

MANAGEMENT

Islamic Perspective

Edited by
Professor Dr. Muhammad Loqman

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Bangladesh Institute of Islamic Thought
International Islamic University Chittagong
Dhaka Campus

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Publisher's Note

The traditional models of entrepreneurship did not succeed in providing solutions to many business mal-practices and unethical social problems causing sufferings to mankind. In order to get rid of these situations, Islamic model of entrepreneurship has been developed. This model creates entrepreneurial skills among the prospective young people by means of motivation, entrepreneurship training and practical orientation. According to this model, efforts are made to impart Islamic knowledge and ideas to help create welfare-oriented, honest, efficient and morally sound entrepreneurs for the nation.

It is hoped that peoples' basic need fulfillment and cherished dream to live in a peaceful and prosperous society will be properly ensured through Islamic approach to entrepreneurship.

With this objective in view, Bangladesh Institute of Islamic Thought decided to publish a book on 'Management: Islamic Perspective' which is basically a compilation of articles.

There are eleven articles in this compilation which was read in a national seminar titled 'Islamic Management' organized by IIUC & WAMY and which was first in nature in this country.

We think such kind of publication was a long- felt necessity of the academic curricula of different universities. We hope that this book will serve the necessity of teachers, students and researchers of the Universities as well as Institutions at home and abroad.

M Azizul Huq

Vice-President, Bangladesh Institute of Islamic Thought

Editor's Note

Alhamdulillah, All praises be to Allah, Lord of the Universe, Knower of the Unseen and Salam to Prophet Mohammad (Sm), his family members, his companions and those who follow their path.

The first National Seminar on 'Islamic Management' held on December, 2006 under joint auspices of International Islamic University Chittagong, Dhaka Campus (IIUC-DC) and World Assembly of Muslim Youths (WAMY), Bangladesh Office invited authors from all over the country-Bangladesh to contribute and present papers towards the theme of the Seminar.

As such as many as 11(eleven) valuable research articles on different important aspects of Islamic Management were presented by the scholar- contributors which were thought to be very much appropriate and milestone development of Islamic Management as an emerging new independent discipline of Management as against the Conventional or Traditional Management. Considering the far-reaching importance of the papers, these were approved by the Seminar Committee for publication by an important organization for the greater benefit of the readers, teachers, intellectuals, professional and policy makers with the ultimate goal of bringing radical changes in the concepts, philosophies, functions, objectives and dimensions of Management of all sorts of organizational- governmental and non-governmental, commercial and industrial, social and political, educational and cultural, financial and non-financial, defence and non-defence etc.

We are very much grateful to Bangladesh Institute of Islamic Thought- an important research-based academic organization which has come forward to publish these valuable articles as a book form. It is expected that this publication would add new dimension in the existing stock of Knowledge and information on Management and Management in Islamic Perspective which would definitely help our existing and potential executives to run the management of all sorts of organizations with all-comprehensive and effective manner and style to materialize the objectives and goals of their respective organizations.

Professor Dr Muhammad Loqman

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Towards An Islamic Model of Entrepreneurship

Prof. A.J.M. Nuruddin Chowdhury*

Abstract

The traditional models of entrepreneurship did not succeed in providing solutions to many business mal-practices and unethical social problems causing sufferings to mankind. In order to get rid of these situations, Islamic model of entrepreneurs hip has been developed. This model creates entrepreneurial skills among the prospective young people by means of motivation, entrepreneurship training and practical orientation. According to this model, efforts are made to impart Islamic knowledge and ideas to help create welfare-oriented, honest, efficient and morally sound entrepreneurs for the nation. It is hoped that peoples' basic need fulfillment and cherished dream to live in a peaceful and prosperous society will be properly ensured through Islamic approach to entrepreneurship.

Introduction

Entrepreneurship refers to the skills and innovativeness by which people take initiative to become involved in productive pursuits for achieving their objectives. It represents entrepreneurial activities for the successful conduct of operations in an enterprise. Entrepreneurs usually try to identify lucrative business opportunities and exploit these by applying their knowledge, competence and experiences for attaining personal and organizational goals. Entrepreneurship is crowned with success when hard-work, commitment and achievement orientation are associated with honesty, integrity and moral values; which basically accrue from the teachings of Islam.

Islamic way of entrepreneurship warrants the performance of entrepreneurial activities within the framework of Islamic

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ideals and philosophical foundations. When entrepreneurs play their roles in the society having imbued with Islamic ideology to develop a peaceful and prosperous society, Islamic entrepreneurship emerges. This type of entrepreneurship makes concerted efforts to achieve the enterprise goals by meeting the genuine expectations of the stakeholders. Fair-dealings and transparent handling of managerial operations are the binding blocks of Islamic entrepreneurship. In essence, the knowledge of Islamic model of management and financial administration provide guidelines to follow Islamic entrepreneurship. The strong influence of super-ego and Islamic moral values enable the Islamic entrepreneurs to make ethical and sound decisions that aim at achieving long-term welfare of the society.

Entrepreneurship – An Islamic Perspective

Since the dawn of civilization, entrepreneurs were found to be engaged in various economic and business activities to cater to the needs of the society through goods, services, ideas and entertainments. They were found to perform multidimensional activities in the light of their knowledge, skills, thinking and training. These entrepreneurial activities, known as entrepreneurship, resulted in either welfare or harm to the members of a society depending upon the role of entrepreneurs. At times, it was observed that the society had to suffer because of the selfish ends of a section of entrepreneurs. When the evil forces dominated in the different spheres of social life, civilization also suffered badly. In the wake of unpleasant experiences, it was strongly felt that entrepreneurs should be indoctrinated with the great teachings of the Holy Quran and Prophet Hazrat Mohammad (S.M.) for the conduct of their business and industrial concerns. When entrepreneurs learn Islamic values and ideas, apply these in running organized activities for mutual benefit of the parties taking part on business or other transactions; these can be regarded as Islamic entrepreneurship. Such entrepreneurship does not involve in those activities which fail to ensure consumer rights,

social responsibilities, ethical values and healthy business practices.

Islamic entrepreneurship carefully avoids undesirable hoarding, unkind treatment to employees and unfair dealings with customers. The earning of divine satisfaction, social welfare and protection of national interest are the motivating forces of such entrepreneurship. The following verses of the Holy Quran and teachings of the Prophet laid the foundation of Islamic perspective of entrepreneurship.

1. "After your prayer is over, spread over the earth and seek the bounty of Allah" (Al-Quran 62:10)
2. "Cooperate with others in all honest and welfare-oriented endeavors to achieve greater well-being of the people" (Al-Quran)
3. "The person who performs job in a complete, ideal, qualitative and sound way will earn manifold blessings of Allah" (Al-Hadith)
4. "Those who do righteous deed shall have a reward unailing" (Al-Quran 2:42)
5. "Search for your livelihood much below the soil – at every layer of the earth surface" (Al-Hadith)
6. "It is natural for human being to make efforts for achieving something, yet efforts must aim at all honesty" (Al-Quran 2:149)
7. "Don't waste your wealth, those involved in misusing wealth are the brothers of the devil" (Al-Quran 6:141)
8. "You do a mundane work in such a way that you will live for ever and you do a work of the hereafter in such a way that you will die soon" (Al-Hadith)
9. "The believers are but a single brotherhood" (Al-Quran 49:10)
10. "The person who has been granted wisdom by Allah is, indeed, immensely resourceful" (Al-Quran 2:269)

11. "The businessmen who are truthful, upright and trustworthy will be accorded the status of great men like Ambia, Siddique and Shahid" (Al-Hadith, Tirmizi)
12. "Allah controls everything in the earth for you" (Al-Quran).
13. "You are the best nation, you have been created for the welfare of mankind. You order for right, true and welfare-oriented activities and keep the people away from sin and undesirable tasks and have deep faith on Allah" (Al-Quran)
14. "To the hypocrites, give the glad tidings that there is for them (but) a grievous penalty" (Al-Quran 4:138)
15. "There is no compulsion in the religion. Verily, the Right Path has become distinct from the wrong path" (Al-Quran 2:256)
16. "All of you have responsibility and each of you will be held accountable for individual deeds. An employee is responsible to take care of master's property and he/she must account for it" (Al-Hadith)
17. "And O my people! Give just measure and weight, nor withhold from the people the things that are due. Commit not evil in the land with intent to do mischief" (Al-Quran 11:85)
18. "Invite (all) to the way of the Lord with wisdom and beautiful preaching and argue with them in ways that are best and most gracious" (Al-Quran 16:125)

Characteristics of Islamic Entrepreneurship

Islamic perspective of entrepreneurship has added a new dimension to the concept of entrepreneurship. Its roots are spread in the knowledge provided by the glorious religion of Islam. Allah has instructed mankind to be industrious and trustworthy to earn their livelihood. Entrepreneurs must also be hard-working and persons of integrity to become successful in

their operations. And insight into the teachings of Islam reveals the following characteristics of Islamic entrepreneurship.

- a. Islamic entrepreneurship is a process in which entrepreneurs are guided by Islamic values in making entrepreneurial decisions and performing various organizational activities in a transparent way.
- b. Islamic mode of entrepreneurship lays stress on practicing lawful business or economic activities for personal and societal benefits and thereby contributing to national economic development.
- c. The enterprise objectives, policies, strategies and programs formulated by Islamic-oriented entrepreneurs are essentially based on the tenets of Islamic knowledge accruing from the Holy Quran, Al Hadith and advice of reputed Islamic scholars and leaders.
- d. Islamic entrepreneurship is developed among people through a process of education, specialized training and rigorous on the job practices. An organizational climate conducive to the enforcement of justice, uniformity, efficiency and proper accountability must be created for adherence to such entrepreneurship.
- e. Islamic entrepreneurship becomes totally committed to meet the obligations towards various interest groups of an enterprise. It works to develop harmonious relationship with the stakeholders to facilitate the attainment of goals.
- f. There exists dual accountability in Islamic entrepreneurship. In fact, such entrepreneurs are conscious about their accountability to the Almighty Allah for overall activities. Similarly, they are also accountable to various interest groups of the enterprise.
- g. Islamic entrepreneurs attempt to provide quality goods or services to the customers at reasonable price and suitable selling terms. They always try to comply with the term of .

business contract in totality for overcoming various concerned risks.

- h.** Collective decision making at the appropriate level is another notable feature of this type of entrepreneurship. This exerts positive impact on the employees working at various management levels and the execution of decisions becomes easy.

Why do we need Islamic model of entrepreneurship?

Over the years, various researchers attempted to develop entrepreneurship models for building up high quality entrepreneurs capable of attaining success under different business situations. These models were found to attain considerable success in certain cases, but often failed miserably to ensure successful existence of the firm. The reasons are not far to seek. Business or industrial firms attaining initial success were found to hanker after more money even at the cost of people's sufferings and exploitations. Obviously, this tarnished the image of these firms. Consequently, this led to the decline of business operations of these firms. This type of situation could be overcome, if entrepreneurs associated with these firms followed basic rules of the game under strong influence of their moral value system. Some Islamic leaders were of the opinion that the remedy to this problem lies in creating Islamic entrepreneurship among our people.

Admittedly, in the less-developed countries like ours it is important to work hard for meeting the basic needs of our people properly. If the entrepreneurs do not possess basic honesty, integrity and human qualities, then how can we expect that they will make concerted efforts to meet the basic needs of our people? The rationale of Islamic entrepreneurship is strongly felt under such circumstances. Traditionally, entrepreneurs often become strategic in attaining goals even at the cost of affecting the interests of organizational stakeholders. They are often not guided by patriotism, concern

for social peace and justice. As a consequence, the nation faces adverse situation in which poor people are to suffer badly. Apparently, the following benefits can be reaped if Islamic entrepreneurship can be introduced in the country.

- Islamic entrepreneurship performs activities in keeping with reasonable expectations of the people by using the ideals of Islam.
- This type of entrepreneurship works systematically and ethically to iron out the salient problems of the society through individual and group efforts.
- In a market economy characterized by the free flow of production inputs, entrepreneurs following Islamic ideology can handle the market situation aptly by using their transparent operations and strong sense of divine accountability.
- The real believers in Islam cannot be involved in illegal trade, market manipulations, consumer deception activities, exploitation of natural resources hampering national interest and unjust employee treatment. As such, if entrepreneurship skills can be created among the believers in Islam, the nation can be immensely benefited.
- Bangladesh possesses fertile land, vast coastline along with marine fish and other resources & notable forest resource and various mineral resources. The growth of Islamic entrepreneurship can facilitate the use of these resources optimally for national economic gains.
- The development of Islamic model of entrepreneurship has become necessary in the wake of business malpractices, rapid growth of corruption at various administrative levels, massive decay in social values and advent of new economic order. These demand ample research work to help develop such a model precisely.

Process of developing Islamic entrepreneurship

Islamic entrepreneurship can be developed among the potential religious-minded, hard-working and honest young persons through specialized and well-designed training program. The selection of candidates for this training must be done very carefully and skillfully to make the training program effective. The trainees need ample motivation to become honest and efficient entrepreneurs for handling entrepreneurial operations in a transparent way. They must like honest way of living. An awareness training that may arouse a sense of preferring these excellent professional pursuits by the trainees may be imparted at the early stage. The entrepreneurship training should be designed properly for creating moral, entrepreneurial, managerial and behavioral skills among the trainees. To develop skills in each of these categories, appropriate training inputs must be provided by using modern training methodology comprised of interactive lecture method, case study/ problem solving sessions, individual /group assignments and practical orientation sessions. The use of modular approach may make the training more effective.

In providing knowledge to the trainees, it may be worthwhile to attach importance on the following issues:

- i.** Developing morality and enforcing business ethics
- ii.** Islamic mode of management, marketing and investment
- iii.** How to use the services of Islamic banking system, Takaful system, specialized foreign trade intermediaries and Central Bank.
- iv.** Entrepreneurial role in building a just society.
- v.** Islamic approach towards problem solving.
- vi.** How to prepare worthy project profile comprised of efficient feasibility studies.
- vii.** Method of completing registration formalities to start a new venture.
- viii.** Basic computer literacy, MIS and E-commerce.

- ix. How to use the services of Government and Non-government organizations.
- x. Process of scanning internal and external business environment

After the completion of training, the successful trainees need support in identifying suitable project ideas and materializing these ideas to start innovative new projects. Support services are essential for the smooth functioning of entrepreneurial activities from the Islamic perspective. A specialized cell may be started in the Ministry of Commerce and also Central Bank to make sure that the newly-established firms have been pursuing Islamic entrepreneurship. It is true that the initial works concerned with developing Islamic entrepreneurship may be arduous, challenging and problematic. But once the process starts, it will gain momentum and better result will be expected with the passage of time.

It appears that Islamic institutions working in the financial sector including Banks and Insurance companies may facilitate the development of Islamic entrepreneurship because of their experiences to work with Islamic entrepreneur's problems. These service organizations may provide right assistance in accomplishing entrepreneurial functions with Islamic philosophical motivation. In developing Islamic-oriented entrepreneurs, inducement from the government may be very useful. There should exist provision for rewarding the responsible and efficient entrepreneurs who make all-out efforts to comply with commitments to all parties. On the contrary, legal measures should be initiated to impose punishments for the illegal and undesirable entrepreneurial activities.

Role Model for Islamic – oriented Entrepreneurs

Islam is a religion that promotes peace, harmony, self-accountability, rationality, social justice and prosperity. It emphasizes on honesty, transparency and proper use of

available resources. It provides guidelines for building up a welfare-oriented just society. The role model of Islamic entrepreneurs must be shaped in the light of above values of Islam to perform their entrepreneurial activities successfully and ethically.

In pursuing Islamic entrepreneurship, the expected role model will naturally be influenced by Islamic thoughts. Doing business properly to the satisfaction of clients for earning reasonable profit for the enterprise may be the slogan of the entrepreneur. Islamic entrepreneurship will pave the way for fair interplay among the market forces and will create impediments for the evil forces so that market behavior becomes logical and acceptable to the people. If Islamic-minded entrepreneur can play their roles systematically, consumer expectations regarding the availability of goods, price level, quality standards and business fair play will be largely achieved.

It is admitted that the confidence of people working at different levels must be created to facilitate the growth of Islamic entrepreneurship. If a retail shop keeps stock of quality goods, charges reasonable price, ensures proper weights and measures, handles customers complaints satisfactorily, avoids adulteration of food and other items, behaves cordially with customers, avoids taking advantage of customer ignorance, provides precise information to the customers, obviously customers will be willing to patronize this retail shop. This customer loyalty and patronization will not only help firms to succeed, but also create a positive attitude towards Islamic entrepreneurship.

The role model of Islamic-oriented entrepreneurs stress that they will refrain from participating in the following business activities:

- Activities relating to adulteration of food, manufacture of inferior and defective goods, all sorts of consumer deception activities, non-compliance of business contract and misleading advertisement & false propaganda.

