

# **Ethical Management Bases in Islamic Theory**

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## **1. Abstract**

It is not impetuous to say that management has been practiced since the creation of human being. Individuals works together and has learned how to be more effective, which was very critical for their survival. After that, civilizations emerged and each one of them set management principles (even if it is not written one in some cases).Principles that has been the guidance to their domination and fingerprint making through history. However, Islam emerged in the Middle Ages era, in the time when management science was practices but not schooled yet. Nevertheless, Muslims had built very strong civilizations in very short time. Islamic civilization has something distinguish that gave it the power to raise and overcome in a very short time. In a period of a time that surrounding nations had their own style of management to run their civilizations. As found, Islam has its own philosophy for management, and it has main practices for it. This Philosophy seems to be comprehensive especially when dealing with individuals, work, and learning. The center of philosophy is ethics. It frames all the principles and practices, which distinguished Islamic philosophy form many other ones. However, this article tackles the Islamic philosophy and how can modern nations get benefits from it. It tries to present this distinguish factor that helps Islamic nation to lead the world in many aspects and it tries to set focus on the main management principles of Islamic theory.

## **2. Introduction**

As Decenzo (2010) defined management, it is the process of efficiently achieving the objectives of the organization with and through people. According to him, management requires coordination of several vital components that are called functions, where primary functions are: planning, organizing, directing, Controlling. While Kairouza et al. (2016) defined it as the art of maximizing value from natural resources

and human capital, and it reflects the results of political, social, economic, and environmental policies adopted by national leaders. However, management started from the beginning of human being's existence in this world. Its existence came from the need to organize the early societies and dividing roles between individuals. Many improvements accorded after that when civilized nations started to appear because of the need to manage bigger communities, armies, duties, and relations.

Islam emerged in the Middle Ages era, in the time when management science was not schooled yet. However, Muslims had built very strong civilizations in very short time. In the time were many surrounding nations had their own style of management to run their civilizations, Islamic civilization has something distinguish that gave them the power to raise and overcome in very short time. Islamic civilization overcame the biggest two civilizations in the world in that era – the Romans and the Persian- in less than 50 years of its emergence, how did the Islamic state manage the nation to do that? How did Islamic civilization enabled Muslim schoolers to be idols in many fields of science in different times and places.

Lastly, management is a well-known term in Islam. Al-Ansari (2014) indicated to the close relationship between Islamic theory and administration where The Holy Qur'an uses the word "management" when Almighty God said: "Except for it to be a present trade that you manage among you" (Al-Qur'an. Al-Baqarah 2: 282). The principles of Islamic management can be traced back to the time of Prophet Muhammad peace upon him when he set the foundation of an Islamic Society (Zaman et al., 2013).

### **3. Article Question**

Management as a field of knowledge was schooled from the early of 20th century. Traditional management has clear bases that have been followed since that time. Is that means there were no bases of management before? The answer is no, all civilizations have their own principle of management even though it was not named clearly as management principles. Nevertheless, all previous civilization has their own management style to manage their armies, territories, citizens, taxes, and many other aspects

of the nation and citizens life. Many of those civilizations succeeded to build a strong fingerprint civilization in the history. However, no civilization has emerged and overcame in very short time with great additions to humanity heritage like Islamic civilization. Therefore, the main questions about this article are:

- What are management principles that enabled Islamic civilization to roll huge areas of the world with people from different ethnics and origins?
- What is the theory that frame management principles in Islamic?

#### **4. Individuals, Work, and Learning in Islamic Theory.**

For individuals, Islamic theory is a very inclusive heavenly theory about how to live and why. Accordingly, all life aspects are framed with heavenly principles. In the management field specifically, previous researchers provide three main pillars of management in Islamic theory: individuals, work, and learning.

