Overview of Human Resource Management in Islamic Economics

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Abstract: Islamic economic human resources are said to be important because Islamic economic resources must have morals, skills and competencies. The purpose of this study is to review how the concept of human resource management in Islam is. The data collection method in the article is a literature study with descriptive analysis. The results of the study stated that human resources in Islam are those who have the noble qualities of the Prophet SAW, namely Siddiq (true and honest), Amanah (honest/trustful, responsible), Fathanah (intelligent) and Tabligh (transparent). These qualities will produce human resources who are kafa’ah (professional), amanah (trustworthy), and himmatul amal (work motivation).

Keywords: Siddiq, Amanah, Fathanah, Tablighi

INTRODUCTION

Human Resources being the primary part of the company's activities will play a crucial role for the survival of a company so that it can compete in the face of changes in today's business globalization. In a globalized industry, when carrying out production activities, marketing, and maintaining a continuous interaction between employees and the company, management is indispensable. The application of management in the company can increase the effectiveness and efficiency of the company's resources in order to achieve better output.

Quality human resources in Islamic economics which are based on the Qur'an, Al-Hadith and Ijma, are marked by the many words of God relating to people who believe and are pious as the criteria for quality human resources. One of God's words relating to believers is found in QS Al-Mujadilah verse 11:

يَََٰٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوَٰٓاْ إِذَا قِيلَ لَكُمۡ تَفَسَّحُواْ فِي ٱلۡمَجََٰلِسِ فَٱفۡسَحُواْ يَفۡسَحِ ٱللََُّّ لَكُمۡۡۖ وَإِذَا قِيلَ ٱنُُزُواْ فَٱنُُزُواْ يَرۡفَعِ ٱللََُّّ ٱلَّذِينَ ءَامَنُواْ مِنكُمۡ وَٱلَّذِينَ أُوتُواْ ٱلۡعِلۡمَ دَرَۡيَ۝ۚ وَٱللََُّّ بِمَا تَعۡمَلُونَ خَبِيرٞ ١١

Translated into English:

When you are told to widen your spaces, widen them; and when you are ordered to withdraw, withdraw them; raise the believers and the guided ones among you. Allah knows what you do.
Translation:

11. O you who believe, when it is said to you: "Be spacious in the assembly", then expand it, Allah will make room for you. And when it is said: "Stand up", then stand up, Allah will raise those who believe among you and those who are given knowledge by several degrees. And Allah is Knowing of what you do.

This verse gives two characteristics as well as quality human beings, namely: 1) faith and 2) knowledge, the result will get a higher degree. Referring to this verse, to build the economy of a nation, people who are knowledgeable are required to be based on their beliefs (faith) by following the instructions of Allah SWT, the creator and the Prophet Muhammad.

Human resources (HR) are the greatest power in managing all resources on earth, because all of God’s creations are only intended for the benefit of mankind.(Nyambegera, 2005). Therefore, this natural resource must be managed properly because it is a mandate that will be held accountable in the future. This can only be done by professional human resources. This then gave birth to the science of Human Resource Management (HRM).

Likewise, HR in Islam has a solid foundation for the application of Islamic law or guidelines in personnel management. That is why it is known as Human Resource Management (HRM) in Islam(Feliyani, 2021). The words human and human actually have the same meaning. The word insan reminds us that in Islam there is the concept of insan kamil, namely the believer, in which resides the power of intuition, action and wisdom, which is the personal image of the Prophet Muhammad.

There are several countries that apply Islamic principles in organizations, namely Saudi Arabia, Iran, Kazakhstan, and Malaysia. Among the four countries, Malaysia emerged as a new country that implemented Islamization in various sectors. Since 2005, Malaysia has been regarded as the best and consistent in exploring and developing Islamic principles in the organization.

Islamic economic human resources are said to be important because Islamic economic resources must have morals, skills and competencies that pay attention to two types of practice, namely the practice of the limbs and the practice of the heart. With practice that is based on monotheism, he will be able to supervise every activity, especially in the economic field that he runs. In addition, every Islamic economic practitioner does not just rely on worldly professionalism(Hendrawan, 2009), but also must pay more attention to the superstructure, namely in terms of aqidah, tsaqafah, fikrah, tradition, and Islamic culture. (Makkulasse & Sari, 2018).

