

# **Fundamentals of Management in Islam**

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## **Abstract:**

*The overriding objectives of Islam are the establishment of a just socio-moral order – free from all sorts of oppression, corruption and exploitation whether these elements are prompted by the business magnates, the employers or the employees; sellers or buyers; the rulers or the ruled the haves or have-nots. In order to realize these objectives, Islam lays a heavy emphasis on the psycho-moral training of the individual and the society at large. This psycho-moral training is technically known as Tazkiya (or the purification of the self from animal passions), which eventually leads to Taqwa (or God fearing attitude). In fact, the teachings of Islam boil down to two basic principles, that is, submission to God and service to humankind. This brief article is meant to identify the moral principles that are supposed to regulate the business activities of the community.*

## **Introduction**

It is true that Makkah or Madina, the cities of the prophet of Islam (PBUH), were not industrial centers but they were positively renowned commercial centers of the era. They were located on the international trade routes and were truly well known hubs of the business world. It is interesting to note that even the holy Quran acknowledges the business acumen and this-worldly skills of the Makkah non-believers while it reprimands them for being negligent of the life to come on the other side of the grave. It may be highlighted that even the Prophet (PBUH) and his family were known for their business involvements especially for their professional integrity and moral uprightness. It may also be emphasized that the first lady of Islam was also the first business lady. It may be stated in parenthesis that Islam emancipated women, right from

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its inception, and acknowledged their rights – right to life, right to liberty, right to equality before Law, right to education, right to inheritance (or property) including the right to run a business and make a decent living, right to marriage and divorce and run a family life in accordance with the injunctions of Islam, right to free thinking and free expression including the right to differ even with the personal rulings of the prophet (PBUH) and his righteous Caliphs (may Allah be pleased with them). These provisions sound truly revolutionary especially when we examine them in the light of the developments in the Western world, the self-proclaimed champions of female liberty. For instance, the West could extend the right to vote and the right to own personal property to their women in the first half of 20<sup>th</sup> century. Even here these ownership rights were enacted primarily to entice women to rush to work in the industries. Purpose here was to get access to cheap labor. This is how both the women and the children were dragged to the industries and in fact thousands of innocent children were crushed to death along with the cotton. It may be underlined that the primary objectives were not socio-moral considerations. Instead, the whole movement was prompted by economic considerations and exploitations. So if we compare the teachings of Islam with the teachings of Judo-Christian, Persian and Greek culture, one can hardly overlook the radical and revolutionary elements involved here. The Quranic injunctions were essentially moral and the purpose was to ensure Justice to the under-privileged layers of the society while the Western world was inclined towards exploitation. And the same culture still persists in the West.

In spite of the fact that Arab world of the Prophet's time was not urbanized or industrialized in the way that we can witness in the contemporary Western world still we can piece together some

fundamental principles that could provide the seminal guide-lines for business management. For instance, Islam insists that our business transactions should be based on fair-play and justice. We should ensure basic respect to the dignity of man and his rights and should never ever swindle him under one pretext or the other: we should never be guilty of weighing or measuring less than what is his due. Exploitation of one's ignorance, ones ethnicity, race, color or creed should be avoided. We must ensure just treatment and treat humans as humans. If there is any defect in the Commodity put on sale, we are morally obliged to inform the customer about this defect. We should avoid offering false assurance to the customer for we are supposed to sell the goods rather than our own faith or Iman. Islam wants that the capital and the consumer goods should remain in circulation and we should avoid hoarding for earning more profit by causing unnecessary inconvenience to the people at large. Healthy and fair economic activity is indeed the lynchpin of the community or the state. And unless we are committed to the establishment of financial justice, we cannot promote peace and harmony in the society. Islam insists that our business deals/ transactions should be put to writing in the presence of the witnesses and if there is any dispute the matter may be referred to the courts of law for proper adjudication. And the judges are advised to dispose of the cases on merit. They are required to be just and are not allowed to be moved by fear or by favor. After this brief preamble, let us now turn to our main problem of finding some guidelines for business management in Islam.

Business management, in our view, is a miniatural form of state management or governance. If our presumption is not faulty, we can identify these principles with relative ease and comfort. Our contention is that the administration of an organization is analogous to the

administration/ governance of the state. In fact, principles regulating the conduct of both are essentially the same.

**(i) Right man for the right job:**

The first principle of good governance or good administration of an organization or the state identified by the Quran is the selection of the right man for the right job. In other words, merit is to serve as the sole criterion of selection of manpower in an organization or a state. Race, color, or creed should not be allowed to influence its decisions. It may be underscored that the Prophet (SAW) recruited even non-Muslims for diplomatic services sheerly on the basis of their competency. The Prophet (SAW) from amongst his own blood relations assigned only to Ali (RAA) some state responsibilities. Abu Bakr Siddique (RRA) meticulously avoided even a single appointment of any of his near relations in the state administration. He strictly maintained that the state should not only ensure a right man for the right job but should also provide them adequate professional freedom so that they could do full justice to their job. For if the ruler or the administrator tends to interfere constantly in the work of his officials, they would lose heart and remain suspended in their work. Omar-e-Farooq (RAA) retained the above provisions (that is, right man for the right job; and adequate professional freedom so that the worker could put his heart and soul in his work): and added strict vigilance and transparent accountability as necessary elements of good governance or administration. He used to oversee the performance of his governors and used to call them for yearly accountability at the time of Hajj. He used to invite public

