

## Management Practices in Islamic Perspective

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### Abstract:

*The purpose of this study is to conduct a comparative study of management practices with respect to Western and Islamic school of thought. A comprehensive literature review has been performed to discuss the core principles of Western and Islamic management practices. Four function of management planning, organizing, leading and controlling have been discussed with Islamic thought and all the practices related to these functions have been elaborated with reference to Quranic verses and Hadith. The findings of the study reveal that Islamic principles for management practices are valid and everlasting. These do not change and enforce the concept of sincerity, truthfulness, integrity, justice, equality, kindness, tolerance, patience and forgiveness.*

**Key words:** Management practices, Islamic management practices, planning, organizing, leading, controlling.

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## **1. INTRODUCTION**

Since eighteenth century with the emergence of industrial revolution, significant changes in the realm of economic activities over the period of time have revolutionized managers' job and have made it more challenging and demanding. New manufacturing processes have affected the nature of managers' job significantly. Ali (2010) says that with the development of industrial revolution, economic reality has engulfed every sphere of human life and has become prominent feature of business scenario. He emphasizes on the complexity of the job of managers that it has become difficult for them to secure the sublimity of their job in the competitive marketplace. To attain this sublimity in their jobs, the managers have to acquire excellence in management functions which comprise number of management practices. Robbins and Coulter (2010) have mentioned four management functions: planning, organizing, leading and controlling. Under these management functions, different management practices are executed by the managers which will be discussed in this paper in Islamic perspective.

This paper discusses the management practices in Islamic perspective, so that managers of Islamic world may seek guidance to attain excellence in their job. Following the introduction, section 2 provides literature review with the comparison of western and Islamic approach of management. Section 3 discusses the overall management concept with Islamic thought. Section 4 elaborates concept of management practices executed in the realm of management functions with the help of Islamic teachings. Section 5 concludes the entire thought and gives recommendations.

## **2. MANAGEMENT IN MUSLIM WORLD**

It has been observed that in Muslim world, generally western management style is adopted by managers but being Muslims,

managers' inner self compels them to be attracted by the message of Allah. This conflict makes their job more difficult. Truly, implementation of pure Islamic management is needed. Ali (2010) has discussed that in Muslim countries, the implementation of western management practices while considering the teachings of Islam passively in management practices has challenged the Muslim managers' job. He further relates that in scientific management practices, which are practiced in western world, the organization only focuses on tasks and rules but neglects the spiritual aspect from the work sphere. The acquisition of only the scientific management practices is not enough to keep sublimity while accomplishing the tasks of the organization is necessary. There is needed another school of thought in order to execute the sublime fulfillment of management practices. This school of thought is Islamic school of thought as Abbasi *et al.* (2010) say that Islam has introduced distinctive management practices that nurture civility, prosperity, diversity and happiness among the people of different creed and ethnic origins. All these distinctive management practices can be comprehended from the teachings of Heavenly Book Quran as Kazmi (2003) says that Quran is the valid source to seek guidance for the true concept of livelihood. Quran gives us complete code of life as in following *ayat*, the scope of Quran is revealed.

“We have revealed to you the book which clarifies every matter” (*Surah An Nahl*: 89).

So there prevail two approaches in the world of business; western approach (Ali, 2010) and Islamic approach (Abbasi *et al.*, 2010). This paper discusses these approaches in the following sections in detail.

## **2.1 Western Approach**

Western approach of management practices is narrated by Ali in 2010 as he quotes that the management practices are based on these aspect “relationship and interaction are primarily

personal; inclusive; span class and race consideration; and are expected to be flexible and broader in their application.” Western school of thought in management practices says that tasks and rules are closely related and the role of the management is to fulfill the tasks while maintaining the sanctity of the rules. In the Muslim world, this western approach is widely adopted but without implementation of spiritual teaching, there have been observed various drawbacks in true implementation of management practices as mentioned by Osman *et al.* (2011) that in Muslim countries, there exists gap in justice, trustworthiness, responsibility and other values of workers when Muslim managers adopt western approach in management practices. Managers cannot overlook the significance of moral values and spirituality in management practices. Ahmad (2008) states that for acquisition of values and spirituality Muslim managers have to ponder on Islamic approach which constitutes the concept of *taqwa*, *akhlaq*.