Research result (Musyaddad, 2014) find that Islamic management is currently an important part of the study of science along with the emergence of Islamic economic trends as a new alternative to the world economic system. The failure of the communist economic system and the capitalist economy in realizing social justice. In economic life, Islamic economics becomes an important part and is widely studied in the academic environment both in Islamic countries and non-Islamic countries.

Research result (Iles et al., 2012) stated that working in the Islamic economy is a commitment and is worthy of worship. The above work order has also been emphasized by conventional economic thinkers such as(Cascio, 2000), who found that work is very important for individuals because work determines the standard of living, place of residence, status and even status while for work organizations it is important, namely because it is a vehicle by which organizational goals can be achieved. Furthermore,(Ahmad Razimi et al., 2014), (Rana & Malik, 2016) and (Suripto, 2016), dwith the application of Islamic HR Management, employees will become subjects for the company so that they able to actively participate for the progress of the company.
Based on the description above, the available natural resources can be utilized if they are processed by people who have jobs and knowledge. Therefore, Human Resource Management (HRM) must be directed in accordance with the existing sharia. So that humans are able to move within the scope of management in accordance with the provisions of Allah swt and provide benefits for humans both in society, groups and individuals. The purpose of this study is to review how the concept of human resource management in Islam is.

**LITERATURE REVIEW**

**Human Resource Management in Islamic Economic Perspective**

Management is very important in running a business, especially human resource management. Management is looking for new innovations that can offer solutions for the development of the industrial world, especially in the face of increasingly fierce competition. As industry developed in the early 19th century, theories about management evolved.

The Islamic economic system can fulfill more goals than other economic systems. The prosperity to be achieved by the Islamic economic system is worldly prosperity and ukhrawi while the other system is only worldly prosperity. In the socialist economic system, equity can be realized but justice is ignored, on the contrary in the capitalist system justice can be realized while equity is contrary to the ideology that is implanted. Normatively with Islamic economics stability can be realized because without usury so that monetary stability can be controlled.

Unity, harmony, peace, and preservation of natural resources from the beginning are very much considered in Islam. While other systems have never discussed the preservation of nature, only recently has there been an awareness of the importance of preserving nature after there has been a lot of damage to the earth and the disasters it has caused. Islamic economics emphasizes self-reliance through cultural persuasion.

The development of Islamic economic studies is accompanied by the emergence of business institutions that use Islam as the basis for their practice. For example, the development of Islamic banking institutions in the world. Also followed by the presence of other business institutions such as takaful (Islamic insurance), Islamic pawnshops, Islamic capital markets and others show that Islam is considered sufficient in the world economic system.

These theories include scientific management theory, human relations theory, Max Weber's bureaucratic theory, organizational analysis theory and other theories. All of these theories have given birth to a modern and critical management theory (Ibrahim & Sinn, 2006). Different understandings of these theories have led to different management philosophies which in turn will further strengthen management as a science.

Human resource management (MSDI) is a field of management in general which includes aspects of planning, organizing, implementing and supervising. This process is found in the fields of production, marketing, finance, and personnel (Rawung, 2015).

Literature review in an arrangement of scientific papers can be interpreted as an affirmation of the limitations of scientific work. The digest in this section is contained in full in the keyword in the abstract section. Therefore the preparation of any written works must be obliged to make a literature study.

(Rivai, 2013) argued that Human Resource Management (MSDI) itself is a system consisting of many interdependent activities (interrelated with one another). (Billah, 2020) argued that Human resource management is a field of general management that functions in planning, organizing, implementing and controlling human resources based on Islamic principles.
Human Resource Management Objectives.

In detail, the objectives of HR management can be categorized into the following categories:

- **Organizational Goals**, HRM objectives that are adapted into existing organizational goals, how HRM contributes to the achievement of organizational effectiveness. Although formally a human resource institution was created to be able to assist managers, managers are still responsible for employee performance. Human resource management helps managers in dealing with matters related to human resources.

- **Functional Purpose**, concern how HRM plays a role at the level of organizational needs. That is, the objectives of HRM at the functional level are related to the scope of the HRM concerned.

- **Social Goals**, the goal is to respond ethically and socially to the needs and challenges of society through measures to minimize negative impacts on the organization. The failure of an organization to use its resources for the benefit of society can create barriers.