- Artificial scarcity creation in the market through unlawful hoarding, indulgence in corruption and bribery, interest-based undesirable transactions, hundi operations and false documentation for certain purpose.
- Smuggling operations, selling drug items, hijacking, snatching and stealing operations, illegal exploitation of natural resources, grey marketing activities and hiding information for attaining unlawful objective.
- Refrain from paying legal taxes and custom duties, cooking of accounts and falsification in preparing strategic reports, manipulation in the preparation of bills, procrastination in the processing of files and lack of similarity between samples and supplied goods.
- Creating bottlenecks in the peaceful co-existence of people, believing in different religions, exploitation of minorities, disclosure of confidential official information, illegal transfer of technology, participation in pollution creation activities and copying in the examination halls.

Transformation of a Society through Islamic Entrepreneurship

People cherish the dream to live in a society where peace, happiness, harmony and prosperity are ensured. Such societies do not exist in many less-developed countries. Moreover, it is not easy to build up the framework of such a healthy society. Nevertheless, nothing is impossible for the people who are the binding blocks of any society. We know that sound entrepreneurship results in accelerated economic activities which eventually lead to employment generation. If poverty can be alleviated and people's income can be enhanced through Islamic-oriented entrepreneurial activities, the involvement of many unemployed people in anti-social activities will be largely reduced. It will be easy to restore social peace and harmony as a consequence. Furthermore, wealthy entrepreneurs having strong religious belief usually play key part to alleviate the sufferings of the weaker section of the

society by providing Zakat. As such, social justice can be better enforced. It appears that Islamic-oriented entrepreneurship can be an important instrument to build up fraternal relationship among the cross section of people living in a society.

It is widely admitted that there is an immense need for building strong moral values among the social members to lay the essence of a healthy society. Towards this end, guardians at the family level, social and religious leaders at the community level, academician, professionals and politicians at the national level may play pivotal roles in strengthening the moral base of our people. It may be a worthwhile idea to make our people peace-minded by selling Islamic thoughts through seminars and discussion programs. Since entrepreneurs constitute a vital segment of the society, they can influence people of all walks of life in the society. If there exists peace in individual mind, peaceful environment at the family level and peace in the community as a whole, this will assist in the transformation of the turbulent society into a welfare-oriented peaceful society to help fulfill the desires of common people.

The religion of Islam has strongly underscored the need for building a tolerant society. It teaches mankind to avoid religious violence and terrorism. The ideals of Islam have emphasized on the settlement of all disputes with fairness and justice in the social context to maintain social harmony. As per Quranic verse "mankind is one single nation" (2:213). This implies that Islamic brotherhood is the largest promoter of social harmony. We know that harmony among the believers in different religions is a basic component of social harmony. The Charter of Medina also endorses religious harmony. It is expected that harmony among the believers in different religions can be strengthened if the entrepreneurs work from their perspectives.

Towards an Islamic Model of Entrepreneurship

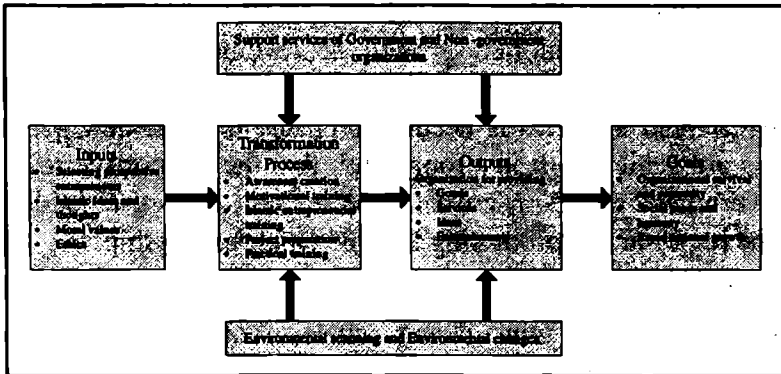


Figure: Islamic Entrepreneurship Model

An Islamic model of entrepreneurship has been designed on the basis of input-output system. As per this model, prospective entrepreneurs having Islamic-orientation will be converted into Islamic-oriented entrepreneurs through a transformation process in which awareness creation, Islamic entrepreneurial training and practical training will play the key part in developing Islamic entrepreneurial skills among the participants. The successful entrepreneurs with their strong moral values will then embark upon starting new ventures through careful evaluation of the environmental opportunities and threats. The skillful and ethical conduct of the established new ventures will be their basic responsibilities. It is earnestly hoped that these entrepreneurs, equipped with basic Islamic knowledge will work sincerely to serve the society properly and to foster the socio-economic development of the nation.

The model depicts that outputs of the transformation system are comprised of organizations providing goods, services, ideas and entertainments in desired specifications for serving their target markets by following business ethics fully. In production, marketing, finance and procurement decision making, consumer interest and social welfare must be given

due consideration. As per the model, organizational goal achievement, attainment of social peace and harmony and national socio-economic growth achievement are the basic aims of Islamic entrepreneurship. Continuous monitoring by Government agencies is needed to ensure that the new system aims are achieved. It is strongly felt that the supportive role of Government and Non-government institutions are considered to be important in promoting Islamic entrepreneurship.

Concluding remarks

Effective, welfare-minded and self-less entrepreneurs are the crying need of a nation. Bangladesh has also pressing need for sufficient number of such entrepreneurs. The prevailing mal-practices in the business and industrial arena can be largely removed through enforcing Islamic model of entrepreneurship. This type of entrepreneurship is expected to create a healthy impact on the society in general and national economy in particular. The present socio-economic problems at the micro and macro levels will be largely eliminated if Islamic model of entrepreneurship can be made acceptable to our people.

Islamic approach towards entrepreneurship is a new concept. It needs to be developed comprehensively through sufficient research so that the idea may be used smoothly for practical purpose. Obviously, the successful operations of the Islamic-oriented entrepreneurs will make invaluable contributions to alleviate the sufferings of poor people, enhance the bond of friendship among the members of a society and strengthen the economic development process. Although there are impediments in creating such entrepreneurship, these can be overcome through the combined efforts of people, Government agencies and Non-government organizations. Thus, it has become necessary to work in an orderly manner for creating and facilitating Islamic entrepreneurship to protect the interests of our people, society and nation as a whole.

Islamic Management: The Creed of Modern Management : A Theoretical Study*

Prof Dr Muhammad Loqman**
Mr Md. Shawkat Imran***

[Abstract : *The topic : "Islamic Management: The Creed of Modern Management-A Theoretical Study" is an important one searched out with the main aim of bringing forth the creed of modern management in the light of ideas, thoughts, philosophies, principles and structure of Islam which are related to management of institutions and organizations, as because Islamic management models or approaches are internal part of the complete code of life of Islam having universal and everlasting application particularly in the field of management. This theoretical study is based on secondary information and relevant verses of Holy Quran and sayings of Prophet Muhammad (Sm). The main findings were: the practice of management existed since the dawn of civilization: and prehistoric tribal life and the processes or functions of management are widespread and applicable everywhere leading to the study of management as a distinct academic discipline; the ideas, thoughts and principles of Islam related to management having universal application can be invariably termed as creed of modern management; the application of ethics which is imperative in management of any modern business industry, government institution, enterprise and organization has been derived from the principles of Islamic management; the cardinal factor in management of all organizations and institutions is the role played*

* Paper to be presented at 1st National Seminar on : "Islamic Management: The Vehicle for Implementing Principles of Shariah Related to Management" jointly organized by International Islamic University Chittagong (IIUC) , Dhaka Campus and World Assembly of Muslim Youths(WAMY), Bangladesh at Dhaka on 25th December, 2006

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by individuals, who are treated by Islam, as the cornerstones for honest and efficient management for which individual development has been given the highest priority and importance; a framework for development of individuals has emerged in Islamic management and finally, universal ethical values of Islam related to management has been developed. The concluding remark is that for shaping the future institutions and organization, efficient and honest management has to be developed which can be achieved only by synthesizing the universal ethical viewpoints of Islam which are termed as the creed of modern management.]

1. Introduction

The present study entitled: “Islamic Management: The Creed of Modern Management” has been undertaken with the main aim of highlighting the creed of modern management structured in the light of the ideas, thoughts, concepts characteristics and principles of Islam which are related to management of institutions and organizations named through individuals who are the mainstreams of these organs. Modern Management is no doubt, an important emerging discipline, the creed of which has to be readjusted in the institutions and organizations for the well beings of all the individuals who are closely associated with them. Before embarking on efforts for highlighting the creed of modern management to be structured as desired, it is essential for us to understand the objectives of Islamic management with a clear vision that it stands for overall and comprehensive welfare of all the individuals who are very much involved with the management of all types of institutions and organizations of our society.

Islamic Management is value oriented which maximizes and recognizes universal ethical standards in all aspects of individuals for development of institutions and organizations. Islam, being the complete code of life recognizes the integrative nature of the secular and the spiritual components in all aspects of individual life and Islamic management, being the creed of modern management operates on an ethical foundation. In the implementation of Islamic Management, its

very creed and spirit which is a unique ethics, becomes the central issue of management- the main goal of which is the maximization of moral and material well- being of individuals through the utilization of natural resources and here individuals are treated as the mainstreams for shaping the future institutions and organizations of the society. Management models or approaches in Islam, of course, differ from period to period and from one institution or organization to another according to variations in individual development institutional context and organizational circumstances, availability of opportunities, physical and financial resources. However, Islamic Management Models or Approaches being integral part of the complete code of life of Islam have got universal and everlasting guidance integrating and not negating the creed and essence of modern management for the very benefit of individuals, institutions and organizations and this will be highlighted in this study.

2. Objectives of the Study

The main objectives of the study is to bring forth the creed of modern management analyzed in the light of the ideas, thoughts, philosophies, principles and structure of Islam as related and applied to management of the institutions and organizations. The other specific objectives are stated below:

- i. To highlight the concepts and conceptual approaches of modern management which were developed during the past centuries
- ii. To discuss the ideas, thoughts and principles of Islam being related to management.
- iii. To focus the application of ethics in management and the related moral theories developed in the field of normative ethics.
- iv. To examine the scope and objectives of individual development in Islam for efficient and honest management of institutions and organizations.
- v. To build up framework for development of individuals.

- vi. To integrate the universal values of Islamic Management with the creed of modern management.

3. Methodology of the Study

The present study is not an empirical study; rather it is a theoretical one based on the relevant secondary information and data consulting the published literature, relevant verses from the Holy Quran, ideals and traditions of Prophet Mohammad (Sm), judgement of Muslim reformers and contributions of Muslim scholars. Neither any questionnaire for collecting primary data was prepared nor was any statistical method or mathematical theory used in support of the discussion presented here.

4. Findings: Discussion and Analysis

In this section, findings in the light of the objectives stated above and discussion and analysis thereof have been presented keeping in view the creed of modern management as the main theme of Islamic Management dedicated to the welfare of the individuals, institutions and organizations.

4(i) Concepts and conceptual approaches model, or schools of modern management developed during the past centuries.

Management is most probably the oldest of all economic activities. The practice of management has existed since the dawn of civilization. It first started in prehistory when man found that through collective efforts in their hunt for food, they could win large games. Right from prehistoric tribal life, from which evolved or emerged larger and more complicated organizations and institutions such as armies, governmental bodies, tribunals of justice, trading companies and church hierarchies, to the feudal system in the medieval period and Industrial Revolution in the 18th century, the skills of management are involved.

Further as a subject, management has an affinity with religion, economics and politics. It is considered as the core of all public

and personal activities. In the words of Claude S. George, "Today, management is considered as the determiner of our economic progress, the employer of educated mass, the amasser of our resources, the strength of our national defence and the moulder of our society"¹ However, Until the beginning of the 20th century, it was not recognized as a distinct discipline. Although the practice of management is an ancient art, the study of the process of management is a very recent development. Its study started during the Industrial Revolution when a great number of people got together to work in factories on the very principle of specialization and decision of labor.

Further, the process of management is also universal. Its principles are applied equally to all individuals of any status-whether of high or low station and in whatever role they play in the organization or in the society. Such universal application of management principles is not restricted by any national boundaries and perhaps not even by cultural patterns of any community or society. The same fundamentals of management are applied to all the members of an organization. Because, management is the process of achieving the objectives of an organization through the proper use of resources, which includes its people. This process involves the basic managerial functions of setting objectives, planning, organizing, formulating policies, administering and controlling. In this respect, Harld Koontz says, "Management is a distinct social process consisting of planning, organizing, directing, motivating, coordination and controlling, applied to the efforts of employees to utilize efficiently men, materials, machines, methods, money and market with a view to achieving predetermined objectives"² George R. Terry, Henry L.Sisk, Heinz Weihrich, Robert Kreitner and Harold Koontz all have defined management in almost the same sense but in different languages. According to them, management is a group activity that involves a number of persons including the use of methods and systems to achieve the goals of the organization and the institution.

With the passage of time and concurrent with the development of management in its scope and application, social scientist and management practitioners turned their attention to the study of its concept and the process of management itself. Schools of business which previously had taught only economics, business law, accounting, production, transportation, marketing and finance, have now added to their sociology, psychology, mathematics, statistics and even anthropology. The study of management however, has developed into a separate and distinct academic discipline.

During the brief history of management as a distinct discipline, various schools of management thought have emerged. Each considers management from its own perspective and point of view but none is all embracing and comprehensive. The Traditional School, the Behavioral School and the Management Science School were important schools of management thought, which were initiated and influenced by economic, social, political and technology forces in particular period and environment. In brief the entire period of development of management thought can be divided into three historical phases:

- a. The era of commonsense in management comprising :
 - i. management in ancient civilization(between 1000BC and AD 475)³
 - ii. management during the medieval period(AD 476-1500)⁴
- b. an era of transition comprising:
 - i. management during immediate past medieval period and Pre-industrial Revolution(1500-1760)
 - ii. management during Industrial Revolution (1760-1840)⁵
 - iii. management during immediate post Industrial Revolution and immediate before the emergence of Scientific Management (1840-1900)
- c. an era of Systematic Management(1900-todate)

The school or approaches of management, which developed during the periods mentioned above comprised

- a. Classical or Historical School
 - Scientific Management⁶
 - Bureaucracy^{7,8}
 - Functional Approach to Management
- b. Neo-classical School
 - Human Relations Orientation
 - Human Resources Orientation and Human Limitation Orientation
- c. Modern School
 - Quantitative Approach
 - System Approach^{9,10}
 - Contingency or Situational Approach¹¹

The efforts of numerous schools from various disciplines have contributed to the development of management as a distinct discipline. It stands tall because it stands on the shoulder of past theoreticians and scholars of various fields.¹² Although management has come a long way, it has yet to be fully accepted as a profession like that of the medical, engineering, legal professions etc because it does not meet the eligibility requirements of professionalism, definite standards of entry and practice, a certified body of knowledge, prescribed training and a code of ethics. Even so, the term "Professional Manager" has come into popular use. It is normally applied to a man or a woman who has obtained advanced management training and has gathered a lot of experience. In addition, a professional manager manages an organization not for his personal interest alone but in the capacity of responsible custodian and in the capacity of a steward because he looks after the interests of owners, employees, customers, suppliers and others who are influenced or affected by the business operations. The accumulation of scientific management knowledge, the growth of Graduate Schools of Management, the growing importance of following a developed curricula and the increasing sense of

social responsibility as exhibited by professional managers have contributed a lot to the acceptance of management as profession.

4(2) Ideas, Thoughts and Principles of Islam related to Management

The second important objective of the study is to discuss the ideas, thoughts and principles of Islam which are very much related to Management and discussions thereof has been done in this section

Management in the light of Quran and Hadiths (SAW) or Islamic management is the process of planning, organizing, leading and controlling the efforts of organizational members and of using all other organizational resources depending upon the guidance of Allah (SWT) and His prophet (SAW) with an accountable mentality, integrity and skill to achieve the predetermined objective. Islamic Management means conducting activities depending upon the guidance of Allah (SWT) and following His prophet (SAW) with an accountable mentality, integrity and skill to achieve a predetermined objective.¹³

Considering different aspects of Islamic management, the following principles may be discussed:

1. Honesty:

The base of Islam is founded on honesty. Owing to honest and humble life once the Muslim community was reliable to the non Muslims. An example of honesty in Islamic Management is stated as such: One night Hazrat Omar (RA) was engaged in state affairs lighting a lamp of Olive oil. In the meantime Hazrat Ali (RA) knocked at the door and asked permission to enter the house. Hazrat Omar (RA) instantly asked, "Ali! Have you come to me with any personal affairs or state affairs? Hazrat Ali informed of personal affairs. Hazrat Omar (RA) instantly blew out the lamp and opened the door to the house. When asked by Ali (RA) about the reason of blowing out the lamp in that way, Hazrat Omar (RA) replied, "How shall I

account for this to Allah (SWT) on the day of judgment if I use the oil of the light for personal affairs that belongs to the state?"

