A Comprehensive Study on Identifying Connectivity between Islamic Human Resource Management (IHRM) Practices and Employee Confidence: A Special Consideration towards Islamic Bank Employees in Bangladesh

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Abstract

The aim of this study is to explore and examine the theoretical frameworks of Islamic human resource management practices and confidence in organization. Additionally, to investigate the extent to which Islamic HRM practices inspire and revival employees confidence in organization. This study contains sample of a few of Islamic Bank employees in Bangladesh. A cross-sectional research design was used to examine the relationship between Islamic Human Resource Management practice and confidence. Data were gathered based on personally administered questionnaire. This study shows that knowledge, understanding and practice of Islamic principles, recruitment and selection, training and development, and reward system are significantly related to the confidence. But performance appraisal has insignificant relationship. An important implication of this research is that the interesting findings give some insight to the management of Islamic bank to focus on improving Islamic Human Resource Management practices, in their all kind of management, as that could improve their confidence in the bank. The findings are original and unique and are based on the literature from different researches. The research findings are useful to academics and management of Islamic bank all over the world.

Keywords: Islamic Human Resource Management (IHRM), Employee Confidence, Islamic Banks, Bangladesh

1. Introduction

Islamic values are a set of beliefs and ethics, a social doctrine of all aspects of our existence, moral and physical, spiritual and intellectual, personal and communal of human life (Abbasi, Rehman & Abbasi, 2010; Asad, 2007). According to Seidu (2006) Islamic values are equally significant for human being's need for prosperity and happiness in all affairs of life. Abbasi et al. (2010), noted Fiorina (2001) argued that in today's ethical crisis of all over the business world specificallyy, we must affirm our promise to build organizations that aspire to Islamic perspective of human resource management (HRM). Consequently, the background of the study indicates that the relationship between religion and ethical behaviour is an important

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factor to enhance business performance. Since, the challenging business environment creates undue competition among man, machine, and employee sustainability in the organization (Pfeffer, 2005). Islamic HRM practices are able to mitigate this competition by ensuring Islamic ethics, guidelines and principals in organization (Namazie & Frame, 2007).

Islamic HRM suggests that employees are not just a servant, they are valuable assets, and they should be considered as a source of powerful and dynamic workforce assets (Beekun, 1997). Indeed, Islamic HRM practices emphasize on the development of employee's individual skills, abilities, attitudes and job knowledge to contribute to accomplishing organizational objectives (Ali, 2005). Islamic HRM believes that individual should identify his or her strengths and make full use of them. The concept of Islamic HRM aims at understanding the needs and hopes of employees in a better way. Many researchers (e. g., Beekun, 1997; Ali, 2005; and Khan, Farooq & Hussain, 2010) highlighted Islamic HRM practices and confidence in the organization is one of the vital factors that associated with job satisfaction, high performance, and low turnover in workplace. In fact, confidence in organization is most likely mutual exchange behaviour among the employees in work place.

Moreover, when confidence levels are low, individuals tend to be less creative, less forthcoming with ideas and exert less effort towards organizational goals (Mishra & Morrisey, 1990). Furthermore, without confidence in organization, management may erroneously assume that employees need more rigid supervision and tighter controls. It seems that the significant of Islamic HRM might have an influence on the development of employee confidence in organization by practicing Islamic guidelines (Yousef, 2001).

It is now very noticeable that success of Islamic organizations make people to realize that the application of 'Islamic' codes and conducts, and ethics and moral values generate high productivity, good customer service, smooth management-employee relationships over the competitive and challenging business environment. Moreover, to keep pace with this rapid growth it is required that Islamic HRM must be well tuned, properly implemented, and continuously monitored to accomplish desired organizational outcomes (Hashim, 2009). However, at present, Islamic HRM practices are rarely highlighted and very limited in the literature. One of the most significance and contributions of this study is that it fills the gap in Islamic HRM practices as well as the literature regarding relationships between Islamic HRM practices and employee confidence in organization.

2. Objective of the study

The essential objectives of this study is to show the extent to which Islamic human resource management practices inspire and relevant toward revival employees confidence in organization. Additionally, this study is to examine the relationship between Islamic HRM practices, and confidence in organization based on Islamic principles.

