

# A Qualitative Analysis of Islamic Management Model

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## Abstract

This paper explores the concept of Leadership in the light of Islamic Management Model using the existing and available literature and compares the western and Islamic perspectives on leadership. The Islamic Management Model is a “holistic approach where leaders ‘surrender’ their authorities to ‘divine’ instructions and then gain the knowledge to use them as instructions for managing their organizations”. ‘Surrendering’ to divine instructions, here, means that leaders are held answerable and accountable for their responsibility regarding fulfillment of their duties towards followers effectively and efficiently. This study adds contribution to theory by providing an integrated review of Organizational Leadership in the light of Islamic Management model using basic principles from *Qur’ān* and *Hadīth* and provides a comparison between the western and Islamic approaches towards leadership. Also, this study has practical implications for those who are involved in the leadership or management of their organizations. Owing to the dynamic corporate environment, the leaders have to face many challenging issues day to day and investigating how these leaders could effectively do their work has become the topic of debate. The Islamic Management Model provides a framework for how corporate leaders can tackle these dynamic challenges under the framework of Islam by inculcating a positive organizational culture of Islamic values.

**Keywords:** *Qur’ān*, *Hadīth*, leadership, Islam, Islamic management model

## Introduction:

The success of any organization mainly depends on the leader, who serves as an integral part of management. Wherever some people work together in the form of groups, there has to be a leader from among them who would provide them with direction and guidance.<sup>1</sup> These leaders are considered as role models in any organization the behavior of whom reflects upon the organizational culture or climate. The current global era demands that all human beings whether Muslims or non- Muslims are confronted with dynamic challenges in their organizations for which guidance and instructions of the corporate leader plays a vital role.<sup>2</sup>

Muslim leaders must create an environment of prosperity and civility in their organizations and key to this is by adopting the universally applicable Islamic code of life comprised of principles laid down by *Allāh* Almighty in the Holy *Qur’ān* and practices of our Holy Prophet presented in the form of *Hadīth*. The Holy *Qur’ān* is the main source of Islamic knowledge and the last revelation to Hazrat Muhammad (PBUH) which serves as a

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<sup>1</sup> Elimam, H. A. Effective Strategic Leadership from Islamic Perspective. American International Journal of Contemporary Research Vol. 7, No. 4, 86-92, December 2017.

<sup>2</sup> Abbasi, A.S., Rehman, K., & Bibi, A., Islamic management Model. *African Journal of Business Management* 4(9), 1873-1882, 4-08-2010.

‘divine guidance and direction for mankind’. The Sunnah comprises of the words and practices of the Holy prophet as ordered by *Allāh*, which has been made compulsory for all Muslims to carry out. This approach of ‘Knowledge’ and ‘Practice’ in the form of Islamic Management Model can bring extraordinary results for the modern organizations when dealing with challenges in complex environments of the contemporary era.

Extant literature is available on the studies of conventional leadership qualities and styles, however, research needs to be done regarding the Islamic perspectives of leadership.<sup>3</sup> This paper attempts to fill this gap by exploring Islamic leadership, specifically, in the light of the Islamic Management Model, which is now being considered as the topic of debate among Muslim scholars.<sup>4</sup> This is a desk-based study for which various research publications and journals have been consulted to gather and integrate the data with objective of exploring the concept of leadership from the perspective of Islam and comparing it with the Western approach.

## 2. Review of literature:

### Definitions of Leadership:

The most simple and practical definition of leadership is that: “leadership is the ability of developing and communicating a vision to a group of people that will make that vision true”. Fitzpatrick believes that “Leadership entails a dynamic relationship based on mutual influence and common purpose between leaders and collaborators in which both are moved to higher levels of motivation and moral development as they affect real, intended change”.<sup>5</sup> Another definition is that: “Leadership is the art of influencing and inspiring subordinates to perform their duties willingly, competently and enthusiastically for achievement of group objectives”.<sup>6</sup> This means that the leader has to influence and motivate people so that they willingly and enthusiastically work for the achievement of their goals. Leadership is deliberately causing people-driven actions, in a planned fashion, for the purpose of accomplishing the leader’s plan.<sup>7</sup>

### Leadership from western and Islamic perspective:

In today’s organizations, leader is same as the Boss and sub-ordinate as his follower. The western concept views leadership as a set of three basic elements: (i) “a leader who has authority and guides other persons”; (ii) “a group of followers who respond to such guidance”; (iii) “a situation or objectives to be achieved by coordinating the efforts of many persons”.<sup>8</sup> Defined authority as: “a conferred power to perform a service”.<sup>9</sup> Authority is delegated from group to those who are willing to speak out or make decisions or take actions on behalf of that group. These, in turn, agree to accept the authority of the leader they elect and accept his actions and decisions. So, this implies that leadership is a position that a person cannot take himself, rater it is given to one by mutual willingness of others.