2. Efficiency ¹⁴

Every manager should be very efficient, learned, honest, Allah-fearing and industrious. It is in the Hadith- "Allah loves dexterous and efficient worker".¹⁵ Holy Quran declares that Hazrat Yusuf (AS) says "Set me over the store houses of the land: I am a good keeper, knowledgeable"¹⁶

3. Patriotism

There is a saying that- Patriotism is a part of faith (Iman). Every manager and all of the workers should have to be patriots. Otherwise production of goods, sales, agreements and all other activities contrary to the interest of the organization and the country can take place. Moreover Islam has warned about stockpiling, black marketing, impure and illegal business which are the causes of injury both to the citizen and the country. For want of patriotism a manager can proceed on any illegal and destructive work which is very much dangerous to the management.

4. Right Man in the Right Place

Every competent person should have to be appointed in the suitable position and should be given the opportunity to work independently. In bestowing duty, the decisions of Prophet (SAW) were very thought provoking and wonderful. Prophet (SAW) said: "One who appointed an incompetent person to a responsible post as though has betrayed with Allah and Prophet (SAW)"¹⁷

5. Discipline

Though Fayol has already mentioned regarding the principle of discipline in the eighteen century, but in Islamic Management it has been mentioned through the Quran and Hadith of Muhammad (SAW) one thousand and five hundred years ago. Saalat, Fasting, Hajj etc are the elevated instances of

discipline in Islam. To maintain discipline in organizational structure the communiqué of the Quran is “O ye who believe! Obey Allah and obey the messenger and those charged with authority among you.”¹⁸ We find the entire 63 years life of the Prophet of Allah fettered under the superintendence of a fixed discipline. No instance if any disorder is found in his life. He was also disciplined in matters of daily works. He would say, “Allah Himself is graceful, He likes graceful”¹⁹

6. Division of Labor

Division of labor is one of the most imperative principles of Islamic Management. No body may be assigned to a work beyond his capacity. It has been cited in Surah Bakara “On no soul doth Allah place a burden greater than it can bear”²⁰ In the history of state philosophy, the Islamic state established at Medina by the Holy Prophet (SAW) is a unique example of division of labor. For the proper execution and direction of administrative activities, planning and execution integration of the competency and to ensure the effective patronization in every field, the strong parliament of Medina was organized through the process of labor division. Apart from this in the management of Allah also we find the exemplification of labor division. For instance four chief angles are assigned to four important responsibilities and the indication of division of labor is also found in the process of sending the Amalname of the devotees to Allah through various angels.

7. Centralization and Decentralization

The centralization and decentralization of power is one of the main principles of Islamic Management. Prophet (SAW) had handed over immense power to his provincial governors and he would emphasize most on the solution of local problem locally. The hint of centralization of power can be found in the following verses of the Holy Quran “When there comes to them some matter touching safety or fear, they divulge it. If they had only referred it to the messenger or to those charges with authority among them, the proper investigations would have known it from them.”²¹

8. Preference to the Organizational Interest

In Islamic Management the interest of an organization should be given priority above the interest of an individual. In Surah Bakara and Qasas preference has been given on the interest of the owner and management.

9. Remuneration

No economy as so far been able to indicate such a perfect principle in matters of remuneration of labors as Islam. Mohammad (SAW) has accredited, "Pay the labor his wage before his sweat dries up".²² In Surah Bani Israel, Hassar, Nahal etc and various books of Hadith like Bokhari, Tirmiji, Ibn Maja consist of various illustrations pertaining to the relationship of the management and remuneration agreement, fixation of pay scale, proper remuneration, fringe benefits, pension etc.

10. Economy

There is strong direction in the Quran and Hadith of Muhammad (SAW) to do or complete any work most economically in any organization. Islamic management only guides that it is possible to prosper by a better means with less expense. Waste and misuse is an action contrary to righteousness and benevolence. Completion of works economically is a logical principle of Islamic management. In the Holy Quran a squanderer has been declared as the brother of Satan. "Verily spendthrifts are brothers of Satans"²³ In another verse it have been described "Eat and drink, But waste not by excess"²⁴

11. Justice for All

An important principle of Islamic management is to constitute justice in every field. Discrepancy should not be created among workers regarding appointment, transfer, promotion sending for training distribution of other facilities etc. This indication is obvious in various Surah of the Holy Quran. In Sura Neisa to ensure justice deliberately it has been said, "When you will

settle on justice among people at that time you certainly will put forth justice.”²⁵

12. United Efforts

Islamic Management provides much importance on united efforts. It has been cited in Surah Saff “Truly Allah loves those who fight in His cause in battle array, as if they were a solid cemented structure.”²⁶ Islamic Management believes that if managers’ officers perform their mutual duties separately it becomes quite difficult to attain the goal of the organization. So it has been advised to firmly catch hold of Allah’s tutelage in any circumstances and not to segregate mutually.

13. Tawakkul

It has numerously been pronounced in the Holy Quran that Allah loves those who depend on Him. The prophet (SAW) of Allah would say “Allah- the Almighty is enough for us and he is our best administrator.”²⁷ This is called Tawakkul which is the cardinal assistance for the virtuous in gaining their goal. The persons who depend on Allah directly succeed to reach the goal with the help of Allah.²⁸

4(3) Applications of Ethics in Management and Related Moral Theories

The third important objective of this study is to focus the application of ethics in business institutions or governmental organization and other related aspects of ethics in Management. The application of ethics is relevant to all whether in business, government or any other enterprise. In Webster’s Ninth New Collegiate Dictionary, ethics has been defined as “the discipline dealing with what is good and bad and with moral duty and obligation.” Thus, personal ethics has been referred to as “the rules by which an individual lives his or her personal life.” Accounting ethics is “the code that guides the professional conduct of accountants”.²⁹ Business is concerned with truth and justice and covers a variety of aspects such as the expectations of society, fair competition,

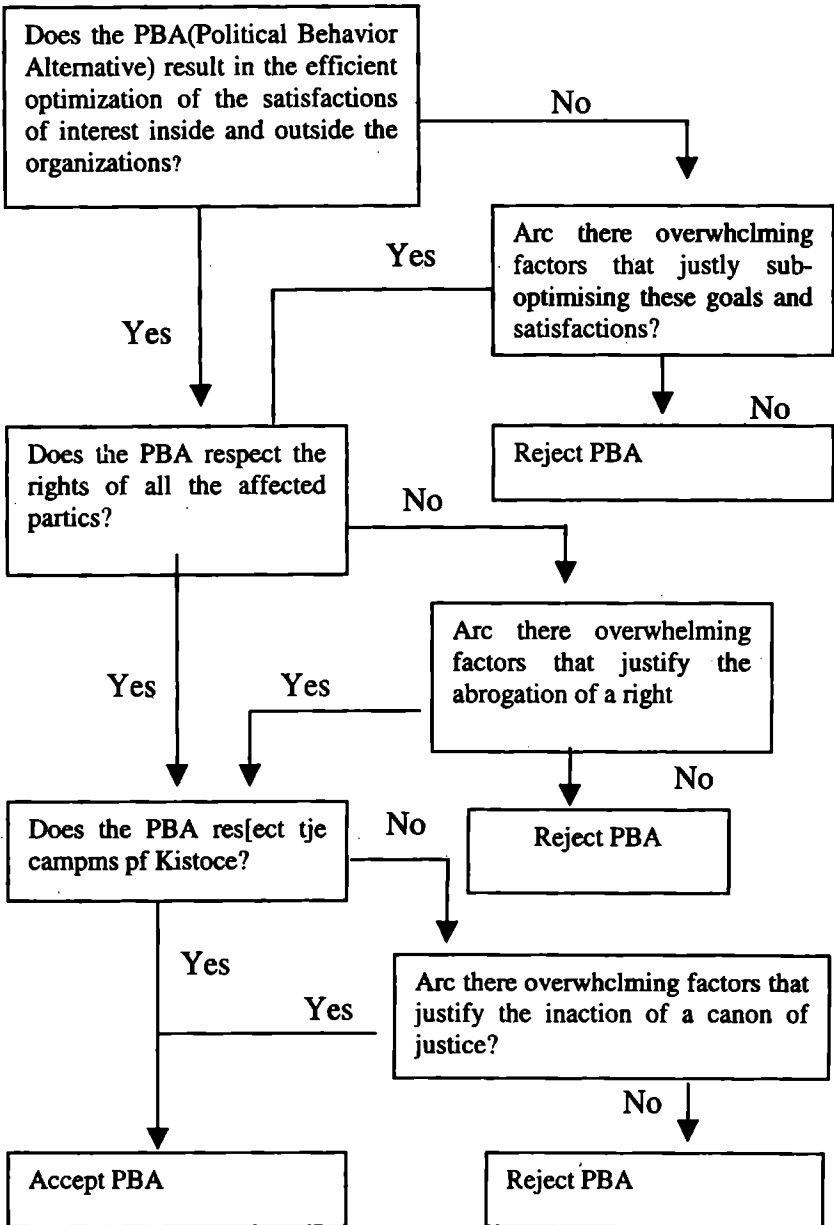
advertising, public relations social responsibilities, consumer autonomy and corporate behavior in the home country as well as overseas.³⁰

Ethical Theories

Professional managers are concerned with information, influence and resources. The question thus arises on what criteria managers should be guided on ethical behavior in respect of their competition and conflicts in selecting the ends and the means to the ends. In respect to this, three basic types of moral theories in the field of normative ethics have been developed:

1. The Utilitarian theory which suggests that plans and actions should be evaluated by their consequences i.e. to what extent, plans or actions should produce the greater good for the greatest number of people.
2. This Theory Based on Rights holds that all people have basic rights like the rights to freedom of conscience, freedom of speech, freedom of due process etc most of which are mentioned normally in the Bill of Rights of the Constitutions of most countries
3. The Theory of Justice which demands that decision-makers be guided by fairness and equity as well as impartiality.³¹

Gerald Cavanagh, Dannis Moberg and Manvel Velasquez point out the strengths and weaknesses of each of the ethical theory and integrate them into a Decision Tree that can guide managers in making ethical decisions.³²



Institutionalizing Ethics

Managers of institutions and organizations have the responsibility to institutionalize ethics in order to develop an organizational environment that fosters ethical decision making. It connects application and integration of ethical viewpoints and concepts into daily managerial functions. Theodore Purcell and James Weber suggest that this can be implemented in three ways:

1. By establishing an appropriate company policy or code of ethics
2. By using a formally appointed ethics committee and
3. By teaching ethics in management development programmes³³

In this respect, the most common way to institutionalize ethics is to establish a code of ethics so that managers analyse and evaluate their decisions timely and properly.

A code is a statement of principles, policies or rules that guide behavior. Codes of ethics are not applied and followed only by business organizations and enterprises but are also applied and observed as a guide to proper behavior by persons at work and even in their everyday life. Of course, merely stating a code of ethics is not enough. Appointment of an Ethics Committee consisting of internal and external directors is useful for institutionalizing ethical behavior.³⁴ The functions of such a Committee include:

1. Holding regular meetings to discuss ethical issues
2. Dealing with “grey areas”
3. Communicating the codes of ethics to all members of the organization
4. Checking for possible violations of the codes
5. Enforcing the code
6. Rewarding compliance and punishing violations
7. Reviewing and updating the code and

8. Reporting activities of the Ethics Committee to the Board of Directors.

Factors that Raise Ethical Standards

Ethical standard and behavior in the management of the organization can be affected positively by various factors. For ethical codes to be effective, these factors should be enforced. According to Heinz Wehrich and Harold Koontz, public disclosure and publicity and the increased concern of a well informed public are the main factors for the purpose.³⁵ These factors are enhanced by Government regulations and through education to increase the professionalism of business managers.³⁶

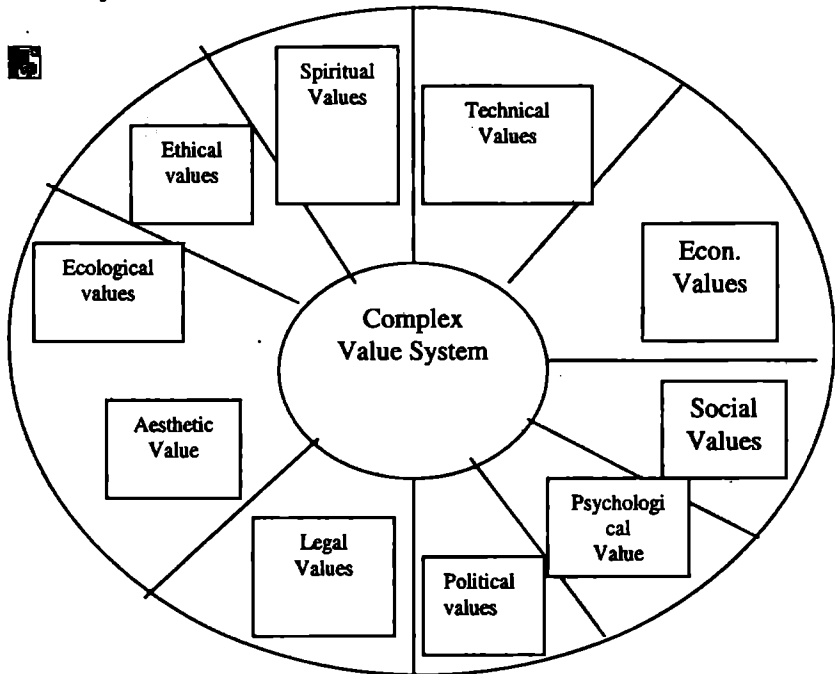
The importance for wider practice of ethical behavior has been greatly examined by Saul Gellerman³⁷ who made several suggestions as deduced from several studies:

1. Provide clear guidelines for ethical behavior
2. Teach ethical guidelines and their importance
3. Avoid gray areas which give rise to questions about the ethics of an action
4. Set up controls that check on illegal or unethical deeds
5. Punishes trespassers in meaningful way and make it public so that it may deter others and
6. Emphasize regularly that loyalty to the company does not excuse improper behavior or actions.

Management Ethics and Values

Ethical issues relate to what is considered “right” things to do. Ethics in management is concerned with both individual (responsible person) and corporate ethics. Individual ethics relate to the value held by a person such as the honesty of the employees, individually and collectively. Corporate ethics relate to organizations policies and standards established to assure right conduct by those who represent it. Corporate ethics generally apply throughout an organization but individual ethics may vary from person to person.

Those in the field of management make a lot of decisions that involve a complex combination of many value systems. Instead of making just a technical or an economic decision, managers also must consider social, psychological, political and other values. Most of the management decisions require some form of ethical or moral consent, so they have to be screened additionally for their ethical rightness. The following figure shows management decision involving a variety of complex value systems³⁸



- Technical-based on physical facts, science and logic
- Economic- based on market values determined by supply and demand
- Social- based on group and institutional needs
- Psychological- based on personal needs of individuals
- Legal- based on what the law requires
- Aesthetic- based on beauty

- Ecological – based on living systems and their environment
- Ethical- based on what is believed to be right
- Spiritual – based on what God has revealed

4(4) Scope and Objectives of Individual Development

The next objective of the study is to examine the scope and objective of individual development in Islam since the individuals are treated as the cornerstones for efficient and honest management of institutions and organizations.

This section deals with the scope and objectives of individual development which is admitted as important for any sort of development program for individuals for future building of any institution and organization. Because, the more knowledgeable, educated, trained up, refined, skilful and cultured individuals become the more likely they are to understand issues, analyse situations and solve problems creatively related to others in a more mature manner and be ethically and morally upright. Furthermore, continuous self-development program, which is integrated into all aspects of life, can assist people towards becoming conscious and active individuals and good leaders of the society. This, in turn, makes an individual more dynamic, competent and effective in pursuing their efforts and programme for a moral, God-conscious and fair society.

From an Islamic perspective, the scope of individual development is both wide and deep; it incorporates both inner and outer dimensions. It is not confined only to the acquisition of knowledge, learning a few instructions, or practicing a few rituals. In addition, it encompasses the following:

1. Producing inner change: This includes the cultivation of Islamic faith, values and morals, better attitudes and upright character, purification of the soul from greed, hatred, envy and other negative emotions, sincere intentions, a spirit of sacrifice and brotherhood and sisterhood.

2. Clarifying the Islamic vision and developing a sense of mission
3. Developing knowledge and understanding of Islam, society and the physical environment.
4. Developing social and practical skills, experience and wisdom.
5. Developing leadership skills and competencies.