## **2.2 Islamic Approach**

Fourteen hundred years ago, the heavenly religion emerged on the material world as a leading force of the universe when the first revelation of Allah revealed to Prophet Muhammad (SAW), “Read in the name of thy lord who created” (*Surah Al- Alaq*: 1). The Prophet Muhammad (SAW) announced the message of Allah that He is the creator of universe and there is no other God as in *Surah Al- Imran ayat* no. 2, Allah says, “Allah- there is no god except Him, the Ever-living, the sustainer of existence.”

Islam is the religion of Allah, the creator of universe and this religion gives the complete concept of human livings which is depicted in the valid sources; Al – Quran and *Hadith*, as Kazmi (2003) has quoted that Islamic rules and perspectives have been discussed in valid sources, Al-Quran and *Hadith* and there is no doubt in the Islamic rules and principles. For the validation of Kazmi’s words we include verse from Quran “He

(Allah) has sent down upon you (O Muhammad), the Book in truth, confirming what is before it” (*Surah Al- Imran: 3*). In the next *ayat* Quran reveals the importance of Quranic verses, “And He revealed the Quran. Indeed, those who disbelieve in the verses of Allah will have a severe punishment and Allah is exalted in Might, the Owner of Retribution” (*Surah Al- Imran: 4*).

Quran is the valid source for the guidance in life and Muslims are bound to follow the teachings of Islam as mentioned in *Surah Al- Imran*. As far as the duties of managers are concerned their job is to surrender themselves to Al- Mighty Allah. Surrendering doesn’t mean just to believe in Allah orally but practically following the teachings of Islam which preaches *Haqooq Allah* (the rights of Allah) and *Haqooq ul Ibad* (the rights of people). In Quran God says, “The believers are only those who have believed in Allah and His Messenger and have struggled with their possession and their persons in the way of Allah. It is they who are truthful” (*Surah Hujurat: 15*). Allah has dignified those people with the title of truthful who believe in God, His messenger and His sayings.

### **2.2.1 Teachings of Islam**

Islam teaches the lesson of *Haqooq Allah* and *Haqooq ul Ibad* as in Quran Allah says, “And establish prayer and give Zakat and bow with those who bow (in worship and obedience)” (*Surah Al- Baqarah: 43*). This *ayat* gives the both concepts; the rights of Allah which are called *Ibadat* and rights of people which comprise *ehsan* and *sadekah* as quoted by Ali (2010). He describes the terminologies *ehsan* and *sadekah* in concept of kindness, generosity, trustworthiness, and justice. This concept has also been discussed by Ahmad (2008) who says that *taqwa* and *akhlaq* are the attributes which authenticate perfection in one’s personality. In *hadith* of Bukhari, Prophet Muhammad (SAW) says, “Muslim is one from whose hand and tongue all Muslims are safe” (*Sahih Al- Bukhari*). In this *hadith* Prophet

Muhammad (SAW) emphasizes on applications of *ehsan*, *sadekah* and *akhlaq*.

Islam gives the lesson of *Amr Bil Maroof* and *Nahi Anil Munkir* which mean Muslim should do good and right deeds which have been accepted morally and religiously and avoid doing wrong ones. Islam says that duty of Muslim doesn't stop here, his duty is to teach others to follow right path and forbade them doing wrong ones. Allah says, "You are the best of people evolved from mankind, enjoying what is right and forbidding what is wrong, and believing in Allah" (*Surah Al- Imran: 110*). Islam gives the message of creating a peaceful environment where Muslims are following the concept of *Haqooq Allah* and *Haqooq ul Ibad*, *Amr Bil Maroof* and *Nahi Anil Munkir*.

