ORIGINAL ARTICLES

Relationship Between Islamic HRM Practices and Employee Commitment: an Empirical Study of Islamic Banks in Bangladesh

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ABSTRACT

Human resource is considered the most valuable asset of organizations. Studies have suggested that effective human resource management (HRM) leads to positive attitudes and behaviors at the workplace. On the contrary, ineffective utilization of human resources results in negative consequences in the form of lower job satisfaction, lower commitment, or even high employee turnover and poor workforce quality. The study examined the relationship between Islamic HRM and organizational commitment. Islamic HRM variables include aspects of performance appraisal, compensation system, selection and recruitment. Data was obtained via self-administered questionnaires distributed among employees of Islamic Banks in Bangladesh. The sampling method employed was purposive sampling. Based on 165 responses obtained, the study revealed that IHRM explains about 40 per cent of the variances in organizational commitment. All factors, except recruitment were found to be significantly related to the dependent variable. Implications for future studies were also discussed.

Key words: Islamic HRM, organizational commitment, Islamic banks, Bangladesh.

Introduction

Human resource represents the most valuable asset of any organization (Beer, 1984; Armstrong, 1995). Studies have suggested that effective human resource management (HRM) leads to positive attitudes and behaviors at the workplace (Raju and Srivastava 1994; Mowday 1998; Gilbert and Ivancevich 1999). On the contrary, ineffective utilization of human resources results in negative consequences in the form of lower job satisfaction, lower commitment, or even high employee turnover and poor workforce quality. However, managing people is not an easy task to execute. In fact, it is more complex than managing technology and capital (Barney, 1991; Lado, 1994). This explains why management of human resource remains central and integral in today's organizational management. Moreso, with the ever expanding economic liberalization and globalization.

HRM Defined:

Researchers attach multiple meanings to the concept of HRM. According to (Luthans, 1998) the concept of HRM as a more approach to managing the organization's key assets, its people, has attracted and enormous attention and stimulated significant debate among academics and practitioners. More so, (Bohlander and Snell, 2007) described HRM practices uncovered six underlying HRM practices on business performances, namely training and development, teamwork, compensation/incentives, HR planning, performance appraisal, and employee security help improve firms' business performance including employee's productivity, product quality, and firm's flexibility. Whereas, Human resource management is, a process consisting of the acquisition, development, motivation, and maintenance of human resource (De Cenzo, 2002; Robbins, 2004).

Variations in the approach to comprehend the concept, as evidenced in the above signal or reflect the 'unsettled' nature in the understanding of the concept. Additionally, this phenomenon is reflected in the continuous quest for better models of HRM since the years the concept was first introduced. For example, in the 90's, HRM was seen as a planned and systematic approach (Armstrong, 1995; Ferris, Hochwarter, *et al*., 1999; Harrel and Prabhu, 1999; Ferres, 2002) which has far reaching goal of focusing on developing the competency of the individuals, throughout their association with the organization, by improving their skills, attitude, and job knowledge (Ferris and Hochwarter *et al*., 1999).

As (Storey, 1993) suggested, employees should be regarded as valued assets and that there should be an emphasis on commitment, adaptability and consideration of employees as a source of competitive advantage.

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This author went further to propose three "models" of HRM; first, the normative model which prescribes the ideal approach; second, the descriptive model which focuses on identifying the development and practices in the field, and third, the conceptual approach which essentially seeks to develop a model of classification. HRM has also been viewed as a strategic approach to acquire, develop, manage, motivate and gain the commitment of employees (Storey, 1995; Ahmed, 1999).

Employee organizational commitment Defined:

A review of the commitment literature reveals that many researchers ascribe their own definitions to the subject (Meyer and Allen, 1997). According to (Becker, 1960) commitment as a phenomenon which comes into being when a person, by making a side-bet, links extraneous interests with a consistent line of activity. Nevertheless, (Porter, *et al*., 1974) bring about the relative strength of an individual's identification with and involvement in a particular organization which can be characterized by at least three factors:(1) a strong belief in and acceptance of the organization's goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a strong desire to maintain membership in the organization. Indeed attempts to introduce new conceptualizations almost stabilized when Meyer and Allen offered their 3-components concept of organizational commitment.