##### **4.1. Individuals in Islamic Theory**

Individuals are the most important element in Islamic theory, and they are considered as cure element for life creation of any other creature. Almighty Allah says: “And we have certainly honored the children of Adam” (Al-Qur’an. Al-Israa 17:70). For that, the way people treat each other’s is vital and come from faithful base in the Islamic belief. Hussain (2012) mentioned two proofs for that: first one, God Almighty sent prophets and messengers to all nations with different places, times, and languages to educate them and to lead them to the ultimate goal of their lives. To lead them to their final salvation and reaching the heaven. God Almighty said: “And we have resurrected in every nation a messenger”: (Al-Qur’an. Al-Nahl 17: 36). The second proof is that God Almighty choose mankind to perform the task of succession on earth based on the words of the Almighty “And when your Lord said to the angels: I will make a successor on the earth” (Al-Qur’an. Al-Baqara, 2: 30).

Arrad (2003) mentioned that Islamic management is a system concerned with the individual and the group, and it is closely related to the ethics and values of society. He mentioned that It is obvious that people are at the center of Islamic instructions, where no Muslim is a good Muslim unless he treats everybody else in good manner and high ethics which is the message of Islam itself to give humans the highest rank of honor and to rescue them from sin.

#### **4.2. Work in Islamic Theory**

Working is obligatory for the ones who have the ability to work in Islam. God Almighty said: “It is He Who has made the earth manageable for you, so traverse ye through its tracts and enjoy of the Sustenance which He furnishes: but unto Him is the Resurrection.” (Al-Qur’an. Al-Mulk 67: 15). Accordingly, working is obeying the God, it is worshiping in Islam that make one closer to God. Anas Ibn Malik reported that the Prophet, may Allah bless him and grant him peace, said: "If the Final Hour comes while you have a palm-cutting in your hands and it is possible to plant it before the Hour comes, you should plant it". On the other hand, a person is free to choose between doing well and doing evil, but the soul is being created to strive to meet the will of the self. From this standpoint, the Islamic administration strived ones to work not only the required tasks, but to doing perfect. In addition, doing perfect at work is through work with Sincerity is a primary base in Islam. Prophet Mohammad peace upon him said: “Allah loves someone who when works, he performs it in perfect manner”, perfection is the goal for every worker.

#### **4.3. Learning in Islamic Theory**

For learning, the Holy Qur’an and Sunnah insist on the learning importance. It is simply to help any Muslim to carry out his mission in life. Hussain (2012) said that one must have a continuous and a permanent knowledge acquiring, and this comes through the continuous development of skills and abilities. However, many verses in Holy Qur’an insists the idea of learning importance. God Almighty said: “Moses said to him: May I follow thee, on the footing that thou teach me something of the (Higher)

Truth, which thou hast been taught” (Al-Qur’an. Al-Kahf, 18:66). in addition, the first verse that was revealed to Prophet Mohammad peace upon him is “Read, in the name of your Lord who created, who Created man from a clinging substance, Read, and your Lord is the most Generous, Who taught by the pen, Taught man that which he knew not” (Al-Qur’an. Al-Alalaq, 96:1-5).

## **5. The Distinguish of Islamic Management Philosophy from Others**

A Muslim should follow Islamic theory in all of his life matters. Management is not an exception. Those orders and regulations come from the Holy Qur’an and Sunnah which enlighten all aspects of Muslim life including management approaches and style. Therefore, this distinguish management in Islamic theory, the ethical frame is govern all management aspects. Arrad (2003) mentioned that the concept of management in Islamic theory stems from the teachings of the noble Islamic religion and its tolerant principles, and it derives its goals and objectives from the main sources is the Holy Qur’an and the Sunnah. Ehaneen (2017) clarified, the heavenly source of Islamic theory makes it comprehensiveness and suitable for human at different times and places. Consequently, according to the literature, this ethical base makes the management in Islamic theory has three main distinguishers: the approach, the purpose, and the means. Zaman et al. (2013) mentioned that Holy Quran and sayings of the Prophet are the source of guidance for the principle of management and work ethics. According to (Ehaneen, 2017; Al-hadeathy, 2013; Zaman et al, 2013; Arrad, 2003), Islamic theory approach of management is based on God’s revealing that ensure ethical bases and moral dimensions for it, while in traditional management, it’s based on materialism. Moreover, the purpose of management in Islamic theory is to achieve God will by doing well to the community. While the purpose of traditional management style is to achieve profits. In addition, the means in Islamic theory have many regulations that ensure decent application of management, aims decides means, while in traditional management, aims justify means.

