HUMAN RESOURCE MANAGEMENT: APPLICATION OF THEORY AND PRACTICE IN INTERNAL ORGANIZATIONS

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Abstract

Essentially, any business is dependent on human resources, which enable it to carry out a variety of operations to fulfill its objectives. This needs managers to actively manage and comprehend the people within the firm. Human resource management must be conducted properly and efficiently. Human Resource Management is dependent not only on management functions such as planning, organizing, implementing, controlling, and evaluating, but also on the implementation function of human resource management, including recruitment, selection, job evaluation, training and development, and how human resource management provides compensation. This is done in conformity with the Al-Qur'an and Hadith-based norms.

Keywords: Human Resource Management, Organization, Management.

A. INTRODUCTION

Human resources are an important aspect in filling the needs of any organization and become one of the very important and even vital existences regardless of an institution or a company (profit or not-for-profit) (Ali et al., 2000; Yousef, 20001). Professional workforce management is one of the factors in determining the progress and success of an organization. Human resources as individual assets that move organizations need to be given training and also develop their abilities (Rahman et al., 2021; Mulianingsih, 2019). Sharia human resources are human resources who have knowledge of sharia law and practice these sharia values in every activity. As a great power that has been created by Allah SWT, humans are made as caliphs to manage the resources that exist on earth for the welfare of the entire universe and its contents, including humans themselves.

Human Resource Management or Department of Human Resources is a science and art designed to manage employee relationships and roles in order to achieve organizational goals more effectively. It regulates how to manage and optimize the potential of each member of the organization (Putri & Kurniawan, 2022; Saragih et al., 2022). Starting from planning to termination of employment. Therefore, within the organization, there must be Human Resource Management that regulates how to acquire, develop, use, evaluate and maintain employees with the right quantity and quality (Budiman, 2019; Kosasih, 2019).

Human Resource Management is founded on the principle that every employee is a person, not a machine or a mere commercial asset. Human Resource Management study integrates several scientific disciplines, including psychology and sociology. Human is the Human Resource Management aspect. Human Resource Management entails the design and implementation of processes for planning, staffing, staff development, career management, performance evaluation, employee remuneration, and healthy working relationships. Human Resource Management encompasses all management choices and procedures that have a direct impact on an organization's human resources (Buayasti, 2022; Suherman, 2020).

Thus, as a form of implementing professional management, human resource management must carry out the following tasks, as explained by Abdel Wadoed, et al in his writings: 1) Work analysis, which is a job analysis that aims to find out the tasks to be

undertaken (job description) and who will be responsible for these tasks; 2) Planning manpower, namely identifying the company's needs for the type and number of employees needed, and considering whether the addition of the number of employees has a good influence on the company; 3) Choice and appointment, is a human resource management task to find employees, choose the best, and meet the qualifications starting from the file selection (administration) stage, science tests, interviews, and other stages. It aims to place employees according to their expertise based on the principle of the right man in the right place and the right man in the right job; 4) Designing wages hierarchy, this stage focuses on how many employees will be placed in one division or section and determines how much the salary is and compares it with other divisions. This task also relates to an appropriate and transparent salary management system; 5) Designing the systems of incentives, this task is related to the provision of bonuses promised to employees either individually or in teams who have performed their duties and obligations very well and satisfactorily; 6) Designing systems of features and services of the employee, namely the company provides facilities to its employees such as pension funds, health insurance, housing and official vehicles; 7) Assessing performance, most companies evaluate their employees in various ways, and are usually directly carried out by their superiors to see their performance; 8) Training, aims to improve the efficiency, knowledge, and skills of employees. Through this stage, the company is expected to be able to create individuals who are skilled and expert in their respective fields which have been proven by certification of special skills. Companies can also identify employee needs and determine what methods are appropriate and effective to meet unmet employee needs; and 9) Planning the career track, this task is related to the employee's career path, especially with regard to promotion or position according to the requirements and abilities. This task must be able to find out the weaknesses and strengths of each employee

According to Edwin B. Flippo quoted by Burhanuddin Yusuf, Human resource management is the planning, organizing, directing, and overseeing of a sequence of actions including the acquisition, compensation, development, maintenance, integration, and release of human resources in order to accomplish desirable objectives. people, organizations, and society as a whole. Dessler argued that human resource management is a set of processes for acquiring personnel, educating employees, evaluating and rewarding employees, focusing on their working relationships, problems of justice, and health and safety of corporate employees. Human resource management is the implementation of human resource activities from numerous parts of management, such as recruiting, choosing, training, rewarding, assessing, and firing.