HRM and employee commitment:

The importance of human resource (HR) practices in relation to employee commitment has been highlighted in several early writings on the subject (Beer, *et al*., 1985; Walton, 1985; Storey, 1989; Gaertner and Nollen, 1989). By no exception, it has also attracted the attention of authors such as (Lau and Ngo, 1996) and (Scandura and Lankan, 1997). Beer for instance, in emphasising the desirability of having a committed workforce in organisations, mentioned the central role of HR practices in establishing and maintaining employee commitment. Commitment has been seen by many researchers (Guest, 1987; Morris *et. al*., 1993; Iles *et al*., 1990) as a central objective of human resource management. (Guest's, 1989) theory of human resource management, for example indicates that employee commitment along with three other factors (strategic integration, flexibility/adaptability, and quality) is a goal of various HR policies. Individual differences with respect to higher order needs and achievement motivation are important factors in influencing employee responses to human resource policies and practices. There will be a tendency for some employees to seek out and respond to work environments that offer challenge, autonomy, learning opportunities, and self-control. Based on these assumptions about employee motivation, employee perceptions of HR policies and practices, therefore, will be instrumental in developing employee commitment.

On a similar note, (Rousseau and Greller, 1994) maintained that HR processes and practices within organisations determine to a large extent, the relationship between employers and employees. Additionally, (Guzzo and Noonan, 1994) stressed that employee loyalty, acceptance of important organisational goals and values, and willingness to stick with the firm, reflect to an appreciable degree, the impact of HR practices.

Theoretically, efforts were put forward to explain the conceptual relationship between HR practices and organisational commitment. Much of the hypothesised influence of HR management variables on organisational commitment, has been explained in terms of the exchange relationship theory. A few versions of explanations representing this theory can be gathered from the literature. (Ogilvie, 1987), for instance, suggested that commitment should be seen as a global attitude that originates from environmental mastery, a sense of support, and a feeling that one's efforts are acknowledged and reciprocated by the organisation. The reciprocation-exchange approach to the etiology of organisational commitment specifies that commitment constitutes an employee's contribution in the employment exchange. An organisation which provides the opportunity for employees to meet their needs receives their commitment in return. On the other hand, an organisation which fails to provide the necessary means to satisfy the needs they have will experience a diminished level of commitment among employees (Mowday *et al*., 1982).

(Iles *et al*., 1990) suggest that the relationship between HR practices and organisational commitment may be explained by viewing the former as 'tangibly' signalling organisational care or concern, or perhaps the lack of it. To certain employees, this may constitute part of their 'tender' needs, which may well generate feelings of attachment, reciprocity and identification to the organisation.

More recently, there appears to be a re-emergence of the perspective which viewed actual human resource efforts or practices as having potential influence on organisational commitment. According to (Kinicki *et. al*., 1992), an organisation's actual human resource programs are likely to affect employee perceptions of the organisation's commitment to human resource efforts, which in turn may affect general employee work attitudes. This view is actually not new considering the fact that (Carrell and Kuzmits, 1986) have earlier suggested that human resource efforts can have a positive impact on employee attitudes. Furthermore, there appears to be a convergence between this perspective and (Eisenberger *et al*., 1990) views of the relationship

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between employees' 'perceived organisational support' and employee attitude. In their research, Eisenberger *et al*. found that employees developed positive generalised attitudes when they believed that the organisation was committed to its human resource programs.

Although on theoretical basis, there is sufficient support for the HR practices-commitment link, the literature appears still lacking in terms of empirical support. According to (Meyer and Allen, 1997), the belief that an organisation's HR practices may influence employee commitment, has not been sufficiently substantiated in empirical terms. As (Morris, *et a*l., 1993) noted:

"Commitment is a well-researched concept, but the human resource literature has tended to assert uncritically that it is a desired goal without demonstrating empirically that it has positive consequences for organisational performance or that commitment can be managed through human resource policies and practices" (p.21).

Application of Islamic HRM (IHRM) principles and practices and employee commitment:

Most of the literature examining the relationship between HRM and employee commitment as described above are with respect to applications from western viewpoints. With the establishment of Islamic banking and management, there has been an increase in calls for investigations into the extent practice or application of Islamic principles and guidelines at the workplace would impact employee attitudes and behaviors. Muslim scholars have long advocated that effective adherence and application of Islamic principles and guidelines in HRM would positively reinforce the workforce and create a synergy of commitment, quality and productivity at workplaces (Altalib and aiyah, 1991).