<sup>3</sup> Al- Sarhi, N. Z., Salleh, L. M, ZA, M., & AA. A. The West and Islam Perspective of Leadership. *International Affairs and Global Strategy*. Vol. 18, 42-56, 2014.

<sup>4</sup> Ather, S.M., & Sobhani, F.A., Managerial Leadership: An Islamic Perspective. *IIUC STUDIES*, Vol. – 4,7-24, December 2007.

<sup>5</sup> Fitzpatrick, B., & Collins-Sussman, B. *Team Geek: A Software Developer's Guide to Working Well with Others*: O'Reilly Media, Incorporated, 2012.

<sup>6</sup> Peter Drucker, *The Practice of Management*, Harper and Row, 1954.

<sup>7</sup> Crosby, P. B. *Quality is still free: Making quality certain in uncertain times*, 1996.

<sup>8</sup> Ibid, “Developing Strategic Leaders,” *Strategic Leadership and Decision Making*, chap-7, 9.

<sup>9</sup> Fayol, Henry, *General and Industrial Management*. Sir Issac Pitman and Son, London, 1949.

According to Islam, the power, authority and reputation held by the leader is subjected to the will of God and it is His will to whom He bestows them. Next comes the duty of the leader to surrender this authority to the instructions provided in the Holy *Qur'an* and *Hadith* for fulfilling these obligations and carrying out these duties as fairly as possible for utmost success.<sup>10</sup> Here, “to Surrender” means that one’s obedience and surrendering to *Allāh* Almighty’s will and ‘authority’ means the ‘power or right to command’, ‘power to give orders for obedience’. In Arabic, the word Islam itself means to surrender, to submit and to obey. The Islamic religion as a whole means complete submission, obedience and surrender to *Allāh*’s teachings, who is the creator and maker of the entire universe<sup>10</sup>. According to Islam, leadership is a trust and a psychological contract between leader and his followers that he will put his utmost efforts to guide and protect them and doing good deed for the sake of *Allāh* and His mankind.<sup>11</sup>

#### **Islamic Management Model:**

Ahmed (1995) has defined the “Islamic management system” as “a holistic approach of comprehensive theories of human behavior and values rooted in the *Qur'ānic* and Sunnah teachings”<sup>12</sup> A holistic approach is one that views the organization as a whole. It considers the organization, its people, culture and system not in parts, but as one entity. This model has the following characteristics:

1. “It is rooted in the principles of *Qur'an* and Sunnah”
2. “It provides a set of instructions for the organizational leader to surrender the authority”
3. “These instructions form a set of practice and theory that give rise to a holistic approach for organizational management”

The Islamic Management Model provides a framework of three elements; “*humility, responsibility and accountability*” for corporate leadership.

#### **Accountability:**

A leader must be held answerable and accountable for his actions and decisions to his followers because he has been elected and has accepted to be their leader.<sup>13</sup> This accountability shows trust in the leader and is an icon of responsibility in leadership, building trust and moving to better performance. Leaders who are well aware that they are accountable and answerable tend to deliver all the elements of their responsibility in effectively and efficiently.<sup>14</sup> In lieu to this, the Holy *Qur'an* repeatedly informs the importance of accountability at different places:

*“Then shall anyone who has done an atom's weight of good, see it!  
And, anyone who has done an atom's weight of evil, shall see it”*<sup>15</sup>

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<sup>10</sup> Mawdudi AA. Towards Understanding Islam, U.K.I.M. Dawah Centre, 1960.

<sup>11</sup> Ahmad, K., & Ogunsola, O. An empirical assessment of Islamic leadership principles. *International Journal of Commerce and Management*, 21(3), 2011, 291-318.

<sup>12</sup> FayazAhmad, Work Motivation in Organizational Setting: An Islamic Perspective in F. R. Faridi, (ed.). *Islamic Principles of Business Organisation and Management*. (New Delhi: Qazi Publishers and Distributors, 1995AD) (Kuala Lumpur, Malaysia: Published again in 1997 by S Abdul Majeed & Co.).

<sup>13</sup> Abbasi, A.S., Rehman, K., & Bibi, A., Islamic management Model. *African Journal of Business Management*, 4(9), 1873-1882, 4-08-2010.

<sup>14</sup> Fairholm GW. *Mastering inner leadership*. Westport, CT: Quorum Books, 2001.

