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# The Effects of Islamic Spirituality Paradigm in Developing Human Capital Programs for Islamic Financial Institutions



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## 1. INTRODUCTION

- ❖ **Background:** Human capital programs for global business environment should reflect that the business is dynamic, uncertain, and fast changing.
- ❖ **Effects of global business environment:** Managerial understanding demonstrates in human capital programs that function well in planning, organizing, leading and controlling to achieve organizational goals
- ❖ **Subject of the study:** Human capital programs that fit with Islamic financial institutions aim to optimize the value for economic and social ends
- ❖ **Objective of the study:** Explore the effects of Islamic spirituality paradigm in the mindset of Islamic financial institutions' managers in developing human capital programs. Islamic spirituality embraces a global perspective in terms of Oneness of God (*Tawhidic*) worldview that emphasizes on the sole submission, obedience and compliance to the Will of God.
- ❖ **Significance:** Concern for human capital programs for value-based management for Islamic financial institutions.
- ❖ **Theoretical importance:** Islamic spirituality paradigm into global business management

## 2. TAWHIDIC PARADIGM

*Tawhidic* paradigm is about Islamic monotheism thinking to serve as

- ❖ true servants of Allah (*'ibād al-Rahmān*)
- ❖ vicegerents (*khulafā' fī al-ard*)
- ❖ true believers (*al-mu'minūn*) for the sake of betterment of mankind (*khayra ummatin ukhrijat lil-Nās*) (Qur'ān, 3:110)
- ❖ 'Balanced community' (*ummatan wasatan li-takūnū shuhadā' 'alā al-nās*) (Qur'ān, 2:143).
- ❖ the subscription to *Tawhidic* paradigm manifests the readiness and willingness to fulfill the **Divine trust** (*al amānah*) and **obligations** (*al farā'id*) that are accompanied by the **Divine Guidance** and human unique **capability** (*Qur'ān, Surah Hud, 11: 6 and Sura Az Zumar 39: 41*)

Source:  
Al-Faruqi, I.R. (1992). *Al Tawhid: Its Implications for Thought and Life*. Herndon, Virginia: International Institute of Islamic Thought.  
Mohd Kamal Hassan (2010). A return to the Qur'ānic paradigm of development and integrated knowledge: The *Ulū al-Albāb* model. *Intellectual Discourse*, 18 (2), 183-210.

## 3. METHODOLOGY

**Nature of study:** Exploratory & post-positivism with Islamization of acquired human knowledge

**Content analysis** from the secondary data and qualitative method.

**Personal interview** with 10 student of Graduate School of Management International Islamic University Malaysia

**Question:** How Islamic spirituality paradigm influences human capital programs for global perspective of Islamic financial institutions' (ISFs) managers in managing global business environment for betterment of Muslim *Ummah*.

## 4A. FINDINGS 1 (CONTENT ANALYSIS)

How to manage ISF in the global environment from Islamic spirituality paradigm?

Six themes

1. Lawful (*halal*)
2. Avoid uncertainty transactions (*al-gharar*)
3. Comply *shariah* requirements
4. Politically correct (*al-siyasah*)
5. Economically profitable (*maslahah*)
6. Culturally accepted

## 4B. FINDINGS 2 (INTERVIEW RESULTS)

Human capital programs for ISFs t from the Islamic spirituality paradigm INCLUDES:

1. Obedient to God
2. Resort to better way
3. Responsible to Allah
4. Make no harm
5. Capable in managerial decisions
6. Guide managerial tasks
7. Focus on correct decisions
8. Always fear to make harm
9. Acknowledge the ideology driven situation
10. Recognize the personalized life

## 5. DISCUSSION

Manage human capital programs for ISFs in global environment from the Islamic spirituality paradigm:

1. Managerial behaviour is driven by his/her cultural knowledge of native culture, which is useful when dealing with home markets.
2. However, it has little value when dealing in foreign markets.
3. Culture affects the nature of business negotiations.
4. Culture acts as a hidden entry barrier, but it can be overcome with cultural sensitivity, hard work & quality.



## 6. LIMITATIONS & IMPLICATIONS FOR STUDY

1. Theoretical implications for human capital programs of conventional managerial paradigm that aligned with Islamic spirituality paradigm.
2. Practical implication for operationalization of human capital programs that aligned with Islamic spirituality paradigm into standard operating procedure.
3. Limitations: the results of the study are not conclusive and cannot be generalized.
4. Future studies: to use case studies method and to include key business stakeholders into the personal interview and focus group discussion. In addition, research should select difference method like quantitative approach as survey on both cross sectional and time series data.

## 7. CONCLUSION

The study explored the effects of Islamic spirituality paradigm in the mindset of ISFs managers in developing human capital programs.

1. Human capital programs should include 16 themes based on Islamic spirituality paradigm: obedient to God, resort to better way, become responsible to Allah, always remember not to make harm, build capability in managerial decisions, general guide to the managers, focus on correct decisions, always fear to make harm, acknowledge the ideology driven situation, recognize the personalized life, ensure lawful (*halal*), avoid uncertainty transactions (*al-gharar*), comply *Shari'ah* requirements, politically correct (*al-siyasah*), economically profitable (*maslahah*), and culturally acceptable.
2. Enable these themes into human capital programs that enable managers to face global business challenges such as various regional trade alliances, different structures of global business organizations, and the global political/legal/economic environment.