Since Islamic banks provide '***shariah***' based banking operations, it is certainly logical to expect these organizations to inculcate Islamic principles in their HRM practices and policies.

Studies are needed to look into how regular day-to-day life dealings, responsibility towards coworkers and accountability towards Allah (SWT) can become the sources of highly competitive human resources (Tayeb, 1997; Ali, 2005; Hashim, 2009).

Islam is said to focus on the pragmatic aspects of life, while asserting the humanistic and spiritual needs. Although, Islamic HRM practices seem similar to the Western HRM, however, an important difference exists. All requirements in Islamic HRM practices are based on the Qur'an and the sayings of Prophet Muhammad (PBUH). This promise is specially vital for organizations working in accordance with the Islamic shariah. Islamic banking is a business of trust based on this true promise, which has to be fully complied with. Absence of this promise will hamper the theoretical relationship between Islamic HRM and organizational commitment.

Principles of Islamic Human Resource Management (IHRM):

Islamic HRM practices are important but are rarely highlighted in the literature (Hashim, 2009). It is an obligation for Muslim managers in Islamic organization to not only know but also to apply the Islamic approach in managing employees. The Holy Qur'an and Hadith are the basis for the Shariah (Islamic Law) and norms for humanity. The Shariah, being an integral part of revelation, is a guide for human action covering every aspect of social, political, cultural, and economic life. The Holy Qur'an and the Hadith are sources of sound and qualitative values, moral standards, concepts and fundamental guides for good and strong harmonious between HRM practices (Seidu, 2006).

(Seidu, 2006) notes; "scientific management methods aimed at emphasizing 'Maximum Output', were unpopular with, and despised by, workers, who sometimes felt they were exploited by business owners using them unfairly to increase output without a corresponding increasing in compensation. However, Hadith says: "Those working under you are your brothers. They have been made by God subservient to you and should not be burdened with tasks beyond their powers and if such a burden has been put on their shoulders, then you should help them." (Al-Bukhari, 1999). "If you give light work to your servant God shall reward you on the Day of Judgment". (Kanz-ul-Ummal vol.5, p. 18, Majma Uz-Zawzid vol. 4, p. 337) (Bukhari, Dal al-Fikri al-Islam, 1972). Islamic HRM also considers the culture of the HRM context, which is different for different countries and organizations (Tayeb, 1997).

The issues dealing with human resources have been given considerable attention from the inception of Islam (Ali and Weir, 2005). Islamic law is unbiased, as it preaches fairness and justice in every activity of life among human beings, without discrimination, irrespective of status or position between counter-parties in agreements or contracts. (Al- Faruqi, 1980) notes, "There is no partiality in Islam in the treatment of an employee over an employer nor an employer over an employee, because Islam treads the path of justice and fairness and therefore, requires all of mankind to equally live in abundance and dignity in order to ensure peace and stability". "You will surely be held responsible for every work you have done." (Quran 16:93). The Prophet (PBUH) declares: "Every one of you is a shepherd, responsible for his flock, the domestic servant whose charge is his master's household and the leader whose charge is his fellow humans."

(Ahmad, 2005) explains the presence of an ethical and morally valued Islamic financial society where wellbeing of the society, equitable justice and balanced relationship are at the core of beliefs. Iqbal and Mirakhor (2002) agrees with Ahmad (2005) in similar way. However, a common framework for Islamic banks under Shariah guidelines for effective human resource management is yet to come.

Islamic HRM practices and Organizational Commitment:

Many HRM issues in organizations have their foundations in religion (Tayeb, 1997; Ali and Weir, 2005). Religions are generally considered as specific systems of belief, worship, and as well as conduct. However, Islam signifies religion as a social order and a way of life which aims at producing a unique personality and a distinct culture for society (Iqbal, 2003). The influence of Islamic human resources management practices on organizational outcomes such as organizational commitment involves the development of an individual's abilities and attitudes contribute towards organizational interests (Guest 1987; Guest 1989; Kinicki, Carson *et al*., 1992; Storey, Economic *et al*. 1992).