<sup>15</sup> *Al-Qur'an, Al-Zilzal:7-8*

*“Nor can a bearer of burdens bear another's burden. If one heavily laden should call another to (bear) his load, not the least portion of it can be carried (by the other), even though he is closely related to it”<sup>16</sup>*

*“And We made them leaders guiding men by Our command and We sent inspiration to do good deeds, to establish regular prayers, and to practice regular charity; and they constantly served Us only”<sup>17</sup>*

*“And every man's fate, we have fastened on his neck: on the Day of judgement, we shall bring out for him a scroll that he will see spread wide open.”Read your scroll! You will suffice this day as a constant reckoner against you<sup>18</sup>”.*

### **Responsibility:**

Responsibility encompasses all the actions that constitute the demands of the leadership position. Any person who acts as the leader must know fully their responsibilities, their targets, associated rewards and the result of their actions and decision, if they make mistakes.

Our Holy Prophet Muhammad (ﷺ) advised to elect a leader from a group and to obey his orders as said by him:

*“When three are on a journey, they should appoint one of them as their leader.”<sup>19</sup>*

At various places, he stated the value of responsibility:

*“Whenever God makes a man responsible for other people, whether in greater or lesser numbers, he will be questioned as to whether he ruled his charges in accordance with God's decrees or not. And that will not be all. God will question him even about his family members”<sup>20</sup>.*

*“A ruler who has been entrusted with the affairs of the Muslims, but makes no endeavour (for their material and moral upliftment) and is not sincerely concerned (for their welfare) will not enter Paradise.”<sup>21</sup>*

*“All of you are guardians and are responsible for your wards. The ruler is a guardian and the man is guardian of his family; the lady is a guardian and responsible for her husband's house and his offspring, and so all of you are guardians and responsible for your wards.”<sup>22</sup>101*

*“Each of you is a shepherd, and all of you are responsible for your flocks.”<sup>23</sup>*

<sup>16</sup> Al-Qur'ān, Fatir:18

<sup>17</sup> Al-Qur'ān, Al-Anbyā: 73

<sup>18</sup> Al-Qur'ān, Bani Israil:13-14

<sup>19</sup> Sunan Abu Daud, chapter 933 (Karachi: Darul Ashaat, 2005), Narration No. 2602.

<sup>20</sup> Imam Ahmad bin Hanbal, Musnad, Vol: 3 (Beirut: Dār al-Afāq al-Jadīdah, n.d), 135, 154.

<sup>21</sup> Saheeh Muslim, Chapter 44, Narration No. 264, Vol 1 (Karachi: Darul Ashaat, 2005), 82.

<sup>22</sup> Saheeh Bukhari, Vol 2op.cit., 128.

<sup>23</sup> Saheeh Al-Bukhari:212.

### **Humility:**

One of the traits of successful leaders is that they are highly confident, yet at the same time they are very humble. They seek all the guidance from *Allāh* and His teachings. Hazrat Moosa (AS) once pleaded to *Allāh* to help him for improving his capabilities. This shows that even as a leader, he possessed humility and was dependent on *Allāh* for everything.<sup>24</sup>

*“(Moses) said: ‘O my Lord! Expand my breast; Ease my task for me;’”*

Leaders act as “servant” to their follower by looking after their development and progress, while protecting them. The Holy Prophet said:

*“The leaders of the people are their servants.”<sup>25</sup>*

The second caliph of Islam, Hazrat Umar (r.a) also expressed his feelings about servant leadership in a sermon, where he said:

*“Muslims! I am not a king to make you slaves as I am my self a slave of God, although I have been burdened with the responsibility of caliphate. I would be fortunate if I do deeds which may enable you to sleep in your houses peacefully. And I would be condemnable if I wish you to pay visits at my house door. I want to persuade you through deeds rather than words.”<sup>26</sup>*

### **Components of Islamic Management Model:**

It is knowledge that promotes the capability to perform better and practice is used to translate them further to take the form of action. The components of Islamic Management Model that constitute knowledge and practice, built on the foundation of *Qur’ān* and *Ḥadīth*, for organizational management are *sincerity, proficiency, justice, truthfulness and patience.*<sup>27</sup> Any corporate leader who inculcates these components in the culture of their organization will be able to tackle with contemporary management issues.