In the light of the above, the objectives of individual development become clear; they are to nurture and produce the following introvert and extrovert qualities and characteristics that develop from a Muslim's faith and values which are elucidated by the Quran. Like:

- A Muslim is one who submits to Allah alone.
- A Mumin is one who has strong faith and conviction in Allah.
- A Muttaqi is one who is God-conscious and exercises self-restraint.
- A Muhsin is one who excels in good works and aims for excellence in all actions.
- A Mujahid is one who strives for God's cause with sincerity and devotion.
- A Salih is one who lives a righteous life.
- A Siddique is one who is truthful and honest in all actions and dealings.
- A Shahid is one who is a witness of Islamic values and teachings
- A Daiya is one who invites people to Islam through his words and good actions.

“For Muslim men and women, for believing men and women, for devout men and women, for truthful men and women, for men and women who are patient and constant, for men and women who humble themselves (before Allah), for men and women who give in charity, for men and women who fast, for men and women who guard their chastity and for men and women who engage much in Allah’s remembrance, for them Allah has prepared forgiveness and great reward”³⁹

Thus individual development from an Islamic perspective is broad and balanced and incorporates the enhancement of individuals’ qualities and potentials, for the service of humanity and society. Its objective is to facilitate the individuals in becoming effective and exemplary witnesses of Islam in society and nation at large, in this world.

4(5) Frameworks for Development of Individuals

Another important objective of the present study is to build up a frame work for personal development of individuals in the greater interest of the honest management of the institutions and organizations.

Having discussed the scope and objectives of individual development, the vision of Islam regarding individual development and the important aspects of vision of Islam, a framework for development of individuals need to be chalked out and an attempt in this regard has been undertaken in this section. Since Islam ensures integrated and balanced development of individual for future building the institutions and the organizations, a comprehensive , articulated , compact , flexible and composite framework for development of individual needs to be evolved and implemented. Such individual development program comprises of some important dimensions which are presented below:

- i) Basic Islamic development (faith, morals, basic practices, knowledge and character development)

- ii) Spiritual development (inner change and purification)
- iii) Human resource development (producing competitive competence, developing skills and specialization and gaining a deep understanding of society and its functioning) and
- iv) Social development (development of strong inter-personal relations and social skills)

Dimensions of the personal development framework are discussed below:

4.5(i) Basic Islamic Development

The focus of this dimension of personal development is on developing the basic knowledge of Islam and producing refined and moral individuals through stimulating their human qualities. Islamic workers must endeavor to acquire a basic knowledge and understanding of the Islamic faith and values. They need to understand what is obligatory (fard and wajib) and prohibited (haram), how to perform the basic acts of worship, and be familiar with the life and basic techniques of the prophet Muhammad (SM). Moreover, agents of change must cultivate good manners, attitudes and behaviors to purify (akhlaq) in their character. Islam also instructs individuals to purify their intentions and work solely for seeking the pleasure of Allah and not for any other motive.

“Verily actions will be judged according to intentions.....”⁴⁰

In short, a strong faith, moral character, deep knowledge and an integrated personality are the basis of this dimension of personal development. According to Islam, these can only be correctly cultivated through developing complete devotion and commitment to Allah alone. In other words individuals must have an undivided loyalty, a single loyalty an unreserved loyalty to Allah alone. Divided loyalties lead to a disintegrated personality. The general symptoms of a disintegrated

personality are temperamental imbalance, outward piety, confused priorities and impious intentions. These symptoms create lack of focus, distress, low morale, impatience, depression and even psychological disorder amongst individuals.

4.5(ii) Spiritual Development

This second dimension of personal development overlaps to some extent with what has been discussed above. The objectives of spiritual development are:

1. Creating awareness of self and of God, and an understanding of the meaning and purpose of life.
2. Creating willingness for communion with God (Dua), turning to Him constantly (tawba) and desiring to worship and serve Him alone (ibada)
3. Developing a deep sense of gratitude (Shukr) to God for all His blessings and mercy, and an inner devotion and humbleness (Khushu)
4. Creating a higher and noble vision and raising oneself above the self and material things
5. Creating a compassionate, merciful and soft heart for other people; a deep desire to support and care for others.
6. Controlling negative emotions and feelings that harden and corrupt the soul, character and conduct of individual life.

“Successful are those who purify it (i.e. their soul) and the losers will be those who corrupt it”⁴¹

The method laid down by Islam for spiritual development of individuals is :

1. Acts of worship, reading of the Quran, remembrance of Allah, night vigilance (qiyam al-layl) and spending resources, time, wealth, etc in the way of Allah, with an

emphasis on their inner dimensions. In other words, how the soul, heart and mind should be engaged in acts of worship and in developing a feeling of God-consciousness.

2. Personal efforts for inner change and improvement through self-discipline, a regular check of intentions and motives, regular self analysis, creating a sense of time and time management and attempting to obtain constant feedback from others. The aim of these exercises is to eradicate inner evils such as arrogance and a superiority complex, selfishness, hate greed and love of material things, anger for wrong purposes, pretence and show, stubbornness, low-spiritedness and lack of perseverance, fear and the pursuit of vain desires, At the same time , a person must endeavor to cultivate inner virtues such as faith, sincerity, piety, humbleness, gratitude, a sense of purpose and mission in life, remembrance and love of God, His Prophets and believers , concern for the Hereafter, softness of heart, control of the ego and a burning desire to realize the vision of Islam.

Throughout his mission, the noble Prophet Muhammad(sm) endeavored to be closer to Allah. Besides the five times daily prayers, it was his practice to spend long hours during the night in prayer and recitation of the Quran. This was his way of showing his gratitude to Allah. He remembered Allah often; in all his words and deeds. The noble Prophet constantly praised Allah, and he was thankful to Him for help in all his problems and prayed for His mercy. His faith in Allah and conviction in Islam as the hope for humanity was unshakeable. He also had faith in the fact that victory and success comes only from Allah. Obviously, those who sincerely strive to be closer to Allah and seek His aid will have their prayers answered and be entitled to His Mercy, Forgiveness and Help.

“When my servants ask of me, tell them that I am near, and I listen to them...”⁴²

“Your Lord has said: Call upon me and I shall answer you”⁴³

The closer one is to Allah, the more one draws from His Infinite Knowledge and Wisdom. Consequently, the more knowledge of reality and wisdom an individual and a group gains, the more effective they are in introducing reforms and improvements in societies.

4.5(iii) Human Resource Development

This third dimension of personal development concerns itself with producing competitive competence. It focuses on building a capacity to understand and face challenges, so that the agents of change are able to bring to bear a methodology that is superior to the corrupt forces in society. Put another way, an Islamic movement should increase its capacity to such a level that it is capable of meeting challenges from any opposing force in the social environment in a competent and effective manner. Thus, human resource development encompasses the learning of appropriate and necessary skills, knowledge and the development of specialization. It is obvious that good and pious people, who lack social and political awareness and maturity, and who possess meager skills and knowledge, are not likely to be competent enough in understanding and addressing societal challenges. This is why it is incumbent upon all Muslims to work continually at developing skills that are required for social and political participation.

The knowledge and skills required will naturally depend upon the kind and magnitude of the resistance and challenges faced by a movement. They are also dependent upon the communication methods and technologies in vogue, the economic and political climate, the moral and intellectual level of the people being addressed and the overall social context. Islamic workers need to cultivate strategic thought, understand the roots of Western civilization and the prevalent ideologies and way of life, increase local and global political awareness,

and have good communication and media skills, which includes listening, speaking, writing and presentation. Furthermore, social, managerial, leadership, problem solving, organizing, planning and information technology skills are vital.

Prophet Muhammad(Sm) invited his faithful companions to acquire knowledge, develop expertise and skills, and aim for excellence in their chosen areas (ihsan). They practiced archery, sword-fighting, horse riding and oratory, since these were imperative at that time. In addition, reading, writing, memorization of the Quran, learning a Hadith (sayings of the Prophet), planning and other skills required for that time and age were greatly encouraged.

4.5(iv) Social development

The social development dimension of the personal development framework aims to cultivate Islamic values and skills, including good inter-personal relations and a strong brotherhood and sisterhood. These assist in getting the individuals into a cohesive force and enable them to become good witness of Islam. Individuals of a society should, therefore, be instructed in being truthful, honest and fair in all works and dealings and in endeavoring to establish mutual friendship, trust and respect. Moreover, they should be sensitive to each other's feelings and situations and offer their assistance and support to others on all occasions, especially during difficulties and hardships. To achieve social cohesion, Islamic principles and etiquettes of collective life should be established in the organizational culture. These include showing respect, politeness and hospitality, having a balanced temperament, being forgiving, kind and merciful and avoiding harshness and insults and so on. If socially harmful attitudes and practices such as hatred, jealousy, intolerance backbiting and feuds over small issues are allowed to flourish, social disintegration and decay is most definite.

“O Believers, let not some among you laugh at others, it may be that the (latter) are better than the (Former) . Nor let not some women among you laugh at others , it may be that the (latter) are better than the (former) Nor defame, nor be sarcastic to each other, nor call each other by offensive (nicknames) . Ill-seeming is a name connoting wickedness (to be used of one) after one has believed, and those who do not desist are (indeed) doing wrong. O believers, avoid suspicion as much (as possible) For suspicion in some cases is a sin. And spy not on each other, nor speak ill of each other behind their backs.....”⁴⁴

4(6) Development of Universal Ethical Values of Islam as Related to Management.

The most important objectives of the study was to integrate/highlight /point out the universal ethical values of Islam in management by bringing into light their creed of modern management for development of individuals for shaping the future institutions and organizations. For this purpose, a lot of factors have to be considered in developing an Islamic management model or approaches by synthesizing Islamic ethical viewpoints, values and standards into different aspects, values and standards into different aspects and decision of management of an institution or organization to help achieve the ultimate goal of individual human well being through efficient and viable use of man materials, machines and money as well as the untainted natural bounties of Almighty creator and it is also the main creed of modern management. The factors which are considered essential are presented below for the purpose of developing Islamic Management Model to work as the creed of Modern management so vital for individuals for development of institutions and so organizations.

4.6(i)Non- usurious Management/Administrative Institutions

Management or administrative institutions that adopt the Islamic management model should employ Islamic ethical

values that encourage non- usury in its operations. The task of implementing non-usurious institution within the organization is left to the management or administration of the organization. Steps have already been taken all over the world, particularly in the Muslim world and in some parts of Europe, to run and establish more Islamic banks.

4.6(ii) Punishment for Management Corruption

A few countries in the Muslim world today are returning to Islamic legislation when dealing with management corruption such as bribery, nepotism and favoritism. If the application of Islamic ethical and moral values in management is to be effective, any violation should be dealt with seriously. However, first and foremost, there must be a rehabilitation of the mind concerning Islamic legislations on management corruption. Some Islamic laws against management corruption and violations are already in effect in various Muslim countries.

4.6(iii)Balance between Material and Spiritual Well- being

One way to inculcate Islamic ethics and establish a balance between mans material well- being and spiritual happiness is to build mosques within the factory premises, implementing programmes for both social and spiritual security. This, however, must go hand in hand with industrial and economic development. It is useless, negative and bad, from an Islamic point of view, if only one of the two aspects is developed. Therefore, the management should take all measures to maintain a balance between material and spiritual well- being.

4.6(iv) Divine origin

Social security, freedom of thinking and action, fair justice and equitable distribution of wealth and resources are some of the goals that man, within the Islamic framework, desires to achieve in his life. While similar values exist in other cultures and societies, the uniqueness of other Islamic construct lies in

its divine origin. The Islamic approach to management is a practical remedy for all mismanagement and ailments of an organization. This can be done by creating a sense of brotherhood among the employees of the enterprise.

4.6(v) Prevention of Injustice

The Islamic management approach or model can prevent injustices through:

- i. Education and training for the whole society and especially for those who are in the administration
- ii. Free interaction among people working in the organization and other groups outside the organization and
- iii. Awareness and knowledge of peoples rights and obligation by spelling out clearly the position of the Islamic legal system on the rights, duties and responsibilities of the people working within the organization and outside such as the government

4.6(vi) Concept of Shura

Another important element in the Islamic management approach is the application of shura in decision –making, which is a unique mechanism in reaching consensus and does not depend on majority or minority decision imposed by the enterprise. The manager in the decision making body is obliged to consult all those in the management committee. Each important bureaucratic and management decision outside the scope of daily routine work should not violate the concept of Islam- shura i.e. discussing and consulting the people concerned before arriving at a consensus on all important issues.

4.6(vii) Emphasis on Cooperation

Another exceptional aspect of Islamic management is the emphasis on mutual cooperation rather than cutthroat competition. Competition as a value is reserved for amal such

as the performance of prayers, charitable deeds etc to seek the pleasure of Allah. In worldly affairs, the emphasis however is on cooperation not only in management behavior but also in economic activities. The legal and constitutional ordinance inviting Muslims to cooperate appears in the Verse of the Quran:

“Help ye one another unto righteousness and pious duty. Help not one another unto sin and transgression, but keep your duty to Allah. Lo! Allah is very severe in punishment.”⁴⁵

5. Conclusion

In the foregoing sections, important aspects regarding Islamic Management as the creed of Modern Management such as concepts and conceptual approaches of modern management developed during the last centuries, principles of Islamic Management, application of ethics in management and related moral theories, scope and objectives of individual development in Islam, framework for development of individuals for efficient and honest management of institutions and organizations and finally integration of universal values of Islamic Management by bringing into light the creed of Modern Management have been presented from the discussion made in different sections of the study. The concluding remarks might be that Islam being a complete code of life, has got universal ethical values which can be applied to management integrating the creed of modern management for development of individuals who are treated as the cornerstones for shaping the future institutions and organizations by developing efficient and honest management in all these organs of the society. And this can be achieved by synthesizing the universal ethical viewpoints of Islam as the creed of the modern management to be applied for institutions and organizations to help realize the ultimate goal of welfare of the individuals as well as the institutions and organizations i.e. the society as a whole. The Islamic approach to management,

however, is a practical solution and remedy to all sorts of mismanagement, misdeeds, misdoings, mishmash, misplacement, mishap, mistrust, misapply, misappropriate, miscalculation, misdirection, misdeal, misconception, misgiving, mishandle, misrule, misgovernment, misjudgment, misinformation, misinterpretation, misquotation etc in all types of institutions and organizations, ultimately leading to individual freedom of thinking and action, fair justice to all corporate security, equitable distribution of economic and financial resources, mutual cooperation, participative decision making (Shura) and able-all honest, acceptable & blessed leadership.

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Organizational Leadership From Islamic Perspective

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Abstract

Islam is the guide to eradicate all problems in our social life. Allah (SwT) has addressed the believers as Ummah, which implies the necessity of leadership in Islam. Allah says to his Prophet Mohammad (Sm) "...I have perfected your religion for you, completed My favor upon you, and have chosen for you Islam as your religion" (Surah Al-Maidah). Mohammad (Sm) says "Every one of you is a shepherd and every one of you is responsible for what he is shepherd of" (Sahih Al Bukhari). Islam as a complete code of life has a set of principles, guidelines for managers to lead the human resources in an organization. This study is an attempt to find out the basic guidelines laid down in Islam for organizational leadership. It has pointed out the operational principles of managerial leadership, managerial grid theory, leadership continuum, team building- team spirit and qualities of an organizational leader from the Islam perspective.

1. Introduction

Allah (swt) has created mankind with noble objective that people would lead their lives in peace and harmony following the tenets of His revelations sent down through Prophets from time to time since the very beginning of the society. Leadership is one of the core corners in our social activities (Patwary, 2003). It refers to a process of influencing and supporting others to work enthusiastically toward achieving objective (Kontz, 1994). It is a major factor for the success of any organization whether it is small or large, formal or informal. An effective leader is a must for attaining success in family

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life, business concern, government and political parties. Classically, organizational leadership is an approach of getting things done through others most effectively and efficiently in an organization. In view of Islam, leader is a member of a team who is given a certain rank and is expected to perform in a manner which consistent with it (rank). A leader leads a group who is expected to exercise influence in forming and accomplishing the (*Halal*) goals and objectives. The success of a leader is dependent on team building that leads to team spirit.

2. Objectives of the Study

In this article, the authors took interest to highlight the various aspects of organizational leadership from Islamic perspective. The rationale of the study lies in the fact that no unified research regarding organizational leadership in Islam has been undertaken. There are few studies in this line but hardly written from the Islamic management point of view.

The specific objectives of the study are:

- i. To focus on the concept of organizational leadership;
- ii. To distinguish between Western and Islamic Leadership;
- iii. To identify the basic characteristics, principles and qualities of Islamic leadership;
- iv. To examine the leadership styles especially 'Managerial Grid Theory' and 'Leadership Continuum' from Islamic points of view;
- v. To justify 'Team Building and Team Spirit' under Islamic Organizational Leadership.
- vi. To suggest a 'Model of Managerial Leadership' from Islamic Perspective'

3. Methodology

This study is a desk-based and library-oriented research. To find out the development in organizational leadership and related Islamic issues, the authors consulted available literatures in this field, various publications, research monographs, journal and magazines. The study was structured in the light of the research objectives.

