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EMPLOYEE PERFORMANCE ASSESSMENT IN IMPROVING BUSINESS ACCORDING TO ISLAMIC ECONOMIC PRINCIPLES (Case Study: La Tansa Gontor Department Store)

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ABSTRACT

The evolution of Islam has contributed significantly to various areas of human life. Work in the Islamic perspective is one of the necessities of life and an activity that holds an important role in social life. Work is advocated by Islam, and work is frequently used as a measurement to determine a person's worth. The assessment of employee performance is an imperative aspect in improving organizational performance. This study aims to explore the practice of employee performance assessment in improving the business of CV. La Tansa Gontor Department Store by considering the principles of Islamic economics. This research method used is qualitative with a case study at La Tansa Gontor Department Store. This research concludes that employees' performance evaluation conducted by CV. La Tansa Gontor Department Store has implemented the principles of Islamic economics, hence improving employee motivation and overall performance. The practical implication of this research is that the use of a performance evaluation approach based on Islamic economic principles can be a relevant and effective model for other companies seeking an adoption of Islamic values in their business practices

ABSTRAK

Evolusi Islam telah membuat kontribusi yang sangat penting dalam banyak bidang kehidupan manusia. Kinerja dalam perspektif Islam merupakan salah satu sarana hidup dan aktivitas yang mempunyai peran yang penting dalam kehidupan sosial. Bekerja sebagaimana dianjurkan oleh agama, bahkan bekerja sering dijadikan tolak ukur untuk menilai seseorang. Penilaian kinerja karyawan adalah aspek penting dalam meningkatkan kinerja sebuah perusahaan. Penelitian ini bertujuan untuk mengeksplorasi praktik penilaian kinerja karyawan dalam meningkatkan usaha CV. La Tansa Gontor Department Store dengan mempertimbangkan prinsip ekonomi Islam. Metode penelitian yang digunakan adalah kualitatif dengan studi kasus pada La Tansa Gontor Department Store. Penelitian ini menyimpulkan bahwa penilaian kinerja karyawan yang dilakukan oleh CV. La Tansa Gontor Department Store telah mengintegrasikan prinsip-prinsip ekonomi Islam, sehingga dapat meningkatkan motivasi dan kinerja karyawan secara keseluruhan. Implikasi praktis dari penelitian ini adalah bahwa penggunaan pendekatan penilaian kinerja yang berbasis prinsip ekonomi Islam dapat menjadi model yang relevan dan efektif bagi perusahaan lain yang ingin mengadopsi nilai-nilai Islam dalam operasional bisnis mereka.

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1. INTRODUCTION

Islamic Human Resources (IHR) is essentially a form of human resource belief as a Moslem, in the oneness of

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Allah and his highest awareness of complete submission to Allah's will and the awareness that he is very close to Allah. As well as positioning as if he sees Allah who is always watching him in every work he does, or Allah is always in the heart of every IHR individual whenever and wherever (Iwan Triyuwono, 2000).

In Islam, humans are required to continue to think in order to prosper the earth in accordance with the provisions that Allah Subhanahu Wa Ta'ala has set in order to prosper the earth, providing *maslahah* as an integrated part of one of the Islamic concepts of *rahmatan lil 'alamin*. Allah Subhanahu Wa Ta'ala commands humans to work as a real form of humanity in order to prosper the earth, as Islam teaches that work is part of worship. Therefore, according to Islamic teachings, working more dedicatedly should be agreed and have provisions for the work, the employee justifies his income and livelihood.

At the same time, Islamic human resources should be able to stand out more as role models for people who have different beliefs (religions) (Eni Haryani, 2018). Based on the description of the phenomena and explanations that have been presented previously, the author is interested in conducting research entitled "Employee Performance Assessment in Improving CV Business. La Tansa Gontor Department Store According to Islamic Economic Principles " (Case Study at CV. La Tansa Gontor Department Store (Warta Dunia, 2021).