### 3. MANAGEMENT IN ISLAMIC APPROACH

Islamic school of thought with respect to management of the organization as stated by Khasawneh *et al.* (2013) is more established and deep rooted as compared to contemporary one. They derive that Islamic thought strengthens the more spiritual and humanistic ties and provides rights to everyone in organization, establish justice and support humanistic values and ethics of honesty, truthfulness on permanent basis. This concept is also discussed by Abbasi *et al.* (2010) when they say that in Islamic management perspectives, welfare and protection of all stakeholders e.g. shareholders, employees, customers, environment, and society are responsibilities of the organization. So, according to them, managers are accountable for financial and non financial losses e.g. ethical breaches and other threats to the organizational reputation and every stakeholder has right to ask anything to the managers with respect to welfare and protection. But how managers can establish the environment of welfare and protection, Quran speaks about this "O' Believers be stable in the way towards God, be the proof of justice and truth; of course group hostility

should not take you out of the justice path. Do justice as it is closer to piety and be afraid of God as he knows whatever you do” (*Surah Al- Maedeh*: 8). From these verses, we can say that managers’ job is to maintain justice in their job and deal with their employees on equality. But on the other hand Islam gives the concept of kindness and forgiveness also. Managers must be kind hearted and God feared while handling the worse situation caused by sub-ordinates. “Due to mercy of God, you turned kind to people and if you were ill tempered and stone hearted, they would get away from you so should they wrong to you, forgive them and ask forgiveness for them” (*Surah Al-Imran*: 159). Babaei *et al.* (2012) say that managing of organization is a crucial job and emphasize that managers must be God centered, virtue oriented, trustworthy, just, humility oriented, ethical, and inclined to cultural diversity for ensuring equity in managing work in the organization

#### **4. MANAGEMENT PRACTICES AND TEACHINGS OF ISLAM**

Robbins and Coulter (2010) have discussed four management functions: planning, organizing, leading and controlling. We discuss management practices associated with these management functions with the help of teachings of Islam.

##### **4.1 Planning with Islamic thought**

Robbins and Coulter (2010) have defined planning;

“Management function that involves defining goals, establishing strategies for achieving those goals, and developing plans to integrate and coordinate activities.”

As compared to contemporary management thought, Islamic management thought has more worth and value in its planning and results. Khasawneh *et al.* (2013) are of the view that contemporary management thought is based on the theories and principles that are changing over time and place to place

but Islamic thought has given firm codes and principles of every aspect of life that are valid irrespective of time and place. Tavakoli *et al.* (2012) support this concept that as compared to western management theories, Islamic managers make long term and effective planning because their planning is based on Quran- the word and inspiration of God and is under the protection of God, so there is no doubt in it. Ogunbado and Otaibi (2013) deal management in Islamic perspective that Islam has laid emphasis on quality management to achieve goals of organization but with the view of welfare and betterment of *Ummah*.

Mohiuddin (2012) says that in fact planning is an Islamic tradition. He emphasizes that success in setting of goal and formulation of strategies can be achieved if managers get help from Islamic teachings. Firstly Islam gives stress on fear of Allah when someone makes plan. As discussed in Quran, “O ye who have believed! Fear Allah, and let every soul look to what (provision) he has sent forth for tomorrow. Ye fear Allah, for Allah is well-acquainted (all) that ye do” (*Surah Al Hashr*: 18). When the fear of God is established in one’s self, he will make the plans which are in the favour of mankind. Planning, as God has said in His book “Verily your lord is Allah, who created the heavens and the earth in six days” (*Surah Yunus*:3) is the function in which thorough wisdom and composed approach is required. This very concept has also been directed by Hazrat Ali (A.S) to his commander Maalik al Ashtar in his letter, “Plan your work daily, because every day comes with new concerns.” Islam not only focuses on making good plan but also stresses on the fulfillment of the plan as in Quran Allah says, “Fulfill the contracts which ye have made” (*Surah Al Baqarah*:177). Islam stresses on the planning which is based on Quranic principle with the fear of God and emphasizes on the fulfillment of those plans with honesty.