3. Literature review

3.1 Principles of Islamic HRM

The values of an 'Islamic' organization are based on *Al-Qur'an* (The words of Allah) and *Hadith* (The words of *Prophet Muhammad; Peace be upon Him*). For Muslims, Islam is an institution quote from Al-Qur'an and the occurrence and experience of *Prophet Muhammad's (PBUH)* life to explain and clarify Islamic roots of their socio-economic

policies and practices. Indeed, the *Holy Qur'an* and *Hadith* is the basis for the *Shariah* Principles (Islamic Law) and norms of humanity. Principally, the *Shariah* being an essential part of revelation is a guideline for human action covering every aspect of life. From the religious point of view, each and every Islamic organization must obey the Islamic law named *Shariah* principles and Islamic knowledge and understanding for their every aspects of working environment (Seidu, 2006). While Islamic organization is needed to fulfil all requirements of *Shariah* to maintain the relationships among organization and their stakeholders, top level management, suppliers, customers, and employees. The main purpose of Islamic HRM is to rigorously maintain and practice Islamic law in the relationships between management and employee with in the organizational phenomenon (Hashim, 2009). Indeed, Islamic HRM is significant to establish the Islamic way of managing employees' as well as a vital function that performed and facilitates, the most effective and efficient use of employees' to accomplish organizational goals (Tayeb, 1997).

3.2. HRM practices and confidence in organization

HRM practices are defined as a process consisting of the acquisition, development, motivation, and maintenance of human resource (Lee & Lee, 2007). In the complex business world the main task of HRM practices is to manage their employees smoothly, with the objectives of enhancing their psychological attachment to the organization (Zeffane & Connell, 2003).

Within the societal context confidence in organization assumed to depend on employees' experience of their co-workers' actual behaviour (Pucetaite, Lamsa & Novelskaite, 2010). In this light, there is obviously a need to integrated confidence into daily organizational processes and operations; in particular the HRM practices. Indeed, the levels of confidence within an organization can influence the successful implementation of the HRM practices. Therefore, the effectiveness and success of the HRM policies and practices depend on employees' confidence of the management in the organization (Whitener, 1997). At the same time, aspects of HRM practices such as training and development, promotion, compensation, job security, recruitment and selection, and performance evaluation have been shown to effect the development of confidence in organization (Whitener, 2001).

In other words, confidence in organization is 'lubrication' for the HRM practices (Williams, 2005). This reduces friction and hence, operates the organization smoothly to accomplish higher levels of employees' job satisfaction, low absenteeism, and low turnover. While, confidence plays a complex role in organization, it has been referred to as the 'emotional glue' that binds the management and organization to their employees. However, confidence in organization is not a permanent fixture. It can be lost through one careless mistake by management (Cook, Cheshire & Gerbasi, 2006). To generate and sustain confidence, managers must conduct themselves behind closed doors just as they would if they were being observed and it is appropriately handled by the daily HRM practices (Hunt, Lara & Hughey, 2009).

3.3. Aspects of Islamic HRM practices

Islamic law ensures fair and justice in every activity of human beings, without discrimination, irrespective of status and position between other parties relationships. There is no option for partial practices of Islamic law (*Bukhari & Muslim*). Therefore, it is the prime duty and responsibility of management to have adequate knowledge and understanding regarding Islamic principles. In addition, with having Islamic knowledge they must build up the entire HR systems and practices in their daily working life (Al-Faruqi & Al-Bann, 1980).Human resource management is an integrated strategy and planned development process for effective utilization of their employees' ability and effort to accomplish organizational goals and outcomes (Storey, 1995). According to Ali, Gibs and Camp (2000) & Tayeb (1997), several HRM issues in organizations have their foundations in religion especially, *Shariah* Principles. Namazie and Frame (2007) have mentioned regarding five Islamic HRM practices i. e., selection and recruitment, training and development, career development, performance management, and reward system. Moreover, based on *Al-Qur'an* and *Hadith*; Hashim (2009) described that there are five Islamic HRM practices such as recruitment, selection, performance appraisal, training and development, and compensation are concerns on Islamic principles. Islamic management emphasizes on the principles of human well being, and fairness as well as justice of resource management. Indeed, the management if they concerned about the existence of organizational justice and harmonic employee relationships can't afford to ignore the potential contribution of aspects of Islamic HRM practices (Ali, 2005; Yousef, 2001).