### **Sincerity:**

Sincerity is completing a task with the best abilities that leads to effective performance and overall success of the organization. This is the most important value a worker can show to his organization. There is no continuum for this and sincerity is absolute. A worker can be either sincere or insincere. It is said in the *Qur’ān*:

*“Say: ‘It is Allāh I serve, with his sincere (and exclusive) devotion’<sup>28</sup>*

Nowadays, organizations face loyalty issues from their workers. One reason for this is the lack of an ethical grooming on the part of the employee or the organization, which does not create an organizational culture of sincerity in them. Sincere efforts by workers lead to better performance of the individual and eventually the success of organization.

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<sup>24</sup> Unus I. The story of Musa and Harun, Lesson in leadership, International Institute of Islamic Thoughts, Herndon, 2005.

<sup>25</sup> Jalalud Din Sayyuti, Al Jame Al Sagheer, (Darul Qalam, 1966), 175.

<sup>26</sup> Shibli Numaani, Alfarooq, op cit., 108.

<sup>27</sup> A.S. Abbasi, K. Rehman, & A. Bibi, Islamic Management model. African Journal of Business Management Vol. 4(9),4 August, 2010, 1873-1882.

<sup>28</sup> *Al-Qur’ān, Al-Zumar:14*

**Proficiency:**

Usually in an organization, there are two types of workers. One who perform their duties well, but are not affectively committed to the organization and others are those who go extra mile in performing their routine duties, do more than their minimum assignments and make personal sacrifices for the organization. Such people have ' *ih-san* ' and they work hard to fulfill their duties and go beyond it far reaching the organizations' expectations. These employees have a high level of proficiency. Proficiency means "accomplishing tasks in a good way or rather in a proficient way".

Today's organizations face employee proficiency issues as well. When all members will work with proficiency, the organizational culture is built on the foundations of proficiency then automatically the productivity will be boosted, as is said in the *Qur'an*:

*"But thou shall do good, as Allāh has been good to thee"*<sup>29</sup>

**Justice:**

The Islamic management model requires all organizational members to operate and act in a fair and just manner and avoid all sorts of favoritism, personalism and nepotism. Justice is an integral ingredient of the Islamic management framework. Again there is no continuum and justice is absolute. Either an employee acts in a just way or in an unjust manner.

It is stated in the Holy *Qur'an*,

*Allāh commands justice, the doing of good.*<sup>30</sup>

*"O you, who believe! Stand out firmly for justice, as witness to Allāh, even as against yourselves or your parents or your kin and whether it be against rich or poor, for Allāh protects both"*.<sup>31</sup>

Justice is considered to be a virtue universally accepted in all religions and societies. Islam has also laid great emphasis on keeping justice and eradicating exploitation, tyranny, oppression, in-equalities, wrong-doings and injustice at the organizational level and from the society as a whole.<sup>32</sup> In this way employees are not deprived of their fundamental rights and they feel safety and protection, which enables them to carry out their organizational duties attentively, peacefully and with dedication. All of which increase the organizational performance. This is how a corporate leader can use the Islamic management model to create a culture of justice and protection among the workers which will inspire them to work diligently and devotedly.

**Truthfulness:**

Truthfulness is another important characteristic of Islamic management system. It means "the consistency between deeds and words in speech, resolution, action and intention". No organization can survive on the foundation of lies and deception.<sup>33</sup> Only speaking truth is not sufficient. It is important that actions are consistent with words, intention and resolutions. Islam has addressed the concept of 'intention' which has not been risen in the contemporary ethical theories. A Muslim needs to speak truth from heart and not for showing off. Truthfulness is an absolute virtue. Either a person can be truthful, or a

<sup>29</sup> *Al-Qur'an, Al-Qasas:77*

<sup>30</sup> *Al-Qur'an, An-Nahl:90*

<sup>31</sup> *Al-Qur'an, An-Nisa:135*

<sup>32</sup> A.S. Abbasi, K.Rehman, & A. Bibi, Islamic Management model. African Journal of Business Management Vol. 4(9),1873-1882.

<sup>33</sup> Confucius (400 BC), Without truth I know not how man can live.

liar. It is noted that Hazrat Imam Bukhari (RA) came to a person who forgot a *Ḥadīth*, he noticed that that person was deceiving his own animal by forwarding his lap with no grains. As a consequence, Hazrat Imam Bukhari (RA) refused to take *Ḥadīth* from him and said:

*“If a person deceives an animal, he can tell a lie to any one”.*

Allāh has promised to reward the truthful:

*“That Allāh may reward the men of ‘truth’ for their ‘truth’ and punish the ‘hypocrites’ if that be His will.”<sup>34</sup>*

We see numerous benefits of truthfulness in our lives. When an organization has a culture of truthfulness, scams or scandals will not be conceived there and the foundations will be laid by the hands of truthful, responsible and reliable employees.