B. LITERATURE REVIEW

1. Human Resources Concept

Human resource management is the process of acquiring, training, evaluating, and compensating personnel while also considering their work relations, health and safety, and justice (Mangani, 2020; Muksin, 2020). Human resource management is a collection of organizational actions designed to attract, develop, and retain a competent workforce. Human resource management (HRM) is a process that aims to staff a business and sustain good employee performance via human resource planning, recruiting or selection, orientation, training, career development, compensation and benefits, and performance evaluation (Miftahudin, 2018; Winarti, 2018). Human resource management is a sequence of procedures including the acquisition, growth, motivation, and upkeep of human resources. Therefore, this is a management and utilization procedure for the generation of human capital in the firm growth process (Qurotiaini, 2018).

2. Concept of Human Resources

National resource management is the process of overcoming difficulties within the scope of employees, employees, laborers, managers, and other workers in order to support the operations of an organization or business in order to achieve its objectives. Human resource management is a process that aims to staff an organization and maintain high employee performance in accordance with the Qur'an and Sunnah through human resource planning, recruitment, selection, orientation, training, compensation and benefits, performance evaluation, and career development. Islam is a comprehensive rule of conduct (5:3). (Abbas, 2019). Therefore, Muslims must conduct every action in accordance with the Qur'an and Sunnah. A fair and equal distribution of money is required by the Qur'an. The Qur'an frequently references honesty and fairness in business and calls for a fair and equitable distribution of income in society. The Qur'an commends individuals who aspire to make a living and supports the acquisition of knowledge and technology (Nursetiawan, 2018).

Values The Qur'an and Hadith are the basis for the 'Islamic' organization's values. For Muslims, Islam is an institution that uses Qur'anic verses and Prophet Muhammad's (PBUH) life events and experiences to explain and elucidate the Islamic underpinnings of their socioeconomic policies and practices.

The Qur'an and Hadith serve as the foundation for sharia principles and human standards. In concept, Sharia becomes a significant component of revelation and a set of rules for human conduct that include all element of existence. From a religious standpoint, every Islamic organization must adhere to Islamic law, which stipulates sharia principles, Islamic knowledge and awareness for every area of the workplace (Sudaryo et al., 2018; Wardhani & Aziz, 2018). Organizations based on sharia principles need to meet sharia requirements in order to maintain how the relationship between organizations and their stakeholders, management from top to bottom, suppliers, customers, and employees should be. Human resource management aims to maintain and implement sharia principles strictly in the relationship between management is very important in managing employees and facilitating them so that the allocation of employees can run effectively and efficiently in accordance with Islamic principles. The need for Human Resource Management is to increase the effectiveness of human resources in the organization and provide an effective work unit organization (Utamy et al., 2020; Halisa, 2020).

C. METHOD

This type of writing is qualitative. According to Jerome Kirk and Marc L. Miller qualitative research is a special tradition in the social sciences which basically relies on human observations in their respective fields and relates to these people in their discussions and terminology. Furthermore, the authors use the type of literal research is carried out by collecting, clarifying, and producing data obtained from various written sources. Then analyze the literature related to the material, and focus on discussing the problems discussed.

D. RESULT AND DISCUSSION

1. Aspects of Human Resources Practice

Human resources are individuals inside an organization who offer ideas and execute a variety of tasks in order to achieve organizational objectives. Regarding Islamic financial institutions, Imam Ghazali noted that human resources contribute to expanding the firm's market share in all aspects and maintaining it in excellent shape, which is what the company desires.

Thus, human resource management refers to the meticulous planning of arranging a sustainable objective via the human potentials for the attainment and balance of a material and abstract aim to be attained.