3.4. Relationships between Islamic HRM practices and confidence in organization

The literature review has found significant relationship between aspects of Islamic HRM practices and employee confidence in organization based on the holy *Qur'an* and *Hadith*. In the *Qur'an* (4: 58-59); Recruitment is stated that "Allah doth command you to render back your confidence to those to whom they are due; and when ye judge between man and man, that ye judge with justice; verily how excellent is the teaching which He giveth you! For *Allah* is He who heareth and seeth all things. O ye who believe! Obey *Allah* and the *Messenger*, and those charged with authority among you. If ye differ in anything among yourselves, refer it to *Allah* and His *Messenger* if ye do believe in *Allah* and the Last Day: that is the best, and most suitable for final determination." Principally, the recruitment process must be done fairly and piously. It is also required in Islamic HRM practices that all recruitment decision must be made wisely, to ensure hired candidate is the best suited for this particular job. Moreover, Islam requires the person who is in charge of recruitment to be pious and just (Ahmad, 1995).

Selection is one of the most complicated tasks in any organization. *The Qur'an* states, (28:26): "said one of the (damsels): 'O my (dear) father! Engage him on wages; truly the best of men for thee to employ is the (man) who is strong and confidence worthy." The Islamic selection practice aim to select pious workers who possess good personality or akhlak, sprit of team work or amal jama'i, experts (*Surah al-Qasas*: 26; *Sunan al-Bukhari*) in terms of qualifications, skills, experiences, health, intelligence, dedication and committed toward their tusk. The quality, excellent, and competent workers in Islamic HR practices that should be hired who qualified in terms of spiritual, personality or characters (akhlak), mental and

physical (Azmi, 2008). In Islamic law, employee selection is abided by certain principles. Firstly, principle is justice; according to Syed Agil, Jasin and Pa'wan (2007), wrote from Ali Ibn Talib; "does not nominate them (officer) an account of favoritism or egoism. These two attributes reflect injustice and treachery." Secondly, an employee is selected based on his competence. The individual is not to be appointed based on kinship or blood relationship, friendship, wealth, age, race, and political power or alike. Finally, principle is honesty; both the applicant and recruiter have to be honest. Islam forbids assignment of work that will exceed the individual's capacity. Ali (2005) reported that the main factor affecting employees' selection in contemporary Muslim countries is friendship networks; "during his lifetime *Prophet Muhammad (p.b.u.h)* refused to accept the request of his close friend, Abu Zarr, who sought to work as a governor, and told him kindly that Abu Zarr was weak (not suitable for work), and the employment process is based on the values of confidence and responsibility."

Performance appraisal is the process by which an employee contributes to the organization during a specified period of time is assessed (Shaw, Delery & Abdullah, 2003). In Islamic perspectives, employees' performance measurement should be based on justice and fairness and accountability and responsibility (*Surah an-Nahl:* 90; *Surah al-A'raf:* 85; *Surah al-Hujuraat:* 13). In order to ensure this to happen, appraisers should be sent for training (*Surah an-Nisaa:* 58). They also should bear in mind that their task is a confidence from *Allah (Swt.)*, and thus should not publicize their employees' weakness (*Surah an-Nisaa:* 149) and discriminate them on the basis of race, color and religion (Hashim, 2008). Moreover, there are two methods of performance evaluation; (a) judgment based: this approach normally use statements related to traits, attributes, and characters of employees i.e. decency, truthfulness, kindness, shouldering, responsibility, maturity, justness decisiveness, reliability, dedication, and so on; (b) behavioural evaluation: the attributes should also be based on the criteria included in the job selection i.e. honesty, and whether or not the employees perform the five pillars of Islam (Ali, 2005).

Training refers the process of increasing knowledge, skill, attitude, abilities, aptitude, and potentials of employee for better job performance and accomplishes the organizational goals (Flippo, 1984). Islamic training and development focuses on purifying one's soul (*Tazkiyah al-nafs*).

The Qur'an encourages human being to acquire knowledge, skills and technology, and highly praises those who strive in order to earn a living. Indeed, man's basic qualification for being the representative of *Allah* on earth is to process knowledge. Mostly, training is the process of developing qualities in HR that will able them to be more knowledgeable, and skilled this enable them to be more productive. *Allah* said (58: 11); "are those who know equal to those who know not? But only they who are endowed with understanding keep this in mind." Therefore, Muslims are urged to seek knowledge from cradle to grave and it is their obligation to seek knowledge diligently as well as obtain excellence in performance to serve his/her employer as well (Hashim, 2008).

