, the solidarity that has been formed, will allow workers in an institution to receive equal social rights from the combined cooperation that has been developed (Ismail, 1995). This solidarity will then encourage the manager to prioritise the worker's importance and welfare alongside their self-worth (Ismail, 1995), and subsequently avoid any injustice, brutality, oppression, or deceit from happening when the appraisal is being carried out (Abod, 1991).

c) Justice (*al'Adl*)

Justice basically means to put something in its place. The concept of justice in Islam emphasizes two dimensions that complement each other, which is to prioritize life on earth and in the hereafter in a balanced way (al-Attas, 2005). In implementing performance appraisal in Islamic development institutions, justice principles have to be applied to ensure the rights of every worker can be carried out fairly. With that, when making appraisals, the management team must ensure that the principle of justice is emphasized to avoid neglect to the parties involved, to avoid having to hide certain facts and information and also to avoid making judgement, decisions and actions hastily and flippantly, and to avoid being prejudiced towards the worker being evaluated.

With that, performance appraisals that hold to the justice principle will keep an appraiser away from any form of discrimination, manipulation, and politicizing by ensuring that score keeping is given based on the worker's true performance. This is then able to provide an accurate assessment and will be able to channel the actual information for improvement.

d) Cooperation (*ta'awun*)

In general, cooperation is found in two aspects which are in groups or with oneself. In-group collaboration in an institution for example, will create a teamwork spirit and a supportive atmosphere that will be able to contribute towards the success of the institution (Tayeb, 1997). Furthermore, cooperation with oneself will make one enjoy the fruitful work that comes from the readiness to help out in the work execution. This then goes on to encourage discussion and direct involvement between the management team and the subordinates. Therefore, the outcome of the cooperation between manager and workers in the performance appraisal in Islamic development institutions will allow them to reach their personal work targets and help the institution to achieve its targets and will subsequently, obtain the blessings and rewards of Allah SWT.

e) Trust

In Islam trust is a principle of accountability towards Allah SWT that should be carried by all parties. Through a perfect accountability principle it will create calm, peace, safety, and harmony to an individual (Salleh, 2001). Inversely, without the trust principle it will cause inconsistency that may lead to negative matters such as hiding the truth and fact manipulation. With that, every manager and worker should believe that their tasks that are done with full trust are an act of worship to Allah SWT (Kazmi & Ahmad, 2006). Allah SWT decreed in surah al-Anfal verse 27:

"O you who have believed, do not betray Allah and the Messenger or betray your trusts while you know [the consequence]."

According to Kuhnert and McCauley (1992), trust in an institution involves a multitude of dimensions that contain horizontal and vertical elements (Kuhnert & McCauley, 1992). The horizontal element refers to the trust relationship between a worker and another workmate while the vertical element refers to the trust between a worker and the supervisor, subordinates, and upper management. With that, in implementing performance appraisal, an appraiser in essence is a trustee. Therefore, an appraisal that is done should be done truthfully without the existence of institutional abuse by denying the rights that appropriately belong to the deserving parties.

f) Accountability (*al-Mas'uliyah*)

Accountability or *al-Mas'uliyah* refers to an existing bond that leads to the readiness of the workers to shoulder a given responsibility (DeKrey, Messick & Anderson, 2007). There are two levels that apply when implementing the accountability principle in an institution which are; the accountability towards every action taken and the accountability towards the individual or source under their care (Mordhah, 2012). According to Azmi (2009), management and workers who are motivated by the feeling of high accountability are not only more committed to their institutions but also committed towards the calling of Allah SWT. They fear not only the law and institutional rules but also fear the rules and regulations that have been set by Allah SWT. In essence, they are more reliable, honest, and trustworthy as well as the fact that they prioritize the institution's importance before their own. This will in turn give effect to the process of performance appraisal, which is done with full accountability causing them to appraise with honesty and trust as well as to see the implications towards any decisions made.

g) Steadfastness (*istiqamah*)

Steadfastness is basically understood as a trait that stands tall, firm, and not easily swayed (Zuhdi, 2011). According to Mohamed (2013), steadfastness in an institution is important to achieve continuous success through improvement. Through steadfastness, a work that is done will create diligence, efficiency, skillfulness, and excellence in a person (Ibrahim, 1994). Through steadfastness too, a manager will hold fast and preserve the trust to Allah SWT while realizing the vertical relationships between workers and other creatures (Salleh, 2002). The existence of this trait in every layer of workers will create a spirit that is fearless, that has no worry, disappointment, and failure in executing their given tasks. Next, this will give rise to a sense of confidence that the success or failure that comes from the task will still be rewarded by Allah SWT. It will continue to motivate the workers to improve and better themselves by applying physical and mental resources in the work so that they can continue to achieve better in their line of work.

h) The Spirit of Congregation (*Amal Jama'ie*)

The spirit of congregation is a calling to do good within the congregation without any borders (Asad, 2007) whereby this involves the spirit of togetherness to accommodate various forms of disagreements that can be found in a working team (Dallmer, 2004). This matter is then able to raise cooperation within the team as well as to promote encouragement and trust while also raising good collective traits such as compliance, cooperation, affection, and giving advice (Kastin & Ahmad, 2005: 317). Hence, a person should avoid from acting alone or pushing aside the opinion of others just because there are differences in culture, trust, and skin colour without firstly evaluating the opinion. Therefore, in the performance appraisal in Islamic development institutions, teamwork spirits are seen as an important principle to ensure the success of the performance appraisal process through the application of the principle. This will drive the manager to make a collective decision to create a feeling of purpose, ownership, and high accountability among the workers.

Conclusion

In sum, in implementing performance appraisal in Islamic development institutions, Islamic universality principles must be stressed to ensure that the appraisals are done fairly and that they do not violate the religious guidelines. Among the universality principles that can be applied are the

devotion to Allah SWT, solidarity, justice, cooperation, trust, accountability, steadfastness, and congregation.

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