## **6. Management Principles in Islamic theory**

Because Islamic theory is the source of management in Islam, management bases are built on ethical grounds. Nejad .A et al. (2016) mention, Islam insists on respect for human perfection in management where Islamic management principles rely on God centeredness, revelations, leadership (Imamah), seeking justice, hereafter, insight, spirituality and honesty. According to literature, the following are some of principle of management in Islamic theory: (Zaman et al., 2013; Arrad, 2003). Management principles in Islam are based on Islamic philosophy, it is framed with very deep ethical manners. In addition, Islam theory focus on achieving results, but with ethical standard where ethics come first in this philosophy. Islam merged in the Middle Ages era before setting traditional management principles and functions. However, this ethical base of Islamic management has shaped all Islamic civilization emergence and dominance for long period of time. Following are the management principles in the Islamic theory.

### **6.1. Shura (Consultation):**

Muslim leader should work by seeking suggestions of his subordinates through consultations. He or she should not adopt autocratic style of management. The Holy Quran states: “Their matters are settled through Consultation (Shura) among them.” (Al-Qur’an. Al-Forqan, 42: 38). For example, that happened when Quriash tribe and its allies attacked Madena city and Prophet Mohammad held Shura council, Sulaiman Alfarisi one of his companions suggested digging a big trench around the city and it was approved by all. The prophet followed his recommendation although his own opinion was to distribute defenders on front of the city.

### **6.2. Adl (Justice):**

Justice is a comprehensive concept in Islamic theory that includes equality among people in rights and duties and giving everyone their due. Holy Quran says: “O you who believe stand out firmly for

God as witnesses to fair dealing and let not the hatred of others to you swerve to wrong and depart from justice” (Al-Qur’an. Al-Ma’eda, 5: 8). As an example, when Prophet Muhammad said: “I swear by Allah that if Fatimah daughter of Muhammad should steal, I would have her hand cut off.”. Another example when Othman ben Afan the Muslims Khalifa punish one of his workers with no right to do that, and when he discover his fault he set on his knees and insisted to be punished by the worker with the same punishment. As a summary, everyone has the same right and no one has privilege on others.

### **6.3. Amana (Trust):**

Everyone is accountable for his actions and deeds in Islam. The Holy Quran says: “O you that believe! Betray not the Trust of God and the Apostle nor misappropriate knowingly things entrusted you” (Al-Qur’an. Al-Anfal, 8: 27). As an example, when Prophet Muhammad happened to pass by a heap of corn, He thrust his hand in that (heap) and his fingers felt wetness. He said to the owner of that heap of corn: "What is this?" He replied: "O Messenger of Allah! These have been drenched by rainfall." He remarked, "Why did you not place this (the drenched part of the heap) over the corn so that people might see it? He who deceives is not of us."

### **6.4. Taqwa (Fear of Al-Mighty Allah)**

The person should be filled with fear of almighty Allah to refrain from injustice and to do good deeds. It is a self-accountable characteristic which shapes his behavior, whether he is a manager or a subordinate. As an example, one night the Omar ibn al-Khattab the Muslims Khalifa came out checking the conditions of the parish, so he passed near the wall of a garden and heard a mother say to her daughter: Why didn't you mix milk with water? (To make more profit). The girl looked at her mother and said: How did I mix it when Allah forbade this fraud? the mother said: How will the Muslims or Omar know this when he doesn't see or know about us, the daughter answered: " If Omar doesn't see us, then the Lord of Omar hears and see.