Through well establish compensation schemes employee well being will better improved and this is likely to influence their level of employee confidence in organization (Perry, 2004). The management systems practiced by the early Muslims are mostly concerned with the importance of managing people and taking care of their need and problems. Managers should

have that personal touch in order to achieve respect and confidence of their subordinates. From, Ali Ibn Talib; he gave specific instructions to his officers; "be kind and affectionate to your subjects, observe *Allah's* right and people's right in own behavior and in that of your close relatives, your employees and those who have access to you. Otherwise you will not be fair; give them decent remuneration that will give the power to resist temptation!" Islamic perspectives compensation based on some principles such as, firstly, wages must be determined with mutual consultation and consent before they (worker) start work (*Qur'an* 28: 26-28); secondly, it should be proportional based on the amount of work done, capabilities, and competencies (*Sunan Ahmed, Surah al-Yasin*: 54; *Surah an-Najm*: 39); thirdly, the amount of salary should be fixed according to current market rate (*Sunan Ahmed, Surah al-Syua'ra*: 183); fourthly, The employees should be rewarded as soon as their work done and completed (*Sunan Ibn Majah*); finally, there is no discrimination in rewarding workers in an Islamic law no matter the gender of the worker is (*Surah an-Nahl*: 97; *Surah al-Kahfi*: 30; *Surah al-A'raf*: 85). Moreover, Islam strictly prohibits coercion and forced labour. According to Beekun (1997) if there is a situation of forced labour and wages is not adequate, individual worker may not feel motivated to give their best or satisfactory effort. While a worker is entitled to receive a fair and just wage for his/her work (Ahmad, 1995).

4. Conceptual framework and hypotheses development

The conceptual framework of the study is design based on the previous literature review. Indeed, the study hypothesizes that effective design and implementation of Islamic HRM practices able to increase employees' confidence in their supervisor, work group, and organization. These in turn have a significant impact on organizational outcomes. The aspects of Islamic HRM practices include knowledge, understanding and practices of Islamic principles, recruitment and selection, performance appraisal, training and development, and reward system based on Islamic principles.

The Hadith says, 'a good servant is he who possesses determination and honesty; and he who servant is he who devoid of honesty do not possess faith. Indeed, Islamic ideas emphasize on superior confidence, honesty and reliability concerning overall behaviour. In fact, for practicing Islamic values it is obvious to have a rigorous understanding of the basic Islamic principles, ideology, guidance, and strictly follow up everyday in one's both personal and working life as explained in the *Qur'an* and *Hadith*. Consequently, organization should have knowledge that a pious Muslim is proficient or efficient to his/her task and feel high confidence in organization. Consistent with this literature, this study propose the following hypotheses:

Hypothesis 1: Rigorous knowledge and understanding of Islamic HRM principles would increase employees' confidence in organization.

Recruitment and selection of new employees is the vital step for Islamic HRM practices. Organization should ensure that recruitment and selection process is completed by guideline prescribes in *Qur'an* and *Hadith* and following with full of *'amanah'*. The employers are required to inform the truth and facts about the job such as pay packages, responsibility and select only qualified employees (Hashim, 2009). Therefore, the following hypothesis is suggested:

Hypothesis 2: Islamic recruitment and selection practices enhance employees' confidence *in organization.*

The Qur'anic standard is legible for evaluating job performance, only pious, meritorious, and competence worker should be award for their efficient job performance (Ahmad, 1995). Management should be aware that measuring performance in Islam must take into account the concept of accountability and responsibility. Islam is strictly prohibited nepotism and favouritism at workplace. Hence, it is proposed that:

Hypothesis 3: Presence of Islamic performance appraisal system would positively influence employees' confidence in organization.

Training is the regular process of developing qualities and skills of employees' that will enable them to more productive and contributed to accomplish organizational goals (Azmi, 2008). Islamic training and development focuses on instilling Islamic values, understanding the philosophies of *Allah*, the concept of working as a vicegerent, a team, and a way to succeed (*al-falah*). Islamic training and development also stress on the importance of knowledge, physical and mental development, and the trainers themselves. Organizations with the belief that training can confidently reinforce performance has boost in their confidence in organization. It is, thus proposed that:

Hypothesis 4: Effective training and development program would positively reinforce to enlarge employee confidence in organization.

Holy Prophet Mohammad (p.b.u.h) emphasizing on human relations in working environment He said: "*Allah* says that I will act as a plaintiff, on the Day of Judgment against the person who engages some worker on work and takes full work from him but does not give him (full) wages." *Prophet* also mentioned that: "three kinds of people shall get double rewards; one of them is the worker, who is discharging his responsibilities towards his master and serving *Allah* well." Indeed, Islamic reward system emphasis that employees work for competitive compensation package. The confidence towards organization is affected if the compensation package is not fair and timely. Consequently, this study proposed that:

Hypothesis 5: Islamic reward and compensation practices would positively extend employees' confidence in organization.