### **Patience:**

In the Holy *Qur’ān*, Allāh has declared Patience as a distinct characteristic of the Islamic value system. Patience has been defined in two approaches. Firstly, ‘the mental patience’, which is defined as “the firmness of mind required by a person to restraint anger and to forgo bursts of crying”. This firmness is required by one to handle situations of anger and to control greed for wealth. Secondly, ‘the bodily patience’, which is defined as “the bearing of physical pain, owing to disease or an injury”.<sup>35</sup>

Patience and perseverance is compulsory in all management activities. A manager faces several issues in organizational day- to- day routine where he may have to deal with disagreements, misinterpretations and deviations from the already set plans. A manager who uses patience in such obstacles can handle even the most discouraging and difficult matters.<sup>36</sup> Islam is of the view that members of a group should treat each other with patience and must encourage treating others with patience. It is not uncertain that a person following the righteous path faces turmoils and opposition, but if in an organization, all workers support each other, the whole organization can move ahead and flourish with firmness.

### **Comparison of Leadership from Western and Islamic perspective:**

As such, there exists no difference in the definitions of leadership in Islam and West since both view it as a complex phenomenon that involves the leader, follower and the situation, causing the leader to influence and drive people to perform certain actions which help to accomplish the objectives and goals set by the leader.<sup>37</sup> Here, leadership is viewed as a process and not a position that focuses on the achievement of both organizational and individualistic goals.<sup>38</sup>

However, this process differs from Islam in the sense that an Islamic leader strives for goals of the community as a whole and focuses on greater good rather than his own personal goods/ hence, in Islam, leadership is the process by which the leader inspires and coaches followers to put efforts together to fulfill common goals<sup>3</sup>. Also, an Islamic leader not only has to think for shared vision instead of a personal vision, but also has to act only

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<sup>34</sup> *Al-Qur’ān, Al-Aḥzab:24*

<sup>35</sup> Alhabshi SO, Ghazali AH. *Islamic Values and Management*, (Malaysia IKMI: Institute of Islamic Understanding, 1994).

<sup>36</sup> Keith (2004). *Keep Pushing*, Retrieved July 9, 2008 from: [http:// www.sportworksministry.org](http://www.sportworksministry.org)

<sup>37</sup> Jabnoun, N. *Islam and management: Institut Kajian Dasar (IKD)*, 1994.

<sup>38</sup> Gary Yukl *Leadership in Organizations, Prentice Hall*, fifth edition was published in 2002.

according to the Islamic teachings to fulfill that goal and see the consequences of his actions in the world hereafter. In Islam, a leader is not free to act as he wishes or as he chooses, neither can he adhere to the wishes or goals of a certain group. An Islamic leader has to implement and act according to the rules and laws of *Allāh*. So, the focus of leadership, as per the Islamic Management Model, rests on the greater good of humanity in the light of *Qur'ānic* verses and *Hadīth*.

#### **Implications of the Study and Future Recommendations:**

This study, using available literature, highlights the phenomenon of leadership both from Western and Islamic point of view and has managerial implications for both researchers and practitioners in organizations who want to achieve mutual and sustainable success no matter they belong to Muslim or Non-Muslim community since Islamic teachings are for all human beings and does not prohibit its implementation in non-Muslim world.

This study can serve as a starting point for future researchers where this phenomenon can be explored in further detail and can be tested empirically to see the effects of Islamic way of leadership on various employee and organizational outcomes like performance, profitability, employee trust, loyalty and commitment. A study can be conducted both on national and cross-national levels.

#### **Conclusion:**

Islam views "leadership" as a "trust" of *Allāh* Almighty in the form of a covenant pledge granted by Him to his people in a leadership position that they will justly and honestly treat, guide and protect those under him. Hence, the Islamic point of view delineates 'leadership' as sacred trust bestowed by *Allāh* on those in authority to act as a helper of their followers. Not only this, but the followers are also advised to obey their elected leader. As we see from the literature that the role of an Islamic leader is two- fold, both as a servant leader and guardian leader to his followers. Firstly, to be a leader, the decisions are not to be imposed on the people or members of the group, rather they need to be inspired and motivated to act in the best interests of the people and organization, so they need not have a formal authority but an influencing relationship with their followers and guiding them. So, they are not kings but servants to their people. The other type of leader is characterized by someone who guards his followers against oppression and tyranny and promotes justice, equity & good will. Hence, Islam presents and corporate leaders who build their organizations on the Islamic Management Model can actually strengthen their management systems and influence the organizational members to deliver their best for collective success.