2. LITERATURE REVIEW

Imam Mahfud, SE, MM on compensation and performance evaluation from the perspective of Islamic Economics. In the Islamic economic view, performance (work results) is related to everything that has been done by an individual relevant to certain standards. In the view of Islamic law, compensation is the right of the person who has worked (*ajir/employee/laborer*) and the obligation of the person who employs (*mustajir/employer/employer*) as agreed with the *ijarah* contract. In the Islamic view, wages are actually compensation for the services provided by a worker. Deprivation of wages is a bad act that will be threatened with punishment by Allah SWT (Imam Mahfud, SE, MM 2019).

Rodi Syafrizal on Islamic human resources performance analysis based on the *maslahah* scorecard method (case study at PT. INALUM). In this research, based on the results of performance measurements from 5 aspects of *Maqasid Al-Syariah*, PT employee performance. INALUM obtained a score of 89.9% greater than 60%, thus the performance of Islamic human Resources PT. INALUM has effective performance. There is a positive and significant influence simultaneously on all independent variables (faith, life, intelligence, heredity and wealth) on the dependent variable (performance). This can be seen in the R-Square value of the original sample of 0.808 (Positive), the P-Value value of $0.000 < 0.05$ and the T Statistics value of $22,320 > 1.996$ (Significant). This shows 80.8% of Islamic human resources performance at PT. INALUM is influenced by 5 aspects of *Maqasid Al-Syariah*, namely faith, life, intelligence, lineage and wealth (Rodi Syafrizal 2019).

Indah Binarni (2021) on Analysis of Economic Empowerment of Islamic Boarding Schools Based on Ecoprotection (Study at Pondok Modern Darussalam Gontor Putri Campus 6 Ittihadul Ummah Poso). Concluding that economic empowerment at the Darussalam Gontor Putri 6 Islamic Boarding School is through business units that provide for the female students' needs, such as mini markets, bread and tea factories, telephone kiosks that facilitate communication between the female students and the female students' guardians, providing laundry services, and transportation. The economic empowerment model at the Darussalam Gontor Putri 6 Islamic Boarding School is based on ecoprotection with policies and the implementation of a protective economic system. This system creates and produces products that are more hygienic and safe from hazardous materials, and does not depend on large companies outside the lodge, preventing negative things that would damage the good name of the lodge, preventing exploitation that might be carried out by *kyai* from big profits from a company that wants to control the cottage (Indah Binarni, 2021).

Johannes Gunawan researched the Implementation of the Performance Appraisal System on CV. Real Nitason Batam. Concluding that Organizations have to face the fact that performance appraisals are incomplete unless the appraiser is told what his strengths and weaknesses are, his performance cannot improve in the future, which clearly defeats the purpose of highly objective periodic appraisals. The process of discussion with subordinates that focuses on overall performance (tasks and behavior) during a certain period is called performance appraisal counseling. For the counseling process to be fruitful, it must be immediate and ongoing and the more a manager or supervisor is paid to counsel a

subordinate, the more time he or she is likely to gain in the long run as a result of the subordinate's increased abilities. In many organizations, there is rarely an attempt to constructively discuss with employees whether the expected results, as determined, can be met. However, today's employees want to know not only how they fit into the goals of the organization they work for but also what aspects of self-improvement are needed in their performance (Johannes Gunawan, 2020).

3. METHODOLOGY

Researchers use qualitative methods in their research to analyze, describe and explain employee performance assessments in improving CV businesses. La Tansa Gontor Department Store according to the principles of Islamic Economics.

Data Source

The unit of analysis is the unit under study which can be an individual, group, object or a social event setting such as individual or group activities as research subjects. In this research, the unit of analysis is the assessment of the quality of CV employee performance. La Tansa Gontor Department Store according to the perception of Islamic Economics.

