

ISLAMIC CONCEPT OF MANAGEMENT

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DEFINATION

Harold Krontz defines management as "the art of getting things done through people and with people in formally organized groups."¹ It may refer to the process of acquiring and combining human, financial and physical resources in order to attain the organization's primary goals of producing a product or service. Some writers differentiate between 'administration' and 'management' by denoting that of activities done by non-profit organization (such as government departments) fall under the 'administration', while activities in day-to-day operations of an office are considered as 'management.'

In general, the objective of a firm which uses all techniques of management has been to maximize profits. In the context of business enterprise, Drucker puts it, "business management must always in every decision and action, put economic performance first ... a business management has failed if it fails to achieve or produces economic results." Policies of management are shaped out of a combination of objectives and the social conscience of a firm. The greater the emphasis on economic objectives the more management policies will be materialistic rather than on social interests.

Drucker disagrees on the emphasis of management on maximizing profit only to the extent that the social welfare is not less important in the performance of a firm. "The purpose of business is not to make profit, but profit is necessary and a social responsibility. Profit and profit alone can supply the capital for tomorrow's jobs, both for more jobs for better jobs. And finally profit pays for the economic satisfactions and services of a society, for health care to defence, and from education to opera... Business people these days tend to be apologetic about profit ... No apology is needed for profit as a necessity of economy and society. On the contrary, what a businessman, should feel guilty about, what he should feel the need to apologise for, is failure to produce profit appropriate to the economic and social functions which profit and profit alone can develop."²

In view of the general nature of social systems, management science is applicable to any organized, goal seeking group of persons, e.g., to governments, labour unions, schools, universities, business firms and even to scientific research establishments. One should recognise that management in these systems does not connote rigid control; an organization may be managed best by permitting maximum freedom of decision-making among its members.

Furthermore, it should be noted that management (decision-making) will often include the activities of staff as well as line personnel in an organization, and may in many cases include some aspects of the activities of every member of the organization.

THE QURANIC INDICATIONS RELATING TO MANAGEMENT

The words for management in Arabic are *idārah* (إدارة), *tadbir* (تدبير), *qiyādah* (قيادة) and *siyāsah* (سياسة). The meaning of the words encompasses something related to human relations and activities in an organization or a social group for achieving a certain goal.

It is of interest to note that the Quran is a general guide for a Muslim's life and activities. As stated in the Quran that mankind was created with different nations, races, and tribes for the purpose of knowing and understanding one another. Knowing management is, therefore, very important for individuals who are studying the activities and behaviours of a group, and for better living in the future.

...To prevent doubts among yourselves, but if it be a transaction which ye carry out on the spot among yourselves; there is no blame on you if ye reduce it not...

(Q. 2:282)

The above-mentioned verse speaks about the human relations in respect to business transactions. Due to the fact that human relations develop to different forms, the better the relationship the better the result; so the theory of management has also developed into what is suitable and applicable to a certain group of people. There are verses of the Quran relating to management such as:

It is He Who hath made you (His) agents, inheritors of the earth: He hath raised you in ranks, some above others; that He may try you in the gifts He hath given you.

(Q. 6:165)

... I will create a vicegerent on earth.

(Q. 2:30)

O ye who believe! Obey God, and obey the Apostle, and those charged with authority among you.

(Q. 4:59)

Let not the Believers take for friends or helpers unbelievers rather than believers.
(Q 3:28)

And those who pray, Our Lord! Grant unto us wives and offspring who will be the comfort of our eyes and give us to lead the righteous.

(Q 25:74)

The above-mentioned verses have mentioned words regarding the management and administration such as *khalifah*, *imam*, *uli amri*, *awliya'*, or *wali*. Knowing management as an intellectual exercise for analysis, prescriptions, planning, appraisals, control and effectiveness of a certain organization, leadership is one of the main characteristics of management. The outcome of a certain project in a business organization depends very much upon the quality of leadership.