## **6.5. Ihsan (Forgiveness):**

The word Ihsan can be used in many contexts. Forgiveness or amelioration. As an example, when Prophet Muhammad said: "A lady was punished because of a cat which she had imprisoned till it died. She entered the (Hell) Fire because of it, for she neither gave it food nor water as she had imprisoned it, nor set it free to eat from the vermin of the earth. Prophet Muhammad himself carried biggest stones, digging the most difficult parts, and helping his subordinates many times when they were building the mosque of Madina or digging the trench around Madina in war time.

## **6.6. Ikhlas (Sincerity)**

One should fulfill his or her moral obligations with sincerity and should keep the promises. The Holy Quran states: "O you who believe! Fulfill (all) obligations". (Al-Qur'an. Al-Ma'eda, 5: 1). As an example, Omar ibn al-Khattab's letter came to dismiss Khalid bin Al-Walid and the battle was taking place with the Romans, Abu Ubaidah received official letter that made Abu Ubaidah himself as the leader of the army instead of Khalid, but Abu Ubaidah hid it so as not to affect the morale of the army. Later, he presented it to Khaled after the end of the battle. Abu Ubaidah motivation was Ikhlas (Sincerity) for not racing to the leadership at the expense of the Muslim army morals. In return, sincerity was Khalid's motivation to leave leadership to Abu Ubaidah, even though he was the victorious leader after the battle.

## **7. Traditional Management and Islamic Theory**

Qashue (2018) defined management as the activities to organize and coordinate activities, supervise their implementation, monitor, and evaluate them to achieve the Foundation's goals. While Awad (2016) simplified it when he defined it as the process of dealing with or controlling things or people. (Dessler, 2017) like many other researchers, specified four main functions for management: planning, organizing, guiding/directing, and controlling. However and as presented before, Islamic theory has its own

principles for management, but what are the differences and overlapping between Islamic theory functions and traditional management functions? The following are the traditional management main function and the Islamic theory perspective for it according to the literature:

## **7.1. Planning**

According to Bagheri (2016), planning is the process of determining organizational goals and how to achieve that are required for success of organizations tasks. Dessler (2017) described planning as the process of establishing goals and standards, developing rules and procedures, and developing plans and forecasts. Nevertheless, planning is necessary and prerequisite before start doing any actions in Islamic theory. Husain (2012) mentioned that planning is a prerequisite to achieve the intended goals and required results that guarantee us happiness and success in our daily and future lives, where God Almighty has ordered planning and preparation saying: “And prepare against them whatever you are able of power and of steeds of war by which you may terrify the enemy of Allah and your enemy and others besides them whom you do not know [but] whom Allah knows “ (Al-Qur’an. Al-Anfal 8:60). Ehanen (2017) mentioned, planning main base in Islamic theory is self-saving planning, it is mentioned in the Qur’an: “But seek, with the (wealth) which Allah has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this world: but do thou good, as Allah has been good to thee, and seek not (occasions for) mischief in the land: for Allah loves not those who do mischief.” (Al-Qur’an. Al-Qasas 28: 77). Another important example of Quran is Prophet Joseph story, God almighty Said: “[Joseph] said: you will plant for seven years consecutively; and what you harvest leave in its spikes, except a few from which you will eat (48) Then will come after that seven difficult [years] which will consume what you saved for them, except a few from which you will store. (49) Then will come after that a year in which the people will be given rain and in which they will press [olives and grapes].” (Al-Qur’an. Joseph 12:47-49).