opinion or complaints against the respective Governors of various units of the state. In one of these sessions, one Egyptian citizen made a complaint that his Governor's son challenged him for a horse race. And when the former was beaten in the race he lost his temper and flogged him (the Egyptian). The matter was reported to the Governor but he failed to offer him any justice. On listening to this complaint, Omar (RAA) asked from the Governor about the authenticity of this complaint. And when the report was confirmed Omar (RAA) asked the Egyptian chap to flog the son of the Governor in the same manner as he was flogged by him. He also reprimanded the Governor and asked him as to who authorized him to treat the humans, who were/are born free and sacred as his personal slaves. He even went further and suggested that may be it would be advisable for the Governor to tend to the sheep/goat of Bait-ul-Mal as he was better suited to govern the beasts and animals rather than the humans. Also, he used to advise his officials or state functionaries to be easily accessible to the people and not to hide themselves in palacious houses or place guards between themselves and the public. Besides, in his over Ten years of stay in office, he appointed only one of his relatives as a tax collector and he too was sacked later under drinking charges.

- (ii) Muslim history has preserved another important document concerning the problem of good governance be it of an organization or a state. It is recorded that when Omar bin Abdul Aziz (RAA) was re-elected to the office of Ameer-ul-Momineen, he wrote a letter to Imam Hassan Basri (RAA) soliciting his assistance and advice in the selection of

appropriate manpower for the governance of the state. Imam Hassan Basri (RAA) responded that in his opinion the community could be divided into three different categories: -

The first category consists of those who got fed up with the vicissitudes of politics. They have resigned from the thick of life and were given to the remembrance of God. This class was no longer available for the service of the state and he (Ruler) would be well advised to leave them alone.

Second category consists of those who happened to be extremely anxious and ambitious for getting an opportunity of this kind. They might knock at his door day in and day out expressing their keenness for the service of the people while in reality they would be desirous to serve only their own selfish interests. He would be well advised to keep such people at a safe distance and avoid assigning them any responsibility in the state.

While the third category was a strange mix. Here if a person was intelligent and efficient, he was so often dreadfully dishonest. If perchance, he was honest, he was dreadfully stupid and simpleton-could hardly see anything beyond his nose. These two qualities (i.e. intelligence and honesty) rarely go together. If he was fortunate to find some individuals of this caliber, he should try to get them involved in the governance of the state. They alone could serve his purpose.

### **(iii) Trust and Credibility:**

Another principle that attracts our attention is that the ruler or the administrator should never lose his trust and credibility with the community or the employees. If he deceives and cheats his

work force and feeds them on falsehood and lies, he loses his respect and credibility. Since they do not trust their ruler or the administrator they feel incurably reluctant to make any sacrifices for him or the organization. We may refer here to the meticulous care demonstrated by the Prophet (SAW) during his last night stay in Makkah. His residence, as we know, was besieged by a force carefully drawn from the major Arab tribes and these men were planning to kill the Prophet (SAW) jointly so that they could pre-empt any retaliation of Bani Hashim, the Prophet's tribe. At this critical moment what troubled the Prophet (SAW) most was as how to ensure a safe return of the Imanah (of the youngers and elders) of those who have had encircled his house and were anxiously waiting to kill him. He was least concerned about his own life and safety. Instead, he was solely worried about the preservation of his trust and credibility even, with his blood thirsty enemies. He felt relieved only when he could advise Ali (RAA), his beloved cousin, to lie in his bed for the night; return safely the Imanah of the Makkah non-believers in the morning and then follow him to Madina.

Now under these circumstances, (where the enemy was hell-bent to take his life and had already ousted the Muslims from the city and confiscated their houses and their properties) even if the Prophet (SAW) were to ignore this obligation, nobody including his enemies, would have found any justification in blaming him for his negligence. But the Prophet (SAW) was determined to honor his commitment and maintain his trust even with his sworn enemies. We can contrast it with our recent deal with the U.S. Govt, the so-called Super-power,

wherein we paid millions of dollars for the purchase of F-16. The U.S. Govt, under one pretext or the other refused to deliver us either F-16, or return the cash. For years we have been imploring for a fair deal. But all that we could get at the end were Soya Beans rather than the promised aircrafts. Even after such a fatal loss of trust and confidence, our leadership is still soliciting and praying that U.S. should play a role in resolving our problems including the Kashmir dispute. What kind of justice do we expect from her? Probably, we will be well advised to get out of this self-deception and look for some other options.