Management as a part of social science has developed recently to be a separate field studying human activities. The Quran teaches man how to behave and tells him what is required, recommended and prohibited. The quality of a leader in an organization rests on his ability to lead the people, to look into matters, to overcome all sorts of obstacles and to evaluate the program. The Quran has exhorted man to make use of his mind and vision to be constructive and responsive to issues that arise in a society. Through the positive attitude towards building a civilization and a just society, man could achieve his desire and ambitions. One of the main functions of mankind on the earth as stated in the Quran in many places is to administer and manage worldly affairs in a proper manner leading towards justice and peace.

CONCEPT AND PHILOSOPHY

The philosophy of management in Islam is founded upon three aspects, namely, values, knowledge (intellectual) and competency. The fundamental of all values refers to the concept of vicegerency (*Khalifah*) in which man has placed upon himself the weighty burden of trust (*amanah*). The *amanah* implies responsibility to be just to it: and the 'rule' refers not simply to ruling in the socio-political sense, nor to control nature in the scientific sense, but more fundamentally, in its encompassing of the concept nature (*tabi'ah*), it refers to the ruling, governing, managing, controlling, and planning the maintenance of man by himself. Elaborating on the concept of justice in relation to the Covenant with God, Al-Naquib al-Attas states:

The power and capacity to do justice to itself alludes to its constant affirmation and fulfillment of the Covenant it has sealed with God bounds of social policy and authority and contributes his share towards the social good and though he behave as if a social contract were in force, he is, nevertheless, and individual contract reflecting the Covenant his soul has sealed with God; for the Covenant is in reality made for *each* and every *individual* soul. The purpose and end of ethics in Islam is ultimately for the individual what the man of Islam does here he does in the way

he believes to Justice in Islam is not what refers to a state of affairs which can operate only within a two-person relation or a dual-party relation situation, such as : between one man and another; or between the society and the state; between the king and his subjects. The man of Islam, the true Muslim, the khalifatu'llah, is not bound by the social contract, nor does he esponse the doctrine of the Social Contract. Indeed, though he lives and works within the be good only because God and His Messenger says so and he trusts that his actions will find favor with God.³

The underlying message in this concept regarding management is: in the first place, man's position in relation to man (enjoining good deeds and forbidding evil doings); secondly, man's position in relation to nature (to work, develop and exploit the natural resources of the earth in accord with the ordained principles). In other words, the chief objective of this philosophy is to organize human society to establish justice, goodness, viture, and benevolence among people, so that they can enjoy a life of security, peace, prosperity and happiness on an individual as well as a social level.

As we have observed, the meaning of *amanah* (trust) implies the responsibility to do what is good and avoid what is evil. From this concept, man as an individual has four responsibilities, namely:

- 1/ to Almighty God
- 2/ for his profession
- 3/ to his society
- 4/ to himself.

Since the *amanah* came from the Almighty God, the fulfillment of it is considered as a worship (*ibadah*). By worshiping Almighty God in such a manner of service, man is fulfilling the purpose for his creation and existence (*raison d'etre*), as stated in the Quran:

I have only created the jinn and man that they may serve Me.

(Q. 51:56)

Since all activities with good intention are considered as serving the Almighty God, man has to carry them out righteously, without lying and cheating, without stealing and exploiting, without injustice to himself, his neighbour, to nature, and to history. Due to the fact, Islam is a comprehensive religion which defines it the very business of life, the very matter of space-time, the very process of history. Hence, Islam sees itself as relevant to all of space-time, and seeks to determine all of history, all of creation, including all of mankind.

Islamic jurisprudence and ethics have conveniently classified human activities into five classes: 1/ obligatory (*wajib*); 2/ prohibited (*haram*); 3/ recommended (*sunnah*); 4/ recommended against (*makruh*); and 5/ neutral (*jaiiz*). Islam promulgated public laws, viz., the Shari'ah. It projected a model of conduct out of the personalities of the Prophet (SAAS) and his companions (RAA), and taught its men and women to emulate it. Any Islamic society would lose its claim

to Islamicity if it were to restrict its activities to anyone or to departments of life.