5. Data collection

Structured questionnaire data were collected from the employees of seven Islamic banks in Bangladesh. Self-administered process was employed during the data collection period. The questionnaire consists of three types of questions. First of all, the questions on employee perceptions regarding Islamic HRM practices. Secondly, question on confidence in organization followed by a set of demographic questions. The respondents for this were chosen purposively among the employees of Islamic banks. Mix experience and professional achievement were considered to accomplish our study. However, this study is concerned with time limitation of the bankers as respondent, purposive sampling is adequate for this research. Table 1 presents that around 49% of the respondents is from the two largest Islamic Banks in Bangladesh, Islami Bank Bangladesh Limited and Al-Arafa Islami Bank Limited. Out of 236 respondents around 85% were male, and around 75% of the respondents were in between the age range of 26-40 years. About 84% of the respondents completed their post graduate degrees. The highest about 51% respondents are from officer/senior offices in position followed by the second highest 35% from the mid level executives. The percentage

of respondents working for the organization up to five years was 53% whereas the same for ten years was 33% approximately. On the average, the respondents are highly educated and experienced in their organization.

Name of the Organization	Frequency	Percent
Islami Bank Bangladesh Limited (IBBL)	57	24.2
Al-Arafah Islami Bank Limited (AIBL)	58	24.6
Shahjalal Islamic Bank Limited	29	12.3
First Security Islami Bank Limited	15	6.4
Social Islami Bank Limited	21	8.9
ICB Islami Bank Limited	22	9.3
Exim Bank Limited	34	14.4
Gender	Frequency	Percent
Male	201	85.2
Female	35	14.8
Age	Frequency	Percent
26 to 30	76	32.2
31 to 35	71	30.1
36 to 40	30	12.7
41 to 45	16	6.8
46 to 50	13	5.5
51 to 55	16	6.8
56 and above	14	5.9
Highest Level of Education	Frequency	Percent
Graduate	37	15.7
Post Graduate	198	83.9
Others	1	.4
Position/ Designation	Frequency	Percent
Officer/ Senior Officer	120	50.8
Mid-level Executive (PO/SPO/SAVP)	83	35.2
Senior Executive (VP & above)	33	14.0
Years of Experience in the Organization	Frequency	Percent
Up to 5 Years	124	52.5
Six to 10 Years	78	33.1
More than 10 Years	34	14.4

Table: 1 Sample Characteristics

The dependent variable for this study was measured base on the research on employee confidence based on confidence in supervisor, confidence in coworker, and confidence in organization. Twelve items construct of confidence was measured with scale from Ferres and Travaglione (2003). The items were modified for Islamic HRM perspective.

The items on independent variables (i.e. knowledge, understanding, and practices of Islamic principles, recruitment and selection, performance appraisal, training and development, and reward and compensation system) developed from the study of Hashim (2009). Again all items were modified to suit this research. All questions used a seven-point Likert scale (1 indicated "never" to 7 indicated "all the times").

6. Results

Table 2 provides the reliability, and other descriptive statistics. Respondents of this study were given highest important to training and development and recruitment and selection variables. On the other hand highest variance explained by knowledge, understanding and practices of *Islamic* principles (32.474%). Training and development explained 14.162% variance, performance appraisal explained 7.560% variance, reward and compensation explained 5.746% variance, recruitment and selection explained 5.494% variance. All the factors shows significant in reliability test. The statistics is checked using the Cronbach Alpha, as all the alphas are greater than 0.7 suggested by Nunnally (1978).

Factors	Mean	Variance Explained (%)[1]	Cronbach Alpha
Knowledge, Understanding & Practices of Islamic Principles	5.20	32.474	0.889
Training & Development	5.85	14.162	0.852
Performance Appraisal	5.71	7.560	0.835
Reward & Compensation	5.20	5.746	0.782
Recruitment & Selection	5.80	5.494	0.842
Confidence in Organization	5.35		0.850

[1]Variance Explained (Total = 65.435%)

Table: 2 Reliability, Mean and variance Explained

Table 3 shows the results of regression analysis of five independent factors with confidence in organization as dependent variable. The R Square is 0.525, which is considered to be adequate for the study. Except performance appraisal all other factors are significant at 5% confidence level. The factor ranking according to standardized beta coefficient training and development has the highest influence in explaining confidence in organization (Beta = 0.398). Reward and compensation carries the second highest weight of Beta 0. 245. Knowledge, understanding, and practices of Islamic principles is the third influential factor (Beta = 0.203), followed by recruitment and selection (Beta = 0.168). The statistical results can summarize that from the Mean score in Table 3 and standardized beta coefficient in Table 4, confidence in organization (dependent variable) is influenced most by training and development factor matrix.