As the area of ideology of the Islamic concept of organizational commitment it reflects in the Islamic culture as a whole. Religious behavior play an important influence in real life and gradually progress of the times beneficial to social as well as organizational development and a powerful driving force for thus becoming the ideological and moral spiritual quality of organic components. God clearly tells us: "who believe ah: You should fear God, and honest people to be together." (9:119 -) Prophet Muhammad said: "You insist on honesty and virtue. Because honesty will be guide you toward justice." Similarly, employee must be honest loyal for his or her duties and responsibilities. From the Islamic perspective, the Holy Qur'an often reminds of honesty and justice in trade, and calls for an equitable and fair distribution of wealth in the society (Yousef 2001; Ali, Gibbs, *et al.,* 2003).

Employees with full of commitment will make them stay and loyal to their job and organization. Yousef (2001) also considers the organizational commitment as a process which includes loyalty in the employer, endeavoring for the sake of organization's benefaction and success. The committed employee considers it morally right to stay in the company, regardless of how much status enhancement or satisfaction the firm gives him or her over the years (Marsh and Mannari, 1977).

In Islamic phenomenon there is no separation between worldly and religious aspects of life (Tayeb, 1997). The Qur'an instructs the faithful that involvement and commitment to work and not allow unethical work behavior like begging, laziness, waste of time and involved with unproductive activity (Yousef 2000; Geh, 2009). The Prophet (p.b.u.h) asserted four issues as a complete departure of the thinking at that time. The first issue is he presented work as the highest from of worshipping God. Secondly, he understood that work is not sanctioned if it is not performed to the best ability. Third, work has social dimension and meaning and can provide benefit to peoples. Fourth, it is through trade and active involvement in business.

(Gaertner and Nollen, 1992) find that participants with perceptions that their organization is committed to employment security, internal mobility, training, and development reported more organizational commitment then those who have a negative perception of their organization's allegiance to employees. The organization too can affect influence employees behavior as well as human resource management. One of the key sources of organizational influence is the degree of commitment to the organization toward the Islamic human resource management (Beekun, 1997).

Objective of the Study:

Essentially the objective of this study is to examine the relationship between various factors of Islamic Human Resource Management practices and to assess the extent to which these practices predict employees' organizational commitment. Areas of Islamic HRM includes performance appraisal, recruitment and selection and the reward system.

Conceptual Framework and propositions:

The study conceptualizes that employee organizational commitment in an organizational following Islamic Shariah is a function of organization's understanding of the basic Islamic principles, presence of an effective performance appraisal system, quality recruitment, training and development and competitive compensation system (refer figure 1).

IHRM requires a rigorous understanding of the basic Islamic principles, guidance and practices explained in the Quran and Hadith. These guidelines include the understanding of the five basic pillars, belief on Allah (SWT), five times prayer, fasting in the month of Ramadhan, establishing Zakah and offering Hajj. Organization should also understand that a good Muslim has capabilities to be a good employee; therefore, organization

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should put primary importance to Islamic understanding than to capabilities and efficiency. Basic Islamic principles should be considered while recruiting the new employees. Hence, it is proposed that:
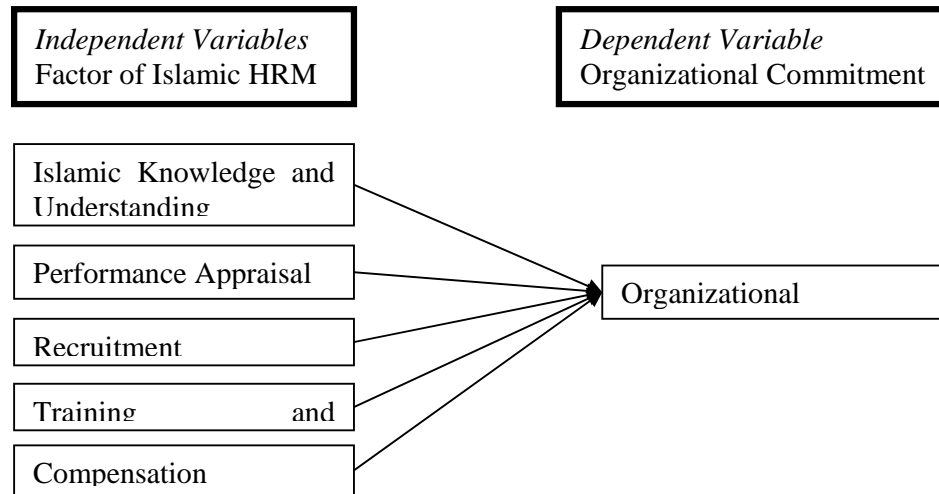
Independent Variables Factor of Islamic HRM		*Dependent Variable* Organizational Commitment

Islamic Knowledge and Understanding
Performance Appraisal
Recruitment
Training   and
Compensation

Organizational

Fig. 1 : Conceptual Framework.