## **7.2. Organizing**

Dessler (2017) defined it as giving each subordinate a specific task, establishing departments, delegating authority to subordinates, establishing channels of authority and communication, and coordinating the work of subordinates. It also involves coordination and communication among employees according to Vardarljera (2016). However, Islamic theory gives organizing principles a very important attention. It is very clear in the way the four Righteous Caliphs organize their province, armies, public financing, Zakat, and all other aspects of governing. Al-Ansari (2014) mentioned an example for that, the Almighty talks about this principle according to him when he says: “Do they distribute the mercy of your Lord? It is we who have apportioned among them their livelihood in the life of this world and have raised some of them above others in degrees [of rank] that they may make use of one another for service. But the mercy of your Lord is better than whatever they accumulate. (Al-Qur’an. Al- Zukhruf 43:32). This is a very organized matter, for it is the organization of the universe and life as a whole. He gave another example of organizing at the early stage of Islamic state, which is the brotherhood, where prophet peace upon him said: “Bring in God two brothers, two brothers”. Moreover, according to Al-Omari (2014), Second Agaba pledge was among the most important evidence of this principle. Ansar (Almadina city citizens) came to the prophet for it, he asked them to bring those who are responsible for others to receive orders and follow up the implementation each in his regard out as representatives of them. According to him, this is an accurate administrative work as prophet peace upon him was keen on arranging the Islamic state.

## **7.3. Guiding/Directing**

Dessler (2017) defined guiding and directing as getting others to get the job done, maintaining morale, and motivating subordinates. Decenzo et al. (2010) defined it as the processes of aspiring employees and giving them assistance and advocacy through direction, advice, criticism, and suggestions as an attempt to aid the employee’s growth. 2017). However, this is very important

management principle in Islam. Al-Ansari (2014) mentioned that this is a higher directive for the leader and ruler in Islamic theory, as well as the Almighty saying: “So by mercy from Allah, [O Muhammad], you were lenient with them. And if you had been rude [in speech] and harsh in heart, they would have disbanded from about you. So pardon them and ask forgiveness for them and consult them in the matter. And when you have decided, then rely upon Allah. Indeed, Allah loves those who rely [upon Him].” (Al-Qur’an. Al-I - Imran 3:159). This is a general guideline for the governed and the public. Another example was when enemies attacked Almadina city, Muslims start to dig trench around the city, they all saw the prophet digging with them and promising them with the victory.

#### **7.4. Controlling**

Dessler (2017) defined it as a process of setting standards such as sales quotas, quality standards, or production levels, checking to see how actual performance compares with these standards, and taking corrective action as needed. However, the highest principle of control is self-control in Islam. Islamic theory underlines the importance of being responsible to do the best in front of yourself and between you and almighty God. Al-Ansari (2014) gave example of this principle from holly Quran: almighty Allah says: “And say, Do [as you will], for Allah will see your deeds, and [so, will] His Messenger and the believers. And you will be returned to the Knower of the unseen and the witnessed, and He will inform you of what you used to do.” (Al-Qur’an. Al-Tawba 9:105). Another Example from the Holy Quran, Allah almighty said: “So ask the people of the Remembrance if you do not know.” (Al-Qur’an. Al-Nahl 43) which mean that everyone should ask somebody who knows to have directions and not doing things according to well but according to guidance.

### **8. Conclusions**

Management principles in Islamic theory have raised since the emergence of Islam itself where literature provides many proofs for that from Qur’an and Sunnah. Those principles which have given Islam the

power to overcome and become great civilization. The distinguishing aspects about Islamic management is the heavenly basis that framed all management principle with ethical frame. The focus of this ethical frame is human dignity and survival, in addition to the high importance of working for this human, and the vital role to develop his capacities through continuous learning.

Islamic management is more inclusive than traditional management. Traditional management focus on achieving results through management functions. On the other hand, because Islamic management is based on ethical bases, legitimate results must be achieved by decent moral means. In Islamic theory, the approach, the purpose, and the means are all matters, all of them should be Halal and permissible. This what distinguishing Islamic management from the materialistic management of traditional approaches.

As an advice, nations should apply Islamic philosophy of management. This was the reason Islamic civilization overcome from the Middle Ages era in short time and keep still to before last two centuries. However, traditional, or modern management styles are not a substitute for Islamic management, but it is a part of it that lacks the ethical frame. Depending on Islamic philosophy of management may give the nations the trigger to lead society to better results. Almighty God said: " you are indeed the best community that has ever been brought forth for [the good of] mankind: you enjoin the doing of what is right and forbid the doing of what is wrong, and you believe in God" (Al-Qur'an. Al-I-Emran 3:110)

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