- **Personal goals**, personal goals relate to the people involved in human resource management. It is intended to help employees achieve their goals, at least goals that can increase individual contributions to the organization.

Human Resource Management Function

The HRM function is closely related to the general management function. As we know there are many functions proposed by experts on management. The most commonly used, for example, proposed by GR Terry, namely POAC (Planning, Organizing, Actuating and Controlling). With this basic concept, the following tries to describe the functions of HRM.

**Planning**

Human resource planning in an organization is a set of activities related to the planning and needs of employees or human resources of an organization in the future. By estimating the number and types of employees needed by all personnel departments, they can plan better in terms of the scope of their work, such as employee withdrawals, employee sections, and so on. Planning in HRM seeks to determine labor requirements both in quantity and quality for a definite period of time and determine how these needs can be met. So that HRM activities can run well, according to their needs and relevance.

**Organizing**

After the programs are drawn up and determined, it is necessary to form an organization that will carry out the programs. Organization is a tool to achieve goals, so personal managers must form an organization by designing a structure that describes the relationship between tasks between employees and between physical factors.

**Instructions**

Also called giving motivation or orders so that employees can start working. In principle, this function encourages the willingness of employees to work actively. Direction in this case is closely related to leadership. A leader will play an important role in the leadership of his subordinates or the people he leads.

**Control**

Activities that are usually carried out in the control process are observations of planning activities and correction of deviations that occur during the implementation of the plan. Personnel management process To attract, retain and develop potential personnel
resources, the company must carry out a series of personnel management processes, starting from personnel planning, recruitment, selection, employment contracts, orientation and placement, employee training and development, performance appraisal, compensation and termination. work (layoffs). Can be described as follows:

a) Personnel planning
Planning is the beginning that determines the success of the organization. Bad planning is synonymous with failure. Workforce planning is the process executives use to ensure they have the right number and type of people in the right place at the right time (Robbins & Judge, 2013). With planning, companies can avoid shortages and overstaffing.

b) Recruitment.
After the company estimates the number of workers needed, estimates the labor supply and conducts job analysis, the next human resource management process is labor recruitment, a process to find and attract prospective workers with qualifications according to the requirements offered by the job (Solihin, 2009). : 106).

c) Selection
Once the various candidates have been identified, the next step in the human resource management process is selection, which involves selecting candidates to determine who is most qualified for the position. (Robbins & Judge, 2013). The selection process is an effort to attract those who are believed to be able to adapt to the position offered and perform according to the expectations of the organization’s leadership.

d) Employment agreement.
After the selection process, the next step is the recruitment process, which is carried out through a work agreement between the employee and the company. The employment contract as the first line of employment relationship must be implemented as well as possible from the perspective of the employer and employment justice, because both are involved in an employment relationship. Therefore, it must be regulated and there must be a link between workers and employers.

e) Orientation and Placement
One of the most common techniques for reducing the number of new employees applying for layoffs is to organize an induction program, also known as an orientation program. There are two types of orientation, namely work unit orientation and organizational orientation. Work unit orientation introduces employees to work unit goals, explains how their work contributes to the achievement of work unit goals, and includes introducing new employees to co-workers. While organizational orientation informs new employees about the company's goals, history, philosophy, procedures and regulations (Robbins & Judge, 2013). Placement of new employees is the transfer of new employees to work units in need and to direct management(Danupranata, 2013). This means that prospective employees can carry out their duties in the position concerned.

f) Training and development
Training is a systematic process of changing certain behaviors of the workforce in order to adapt them to the achievement of company goals. This training aims to improve skills and abilities to cope with current tasks and to help employees master certain required skills and abilities. While development is more aimed at increasing the conceptual abilities and personal development needed by managers to occupy higher positions in the future(Afandi, 2016).

g) Performance Review
Once an employee is accepted, placed, and hired, the manager's next job is to evaluate the employee's performance. Performance appraisal is carried out, among others, to provide feedback to employees in order to improve employee and organizational performance. Performance appraisal is a formal process carried out in organizations to evaluate
employees and employees' contributions and interests. The results of the performance evaluation can be used for various purposes, such as consideration of promotions, making training programs, increasing salaries, giving bonuses, and others (Marwiyah, 2018).