Several goals are associated with the implementation of human resource management in Islamic financial institutions, including: (1) increasing efficiency, effectiveness, and productivity; (2) low levels of employee turnover, absenteeism, and customer complaints; (3) high employee job satisfaction and high service quality; and (4) expanding company business. With the availability of several objectives to be attained through human resource management, it is envisaged that the process of attaining an organization would be quicker and more efficient.

The most important task and function of human resource management is to choose resources that have high quality and specifications, so that everything related to planning, organizing, directing, and controlling a company can run smoothly. In order to provide good financial services, there are several things that must be owned by human resources in Islamic financial institutions, including: 1) Ability to attract customers and understand correctly the relationship that occurs between Islamic banks and customers; 2) Ability to provide fast and quality banking services; 3) Ability to find appropriate investment opportunities and be able to study, evaluate, implement, and follow up on them in order to carry out sharia-based supervision. Through professional human resource management, it is expected to improve the overall management quality, so as to improve company performance.

Indeed, sharia principles are not impartial, fair and just in every human daily activity, without discrimination, regardless of status and position between one party and another. Therefore, it is necessary to have adequate knowledge and understanding of sharia principles which are the main tasks and responsibilities of management, so that with knowledge and understanding of the principles based on sharia, the entire system and practice of HR in daily life is needed.

HRM is an integrated strategy and development process designed to maximize the talents and efforts of workers in order to accomplish corporate objectives and outcomes. There are religious grounds for the presence of HR concerns in the company, particularly sharia norms. Human resource management comprises five disciplines, including recruiting, selection, job evaluation, training and development, and remuneration based on Islamic beliefs and concepts. In resource management, Islamic management principles emphasize human welfare, fairness, and justice. To achieve corporate fairness and healthy employee relations, it is preferable not to disregard the possible contribution of sharia-compliant human resource management approaches.

Human resources is another name for human resources, the word human means that it is human, human or human. The concept of "Insani" has the meaning of being basyariyyah which refers to biological, physiological or material activities as well as human activities related to intellectual and spiritual activities.10 In the context of sharia management science, human resources must have characteristics or traits that lead to the nature of -the nature of the Prophets. These characteristics are; shiddiq (true), itqan (professional), fathanah (intelligent), amanah (honest/trustworthy) and tabligh (transparent) as the basis and truth in living life on this earth.

Human resource management may also be defined as the management, usage, and utilization of the company's human resources to meet company-related objectives. Human resource management is a subfield of management that focuses on the control of the function of persons or humans in achieving organizational objectives, maximizing employee and community satisfaction.

Human resources are a special part of management whose discussion is more specific to the role of humans or the human itself to achieve the goals of the company effectively and

efficiently as well as optimizing the comfort and safety of employees and the community. One of the functions of implementing human resource management in a company or organization is to manage and regulate every activity to facilitate the achievement of company goals.

2. Human Resource Management Practices in Organizations

Human Resource Management practice in the organization is presented in several stages as follows:

a. Planning

Human resource planning is the process of deciding what roles in a company can be filled and how they may be filled. Human resource planning is the process of assessing the future needs of a group of people, both in terms of number and level of expertise or skills, and then formulating and implementing plans to meet these needs through recruitment, training, development, or, if necessary, cost reduction and productivity enhancement. and levels of ownership and to introduce hiring flexibility.

Human resource planning is forecasting the need for the number of employees in the future, both in terms of quality and quantity, planning for people who will carry out tasks and work in the organization. In relation to what is stated in the Qur'an, the Qur'an inspires believers in various ways in designing a number of action plans by observing how Allah SWT plans in His creation. Basically, it is impossible for us to realize the organization's goal of having the right people in the right place at the right time without planning. Human resource planning can be summarized into three processes as presented, first is how to assess current human resources, second is how to assess future human needs, and third is how to develop programs to meet future human resource needs.

b. Recruitment

One of the functions of human resource management is to find the most suitable candidates to become employees. One of the processes required is through recruitment. This recruitment is based on job analysis, job design and accurate job descriptions. Therefore, filling positions with competent human resources with knowledge and expertise as well as mental attitudes that are in accordance with predetermined requirements can be ensured to be carried out through appropriate channels.