Data Collection Technique

The research was carried out at the Head Office of La Tansa Gontor Department Store within a period of one month, from December 2023 to January 2024, before researchers carried out data collection, researchers were required to submit a letter to the HRD section of La Tansa Gontor Department Store which was attached with the research proposal. After there has been confirmation from La Tansa, the existing provisions are that the researcher will present a research proposal. After that, researchers waited for confirmation from La Tansa regarding permission to conduct research.

Data collection techniques in this research were carried out using participant observation, in-depth interviews and documentation. Apart from that, the researcher also uses an interview guide that will be created by the researcher to explore in full and in detail the role of employees in carrying out discharge planning, which consists of several questions. The interview technique in this research is a planned interview, meaning that there is a prior contract with the participant through informed consent. The researcher notes things that are considered important and during the interview process will be recorded using a tape recorder/cellphone.

Data Analysis Technique

The method used in this research is content analysis. The steps taken in content analysis are as follows:

- a. Create data transcripts
Listen to the results of the interview recording on a tape recorder/cellphone, field notes or other documentation, then make it into a narrative text containing participant statements or observation notes and also collect several employee performance evaluation archives which are used as company CV data. La Tansa Gontor Department Store.
- b. Determine the meaning of units
Meaning units are words, sentences or paragraphs that are related to each other through their content and contribute to a single meaning. Not all participant statements that have been made in the transcript contain meaning in accordance with the research objectives, so several words, sentences or paragraphs must be selected. Which contain meaning of the entire transcript. Irrelevant data can be removed without reducing the meaning of the data as a whole
- c. Summarize and organize data
At this stage, data containing meaning (meaning units) are organized and grouped according to topic. Researchers usually find participants' answers that jump from one topic to another without sequence. Grouping and ordering meaning units according to topics will make it easier for researchers to analyze data.
- d. Draw a conclusion
At this stage the researcher re-understands the entire content of the data and identifies common threads from a collection of categories, themes, relationships between themes and variables. Understanding this common thread will produce new insights into the phenomenon being studied.

4. RESULT AND DISCUSSION

In this research results and discussion chapter, the results of observations, interview results, research results, and discussion of research are described, namely Employee Performance Assessment in Improving CV Business. La Tansa Gontor Department Store According to Islamic Economic Principles(Case Study: La Tansa Gontor Department Store). The focus of this research is on the application of Islamic Economic principles in daily work as well as in assessing the performance of La Tansa Gontor Department Store employees. This research was conducted at La Tansa Gontor Department Store located in Ponorogo City by looking for sources that met the criteria set out in this research.

For informants, researchers interviewed 7 employees of La Tansa Resto and 2 employees of La Tansa Booksore. As well as other informants, researchers interviewed the General Coordinator of La Tansa Gontor Department Store and the Human Resources Manager (HRD).

Table 1. Employee Informant Interview Schedule

No	Informant's Name	Part	Day and date	Time	Place
1	Ahmad Syaifullah	Cooker	08 February 2024	15.30	La Tansa Resto
2	Aji Utama Ramadhani	Bartender	February 09, 2024	10.30	La Tansa Resto
3	Arum Handayani	Cooker	February 11, 2024	13.30	La Tansa Resto
4	Iin Herliana	Cooker	February 11, 2024	14.00	La Tansa Resto
5	Nanik Indar Purwati	Cooker	February 12, 2024	15.00	La Tansa Resto

Table 2. Employee Management Informant Interview Schedule

No	Informant's Name	Part	Day and date	Time	Place
1	Al-Ustadz Mussa Mahendra, SH	General Coordinator	February 14, 2024	15.30	HO La Tansa Gontor Department Store
2	Al-Ustadz Hisyam Dzaki	Head of HRD	February 17, 2024	19.30	HO La Tansa Gontor Department Store

The The researcher carried out the analysis using stages in making observations, where the stages of observation carried out by the researcher were as follows:

- Visit La Tansa Gontor Department Store to ask for permission and arrange permits to conduct research.
- Observing the performance process of La Tansa Gontor Department Store employees for 1 month.
- Observe what La Tansa Gontor Department Store staff say during the weekly employee evaluation.
- Participate directly in the field during the process of evaluating employee performance and giving awards to employees.
- Conduct in-depth interviews with employees and also the General Coordinator of La Tansa Gontor Department Store.