4. Concept of Organizational Leadership

There are different types of leadership we see in our society – political, societal and organizational. Ours is an age of organizational revolution. Everywhere we build organizations – offices, factories, banks, hospitals, schools, clubs etc. Organizations use rules, regulations, policy and strategy. Rules relate to the ways through which finance, operations, and marketing activities are regulated. (Anisuzzaman et al, 1996). Strategies pave the ways to materialize the corporate objectives under the policy guidelines of the organization. Organizational leadership views an ability of a person to guide the efforts of many persons in achieving some objectives. It also refers to managerial leadership where two positions exist in an organization: Boss and Subordinate. Nowadays boss refers to leader and subordinate to followers. In fact, leadership involves three basic elements, viz.: (i) a leader who 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. Thus the three basic elements – leader, followers and situation are crucial to the understanding of a leadership behavior (Ibid, 6).

In recent years, many theorist and practitioners have emphasized the difference between managers and leaders. What is important is to interpret leadership in terms of specific theoretical framework and to realize that leadership, however defined, make a difference (Luthans, 1995). Usually manager performs hierarchical role in an organization that is guided by the prescribed rules and regulations. But a leader takes attempts to change the rules and regulations if necessary and guide a group of people in carrying out organizational goals and objectives. Nowadays a manger tends to be a managerial leader, which is strongly supported by Islam. In a business setting, a manager is a leader when he or she possesses the quality of influencing upon his or her subordinates, colleagues, and superiors and to direct their work efforts towards the achievement of corporate mission and vision.

The differences between manager and managerial leader has been shown below:

- a. The main function of a manager is to administer and control within the organizational hierarchy, while the main function of a managerial leader is to innovate something in order to develop organizational status in the competitive environment.
- b. Managers focus on systems; structures; policies; and procedures of the organization, while the focal points of the managerial leaders are employees and staff.
- c. Managers are usually liked by their superiors, while leaders are liked by their subordinates and peers.
- d. Managers rely on control mechanism, but leaders rely on developing mutual trust.
- e. Managers put their eyes on the bottom line, but leaders put their eyes on the horizon.
- f. Managers have vertical relationship with their subordinates, while leaders have horizontal, vertical and diagonal relationship with their subordinates, followers, peers, and bosses.
- g. Managers do the thing right, while leaders do the right thing.
- h. Managers ask 'how' and 'when', while the leaders ask 'what' and 'why'.
- i. Managers chair, while leaders lead.

Bennis has noted "To survive in the twenty first century, we are going to need a new generation of leaders – leaders, not managers. This distinction is an important one. Leaders conquer the context – the volatile, turbulent, ambiguous surroundings that sometimes seem to conspire against us and will surely suffocate us if we let them – while managers surrender to it." Obviously, the differences between managers and leaders are not scientifically derived, but it is probably true that an individual can be a leader without being a manager and a manager without being a leader. (Ibid, p. 379-380)

5. Western Vs. Islamic Leadership

There are a number of basic differences between Western and Islamic Leadership in an organization. Goals, traits, styles, decision-making process, methodology, nature, and participants are not similar between these two types of organizational leadership, which have been stated below:

<i>Points</i>	<i>Western Leadership</i>	<i>Islamic Leadership</i>
1. Goals	Solution of a problem by groups, no reference to Divine efforts.	Seeking Allah's pleasure in solving a problem by group.
2. Participants	Formal and informal leaders, and rarely ordinary member	Allah (SwT), Rasul (Sm), the Leader and the followers
3. Nature	Leadership is rule-bound and situational and no 'trusts' are involved.	Leadership relates to 'trusts' which are to be rendered back to the participants.
4. Methodology	Meetings, conference, study reports, file orders etc.	Consultation with the followers especially with those with relevant knowledge, memoranda, notifications.
5. Traits	Mundane knowledge, skill, values as prescribed by organizations	Knowledge of Islamic Shariah, individual judgment, justice and competence
6. Decision making	With reference to rules of business and no reference to any Divine Law	After consulting, the leader must decide, but put trust on Allah (SwT)
7. Limitations of leader	Leaders seek leadership without waiting for leadership to come to them.	Leaders must not seek leadership; it must come to them.
8. Limitation of followers	Followers usually have a passive role.	Followers have an active role to advise and warn leadership of consequences of policy / action.
9. Leadership style	Authoritative, let alone, democratic as necessary	A combination of authoritarian and democratic styles.
10. Followers style	Responding to the leader's call for advice and cooperation with the leader, but no acceptance of partial responsibility. Both the leaders and the followers are primarily accountable to organization.	Responding to the leader's call for advice and cooperation with the leader, and acceptance of partial responsibility for action. Both the leaders and the followers are primarily accountable to Allah (SwT) and organization.

Source: Mohammad Anisuzzaman and Md. Zainal Abedin Majumder, Leadership: Western and Islamic – A Conceptual and Explorative Study, (Dhaka: Bangladesh Institute of Islamic Thought (BIIT), 1996), p. 49-50

6. Characteristics of an Islamic Leadership

Prophet Mohammad (Sm) said that the leader of a *Jamaah* (organization/community/nation) is their servant. Hence, a leader should be in the business of serving and helping others get ahead. Talib, Hisham Al (1991) identified some important characteristics of Islamic leadership, which are also applicable for the managerial leaders in an organization.

a. *Allegiance:*

The Islamic managerial leader is bound in allegiance to Allah.

b. *Global Islamic Goals:*

The leader perceives the goals of an organization not only in term of the interests of the group, but also in terms of wider Islamic objectives.

c. *Adherence to Shariah and Islamic Manners:*

The leader must adhere to Islamic injunctions. He can only continue his office as long as he observes the principles of *Shariah*. His behavior must conform to Islamic manners.

d. *Delegated Trust:*

Islamic leadership is a position with divine trust. He must enjoy this trust with highest degree of responsibility. Allah says, "Those, who, if we give them power in the land, establish *Salat* and pay *Zakah* and enjoin the right and forbid the wrong, with Allah rests the end of affairs" (Surah Al Hajj)

7. Operational Principles of Islamic Organizational Leadership

Islam does not permit any Muslim to live without having a leader in any situation even if they are on a trip or in a desert. The primary duties of a leader are to lead the people in offering prayers, to look after their interest with justice and run their activities in a disciplined and systematic way (Ahmad, 2006). However, an Islamic managerial leader will serve his followers or subordinates under some distinctive principles, out of which some distinct operational principles are mentioned below:

i. Shura

Managerial leaders in Islam must consult with their people before making any decision. It is also the fundamental aspect of democratic system. Managers in an organization must consult with their subordinates in formulating any strategy or policy. Allah (SwT) directed his Prophet (Sm) to consult with his companions. Allah says “And those who have answered the call of their lord and establish prayer and who conduct their affairs by consultation and spend out what we bestow on them for sustenance.” (*Surah Al Shura, Verse-38*). Allah also says “And by the mercy of Allah, you dealt with them gently. And had you been severe or harsh-hearted, they would have broken away from about you; so pass over (their faults), and ask for (Allah’s) forgiveness for them; and consult with them in affairs. Then when you have made a decision, put your trust in Allah.” (*Surah Al-Imran, Verse-159*)

ii. Freedom of Thought

Islam encourages freedom of thought. Practicing managers or executives should create such an environment in the organization so that the staff members can easily opine on any issue. The Four *Khalifs* of Islam considered this as an essential element of their leadership (Patwary, 2003). Hazrat Umar (R) praised Allah (SwT) that there were people in the *Ummah* who would correct him if he went astray.

iii. Sources of Islamic Jurisprudence

There are four sources of Islamic Jurisprudence. These are: *Quran, Hadith, Izmah, and Kias*. In managing any activity, the managers first look to its hints for solution from the *Holy Quran*. If hints are not available, he should give a second search of *Hadith*. Again if the solutions are not found in *Hadiths*, he should look to *Izmah* and *Kias* of recognized religiously learned persons and his good conscience.

iv. Justice

The management leaders must behave with team members justly and fairly without any discrimination regardless of their race, color or religion. Islam always urges for doing justice to all. The *Qur'an* commands Muslims to be fair and just in any circumstances even if the verdict come against their parents or themselves. Allah says "O you, who believe! Stand out firmly for justice, as witness to Allah, even as against yourselves or your parents or your kin and whether it be against rich or poor, for Allah protects both". (*Surah An-Nisa, Verse-135*)

v. Dependence on Allah

The managerial leaders in Islam must depend on Almighty Allah (Swt) for the outcome of any action. It is known in Islam as *Tawakkul*. Allah asked his believers to depend on Him. Allah says, "...when you have made a decision, put your trust in Allah, certainly, Allah loves those who put their trust (in Him)" (*Surah Al-Imran, Verse-159*). However, dependence on Him without any endeavors is not supported by Islam. The managers must prepare organizational plans and policies in order to achieve the rightful (*Halal*) objectives. But he must depend on Allah (Swt) for the success of his plan.

vi. Accountability

Islam teaches accountability as vital component of management. The managers must be accountable for their duties and responsibilities to the Board of Directors. The Board must be accountable to the beneficiaries or stakeholders. According to Islam, each and every human being will be made responsible for his good or bad deeds and accordingly he will be rewarded or punished. Allah says "...whosoever does good equal to the weight of an atom (or a small ant) shall see it. And whosoever does evil equal to the weight of an atom (or a small ant) shall see it." (*Surah Az-Zilzal, Verse- 7-8*)

vii. Sincerity

An Islamic managerial leader must be sincere enough to achieve the objectives of an organization. The *Qur'anic*

terminology of sincerity is *Khulusiat*. The Holy *Quran* urges people to be utmost sincere in his praying, meditations, and good deeds.

viii. Dignity of Labor

Islamic leaders must recognize the dignity of labor. Mohammad (Sm) says, "Pay the wages to the labor before his sweat dries up" (*Al Hadith*). Islam pointed out that earning as the best, which is earned by the toil of the labor. Hence, practicing managers should duly recognize the dignity of all categories of efforts especially physical labor of the workers and employees.

[ix. *Esprit de corps*

The managerial leaders must try to achieve organizational goals and objectives with team rather than individual endeavors. The highest level of unity should be maintained among the executives, staff and workers for motivating and energizing team works. Islam encourages *esprit de corps* i.e. team efforts. Prophet Mohammad (Sm) says "The Hand of Allah is with the *Jama'ah* (team)" (*Sunon Al Tirmidhi*). (Ather, 2006)

8. Underlying Qualities of a Leader in Islam

The organizational leaders have to work with the human resources through **team building and team spirit**. In fact, it is a very tough job to develop a team & team spirit in an organization. Unless or until a leader possesses a variety of skills, he will be facing many problems in managing human resources. Meredith et al (2000) pointed out some important project management skills relating to communication, organization, team building, leading, copying, and technology. The same skills are also required for an organizational leader. On the contrary, an Islamic leader must possess two fundamental skills, which are (i) **Islamic character & behavioral competence** and (ii) **Islamic & professional**

knowledge. Other qualities required for an Islamic managerial leader has been mentioned below:

SL. No.	Classified Skills	Focal Points
1	Team building skills	a) Empathy b) Motivation c) Cohesion d) Esprit de corps
2	Leading competence	a) Sets an example b) Vision c) Energetic d) Delegates authority e) Positive f) Initiating
3	Ethical competence	a) Morally sound b) Unbiased / impartial c) Justice d) Logical
4	Communication skills	a) Listening b) Dispatching c) Persuading d) Convincing e) Punctual f) Regular
5	Organizing capacity	a) Planning b) Goal setting c) Standard setting d) Analyzing e) Expediting
6	Coping skills	a) Flexibility b) Creativity c) Patience d) Persistence f) Contemporary knowledge

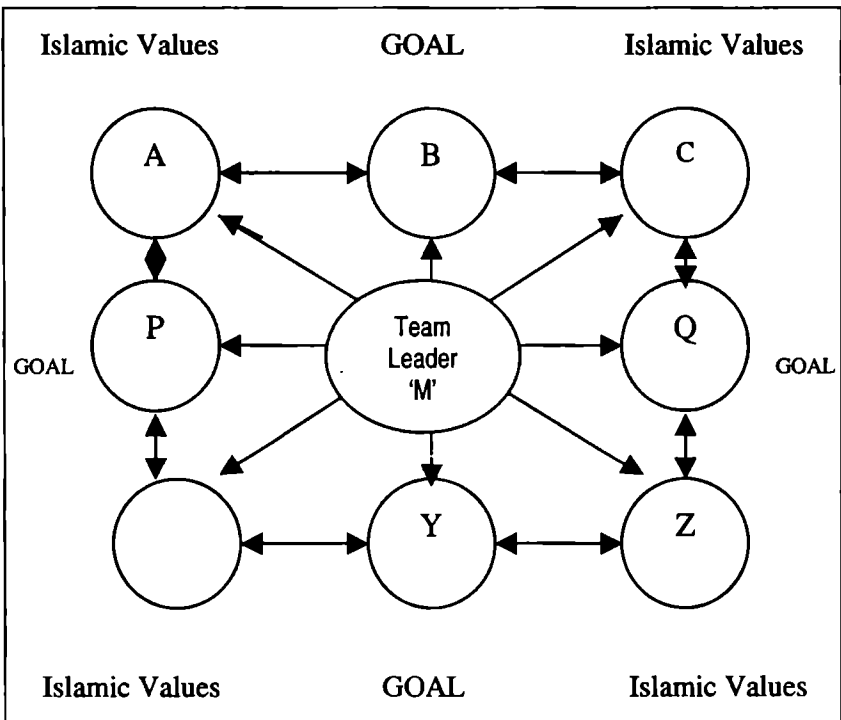
Source: Developed by the authors through study and research

9. Team Building under Islamic Leadership

A team is not a random collection of individuals with different agenda. A dozen of individuals in a restaurant by random chance are not a group although they may be interacting, have a common goal of eating and drinking and be aware of each other. Teamwork does not just happen. It has to be organized and nourished through effective leadership and management (Altalib, H., 1991). Working together with team spirit is an Islamic directive. It is said in Hadith "The Hand of Allah is with the team (*Jama'ah*). Then, whoever singles himself out (from the *Jama'ah*) will be singled out for the Hell-Fire" (*Sunon Al Tirmidhi*). A team from Islamic point of view may be defined as a group of people under a team leader who work together on a continuing mission with common (*halal*) goals and objectives. The figure-3 is a diagram where people designate A, B, C, P, Q, X, Y, and Z are working together

under a team leader 'M' to achieve organizational goal considering Islamic values. Here the team members are mutually interactive and connected with their leader. The goal is accomplished through specific and defined tasks that may be simultaneous or sequential and may change from time to time. A large team may be divided into sub-teams. Everyone on the team is expected to take responsibility for the success of the team as a whole. The work and performance of each member and of the whole team must relate to clearly defined objective. While each team member contributes particular skills and knowledge, the team as a whole, as well as each member, is responsible for the task on which it is focused.

Figure: 1 – A Diagram of Team Building under Islamic Leadership



Source: Developed by the authors through study and research

Team building refers to creating and development cohesion of the team. *Esprit de corps* is the ultimate organizational outcome of team building. Team spirit requires much more than knowledge, sincerity, dedication, and sacrifice. It is nourished by much higher level of understanding, appreciation and tactics. It functions among individuals who are ready to sacrifice their own personal differences and learn how to work with others coherent.

Team building encourages team members to examine how they work together, identify their weaknesses and develop more effective ways of cooperation. Keith Davis et al (2001) identified the following steps in a team building process:

- a. Identification of a problem
- b. Collection of relevant data
- c. Data feedback and confrontation;
- d. Problem solving experience
- e. On the job application and follow-up.

Altalib et al (1996) stated team functions at all levels, but is most useful at the top level of management. Effectiveness at this level rests on a clear understanding of, and commitment to, what the task is and who has responsibility. Team spirit at the strategic level of management reflects on the other levels – tactical and operational.

Adhering to certain basic rules helps team to succeed. For example:

- (i) The team member with primary responsibility in a given area determines, and is expected to make, the final decision.
- (ii) Conversely, a member does not make decisions with regard to matters for which he does not have primary responsibility.
- (iii) Team members do not undermine each other publicly even if they do not like one another, or disagree on issues and opinions.

- (iv) A team is different from a committee, which makes decisions by voting. The team leader leads, rather than chairs, the efforts.
- (v) A team has systematic and intensive communications links among its members.

The main shortcoming of teamwork in our society is the pervasive feeling that unless we agree with a person 100%, we can't work with him or her. Hence, a very few groups are working harmoniously. In most of the cases, one person tries to dominate and dictate his way of thinking and approach on the group. Many private institutions are victims of one-man management styles. How can a nation progress with this kind of mentality? We should realize that every one is different. It never exists in reality to find 100% similarities between two persons. We should remember that 'If two people always agree with one another, you need only one of them'. However, we have about 90% areas of common agreement among ourselves. We should make these agreements as the foundation of our cooperation. Today we make the 10% of difference a strong foundation for our disunity.