h) Cost
Costs are often linked to compensation and benefits. In order for the workforce to continue to make a positive contribution to the company, workers must be given adequate wages for their services. The remuneration provided by the company to workers can be in the form of economic compensation and non-economic compensation. The financial compensation received by the workforce is further divided into two categories, namely: direct financial compensation and indirect financial compensation. This direct compensation includes: salaries, bonuses, salaries and commissions. Meanwhile, indirect financial compensation can be provided in the form of health, insurance, recreational activities, and other benefits. Non-economic rewards such as praise, appreciation and recognition of employees, to the extent that they can harm employee motivation, productivity and satisfaction.

i) Termination
Termination is the last operational function of personnel management. Termination of employment relationship is often referred to as separation, separation or termination of employment. Termination of employment is the termination of the employee's employment relationship with the company's organization, which means the end of the employee's commitment to the company.

RESEARCH METHODS
The method of collecting data in the article is a literature study, namely all efforts made to collect information relevant to the topic or problem that will be or is being researched. With qualitative research, it is necessary to do descriptive analysis. The descriptive analysis method provides a clear, objective, systematic, analytical and critical description and explanation of the principles of human resource management in an Islamic economic perspective. The sources of data in this study are: 1) primary sources come from the books of interpretation of the Qur'an and hadith. And 2) secondary sources, namely scientific journals with national and international reputation related to the problems that are the subject of writing this scientific paper.

FINDINGS AND DISCUSSION
The development of the Islamic economic and business system is one indication that Islam is in fact the perfect religion on earth. Islam regulates (manage) small things in human life to big things, regulates present life (world) and future life (hereafter) (Imron, 2019). Islamic regulations regarding life make human life directed, orderly, balanced and make human life quality. The Holy Qur'an is not a scientific book. We will never find the definition of management in management books. However, this does not mean that the Qur'an provides guidance in the field of management. Unlike scientific books, the Qur'an provides guidance for humans in the form of illustrations.

The Qur'anic and hadith instructions in the field of management are tucked away in various verses, which may not textually or explicitly mention the term management or its equivalent in Arabic. The Qur'an in its own style gives guidance to humans, but all depends on human intelligence itself to be able to catch and understand the signal of guidance. There are six elements in management, namely people, money, methods, materials, machines, and markets. The human element (Man) has become a field of management science called Human Resource Management (HRM), which is a translation of Man Power Personnel or Personnel Management(Hasibuan, 2005). HR in the Sharia perspective is also referred to as Human
Resources, in the sense of people in an organization who contribute ideas and perform various types of work to achieve company goals. (Priyatna, 2017).

There are four basic pillars in human resource management in Islam, namely: Abdullah and Khalifah, correct concepts, organizational goals and individual human resource goals, references in resource management (Bakar, 2015). Human strength is the character of the Prophet Muhammad (Imron, 2019). This is an example of building a good human resource character. These properties are:

**Siddiq (true and sincere).**

This means that a manager must always behave correctly and honestly in his leadership. Right in the company's strategic decisions. As a company manager, you are always honest with all parties (shareholders, clients/customers, competitors/competitors as well as with the employees themselves, so that these employees do not become slaves, but partners who need each other) (human people), so that this business be Truth and honesty and as a seller you will always be shiddiq when dealing with customers, doing business with customers, making agreements with business partners and providing honest information about your products. The nature of this Siddiq affects the way a person runs a business and this will affect the business environment so that the behavior of tyranny, hypocrisy, deception and greed will disappear by reviving the quality of Siddiq in every business person as in the Qur'an. (Surat Ar-Ra'd :13/11):

Translation :

11. For humans there are angels who always follow him in turn, in front and behind him, they guard him by Allah's command. Verily, Allah does not change the condition of a people until they change what is in themselves. And if Allah wills evil for a people, then no one can refuse it; and there is no protector for them but Him.

**Amanah (honest / trustworthy, responsible).**

Amanah can mean the desire to do something according to the rules. In general, there are two mandates of Allah SWT for humans, namely the cult and the caliphate. In life, a Muslim must fulfill all Allah's commands and leave all His prohibitions (Arif, 2013). Reliability is one of the values associated with and complementing honesty. Amanah is also a moral belief. An entrepreneur must be trustworthy. The consequence of a trust is to return all rights to the owner, whether a little or a lot, as the Qur'an says (Surah Al Anfal: 8/27):

Translation :

27. O you who believe, do not betray Allah and the Messenger (Muhammad) and (also) do not betray the mandates entrusted to you, while you know.