**(iv) Crime and punishment: Equality before law:**

Islam is uncompromisingly committed to the dignity, equality, and freedom of man. He is a trustee and viceroy of God in this world. In this respect all human beings, regardless of their religion, caste and creed are on equal footing. They are all from Adam and he was raised from dust. So as humans, we all have equal rights. If any violence is committed by one against the other, Islam does allow mutual forgiveness. We are allowed even to take blood money and forgive the murderer if we so desire; and forgiveness, Quran teaches us, is better than revenge. Of course, these are all pre-court adjustments/ accommodations. Once the case is reported to the Court for judicious settlement, then it has to be settled in open court on the merits of the case. There is no room for secret proceedings or ex-parte, decision. Islam wants that both the contending parties should be given a fair chance to present their case. Besides, human rights are truly sacred and inviolable' they can not be suspended or jeopardized



without proving the man guilty in a fair trial. Here law is to treat equal cases equally and unequal cases unequally. When the Prophet (SAW) was approached to show leniency and exonerate an influential Quraish lady involved in a theft, he explained that earlier communities were destroyed by God mainly because they were selective in the application of law. When their wealthy and powerful ones committed any crime they could escape from punishment. Whereas, the poorer ones were subjected to harsh punishments. In Islam, however, even his own daughter, Fatima (RAA) would have to suffer the same punishment if found guilty of a crime) as any other woman.

It may, however, be emphasized that Islam seems to be interested in elimination of crimes rather than the criminals. It concentrates on changing the hearts and minds of its followers so that the crimes or the criminals are not born in the first instance. We may recall here two separate cases, one of a male and another of a female. First a man came to the Prophet (SAW) and confessed that he had been guilty of adultery and wished that he be punished and purified. The man was stoned to death but the Prophet (SAW) never questioned him as to who was his partner to crime. Similarly a woman came to the Prophet (SAW) and confessed that she had committed adultery. She too implored that she be punished (to death) and purified. Her case was spread over years. But here again the Prophet (SAW) never asked her as to who was her partner to crime. Now contrast this with the present day police investigations especially in Pakistan. Or how the U.S. is conducting its war on terror in Iraq and

Afghanistan. They are busy in bombing the innocent men, women, young and old without discrimination.

It is really a pity that Islam is now characterized as religion of harsh punishments only. Its positive and beneficial aspects, such as, its commitment to justice and social reforms, its deep concern for the amelioration of the downtrodden and have nots in general, its keenness to protect human dignity, human equality, human freedom and its eagerness to establish a just socio-moral order by eradicating corruption and exploitation, these and similar other ideals/visions of Islam are now considered as a matter of history. Thanks to the poor governance of the Muslim rulers and more so the poor performance of our intellectuals, we have failed to present the true face of Islam.

**(v) Proper Job Description:**

It was a common practice during the life of the Prophet (PBUH) and his righteous caliphs that when a state functionary was appointed, his job was clearly defined / described. The functionary was supposed to present this document to the community so that they could be watchful of his performance. And in case he was negligent of his duties, the matter was reported to the head-office or the caliph. The functionary was called upon to explain his position and in case he was found guilty of negligence, he was asked to mend his ways or was replaced by the central authority. If job is not clearly defined, we can't hold him accountable for his omissions or commissions. It is just obligatory that the employee should be fully informed of his rights and duties.

**(vi) Adequate Salaries:**

The Holy Prophet (PBUH) is on record to have emphasized that our state functionaries should be given adequate-salaries so that they can meet the financial needs of their families. This is also essential to get their full involvement in their duties and safeguard them from all sorts of temptations towards corruption and bribes.

**(vii) Work Specialization**

Islam wants that the functionaries should do their duties as best as is humanly possible. They should not waste their time and talent. Further, Islam also wants that we should not assign the work beyond the Capacity of a worker. If we do so, we are advised to share the burden/load and help the worker in the realization of his assignment.

**(viii) Consultative and Participative format of Management:**

Islam insists that where revelation is silent, we are supposed to conduct our affairs thro, consultation and *Shura*. *Shura* ensures us the guidance of collective wisdom. It also gives a sense of participation to those who are consulted in the decision – making –process. It gives the participants a sense of belonging to the organization, which in turn, enables them to make any sacrifice for the organization. If decisions are made unilaterally, they tend to alienate the employees.

**(ix) Mutual Respect:**

Employee should be a well-wisher of his employer and vice-versa. Mutual care and concern can make the work place more pleasant and congenial. In a hospitable working-conditions, our workers can contribute to the collective good of the organization.

If our workers are alienated because of the cool and cruel attitude of the company owners, it can damage the productivity and lower the dividends of all concerned.

**(x) Authoritative and Dictatorial Administration:**

Repressive and Authoritarian Administration can damage the organization or the state beyond repairs. Such an environment discourages the employees from taking creative initiative to boost the out-put of the organization. Freedom of thought and action are indispensable for the betterment of the state or an organization.

In conclusion, we may recapitulate that the primary objective of Islam is the establishment of a just socio-moral order in this world. In order to realize this objective, it lays heavy emphasis on the Tazkiya or moral purification of the individual and the society which eventually cultivates in them a specific psycho-moral attitude, an attitude of *Taqwa* (or God-fearing attitude). And when both the individual and the society are vibrant with a sense of *Taqwa*, we can have the requisite combination for running a state or an organization. The essence of Islam, it may be observed, lies in submission to God and service to humankind. It is really a pity that Muslim societies all over the world are falling short of their moral ideals. One could only hope that they would mend their ways before it is too late.

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