Proposition 1: Better organizational understanding of the Islamic Human Resource Management principles would increase employees' organizational commitment.

Islam believes in an effective performance appraisal and responsibility compliance system. Presence of an effective performance appraisal system would regularize fair practices among employees. Regular performance assessment would prohibit nepotism at workplace. Hence it is proposed that:

Proposition 2: Presence of performance appraisal system would positively influence employees' organizational commitment.

Recruitment of new employees should also be according Islamic principles by putting importance on their competency and interest. Organization should ensure that the recruitment function is completed by following set guidelines and with full of *amanah*. The company should inform the prospective employees about their pay packages, responsibility and recruits only qualified employees. It is, thus proposed that:

Proposition 3: Better recruitment program enhances the commitment the employees towards organization.

Organizations must facilitate proper training facilities for the employees. Training programs should be conducted on a regular basis to encourage employee participation and learning to enhance performance. Organizations with the belief that training can positively reinforce employee performance has boost in their employee commitment. The following, is hence, proposed:

Proposition 4: Effective training and development program would positively reinforce employee commitment towards organizations.

Employees should be paid according to their workload and what has been promised to them, which should be competitive to the market. As the Prophet (PBUH) suggests paying the wages before the sweat dries. Employees work for competitive compensation package. The commitment towards organization is affected if the compensation package is not fair and timely. It is thus, proposed that:

Proposition 5: Rational compensation practices would enhance employees' organizational commitment.

Data Collection:

To accomplish the study objective, the data was collected via the distribution of a structured questionnaire. It was self-administered. The questionnaire consists of three types of questions. A set of demographic questions

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was followed by questions on employee perceptions regarding Islamic Human Resource Management and questions on organizational commitment. Forty questions (variables) were asked on different aspects of IHRM. Eight questions were asked on organizational commitment. The measures use a seven-point Likert scale, starting with '1' for 'never' and '7' for 'all the times'. All measures were adopted from (Hashim, 2009).

The respondents were purposively chosen among employees of seven (7) Islamic banks in Bangladesh. As the bankers have time limitation and the study requires a mix of experience and professional achievement, purposive sampling is adequate for this study. A total of 165 usable responses were obtained.

Sample Characteristics:

Table 1 shows that around 45% of the respondents are from Islami Bank Bangladesh Limited and Al-Arafa Islami Bank Limited. These are the two largest Islamic Banks in Bangladesh. Around 84% of the respondents were male, and around 78% of the respondents were in the age range of 26 to 40 years. Around 81% of the respondents completed their post-graduate degrees, which indicates that the respondents are highly educated. The highest 46% of the respondents were in the position of officer/ senior officer followed by the second highest 37% from the mid level. The percentage of respondents working for up to five years was 61% whereas the same for ten years was 32% approximately. On the average, the respondents are highly educated and experienced.

Table 1: Sample Characteristics

	Frequency	Percent
Name of the Organization		
Islami Bank Bangladesh Limited (IBBL)	37	22.4
Al-Arafah Islami Bank Limited (AIBL)	38	23.0
Shahjalal Islamic Bank Limited	21	12.7
First Security Islami Bank Limited	10	6.1
Social Islami Bank Limited	15	9.1
ICB Islami Bank Limited	16	9.7
Exim Bank Limited	28	17.0
Gender		
Male	140	84.8
Female	25	15.2
Age		
26 to 35	97	58.8
36 to 45	34	20.6
46 to 55	24	14.5
56 and above	10	6.1
Highest Level of Education		
Graduate	30	18.2
Post Graduate	134	81.2
Others	1	.6
Position/ Designation		
Officer/ Senior Officer	76	46.1
Mid-level Executive (PO/SPO/SAVP)	61	37.0
Senior Executive (VP & above)	28	17.0
Years of Experience in the Organization		
Up to 5 Years	101	61.2
Six to 10 Years	53	32.1
More than 10 Years	11	6.7