**Fathanah (Intelligent, Can Be Interpreted Intelligence)**

A business leader means a leader who understands, understands and really appreciates all the things that are his duties and obligations. The nature of Fathanah can be seen as a life strategy for every Muslim. The most valuable and expensive potential that is only given to humans is intelligence (intelligentsia). In business, selected workers need to be smart and savvy, as they can constantly adapt to new technologies, new ways of working, etc. Intelligence allows employees to quickly learn to pick up new things needed in the
competition. Without smart workers, it will be difficult for companies to produce new innovations, as stated in the Qur'an (Surah Al-Baqarah: 2/269):

\[\text{لَّهُمَّ} \text{وَمَنْ يَوْتُ لَحَكِمَةٍ أَلَّوْلاَ لَّأَلَّبَبِ}\]

Translation:
269. Allah bestows al wisdom (deep understanding of the Qur'an and Sunnah) to whom He wills. And whoever is given wisdom, he has indeed been awarded many gifts. And only those who have reason can take lessons (from the word of Allah).

Tabligh (transparent)

The nature of Tabligh means communicative and argumentative. People who have tabligh nature will convey something that is true (serious) and with the right words, and will not reduce or add to the words that will be spoken, in the Bugis-Makassar cultural order presented such as the slogans sipakatau, silapaknga and sipakalebbi. known. A leader in the corporate world must be someone who can adequately convey his or her vision and mission to employees and other partners. Also in communication it is known that certain forms and moments are good for conveying certain things. Including the ability to communicate by conveying difficult decisions to employees, such as: termination of employment (PHK). as mentioned in the Qur'an (Surat al-Maidah: 5/67):

\[\text{ا لرُّسُلُ أَنْ لِلَّهِمَّ لَوْلَا أُذَخَتْ النَّاهِيَةُ لَأَلَّوْلاَ لَّأَلَّبَبِ} \]

Translation:
67. O Messenger, convey what has been sent down to you from your Lord. And if you do not do (what was ordered, it means) you do not convey His message. Allah will protect you from human (interference). Verily, Allah does not guide those who disbelieve.

From In the explanation above, Human Resources in the Sharia concept is very important because it is the main driver in an organization and morality is more important in this context. Basically, Shariah HR management applies the principle that if people don't put people in their place or according to their competencies, they will become a gateway to destruction for the company or organization.

To improve these four aspects, training efforts are needed to improve competence. To advance the quality of Islamic human resources, there are three dimensions that must be considered, namely:

1. Personality dimensions.
   The personality dimension concerns the ability to maintain integrity, including attitudes, behavior, ethics and morality. A tough person will be strong enough to survive in all situations and conditions experienced by the company/organization. Improving this dimension also means providing training to improve the quality of siddiq and amanah.

2. Productivity Dimension
   The productivity dimension concerns what employees can produce in terms of more quantity and better quality. By providing training aimed at the productivity dimension, apart from producing better efficiency and output, fathanan and tabligh aspects are also included.

3. Dimensions of Creativity.
   The dimension of creativity concerns a person's ability to think and act creatively, creating something useful for himself and society. With the development of the creative industry lately, the dimension of creativity must receive special attention. Exercises aimed at the creativity dimension can increase the intelligence of thinking and persevering which is very much needed in increasing the competitiveness of the company.
CONCLUSION AND RECOMMENDATION

In management, people are a very important factor of production for the company/organization. Human resource management in Islam refers to what was illustrated by the Prophet Muhammad, which is based on the Islamic concept of humans themselves, that humans were created as Abdullah and Khalifatullah fil ardhi. Both make humans as subjects in life, as well as in economic and business life. Human resources in Islam are those who have the noble qualities of the Prophet SAW, namely Siddiq (true and honest), Amanah (honest/trustful, responsible), Fathanah (intelligent) and Tabligh (transparent). These qualities will produce human resources who are kafa’ah (professional), amanah (trustworthy), and himmatul amal (work motivation).

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