No mankind is perfect in this world. We shall not find any leader or team member who is devoid of all shortcomings except Prophets. Everybody has strengths and weaknesses. Islam encourages focusing on individual's strong points and putting aside the weak points. This may be the team spirit equation of the total group. It is essential to generate a new attitude within us, which is to focus on the strengths of our colleagues and subordinates and minimize their weaknesses. Such an attitude is a necessary condition for team development and team spirit.

10. The Managerial Grid Approach—from Islamic Leadership view of point

A well-known approach to defining leadership styles is the managerial grid (Keith Davis, 2001). The managerial grid is so far the most popular approach to help teach managers about leadership. Not only does this approach combine important

contributions from other research, but also it provides information and convenient 'shorthand' for managers to use in communicating about their potential leadership styles and those of others (Talib, Hisham Al, 1991). Three largely parallel sets of leadership studies were conducted in the mid of 1940s at the Ohio State University and the University of Michigan. It was an attempt to determine what leader behavior was meaningfully associated with organization productivity. The studies under the initial leadership of Ralph Stogdill at Ohio State and of Rensis Likert at the University of Michigan, concluded that there were two principal-dimensions of leadership behavior:

a. *Concern for people:*

This dimension is mostly 'staff and commitment oriented'. It involves a manager's concern for developing mutual trust with subordinates and followers, promoting two-way communication, being sensitive to their feelings and ideas. Managers with this concern are often characterized by their concern for welfare, commitment, friendliness, approaches and attitudes towards solidarity.

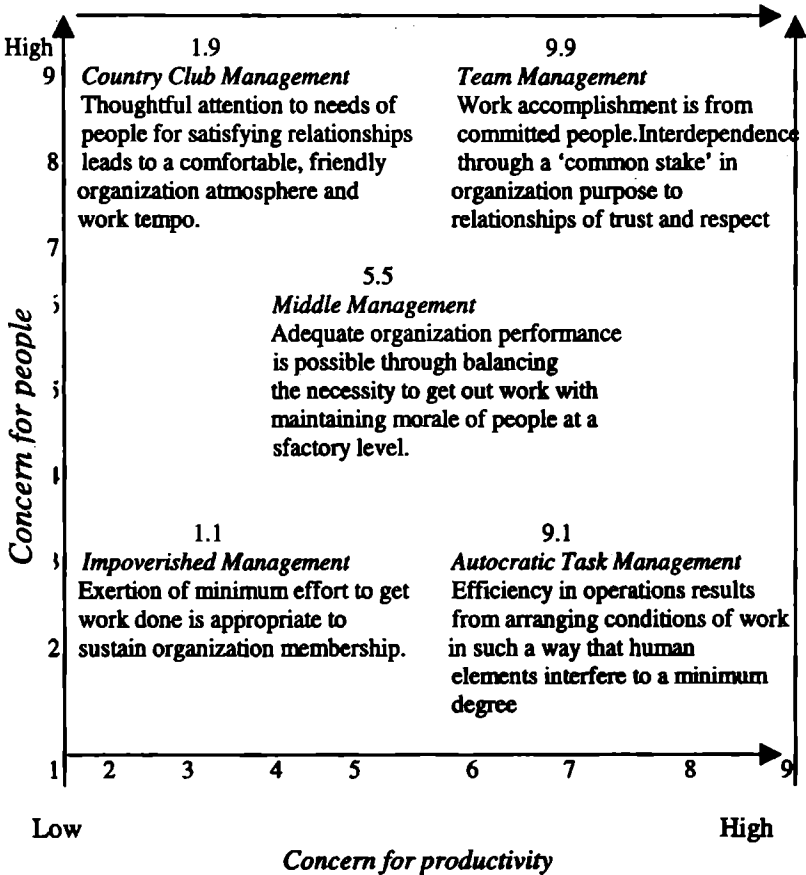
b. *Concern for production:*

This dimension is mostly 'job and task oriented'. It involves a manager's concern for actively directing subordinates in order to get the task done effectively and efficiently. The managers under this category are characterized by concern for completing the task as per plan, implementing rules, regulations, policies and procedures.

Research on the importance of these two dimensions has given useful information. For example, managers who worked in manufacturing concerns and who exhibited high concerns for productivity and low concern for employee were rated by their superiors as more proficient than more people oriented managers. On the contrary, service organizations, the most highly rated managers were those with a high concern for employees and a low concern for production.

The success of the studies led to the development of a matrix method for depicting managerial leadership styles. Developed by Robert Blake and Jane S. Mouton, the managerial grid enables us to identify a wide range of styles that represents various combinations of concern for people and concern for production.

Figure: 2 - Managerial Grid (Adapted)



Source: Originally by Blake and Mouton, 1994 from Fred Luthans, Organization Behavior, New York, McGraw Hill Inc. 1995, p. 415

As shown in the above Figure-2, a manager is rated on two 9-point scales to indicate the extent to which the managers demonstrate concern for each of the two central leadership dimensions: concern for people and concern for productivity. When these two scores are plotted on coordinates axes, their points on intersection falls on a grid of $(9 \times 9) = 81$ possible points. This point is then used as a basis for comparing the manager's concern in the same manner. Of course, an attempt to define every point of 81 positions on the grid is impossible, briefly five extreme positions have been explained as under:

- a. *Impoverished leadership (1.1)*: This position characterizes managers who place low priority on both concern for people and concern for productivity. This sort of manager is clearly never treated as leader in a positive sense and at best serves as 'place keeper' until the group's problems can be attended to seriously.
- b. *Country club leadership (1.9)*: This position characterizes managers with high concern for people and low concern for production. Managers at 1.9 position are well liked by their subordinates as they try to enhance the job satisfaction of the employees.
- c. *Middle of the road leadership (5.5)*: This position characterizes managers who place moderate priority both on a concern for people and productivity. Managers at 5.5 level are steady, dependable, unlikely to deviate from previous patterns or traditional performance levels.
- d. *Autocratic leadership (9.1)*: The position characterizes managers with high concern for productivity and low concern for people. Managers at 9.1 position tend to be extremely conscientious, hardworking, loyal, responsible, and personally capable.
- e. *Team leadership (9.9)*: This position characterizes managers who place priority on both concern for people and concern for production. They think that the best way to

have an excellent production plan is to **team building and team spirit** and to involve all stakeholders in decision-making process, which, in turn, leads to heightened levels of employee commitment. Blake and Mouton hesitate to claim that any one leadership style is superior in all cases, but in 'typical' business situations, the 9.9 style is preferable to all others.

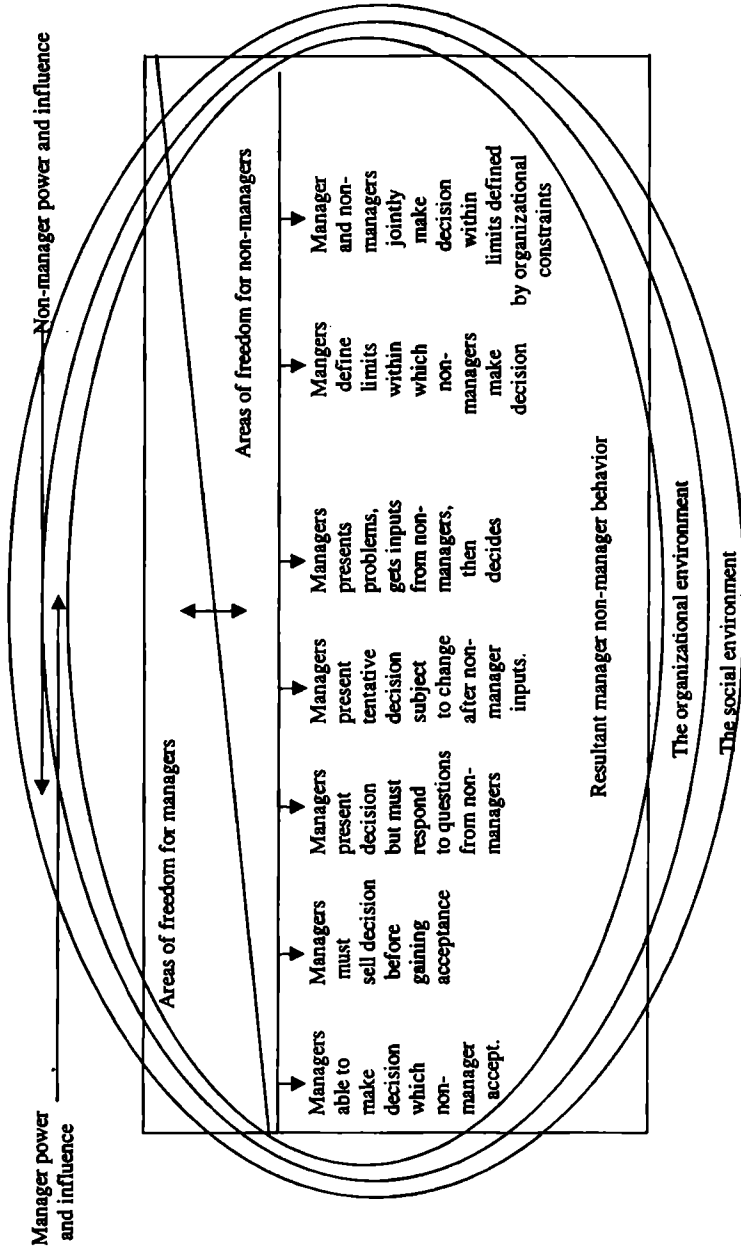
Islam supports high productivity and high involvement of employees in an organization. Hence, from Islamic point of view 9.9 style may be the target as an ideal leadership to become successful in managerial leadership. Islam also supports 5.5 style of leadership. But Islam does not support 1.1 and 1.9 styles of leadership as these encourage low productivity in an organization. On the other side, 9.1 cannot be accepted as employees' opinion is not considered at all in this style of managerial leadership.

11. An Islamic Outlook of Leadership Continuum

The latest development in leadership styles is the leadership continuum. The theory of leadership continuum is developed by Robert Tannenbaum and Warren H. Schmidt. Instead of suggesting a choice between the two styles of leadership – authoritarian or democratic, the leadership continuum assumes variety of styles, ranging from highly boss-centered to highly subordinate centered, with no suggestion that one is always right and another is always wrong.

This theory recognizes that appropriateness of a particular style is dependent on the leaders, the followers and the situation. In the revision of continuum theory, interdependency of leadership style and environmental forces have been included in 1973 [Vide the modified diagram of leadership continuum in Fig.3].

Figure-3: Continuum of Manager –Non-manager Behavior (Modified)



Source: From Robert Tannenbaum and Warren Schmidt, "How to Choose a Leadership Pattern", Harvard Business School, 36, No. 2 (March-April 1958), 96

Like labor unions, greater pressures for social responsibility, the civil rights movement, and the ecology and consumer movement that challenge managers to make decisions or handle their subordinates without considering interest outside the organization.

It seems that the highly boss centered style of leadership in the continuum, where the subordinates have no voice but to accept the managers' decision is against Islamic ethics; hence it is not supported by Islam. Other styles are the reflections of discursive and participative management, which are justified by Islam. (Ather, 2005)

12. Islamic Model of Organizational Leadership

On the bases of previous discussions, concepts and facets of Islamic Leadership, a Model of Organizational Leadership from Islamic Perspective has been developed (Vide-Fig. 4). Basic three elements of leadership as shown in the model are: Organization, Leaders and Followers. Leaders will take decisions consulting with the followers. Leaders will act, as both the servant and guardian leadership while the followers will show dynamism in their participation and action. Leaders will be gentle to the followers and they should never be harsh with them. Leaders must pass over followers' faults, if any, and ask for Allah's forgiveness. They must consult followers when necessary. After consulting leaders must decide and put trust in Allah (Swt).

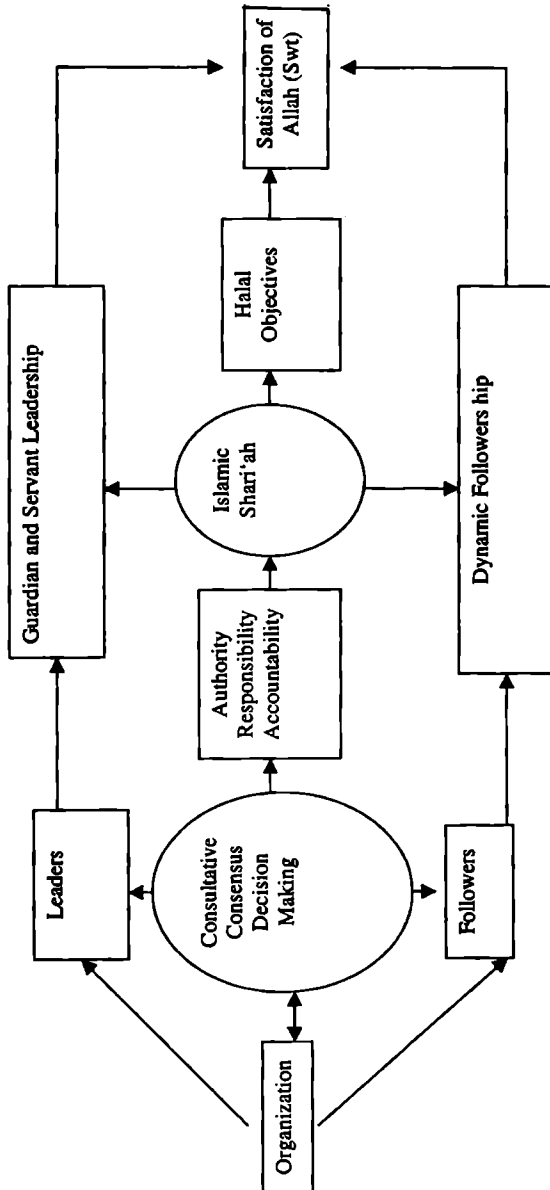
The role of followers in Islamic leadership process will be positive. They will act as observers of men, women and things. They must be cooperative with their leaders. They provide necessary suggestions to their leaders thus contributing to decision-making. They also warn their leaders for their actions if necessary. The followers must withdraw their support if and when the leaders are seen deviating from the right path of Islam (Anisuzzman et al, 1996). Thus they will play the role of dynamic rather than blind followership.

The functions and operations of the organization must be guided and controlled by the rules of *Islamic Shari'ah* i.e. *Qur'an, Hadith, Izma and Qias*. Nothing will be considered which is not supported by Islamic Shari'ah. The leaders and followers both will be accountable for their responsibilities to the organization and Allah (Swt) as well. The objectives of Islamic leadership include both mundane welfare and eternal bliss. The ultimate objective of the Islamic Leadership will be attaining satisfaction of Allah (Swt) through fulfillment of organizational *halal* objectives.

13. Concluding Remarks

Nowadays, leadership is being considered as a key factor for the success of any organization. The Muslim managers of global business world must possess Islamic leadership skills to survive in the competitive market. In today's demanding and dynamic leadership requirement, managers who are incompetent in an organization must be willing to constantly upgrade their skills. There is no doubt that continuous efforts to acquire skills will lead a manager to become a successful leader. Teamwork under an effective leader is recognized as a vital force in achieving organizational goals and objectives. The success of a team is dependent on the group efforts under a team leader. Some very talented individuals are not good team members by nature in teamwork. A team member in an Islamic organization must be willing to sacrifice his opinion if needed for the greater interest of the team. For effective results, members of the team must be trained about Islamic values, ways of communicating within the team, behavior & attitudes, and consensus formation. A manager having leadership qualities as laid down in Islam, is expected to combat any managerial challenges and complexities of the centuries ahead.

Figure – 4 – Islamic Model of Organizational Leadership



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Need for Managerial Ethics in the Business Sector of Bangladesh

Dr. M Ataur Rahman*

Definition of Ethics

The word ethics comes from the Greek ethos. “Meaning character or custom” writes by Robert C. Solomon, Professor of Philosophy. Today we use the word ethos to refer to the distinguishing disposition, character or attitude of a specific people, culture or group (as in, for example, the western ethos” or ‘the business ethos”) According to Solomon, the etymology of ethics suggests its basic concerns :(1) individual what it means to be “a good person” and (2) the social rules that govern and limit our conduct, especially the ultimate rules concerning right and wrong, which we call morality.

Ethics is a general term for what is often described as the “science (study) of morality”. In philosophy, ethical behavior is that which is “good” or “right”. The Western tradition of ethics is sometimes called moral philosophy. This is one part of value theory (axiology) – the other part is aesthetics –one of the four major branches of philosophy, alongside metaphysics, epistemology and logic.

Ethical Standards in business are based on commonly accepted principles of behaviour established by the expectation of society, the firm the industry and an individuals personal values.