Measures:

To accomplish the study objective, the data was collected via the distribution of a structured questionnaire. It was self-administered. The questionnaire consists of three types of questions. A set of demographic questions was followed by questions on employee perceptions regarding Islamic human resource management and questions on organizational commitment. Regarding this study questionnaire was developed by literature review in the part of Human Resource Management practices such as Islamic knowledge and understanding, recruitment, performance appraisal, training and development and compensation. The measures use a seven-point Likert scale, starting with '1' for 'never' and '7' for 'all the times'. Questions of organizational commitment based on affective commitment is comes from (Meyer and Allen, 1993). Forty questions (variables) were asked on different aspects of IHRM. Concerning Islamic knowledge and understanding and compensation's five variables were self developed. Apart from this, all measures were adopted with some modification from (Hashim, 2009).

Results:

From a list of 40 variables/questions, a factor analytical procedure was followed to reduce the variables. A number steps was used to finalize the factors. Principle component analysis with Varimax rotation was used to get the rotated component matrix. Varimax rotation was used because the study did not conceptualize any correlation between factors. Variable with communality value below 0.7 was discarded from final analysis. Finally, five factors were retained from the analysis. The result of the factor analysis is given in Table 2. The reliability of the factors were checked using the Cronbach alpha. Table 3 provides the reliability, and other descriptive statistics. A multiple-regression analysis was used to examine the explanatory power of the independent factors. Table 4 shows the results of the regression analysis.

Table 2: Results of Factor Analysis

Rotated Component Matrix					
Variables [My organization considers/ feels/ believes …]	Islamic Knowledge and Understanding	Performance Appraisals	Recruitment	Training and Development	Compensation
Considers Islamic understanding an important criterion in selecting the candidates	.830	.174	.110	.046	.221
Practices Islamic approach in recruitment	.823	-.002	.246	.201	.033
Feels Islamic practices such as prayers and fasting by the candidates is very important	.808	.221	-.024	.053	-.117
Believes a good Muslim will be a good employee	.796	.106	-.166	.004	-.077
Uses Islamic criteria in selection	.717	.322	.140	.015	.276
Practice Islamic approach in recruiting the potential candidates	.667	.100	.394	.294	.084
Rejects the academically qualified candidates if it is proven that they are not a good Muslim	.613	.049	-.108	-.021	.298
Practices Islamic approach in appraising employees	.599	.537	.046	.064	.052
Measures the employees' performance regularly	.286	.766	.136	.093	.065
Practices a fair performance assessment for all employees	.227	.740	.190	.248	.246
Does not practice any favoritism in evaluating employees' performance	.082	.667	.120	.161	.078
Assesses the candidate's competency and interest	.022	.092	.751	.301	.242
Recruits candidates responsibly and do it with full of Amanah	.258	.137	.735	.009	-.004
Informs the candidates about the salary they will receive	-.216	.062	.652	.243	-.152
Hires only qualified and competent candidates	.114	.350	.579	.051	.327
Conducts training regularly in this organization	-.003	-.056	.197	.787	.075
Encourages employees to seek knowledge	.196	.208	.161	.779	-.055
Emphasizes on improving one's performance	.107	.346	.020	.719	.071
Believes in performance evaluation based on training	.045	.394	.398	.518	.181
Gives enough compensation for additional work	.089	.175	.078	.041	.859
Believes that compensation policy for the employees is rational	.132	.099	.079	.079	.819

Principles Component Analysis with Varimax Rotation
KMO = 0.855 (Sig – 0.000)

Table 2 demonstrates the outcome of factor analysis of the relevant data. The exploratory factor analysis results in five factors. These factors are renamed according to the variables loaded under each factor. The names are of exact match with the hypothesis formed. We have retained variables up to a minimum factor loading of 0.518 according to the specific demand of the study. The reliability and related statistics are given in Table 3. According to the Mean values Recruitment and Training and development are given highest importance by the employees. Islamic knowledge and understanding explained the highest variance (22.336%) followed by performance appraisal (12.332%), recruitment (11.716%), training and development (11.449%) and compensation (9.33%). All of the factors pass the reliability test. The statistics is checked using the Cronbach Alpha, while all the alphas are greater than 0.7 suggested by Nunnally (1978).