## 4.2 Organizing with Islamic thought

Robbins and Coulter (2010) have quoted in their book;

“Management function that involves determining what tasks is to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.”

Abdullah and Ishak (2012) say that organizing in Islam means coordination in system of authority, responsibility and accountability. They further include that Islam enforces on making the plans workable in excellent way. The better understanding can be developed with the help of teaching of Islam to understand Islamic organizing. In Quran Allah says, “And it is He who sends down rain from the sky, and We produce thereby the growth of all things. We produce from it greenery from which We produce grains arranged in layers. And from the palm trees - of its emerging fruit are clusters hanging low. And (We produce) gardens of grapevines and olives and pomegranates, similar yet varied. Look at (each of) its fruit when it yields and (at) its ripening. Indeed in that are signs for a people who believe” (*Surah In’am: 99*). We can see that the elements of nature are placed in proper arrangement by God. God has organized the whole universe in proper order. In Holy Book, there is an evidence of God’s teaching for mankind to organize things accordingly as God has said, “And it is He who created the night and the day and the sun and the moon; all (heavenly bodies) in an orbit are swimming” (*Surah Al Anbya: 33*). The same concept is revealed in another *ayat* with enforcement of understanding the concept of organizing and implementing in our lives either in social or managerial life, “Allah alternates the night and the day. Indeed, in that is a lesson for those who have vision” (*Surat An-Nūr: 44*). God says that there is salvation for those who organize their plans under the guidance of Allah’s commands as expressed in *Surah Tāhā, ayat 64*, “So arrange your plan, and come in (forward) in line. Whose is uppermost this day will be

indeed successful.” Islam gives emphasis on proper organizing and ensures the success for those who have organized their plan in proper way. Managers’ job is so crucial to organize their plan and strategies. Quran gives guideline to the managers that they should organize on equity and truth should be the essence of the services, as in the Holy Book it is said, “And never mix truth with false, nor conceals the truth when ye know (what it is)” (*Surah Al Baqarah*: 42). Abdullah and Ishak (2012) have written Islamic organizing as “aspects of managing mutual relationship in a system of authority, responsibility and accountability.” Islam gives the same concept in the Holy Book, “The believers, men and women, are protectors, one of another; they enjoin what is just and forbid what is evil” (*Surah Al Tawbah*: 71). The managers are responsible for organizing based on justice and purified from all evils. Evil in organizing means to do unjust to one’s employees. God forbids this and says in Quran, “On no soul doth God place a burden greater than he can bear” (*Surah Al Baqarah*: 286). It means that managers have to do assign works to their workers according to their capabilities and understandings.

#### **4.3 Leading with Islamic Thought**

According to Robbins and Coulter (2010), leading means;

“Management function that involves motivating subordinates, influencing individuals or teams as they work, selecting the most effective communication channels, or dealing in any way with employee behavior issues.”

Tavakoli *et al.* (2012) state that Quran is the best way of true understanding of management and there is no doubt in the validity of Quran as Allah says, “This is the Book about which there is no doubt, a guidance for those conscious of Allah” (*Surah Al- Baqarah*: 2). Tavakoli *et al.* (2012) further writes that we cannot deny the importance of management and organizations need powerful, creative and innovative managers. Sarmadi (2002) quotes *hadith* of Prophet Muhammad (SAW) to

emphasize the thought given by Tavakoli *et al.* (2012) “Nothing is permissible for three people who are together unless they make one of themselves a chief.” The statement of Hazrat Ali (A.S) as quoted by Tavakoli *et al.* (2012) authenticates the *hadith* in this way, “Without chief people will fight with one another.” This means that the significance of leaders in the organization is inevitable but the question arises, “who should be the leader or manager?” Allah says, “We made them leaders who guided people by our order and we have inspired them to do good deeds” (*Surah Anbia:73*). To strengthen the very concept we include another verse from Quran in which Allah says, “God promises those of you, who believe in God and have done good deeds to appoint them Caliph on the earth, surely as gave predecessors the Caliphate on the ground, and God will make perennial the religion selected for man and will change their face into security and peace” (*Surah Noor: 55*). Islam, as a rule, doesn’t accept the management of those who have no belief in Allah and do not have similarities with Muslims. It means that Allah likes leaders who believe in Allah and behave like true Muslims. “O Prophet, do not stay in doubts because of infidels” (*Surah Hood: 109*). Allah orders Prophet Muhammad (SAW) that he should choose leaders who are true believers. So, Islam lays emphasis on Islamic leadership rather than the leadership done by non believers. Ahmad and Fontaine (2011) give the concept of leadership that Islamic leadership is bound to serve people. Apart from other leadership theories, Islam emphasizes on servant leadership.