This job is often shared by the human resource manager in the majority of firms. To guarantee that the applicant recruited is the best match for the position, the recruiting process must be fair, and all decisions must be made with discretion. Islam mandates the individual in charge of recruitment to be devout and just in this instance. In Islam, a person is deemed pious if he obeys Allah's orders, works in righteousness, and refrains from doing wrong or harming others. Thus, it is anticipated that a really pious manager will realize the necessity for recruiting and other HR activities to be conducted in the way of Allah with faith and responsibility.

Employers are expected to provide candidates with accurate information about the position. This comprises employment requirements, criteria for the job holder, and salary. This information is essential for applicants to evaluate the job's compatibility with their competences, skills, and interests. Applicants should not be allocated duties that are too difficult to manage, nor should they be required to complete work that exceeds their capabilities.

c. Selection

Selection is a series of activity steps used to decide whether the applicant is accepted or rejected in accordance with the qualifications in the job description. Thus, selection is a series of activities carried out by organizations or companies to make decisions about which of the prospective employees are considered the most appropriate or meet the requirements to be accepted as employees and who should not be accepted or rejected as employees.

Employee selection is a crucial issue. This was hinted at by the Messenger of Allah in a hadith narrated by Al-Bukhâriy from Abû Hurayrat. Rasulullah SAW said:

"When you waste trust, then wait for its destruction." The Prophet was asked: "O Messenger of Allah, what makes it useless?" The Prophet replied: "When a matter is handed over to people who are not experts, then wait for its destruction" (H.R. Al-Bukhariy).

The urgency of selection is also contained in the story contained in the letter Al-Baqarat (2) verse 249. The verse tells of Thâlût who made a selection of his soldiers who really carried out their mission, namely against the king or unjust ruler named Jâlût, through a test of holding back thirst at the same time to see their obedience and loyalty.

d. Job Appraisal

The performance evaluation process evaluates an employee's contribution to the organization over a specified time period. Employee performance evaluations must be based on justice and equity, as well as accountability and responsibility, from an Islamic perspective. Islam bases performance evaluation on the normative teachings and practices of the Prophet Muhammad PBUH and his four immediate caliphs. The normative domain is revealed in the Koran's teachings. These can be categorized as contractual agreements, accountability and self-control, and the Almighty's performance evaluation. Islam considers one's employment as a contractual reaffirmation of the compulsory connection between the employer and the employee. Concurrently, the corporation and its employees have expectations that must be satisfied.

e. Training and Development

Training is the process of enhancing employees' knowledge, skills, attitudes, abilities, talents, and potential for improved performance and the achievement of corporate objectives. Islamic training and development emphasizes the purification of the soul (Tazkiyah al-nafs). The Qur'an commends individuals who desire to make a living and supports the acquisition of knowledge, skills, and technology. In fact, processing information is the bare minimum requirement for a human to represent God on earth. In general, training is the process of enhancing the quality of human resources in order to make them more informed and competent, hence increasing their productivity.

f. Compensation

Muslim managers should devise a remuneration structure that not only satisfies the basic necessities of employees, but also encourages them to exert their best efforts. When developing pay packages, Muslim managers must take into account a variety of crucial elements, including employee demands, employee performance, company capabilities, company profitability, kind of employment, geographic location, and number of rivals.

Any kind of remuneration, whether direct or indirect, is designed to recognize the value of employee performance and inspire them to operate with maximum efficiency in a dynamic company environment. Islam stresses that employees should be compensated adequately and fairly for their labor, taking into consideration the quality and amount of their labour, their needs and requirements, and the economic situation of society as a whole. Islam bans coercion and forced labor categorically. Instead, he ordered that workers be paid in full, without deductions, for their job.

E. CONCLUSION

Based on the above discussion, in the Islamic perspective, the Human Resource Management function has six main functions from various functions from different experts, namely planning, recruitment, selection, job appraisal, training and development and compensation. The primary purpose of the human resource management function is to assure the availability of a competent, capable, committed, sincere, and ethical workforce inside an organization that will endeavor to optimize the interests of internal and external stakeholders. Human Resource Management focuses not only on management functions such as planning, organizing, implementing, controlling, and evaluating, but also on implementation based on HR management operational functions such as recruitment, selection, job evaluation, training and development, as well as the practice of providing compensation in accordance with the sharia concept.

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