Table 4 presents the regression results of the five independent factors with organizational commitment. The R Square is 0.400, which is moderately promising for this kind of study. As there is no benchmark found, R Square is considered to be adequate. Except recruitment, all other factors are significant at 5% confidence level. If we rank the factors according to the standardized beta coefficient, Training and Development has the highest influence in explaining the organizational commitment (Beta = 0.436). Performance Appraisal carries the second highest weight of 0.321. Compensation is the third influential factor (Beta 0.294) followed by Islamic Knowledge and Understanding (Beta 0.140). If we summarize the Mean score in Table 3 and standardized beta

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coefficient in Table 4, organizational commitment is influenced the most by Training and development followed by Performance Appraisal.

Table 3: Reliability, Mean and Variance Explained

Factors	Mean	Variance Explained (%)[2]	Cronbach Alpha
Islamic Knowledge and Understanding	5.29	22.336	0.882
Performance Appraisals	5.56	12.332	0.759
Recruitment	6.008	11.716	0.725
Training and Development	6.002	11.449	0.781
Compensation	5.091	9.333	0.74
Organizational Commitment[1]	4.867		

[1]*All the items were retained.* [2]*Variance Explained (Total = 67.166%)*

Table 4: Regression Results

	Unstand. Coefficients		Stand. Coeff	t	Sig.
	B	Std. Error	Beta		
Islamic Knowledge and Understanding	.140	.061	.140	2.279	.024
Performance Appraisal	.321	.061	.321	5.220	.000
Recruitment	.029	.061	.029	.474	.636
Training and Development	.436	.061	.436	7.099	.000
Compensation	.294	.061	.294	4.781	.000
R Square = 0.400, Adj. R Square = 0.381, F $_{(5, 159)}$ = 21.184 *Dependent variable = Organizational Commitment* *Constant was not significant and was not shown in the regression output*					

Discussions and conclusion:

This study examines the relationship between Islamic Human Resource Management practices and organizational commitment in Islamic Banks in Bangladesh. A total of 165 employees were purposively chosen from 7 Islamic banks in Bangladesh. A factor analysis of the data generated five IHRM factors. Organizational commitment was found to be related to basic Islamic knowledge and Understanding of the organization, presence of effected performance appraisal system, quality recruitment programs, effective training and development and competitive compensation system. All factors, except recruitment, are significant at 5% significant level.

Among the four significant factors, employee perception regarding the presence of effective training and development program recorded the highest correlation with organizational commitment. Effective check and balance through performance appraisal came second over Islamic knowledge and understanding, and compensation.

While organizational commitment is related to organizations' understanding of the Islamic principles, basic human resource processes such as training and development, performance appraisal and compensation management are also important predictors of organizational commitment. Actually, these HR functions are basic to both Islamic and non-Islamic human resource management practices. Should we accept that Islam is a way of life rather than a separate activity, and then following the basic HRM activities are central to Islamic principles as well. On top of this, there should be an adequate understanding of Islamic principles that guide the overall HRM procedures in any organization. The results of the study indicate that there should not exist separate guidelines for IHRM practices. Rather organizations should manage IHRM with other basic HRM practices.

The results of the study also demonstrate the importance of training and development in predicting changes in organizational commitment. Obviously, training on a regular basis would positively influence the performance of the employees. Additionally, training should be tied to employees' compensation and performance appraisal. Thus, relevant and appropriate training programs should be in place to espouse the commitment of the employees.

Apart from this, effective performance appraisal motivates fair dealing in organizations and would result in a balanced system which would ensure employees getting their due rewards based on their performance. Presence of an effective performance appraisal system creates a positive impression among the good performers and positively influences productivity. Productive employees are generally committed to their organizations. Hence, there would be no options for organizations apart from establishing effective and productivity driven performance appraisal system to enhance the commitment of the employees towards the organization.

Finally, with respect to the relationship between compensation and commitment, even though reasonable, competitive and fair compensation system is hard to develop as well as time consuming, if organizations could start the process of competitive compensation based on performance, it will eventually result in higher organizational commitment. An while Islamic knowledge and understanding should be adopted as a core principle in all organizations running under Islamic *Shariah,* the application of Islamic principles should be common to all other basic HRM functions. Therefore, IHRM practices should be embedded in the HRM cycle starting from selection to career development of Islamic organizations.

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