#### **4.4 Controlling with Islamic Thought**

According to Robbins and Coulter (2010) the definition of the controlling is;

“Management function that involves monitoring actual performance, comparing actual to standards and taking actions, if necessary.”

Abdullah and Ishak (2012) explain that Islamic framework, based on Quranic command and *Hadith*, enforces the idea of effective Islamic controlling of all the work executed in the organization. In Quran it is expressed that supreme control is in the hands of Allah, “And He it is Who gives life and causes death, and (in) His (control) is the alternation of the night and the day; do you not then understand?” (*Surah Al-Mu'minūn*: 80). We all are under God’s control and Muslim managers’ duty is to understand about the supremacy of God and they should exercise their control with the fear of God. In another *ayat* the same command is given by God, “Whoever joins himself (to another) in a good cause shall have a share of it, and whoever joins himself (to another) in an evil cause shall have the responsibility of it, and Allah controls all things” (*Sura An NisA*: 85). In these *ayats* Islam emphasizes on the fair and just controlling and controlling for good cause. Quran says, “Those who spend (of that which Allah hath given them) in ease and in adversity, those who control their wrath and are forgiving toward mankind; Allah love the good” (*Surah Al Imran*: 134). So the controlling must be done with patience and wisdom as in another *ayat* God says, “Those who show patience, firmness and self-control; who are true (in word and deed); who worship devoutly; who spend (in the way of Allah); and who pray for forgiveness in the early hours of the morning” (*Surah Al Imran*: 17). Managers must show patience, wisdom, kindness and God fearing while controlling the activities of the subordinates.

In Islam there is concept of controlling in production of the products which are accepted in Islam. Islam forbids the production of *haram* products as Abdullah and Ishak (2012) say that Islamic management instigates the managers to have control on the production of the goods and services which have been declared *haram* in Islam because they are harmful for the society. They further elaborate in the same context that Islam serves the society to create healthy atmosphere which ensures the welfare of mankind. In their view point Islam gives the

concept of effective Islamic controlling and this ensures the success of the organization and welfare of society and stakeholders.

## **5. CONCLUSION**

Management in Islamic perspective enforces the concept of sincerity, truthfulness, integrity, justice, equality, kindness, tolerance, patience and forgiveness. It considers the welfare of stakeholders. Social responsibility irrespective of profit and loss is the lesson which Islam teaches. It does not believe in concept of management practices which infuriate the workers and ruin the organizational objectives. It brings equity in the practices and morality. It generates the idea which benefits the society. God's principles are definite and sure. These do not change as per time and place but remain certain and definite and true for every perspective of life. There is no doubt in these laws and principles. But on the other hand contemporary management theories are changing according to time and place. Islam is for every region and for every time, and Islamic managers following complete principles of God's command can manage organization cross culturally and globally effectively because Islam eliminates the difference of creed, cast, race, color, region and language.

### **5.1 Recommendation**

The following recommendations would definitely benefit the Muslim managers for the perfection in the execution of management tasks.

1. They must have full knowledge of Heavenly Book Al-Quran and have courage to follow the teachings.
2. They must read and implement the soul of *hadith* of Holy Prophet Muhammad (SAW) in their selves.
3. They must follow Sunnah of Prophet Muhammad (SAW).

4. They must have knowledge of Nahjul Balagha, a book based on Hazrat Ali's addresses.

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