Islam tells us, every man is *mukallaf*, i.e., charged with the realization of the divine will. This *taklif* or charge, is based on his natural endowment which constitutes his *sensus communis* which he shares with humanity. This innate but educatable *sensus* is the faculty by which he recognizes his Creator and perceives His will as the ought-to-be of his life. Islam, therefore, not only declare every man responsible but categorically denies every assumption of *non-taklif* to any being. It expects every man to carry his own personal burden in full consciousness; this follows from the nature of the *amanah*, or divine trust, entrusted by God to man. Only man, He fashioned differently, endowing him with the freedom to realize or violate the divine will and enabling him to be responsible for his deeds. This responsibility is the assense to morality. This defines the work of Islamic society in these terms: to assist the whole of mankind to perceive and, having perceived, to actualize the values constructive of the divine will.

OBJECTIVES AND POLICIES

The question of profit-maximization is not a serious concern of Islam, as long as it does not entail social injustice. Any person or firm enters any sort of business enterprise, he or it must, first of all, project and calculate how much profit could be made out of it. The nature of business enterprise has always been the possibility of profit and loss which is recognized by the Shari'ah. The profit and loss of a firm depend largely on the human factor: the degree of efficiency in management and vice versa.

The terms of profit-maximization itself is relative to the extent whether maximizing profit without limitation i.e., even exceeding the limits of humanity or it is limited by some sort of moral responsibility towards the society. There are verses of the Quran which encourage man, regardless of race and creed, to pursue material achievement with all means and ways that are within its prescribed moral code. The contents of the Islamic moral code in a business enterprise are, among others, justice, non-exploitation and fairness. Due to the fact that a business enterprise is just a one part of the economic activities in a given society, it cannot ignore and disregard the reality facing the society, such as problem of unemployment, recession, natural disasters, etc . . . In other words, objectives of a business management should take into account the just-benefit to the society, as well as to the firm itself. Both the society and the firm should equally benefit from the economic activity of a firm. For the well-being of the whole society, the relationship between a business enterprise and the members of a society is inter-dependent; one strengthens the other.

Any negative attitude on the part of one or both will contribute to disunity and both sides shall suffer. Islam, therefore, promotes cooperation and understanding to ensure a better and more peaceful living.

The Islamic concept of morality is based on a certain basic belief (i.e., the doctrine of *Tawhid*). It is based on Divine Judgement and is therefore everlasting and unchangeable. Changes of time and place do not have any effect on it. Islam provides man with a definite source, the Divine Revelation, as embodied in the Holy Quran and the Sunnah. This source prescribes a standard of moral conduct that is permanent and universal and holds in every age and under all circumstances. It guides man at every stage in life, covering even the smallest details of domestic life, as well as the broad aspects of national and international behavior.

So the dimension of morals in Islam is numerous, far-reaching and comprehensive. Studying the business ethics of Islam shows that it covers all the moral excellences known to any advanced and civilized society. As was pointed out in the Holy Quran in more than one place, man's life does not end at his death (19 : 66-68; 16 : 38; 2 : 28; 22 : 66; 30 : 40; 45 : 26; 29 : 57; 6 : 36; 7 : 57; 30 : 50). Death is only a prelude to an entirely different kind of life (the life of the Hereafter) which is certain and inevitable. So the purpose of social control and management is to see that justice is done to all participants in business activities, in fact to all members of society who are protected against exploitation of every form and order. The rights and obligations of people are spelled out by the Shariah and efforts must be made to inculcate a new approach to all members of society to see that while they fulfill their own needs they do not injure anyone else's rights. In fact they contribute toward fulfilling their rights. Human behaviour in an Islamic society cannot be explained without reference to the Islamic ethics which govern it.

Islam urges that all business activities must be conducted as a social service - an instrument by which the divine sustenance is disbursed.

CATATAN

¹Harold Koontz. 1984. *Management*. London: International Book Company, pp. 5-6.

²*Ibid.* Chapter 4

³Syed Muhammad al-Naqib al-Attas. 1978. *Islam and Secularism*. Kuala Lumpur, p. 135.