Business ethics are concerned with the day to day behaviour standard of individuals and organizations [connected with business]

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Business ethics consists of those principles and practices that are concerned with morals and good conducts as they are applicable to business situations”

Ethics and Morality

Morality of ethics deals basically with human relationship—how human treats other beings to promote mutual welfare growth, creativity and meaning in striving for good over bad and right over wrong. Some philosophers like to distinguish ethics from morality; in their view “morality” refers to human conduct and values and “ethics” refer to the

study of those areas. “Ethics” is an course denote and academic subject, but in everyday parlance we interchange “ethical” and “moral” to describe people we consider good and actions we consider right . And we interchange “unethical” and “immoral” to describe what we consider bad people and wrong actions.

History and Development of Business Ethics

Like many other things the area of philosophy known as business ethics did not grow overnight. In classical Greece 2000 years ago, the businessperson was not highly regarded. In fact, they ranked no higher on the social ladder than slaves. In Greek society, business was allowed to exist only because it served the public and community. Businesspersons were severely punished if found guilty of immoral business practices. Greek businesspersons were also subject to intense criticism from the upper classes if they failed to practice a standard of morality which exceeded that of common honesty. This ethical standard was considerably higher than the minimum required by law. The merchants or producers of goods were not allowed to get rich, but only to make a living and live in the same manner as others of the same class. Both the level of business ethics and social responsibility expected of the businesspersons during the classical Greek period can be classified as most extreme.

Use of Studying Business Ethics

Business ethics is a subject developed over the last a few decades in order to mould the behaviour of those in connection with business in a way beneficial to each of them including the government and the international community at large. The study of the subject business ethics makes one morally conscious, value-oriented and just in the discharge of his/ her duties and obligations in one side and in the realization of his/ her rights and privileges on the other. Students are the future leaders of the society waiting to enter in any areas of the social activities depending on their aspirations, qualifications and affiliations. It is, therefore, imperative that irrespective of the discipline of knowledge or the areas of specialization any student in

general and the business students in particular will be surely benefited with knowledge of ethics, business ethics and social responsibilities. However, some specific points of utility of studying business ethics are hinted in the book.

Business Context of Ethics

Business Ethics is concerned with truth and justice and has a variety of aspects such as the expectations of society, fair competition, advertising, public relations, social responsibilities, consumer autonomy and corporate behaviour in the home country as well as abroad.

Business Ethics is concerned primarily with the relationship of business goals and techniques to specifically human ends. It studies the impacts of acts on the good of the individual, the firm, the business community and society as a whole. This means that business ethics studies the special obligations which a man and a citizen accept when he becomes a part of the world of commerce.

Meaning of Business Ethics

Business ethics is a specialized area of general ethics in which an awareness of ethical issues and a systematic approach to

solving them are particularly important Business ethics involves the same basic issues that are found in other contexts. However, the business situation will probably be more complex. What ethics studies is morality .Morality is term used to cover those practices and activities that are considered importantly right and wrong; the rules that govern those activities; and the values that are embedded, fostered or pursued by those activities and practices. Ethics in general can be defined as a systematic attempt to make sense of our individual and social moral experience, in such a way as to determine the rules that ought to govern human conduct, the values worth pursuing and the character traits deserving development in life. Different people use the term ethics in different way. Some times ethics is synonymous with variety of ways morality. Business ethics may be defined as follow

“Business Ethics is concerned primarily with the relationship of business goals and techniques to specifically human ends. It studies the impacts of acts on the good of the individual, the firm, the business community and the society as a whole. This means that business ethics studies the special obligations which a man and citizen accept when he becomes a part of the world of commerce.”

Research Methodology

Rationale of the study

The study was a part of an investigation on both public and private sector business organizations in Bangladesh. Assessment of ethical standards in some organizations, besides fulfilling the study requirements it would also help us to understand the different Ethical development, culture, practice and theories and how the ethical factors used in management of our organization in both public and private business sectors of Bangladesh.

Objective of the Study

The aim of this study is to enhance practical knowledge on how an organization practices the ethical theories and factors

for developing our skill context of overall management for effective delivery of services and human resources management in both public and private business organizations in Bangladesh.

Data Collections

The methods used for data collection was mainly to review the documents/reports of business sector, visit business website and interviewing with different level of people such as farmers students, NGO workers, Rickshaw puller, Govt service holders and Bankers.

- (i) **Secondary Source:** As a secondary source business website, library, MIS, seminar reports, internal circulars, business news, columnist views and external Relations Department were used for information collection.
- (ii) **Primary Source:** As primary sources some people like farmers, students, NGO workers, Rickshaw puller, Govt service holder and Bankers were interviewed. Focus Group Discussion (FGD), Semi Structured Interview (SSI), Key Informant Interview (KII) methods and thoroughly review of different reports produced and published by the business organizations have also been made.

Limitations of the Study

Following are the limitations, which the author acknowledges during the study:

- As ethics is a large area it is not possible to cover all components in details like gender development, partnership, empowerment, human rights, good governance and right based approach.
- Study was based on human behavior
- Scope of reviewing customers therefore satisfaction was limited

- Time provided for the study of such a big topics was not sufficient. To perform a complete study, more time might be required
- Lack of internal sharing scope and resource centre

Importance of Ethics in Bangladesh

Ethics as a broad concept could be a process for the balanced development of third world countries like Bangladesh, which have been facing acute problem in economic development and environmental degradation. Ethics

could be used as revolutionary step in bringing harmony between development and the environment. This paper underlined the importance of ethics in terms of Bangladesh, which is plagued by poverty, bad governance, loose administration and black money and urged the need for greater participation and discussion to harvest the benefits of ethics.

It can be pointed out that the lack of coherence in the local economical and political activities, it is apparent that the development projects being undertaken do not consider their impacts on the ecological system and human health. Vast works are needed in the field of the ethics to develop a balanced relation between man (especially human activities) and the ecosystem. This is an important process and in the balanced development of third world countries and urged developed countries to make policies considering the system. Similarly, more participants focused on the importance of ethics for the sustainable development of the country.

Business ethics is a subject developed over the last a few decades in order to mould the behaviour of those in connection with business in a way beneficial to each of them including the government and the international community at large. The study of the subject business ethics makes one morally conscious, value oriented and just in the discharge of his / her duties and obligations in one side and in the realization of his /

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Role of Ethical Development in Bangladesh

Bangladesh is a developing country of the world. There are many resources in our country but due to lack of morality/ethics the resources are not properly used. Most of the govt departments do not perform their responsibility, liability and accountability. They are involved in corruption, misappropriation, fraud, undue influence, cheating etc. Employees are not sincere, honest and obedient due to lack of good governance, application of law and order. As a result our country could not develop properly.

According to the example we can say that once upon a time some countries such as Japan, Korea, Indonesia, Malaysia, Singapore, were poor countries. By maintaining the morality, ethical development and practice and dignity they developed their economy in the world. Therefore, we should change our morality, positive attitude, performing our role, responsibilities, accountabilities, practicing good governance, proper application of rules, law and order for the real development our country.

Problem of Ethical Development in Bangladesh in

Private Sector

Bangladesh's private sector is dynamic and resilient. While state owned enterprises continue to struggle under a near insurmountable burden of debt and losses, private enterprises-

from the smallest micro-enterprise to the largest industry giants like Square Group or Beximco are growing significantly –some reporting double –digit growth.

Foreign investors are also searing significant growth in the market and are reporting positive returns in the midst of political uncertainty and turmoil. While the economic outlook may seem rosy from one perspective, there are serious challenges to business that are hampering growth. The single largest challenge to economic stability and growth is poor governance. Much has been written about governance in the papers recently. In the last month alone, there were more than a half dozen editorial pieces in the mainstream media from experts bemoaning the lack of adequate governance in Bangladesh. Newspapers are full of stories of corruption and non-transparent institutions. The people are feeling uneasy with the lack of progress in this area and are demanding better from their politicians and leaders.

We don't need to go into the details of how governance challenges are affecting the economy. Experts tell us that more than two percent of GDP is lost due to corruption and lapses in governance. In addition to that, the reputation of Bangladesh both internally and globally suffers greatly. Investment is going to all countries in the region and Bangladesh has recently generated a

lot of interest from international investors. Governance failures prevent this interest from turning into significant investment in the near –term. When we are told, “but Bangladesh economy is doing well” our answer is “not as well as it could be doing and not as well as the people of Bangladesh deserve”

The broad concept of governance –the act, process or the power of governing –applies to all aspects of government's relationship with the people. Governance refers to the broad set of actions that a government undertakes to ensure that social, political, and economic mechanisms continue to function

effectively. Good governance, then, results from actions of a representative government that are transparent, predictable, efficient and institutionally sound. Establishing good governance in Bangladesh requires free forms of the state generally and more specifically of the institutions, processes and mechanisms of governance.

The private sector needs to play a more active role in stemming the supply side of corruption. We understand that most businesses look at corruption as a necessary evil. Some have told us that they just account for it on their books as much as 10% as a cost of doing business. It is up to leaders of large businesses like many of you here to set the example; to show that businesses can succeed in Bangladesh without resorting to or giving in to corruption. In our one day seminar we will have the chance to hear from some of the business leaders that are setting this example.

Another private sector initiative that is critical to governance is setting internal controls and auditing mechanisms for corporate governance. Corruptions need to set clear and enforceable policies against corrupt or unethical business practices. You need to periodically train middle and senior managers of business ethics to ensure that corporate governance standards are institutionalized throughout the companies. Business also needs to demand that the managers they hire have a comprehensive business education with emphasis on ethics. Bangladeshi business managers cannot afford to be unaware of or uneducated about global ethical standards for doing business.

Problem of Ethical Development in Bangladesh

in Public Sector:

- Lack of professionalism, declining sense of integrity and honesty and conflict of interest
- Poor remuneration and incentive policies
- Administrative and bureaucratic malpractices

- Weak institutions for enforcing ethical and accountability standards
- Politicization of Bangladesh public services
- Lack of Professionalism of the public services
- The brain drain problem
- The contribution of international business to the ethical issues
- Deficit and corruption in Bangladesh

Future Prospect of Ethical Development of Bangladesh

Bangladesh needs ethical business development in the country to reduce poverty for the real growth and prosperity. As the unemployment is soaring, we need some industrial sectors like garments for greater employment generation. Agro based and food related industries could be the best sources of employment generation both in urban and rural areas where ethical development is more essential for actual development. Besides employment generation, successful industries in this sector can provide inexhaustible supply of food items at a cheaper price reducing the poverty at a very fast rate. Moreover, this sector has a great potentiality of export of food items earning valuable foreign currency.

Information Technology (IT)

IT is another sector which is equally important in the area of business development. The sector is very vital because of the two reasons: firstly: there are plenty of educated but unemployed people who can be readily trained for this high tech job. If properly organized, this sector can earn a lot of foreign currency, which can surpass even the garments sector, Secondly: without the development of IT, Bangladesh cannot survive as a nation in the modern world especially at this fast growing technological development of robot technology, general technology and many others new initiatives technologies. We think there are many other potential sectors

in the industrial development such as leather, jute and jute goods and tea sectors. We should try to develop this sector because in this field also we have cheap raw materials and availability of labor in cheap rate. There is immense possibility we can successfully complete in this industry where ethical development, culture and practices are essential.

For the rapid development, Bangladesh badly needs some visionary political leaders like Lee Kuan Yew and Mahathir Muhammad who led the country towards the path of prosperity freeing it from shameful corruption and terrorism. We strongly believe that ethical business development in Bangladesh can play a vital role for the prosperity of the country. Let us work hard hand in hand to achieve this goal.

Tools of Ethics

Tools are the weapons or instruments that size a product or a thing. By tools of ethics, we mean the behavioral weapons or instruments with the help of which the pattern of behaviour can be making as desired. Some tools may influence human behaviour to be ethical. Fairness in outlook, values, rights, duties moral rules and fellow feeling etc act as tools of ethics. It is difficult for adults to act ethically if they have not been inculcated with ethical values when were growing up.

Non ethical Values

- a. Money
- b. Fame
- c. Status
- d. Happiness
- e. Fulfillment
- f. Pleasure
- g. Personal Freedom
- h. Being liked

These are ethically neutral, one of the guides to ethical decision making is that ethical values should always take precedence over non ethical values.

Islamic Ethical Concepts

Basic of Islamic ethics is Shariyah, the Holy Quran as revealed by the Allah Swabhnata'la and the Hadiths as said or approved or at least did not expressed disapproved by the holy prophet Mohammad [pbuh]. Some of such indicative ethical guidelines as provided from both the sources are:

The above Shariyah guidelines underline a universal and absolute theory to be applied irrespective of person, age and situations. Some indications are:

Business Ethics in Islam

In Islam an individual is not free in performing his/her actions. Actions/obligations are Halal, Haram, Mubha, Sunnah, Nafal etc.

A through survey of Quran, Sunnah and early Islamic History can reveal a very comprehensive and rich guidance regarding ethical and social responsibility of business. There is also the need to study and implications of Islamic principles in the context of the present day business situations so that these principles could be operationalised.

Code of Ethics in Islam

Code of ethics with relation to both ones daily life and business conduct is indicated and reinforced by Shariyah. Muslims are required to behave islamically in their business dealings because Allah Himself all the time witnessing each and every of their transactions.

A laborious survey of the treasury of Quran and Hadiths indicates eleven broad principles of the code of ethics for the businesses run or to be on Islamic Shariyah.

These are:

- a. Believe in akhrirah and accountability to Allah
- b. Truthfulness
- c. Trust and responsibility

- d. Justice without discrimination
- e. Mutually and consultative approach
- f. Duty, obligation, and liability must commensurate ability and resources
- g. Fairness and transparency
- h. Sincerity
- i. Honesty
- j. Brotherhood and justified sharing of he available opportunities
- k. Science and knowledge

Also presented hereunder are some key business principles basing which Islamic code of business ethics is drawn in the light of the Quranic verses and Hadiths presented above:

1. Be hones, truthful and honor trusts reposed on you while performing business.
2. Keep your words and perform all actions pertaining to business with due sense of proportion and balance
3. Love Allah more than your trade
4. Deal with Muslims before dealing with non-muslims in the sphere of business
5. Use mutual consultation in the affairs of business
6. Do not deal in fraud while doing business but remain fair in both promises and transactions.
7. Do not take or give bribe and avoid all types of transactions prohibited by Shariah.
8. Deal justly in appropriate measurement with all the parties' connected with your business.
9. Be neither a miser nor an extravagant in meeting claims of those related with your business.
10. Make not any discrimination between male and female as employees, customers and others
11. Avoid superfluous and excess of anything and don't trespass in performing the actions required in connection to your business

12. Keep all the transactions in writing in order to avoid confusion
13. Deliver goods and services of desired quality, avoid giving defective and low quality ones
14. All actions and business transactions must be aimed at doing good for all parties connected
15. Treat your customers, employees and other with compassion and forgive them as much as possible on condition of repentance and promise of not repeating the same wrong in future
16. While awarding punishment for an offence in connection with business or otherwise look for a correction through repentance, hence avoid cruelty and abusing the person under punishment
17. Keep all the valid promises made to and perform all the obligations due resulting from the conduct of your business.

Corporate Ethics in Islam

In Islam and individual is responsible for each of his action either accomplished while unemployed or while in self-employment or even while in employment. Corporation is an artificial personality created by law and all

the individuals working in it are like its organs. Each and every individual as organs must help the corporation in all its affairs to act ethically. None will be spared for default resulting in unethical performance.

Managerial Ethics in the Light of Islam

Managers are entrusted with opportunity of getting some assignments with help of some individuals, may be workers, office employees or staff experts. The people who dont perform under his command are entitled to deserving treatments from the managers or the commanders under whom

they work. Islamic Shariyah prescribes some guidelines for such treatments.

Managers status and current position is a trust from Allah, his present employer and the employees of whom he is made the boss and he must not do anything which may be considered as a breach of such trusts .

Balancing Conflicting Values for Managerial Decisions

Some of the conflicting values which managers have to balance in making decisions are the following

1. Social- based on group and institutional needs
2. Economic- Based on market values determined by supply and demand
3. Psychological- based on personal needs of individuals
4. Technical – based on physical facts, science and logic
5. Ethical- based on what is right
6. Political – based on general welfare needs of the state
7. Aesthetic – based on beauty
8. Spiritual- based on what Allah has revealed

Approaches to Managerial Ethics

When focusing on an ethical position, entrepreneurs should analyze various organizational characteristics. One study examined ethical norms, motives, goals, orientation toward law and strategy for three distinct types of management: Immoral management, amoral management and moral management. Summary of each characteristic within each of the ethical types. These characteristics are important for gaining insight into the continuum of behaviors that can be exhibited. Before entrepreneurs set forth any strategy, it is imperative that they will analyze their own reactions to these characteristics and thus their own styles.

Moving from an immoral or amoral position to a moral position requires a great deal of personal effort. Whether it is a commitment to sending employees to training seminars on

business ethics, establishing codes of conduct, or exhibiting tighter operational controls, the entrepreneurs' needs to develop particular areas around which a strategy can be formulated.

