

## PERFORMANCE EVALUATION FROM AN ISLAMIC PERSPECTIVE

*Rodrigue Fontaine  
Gapur Oziev*

### **Abstract**

*To date, there has been little research on performance appraisal from an Islamic perspective. The purpose of this research is to fill this gap. This study compares the practices of Western management, Japanese management and the ideal Islamic approach to performance appraisal. The life of the Prophet Muhammad is analysed to deduce the Islamic perspective on performance evaluation. We found that an Islamic performance evaluation system must fit the local culture, fit the spirit and the letter of Islam and seek to identify root causes to performance problems. The top management is accountable for performance, but other employees are more accountable to following processes, improving them and being disciplined. The greater the level of interdependence, the greater the evaluation must focus on processes rather than performance. We find that the Islamic ideal seems closer to Japanese management practices than Western management practices.*

**Keywords:** *Islam, performance appraisal, Japanese, Western*

### **Introduction**

The subject of management from an Islamic perspective is becoming more and more popular in the Muslim world, especially in the light of the Arab Spring. Its core premise is that management is culturally-bound and that teaching Western management to Muslim students ignores the local context. An analysis of management from Islamic perspective books<sup>1</sup> show that certain topics, like leadership,

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<sup>1</sup> Ahmad, K. and Fontaine, R., *Management from an Islamic Perspective*, 2nd Ed. (Petaling Jaya: Pearson, 2011). See also, Ahmad, K., Islam, R. and Ismail, Y., (Eds.) *Issues in Islamic Management: Theories and Practices*, (Gombak: IIUM

are very popular. One topic that has received little attention so far is performance evaluation from an Islamic perspective. One of the earliest contributions in this field was from Ahmad<sup>2</sup> who argued that management from an Islamic perspective was closer to Japanese management than Western management.

### **The aim of the research**

This study looks at performance evaluation from an Islamic perspective. The authors will first contrast Western and the Japanese approaches to performance evaluation. The authors will then analyze the life of Prophet Muhammad to discuss whether the Western or Japanese approach fits best with the Islamic perspective on performance evaluation.

### **Key definitions**

The authors use the term “Western” and “Japanese” as convenient labels. We realise that not all organisations in the West have the same approach to management in general and to performance evaluation in particular. Similarly, not all Japanese organisations have the same approach to management and to performance evaluation. Some Western organisations have adopted Japanese practices and vice-versa. The authors also recognise that there is no uniformity of the practice of management in Muslim countries. Therefore, the authors will focus on the practices that can be deduced from historical texts during the life of the Prophet Muhammad and his immediate political successors. These practices set a high standard that Muslims today ought to be striving for. Lastly, “performance evaluation” refers to the continuous process of evaluating the performance of subordinates and “performance appraisal” refers to the annual appraisal system.

### **Understanding the social context**

It is a truism to state that the practice of management reflects the

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Press, 2011). See also, Osman-Gani, A.M. and Sarif, M.S. (Eds), *Spirituality and Management from an Islamic Perspective*, (Gombak: IIUM Press, 2011).

<sup>2</sup> Ahmad, K., “Managerial Excellence: An Islamic Perspective”, *Malaysian Management Review*, Vol. 29, No. 2, (1995) pp. 38-45.