The stages carried out are intended to obtain objective and scientific data. So that the discussion in this research is more systematic and focused, this research consists of three discussions, namely:

- Description of research objects
- Analysis of research results
- Discussion of research results

- d. The research object is the object being researched and analyzed. In this research, the scope of the research object determined by the research is in accordance with the problem to be studied, namely employee performance assessment in improving CV business. La Tansa Gontor Department Store according to Islamic economic principles.

5. CONCLUSIONS

The In order to understand how Islamic economic principles influence employee performance appraisals in companies, we spoke with the General Coordinator and Human Resources (HR) Manager at CV La Tansa Gontor Department Store, who have implemented these principles in the employee performance appraisal process.

In interviews conducted, the staff of La Tansa Gontor Department Store have tried to apply Islamic economic principles in various aspects of their operations, including employee performance assessment. They have agreed and believe that these principles bring benefits to both the company and employees.

One of the main principles of Islamic Economics that we apply is fairness in the distribution of results. In employee performance appraisal, they ensure that each employee is assessed fairly based on their real contribution to the company's success. The staff not only takes into account the quantity of work performed, but also their quality, innovation, and contribution to Islamic values such as Honesty (Siddiq), Trust (Amanah), and Responsiveness in work (Fathanah).

In the interview, the informant also stated the hadith:

أَعْطُوا الْأَجِيرَ أَجْرَهُ قَبْلَ أَنْ يَجِفَّ عَرْقُهُ

“Give a worker his wages before his sweat dries.” (HR. Ibn Majah).

The meaning of the hadith above is our obligation to give rights to those who are obliged to get them before too long a period of time or even until the following month, so the timeliness of giving wages or ihsan must be on time because that is the right that must be obtained by employees or workers.

The informant also explained the concept of KHL (Decent Living Needs) which is used to measure the welfare and quality of life of a person or group in a society. This term is often used in the fields of human development and economics to assess the extent to which individuals or groups can meet their basic needs and have access to the resources necessary to live a decent life.

Decent Living Needs (KHL) is a concept used to determine how much income is needed so that a person or family can live economically. This concept is used in the context of determining minimum wages or decent living standards by the government or related institutions in a country.

Determining KHL usually involves various factors, such as the cost of basic needs such as food, clothing, shelter, transportation, education and health. Apart from that, factors such as inflation, economic growth and living standards prevailing in a particular region or country are also taken into consideration.

The references used in determining KHL can vary depending on government policies and practices in a country. For example, in some countries, the Central Bureau of Statistics or similar agencies will conduct surveys to determine the average costs of various basic needs. This data is then used to calculate KHL.

In addition, non-governmental organizations, research institutions and policy institutions can also contribute to determining KHL by conducting studies and analyzes of the minimum living costs required to live decently. The implementation of KHL is important because it can be used as a basis for setting a fair minimum wage for workers, as well as as a guide in designing social and economic policies aimed at improving employee welfare.

The staff, especially the Human Resources Manager (HRD), prioritizes a fair and proportional incentive and reward system. Employees who perform high and make significant contributions receive awards and incentives commensurate with their achievements. However, we must always pay attention to aspects of fairness in the distribution of incentives and rewards, ensuring that every employee feels appreciated and motivated to improve their performance.

They have ensured that the performance appraisal process does not involve practices that are contrary to the principles of Islamic Economics. For example, not using an interest or usury system in the incentive or reward system. Additionally, they ensure that every employee is treated fairly and that there is no bullying in the appraisal or reward process.

In Islam, the principle of justice is highly emphasized, including in employee salaries. If the interview results show that the salary system in this company is fair and transparent, taking into account employee contributions and performance without considering irrelevant factors such as gender, ethnicity or religion, then this is in accordance with the principles of Islamic Economics.

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