Factors	Unstand. Coefficients		Stand. Coefficients	t	Sig.
	B	Std. Error	Beta		
Knowledge, Understanding & Practices of Islamic Principles	.194	.056	.203	3.456	.001
Training & Development	.480	.068	.398	7.084	.000
Reward & Compensation	.244	.054	.245	4.516	.000
Recruitment & Selection	.228	.085	.168	2.683	.008
Performance Appraisal	-.096	.081	-.067	-1.181	.239

R Square = 0.525, Adj. R Square = 0.514, F (5,117) = 50.764

Dependent variable = Confidence in Organization

Constant was not significant and was not shown in the regression output

Table 3 Regression Results

7. Discussions and recommendations

This paper investigates to which extent Islamic HRM practices inspire employees' confidence in organization based on Islamic principles. Additionally, explores the relationships between Islamic HRM practices and confidence in organization. A total 236 employees were chosen from seven Islamic banks' branches and head office located in Dhaka city in Bangladesh. The findings illustrate that five factors such as understanding, knowledge, and practices of Islamic principles, training and development, performance appraisal, reward and compensation, and recruitment and selection system are correlated to employee confidence in organization.

Effective training and development positively reinforce to enlarge confidence in organization. H4 pass in regression test and consist with previous literature that the Islamic worker and the Islamic movement obliged themselves to seek for knowledge, to do the right things, do them well, and ensure their confidence toward organization (Altalib, 1991). *Qur'anic* standard is eligible in employees' reward and compensation system. The study result accepts H5 and shows positive significant relationship between confidence in organization, and reward & compensation system. Islam gives proper recognition to the dignity of work and employment through adequate reward and compensation system (Ali, 2005). In case of H3 the regression result shows that there is no or negative significant relationship between performance appraisal and confidence in organization. However, although conceptual literature has support for it but empirically have no enough evidence.

Therefore, the study suggests for future empirical study on the relationship between Islamic performance appraisal and confidence in organization (Hashim, 2009). This study explains 65 percent of the variance in confidence in organization. Indeed, as there is no benchmark found from previous studies, this study provides strong empirical evidence on the ground of relationships between Islamic HRM practices and Confidence in organization as an introductory research. Moreover, the present study contributes to both implications for researchers and practitioners.

This research can serve as a starting point for other future researchers by further exploring the relationships between Islamic HRM practices and confidence in organization, in different study field in the context of national or cross-national differences. Additionally, future research needs to focus on a large cross sectional analysis by using more diversified random samples to verify the findings of the present study. Further inquiries in thefuture study could also examine the causal relationships between Islamic HRM practices and confidence in organization by employing a structural equation modelling technique analysis.

On the other hand, the study presents a clear image on the relationships between Islamic HRM practices and confidence in organization. Mostly, the study helps to create better awareness for the HR managers to identify the core problematic employee related issues, and take necessary actions to rectify them. Furthermore, this study aids for the professional managerial consultant, practitioners, and non-professional Islamic profound philosophers' who advice for comply *'Shariah'* principles to obtain sufficient information and strong evidence for the particular aspects of Islamic HRM practices in various organizational atmospheres.

8. Conclusion

Principally, the research was done under theoretical framework that was grounded on the previous literature review. In addition to that the result of multiple regression analysis reports that knowledge, understanding and practices of Islamic principles; recruitment and selection; training and development; and reward and compensation are significant elements of confidence in organization. The model explains 65 percent of the variance which strongly suggest for the positive relationships between Islamic HRM practices and confidence in organization in work environment. Consequently, the research have suggests that employee confidence in organization is very much relevant in Islamic HRM practices to accomplish organizational goals.

HR functions are vital for both Islamic and non Islamic HRM practices. Principally, it is obligatory for Muslims and Islamic institutions to accept and obey Islamic rules, regulation and guidelines as a way of life rather than a separate activity to run the organization under Islamic law. Additionally, for non Islamic institutions they can practice Islamic values to accomplish the advantages of Islamic code. Indeed, this study has significant contributions to HRM discipline as it shrinks the knowledge gap by presenting empirical evidence in this field. Furthermore, the study suggests and recommends for knowledge, understanding, and practices of Islamic principles should be embedding as a mandatory practice of HRM to abide by *'Shariah'* or Islamic law.

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