Factors of Managerial Unethical Practices

Unethical practices are more likely when businesses focus solely on profit and intense competition, when top management gives lip service only to ethical behaviour and fails to establish clear policies and adequate controls and when they are insensitive to the customers' best interest and public concerns about ethics.

Major Findings

Major causes of high ethics of Bangladesh are as follows

- a. Commitment of the people
- b. People are simple minded
- c. People are cooperative minded
- d. People have the strong unity

Major Causes of Low Ethics of Bangladesh

- Lack of knowledge in ethics
- Absence of good governance in public and private sectors
- Lack of responsibilities, accountabilities and liabilities in public and private sectors
- Misappropriation and corruption in public and private sectors
- Dishonesty, cheating and fraud in public and private sectors
- Less transparency in public and private sectors
- No practice of law and orders in an appropriate manner
- Less awareness on human rights
- Chronic poverty
- Power structures centralized in public sector
- Political unrest
- Lot of social problems
- Lack of executing the active role of businessmen, civil society, political and religious

Government Actions Measures on Ethical Development

There is no significant initiatives/measures taken by the Govt of Bangladesh. However, we can mention the following actions those are taken by the Govt for ethical development:

- Form separate anticorruption commission
- Introduce new laws
- Govt controls over the NGO operations
- Free cost for women education
- Early marriage, polygamy and dowry protection law
- Enhance the wages and benefits of garments labor
- Agreements with tribal for their legal rights.
- Increase the salary of Govt officials
- Approval of different private education institute
- Form GO and NGO partnerships programs integration.

Role of Social Leaders

The past few years have seen the emergence and development of a vigorous civil society culture that has struggled to increase its involvement in the policy making and implementation process. Civil society organizations have come to play an important role in fighting anti-ethical behaviour and corruption in public institutions in Bangladesh. In addition, they have become vocal in demanding a more transparent, accountable and responsive public service delivery system. In countries where anti-corruption efforts have proven successful, creative partnerships among the government, civil society, the private sector, independent professional associations and organizations have made a real difference because of the pivotal role the burgeoning civil society organizations have been playing in promoting responsiveness and accountability of public services.

Role of Business Leader

The field of business ethics examines moral controversies relating to the social responsibilities of capitalist business practices, the moral status of corporate entities, deceptive

advertising, insider trading, basic employees rights, job discrimination, affirmative action, drug testing and whistle blowing. Issues in environmental ethics often overlap with business and medical issues. This include the rights of animals, the morality of animal experimentation, preserving endangered species, pollution control, management of environmental resources, whether eco-systems are entitled to direct moral consideration and our obligation to future generations. Controversial issues of sexual morality include monogamy vs polygamy, sexual relations without relations without love, homosexual relations, and extramarital affairs. Finally, there are issues of social morality, which examine capital punishment, gun control, the recreational use of drugs, welfare rights and racism.

Role of Political Parties

Anti-corruption efforts must be backed by genuine political will if they are to stand any chance of proving effective. Most anti- corruption crackdowns by Bangladesh governments have been public relations exercises. African governments have been seen to be reluctant to take action in cases of corruption or mismanagement where there is no political benefit to the government. Political bosses have been seen interfering in the investigative process seeking leniency/ clemency for friends and political loyalties involved in acts of corruption and unethical practices.

Creating an anti-corruption institution by itself does not ensure its effectiveness unless it is combined with measures that can enhance the accountability, transparency and responsiveness of public administrative systems. African governments must demonstrate firm political commitment to make public institutions responsive and accountable to the people. For example, apart from ensuring accountability, air and transparency and enhance civil society involvement in speeding up institutional reforms for efficient and effective service delivery.

Conclusion

Ethics in public service is an issue of crucial importance and the ethical qualities of individual public servants are also important. It is in the crucial work of public managers involving discretion and advice as well as policy-making, that the ethical standards of public service assume particular significance. In a democratic political order, citizens and their representatives have the ultimate responsibility to ensure that the government promotes a heightened sense of ethics and accountability in public service delivery.

The values of ethics and accountability for enhanced for public service delivery should be closely linked with the concept and practice of good governance. Good governance signifies the exercise of state power on the basis of legitimate authority anchored on the consent of the governed and active participation of the citizenry in public affairs. The degree to which public service institutions embrace the values of responsiveness, accountability and integrity in responding to the needs and demands of the people is an important aspect of good governance.

The concern for ethics and accountability in public services is of particular significance for our country because the problem of corruption has reached epidemic proportions affecting both governments and civil society. Bangladesh is regarded as least able to bear its heavy costs in view of the continents debilitating poverty. The continents prospects for sustained growth could be wiped out by extensive and institutionalized corruption.

Poor compensation and reward policies for public services have generated administrative malpractices to the professional and ethical standing of public services throughout the country. Poor pay has compelled our public servants to succumb to the temptation for petty and grand fraud, such as bribes, Kick backs and circumventing laws and regulations to aggrandize personal advantage. When public servants realize that they do

not receive reasonable salaries to lead a reasonably acceptable standard of living, they resort to unconventional means of supplementing income to make ends meet.

Effective governmental programs to combat unethical behaviour and corruption should emphasize the identification and elimination of corrupt practices, urge the understanding of political and institutional flaws and help design strategies to improve government functions. Moreover, they require the availability of public sector, an independent and responsible print and electronic media, professional organizations and civil society.

Finally, state revenue mobilization processes in Bangladesh are very much affected by corruption and unethical practices. Poor pay and incentives for revenue collection and assessment personnel and shortage of adequately trained human power, technology and institutional capacity for effective revenue generation fuel from wide spread corruption and so on cause loss of revenue resources by Bangladesh governments .An enhanced sense of ethical standard and accountability are required to curb rampant corruption in the revenue generation process in Bangladesh.

Suggestions

Policies and strategies to promote ethical behavior and accountability:

- Create enabling condition to enhance professional and ethical standards in public services
- Institutionalize fair professional and merit- based public services career systems.
- Decentralize public to promote accountability and responsiveness in service delivery system among the clients
- Enforce strict ethical and accountability standards on public service manners.

- Incorporate ethics/citizenship/civics education as part of civil service training and formal educational curriculum
- Institute preventive methods to combat corrupt practices and cultivating the unethical values.
- Bring private sector business under strict by promulgating concerned laws.

Arriving at a short list of representative normative principles is itself a challenging task. The principles selected should not be very much narrowly focused, such as a version of act- egoism that might focus only on an actions short-term benefit. The principles must also be seen as having merit by people on both sides of an applied ethical issue. For this reason, principles that appeal to duty to Allah are not usually cited since this would have no impact on a nonbeliever engaged in the debate. The following principles are the ones most commonly appealed to in applied ethical discussions:

1. *Principles of Personal benefit*: Should acknowledge the extent to which an action produces beneficial consequences for the individual in question
2. *Principles Social benefit*: Should acknowledge the extent to which an action produces beneficial consequences for society.
3. *Principles of benevolence*: Should help those people who are needy
4. *Principles of paternalism*: Should assist other in pursuing their best interests when they cannot do so themselves
5. *Principle of harm*: Should do no harm to others
6. *Principles of honesty*: Should not deprive others form their rights.
7. *Principles of lawfulness*: Should not violate the law and orders of the country
8. *Principles of autonomy*: Should acknowledge a persons freedom over his/her normal life

9. *Principles of justice*: Should acknowledge persons right in a systematic process, fair compensation for affected/victims done and fair distribution of benefits among the victims.
10. *Principles of Rights*: Should acknowledge persons rights to life information, privacy free expression and safety.

The above principles represent a spectrum of traditional normative principles and are derived from both consequentiality and duty-based approaches. The first two principles, personal benefit and social benefit, are consequentiality since they appeal to the consequences of an action as it affects the individual or society. The remaining principles are duty-based. The principles of benevolence, paternalism, harm, honesty and lawfulness are based on duties we have toward others. The principles of autonomy, justice and the various rights are based on moral rights.

Quality Management and Application of Zero-defect Policy: An Islamic Response

Dr. ABM. Mahbulul Islam*

Quality management means skillful or perfect administration of affairs. Guarantee of skillful and faultless or defect less actions or productions obviously depend on quality management. In the developed world of today a progressive idea of quality management reached up to the idea of zero defect management, which means no defect at all in plan, supervision, actions hence in production. Though defect less management apparently seems to be impractical but in practice in many cases it is possible. For example, in the case of an Aero plane, before its departure, the pilot must be convinced that all of its machineries are perfect, free from error, hence defectless. For better outcome perfect management is essential for the production of better product. To produce good student an institute must be perfect, to produce good workers a political party is needed to be perfect. To produce a better spouse the zero defect policy has no alternative too. The western society in the contemporary world today, somehow managed to reach up to this level in certain areas that is quality management by applying zero defect principles or policy in their mundane activities, more particularly in the business sector. The western civilization has been the dominant force in the present world for several centuries, because of its application of quality management. But the same has not been the case with Muslim world and its civilization for several centuries. The question is that: Is there any idea or concept of perfect and zero defect management policy in Islamic law? The question has not been

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properly addressed yet to the modern men. As such, this article, therefore, is committed to make an investigation so as to find out and bring forward general concept and position of perfect management in Islamic law.

Objectives of Perfect Management

The scope of management is extended or covered to all aspects of life. Such as, teaching, studying, reading, writing, talking, dressing, training, teaching, working in business, industry, factory, shipping, aero plane, military, police, family affairs, political & social affairs etc. The objective of applying zero defect policy in all those aspects is to manage all those affairs free of fault and defects. Therefore, perfect management policy in religious life is to bring a life under total obedience and submission of Allah without any reservation whatsoever. Similarly, perfect management in personal life is to keep a life free from lying, slandering, backbiting, committing of all types of crimes such as vandalism, corruption and sinful acts, free from the obedience and observance of man made law in disobedience of the law of Lawgiver almighty Allah Ta`ala. Islam, being the way of life, sent down the Allah to exist and remain always victorious over all other ideologies. As al Quran says, (*Jaa' al haq wazahaqa al batil*). "*The truth (Islam) has come, the untruth has disappeared and untruth is bound to be perished*" [i]

Allah Swt., guarantees that Islam came to dominate and to be victorious, but in practice Islam has been subservient to man made ideologies for centuries. Does it mean that the assurance of Allah is false? Nay, not. It can not be so. In practice, it is not victorious because by whom and by what organization or machineries the Islam is to be victorious they are not up to the mark of perfection and free from defect. Once the people and mechanism would fulfillment the conditions that is perfect Iman and performance of good deeds with perfection then only the Islam will have its upper hand over all other philosophies.

As regards perfectness of action Allah Ta`ala says, (**Fa man ya`mal mithqala dharratin sharran yara...**). *"Any one who does an atom's weight of good would see it and any one does an atom's weight of evil, would see it.*[ii] As regards actions in the hereafter Allah Swt, says, (**wa ma taqaddamu li anfusikum min khairin tajiduhu inda Allahhi**). *"And whatever good you send before for your souls, you shall find it before your Lord."*[iii]

Since actions in this world shall be the deciding factor for the salvation in the hereafter, therefore, a sensible man would always make his action perfect and beautiful so as to get its return happily. The other principle of having happiness in the hereafter is the fairness of doing of good deeds. As Allah Ta`ala says, (**fa ammamin thaqulat mawazinuhu fa ummuhu hawiyah....**). *"Then as for him whose balance of good deeds will be heavy, he will live a pleasant life in paradise".*[iv] Hence, reasonably and practically a prudent man would always manage his affairs of life, both material and spiritual, so beautifully, exquisitely and perfectly so as to make the scale of his good deeds heavier.

Presence of Perfect Management in Islam

Perfectness or zero defectness in the management is essentially an integral part of Islam. As the Originator or the ultimate source of Islam Allah Himself is free from defect, His entire creation is free from any defect whatsoever. As such, having of vicegerency (*Khilafat*) and to live with it requires the possession of perfectness or defect free life mechanism. As regards perfectness of His creation, Allah ta`ala says, (**ma tara fi khalq al samawati wa al ardi...**). *"It is He (Allah) who has created the seven heavens one above another. No want of proportion will you see in the creation of God the most Gracious. So turn your vision again. See you any flaw? Again turn your vision a second time. Your vision will come back to you dull and discomforted in a state worn-out."* [v]

The people obtain perfectness in their belief and actions, are called the soldiers of Allah. They are not perfect in spiritual matter only rather worldly matters too. Regarding their braveness and undefeated nature Allah Ta'ala says. (**in yakun minkum ishruna sabiruna...**) "*If they are twenty amongst you, patient and persevering, they will vanquish two hundred: if a hundred, they will vanquish a thousand of unbelievers.*"[vi] Allah Swt, is only pleased with such people, as they are eligible for paradise. As He says, (**wa yadkhulunahum jannatin tajri min tahtiha al anhar...**). "*And He will admit them into Garden's - Allah will be pleased with them and they with Him, and they are the soldiers of Allah. Truly it is the party of Allah that will achieve felicity*".[vii]

They are the people on whom Allah is pleased with. Infact they are the one who had been the diehard enemy of Him. But they became His dearer and nearer, because of their quality and perfect action both in mundane and spiritual matter.

Some Revealed Terms on Quality and Perfect Management

The essence of quality and perfectness of actions to be realized through exertion, hard work, competition in work, exquisiteness and beautification of actions. Here are some terms that are used is the Quran and Sunnah so as to prove that the quality management is not the concept of modern men rather it has been as ancient as Islam *per se*. It is also to encourage the Muslim to make their actions up to the marks that quality management requires. some of those terms are as follows: For example,

1. Ihsan (Ihsan): Perfection

It means good actions, beautification, fault and defectless, smartness etc. The root word of *ihsan* is *hasana* which means beautiful. It is a revealed word appeared in the language of prophet Mhammad Sln., in the Hadithi Jibril. It is the hadith in which the prophet was asked by Jibrel in the presence of

other companions as to what is Iman, Islam and Ihsan . He was asked :**Ma al ihsan? Al ihsan an ta`budu Allaha fa innaka yarahu...**). *“What is Ihsan? The prophet said, Ihsan is that; once you worship Allah think that you see Him. If you do not see Him think that He sees you”*. [viii] This is the question posed by Jibril (AS) to prophet Muhamad SIm, who came in the form of man. Upon receiving the answer, Jibril said, you are right. Based on this hadith – the meaning of Ihsan means to see Allah or to consider that Allah sees him, while someone is in prayer. A question is to be raised as to what does it mean? what are the significance of it?

The brief answer on these queries are: Seeing Allah means to make the prayer or worship defectless i.e. perfect. It is to consider that once some one prays Allah supervises the prayer or worshiper. By considering the fact a worshiper would always try to make his prayer perfect as much as he can so that his prayer is acceptable to his Lord Allah Ta`al. Say for example, a teacher with the presence of his boss or instructor in the class, would try his best of ability to beautify his lecture as much as he can, an employee in the factory with the presence of the manager or supervisor would make his duty perfect as much as possible, a student with the presence of education minister or even an external invigilator would never attempt to cheat, a driver with the presence of law-abiding traffic police would never break traffic law. Because, such violation would disqualify him for many things. Therefore, once a person keeps himself aware of his duty, he can be free of error and mistake and error free and mistake free actions are bound to be perfect action, quality action, defect free action – hence Quality Management.

Scope of Ihsan

The application of *Ihsan* is not only limited to prayer but more than that. As the Messenger of Allah says, **(Inna Allaha kataba al Ihsan `ala kullu shyin...)**. *“Allah ordained Ihsan*

(perfection) in everything. Therefore, once you are in fighting (war) fight perfectly and once you slaughter (an animal) do it beautifully". [ix] The prophet SIm., further says, (Kullu `amali ibn Adam yuda`afu...). "Each and every action of a human being is to be extended with many fold if it is done perfectly".[x] .

The prophet used to pray by saying (**Rabbana atina fi al duniya hasanah..**). "O Allah, my Master! give me perfection (hasana) in this worldly life".[xi] The prophet further prays, (**Allahumma ahsana khalaqi fa ahsin khuluqi...**). "My Lord! you have made my creation perfect, therefore make my character perfect": [xii]

The other meaning of *Ihsan* is good (*hasanah*). A thing or an action is good once it is perfect and defectless. As regards to this concept Al-Quran says, (**La tastawi al hasan wa al dalal...**). "Nor can good and evil be equal, therefore, repel evil with what is good".[xiii] In another place Al Quran says, (**wa ahsin kama ahsan Allahu...**). "But you do good as Allah has been good to you".[xiv]

Good is good . To be good is to be perfect. Moreover, Allah commands to do good as Allah does so. It is so significant that the slaves of Allah are commanded to behave as like Allah does. It is to be high lighted that the doings or actions of Allah are always perfect. By making imposition on this, in exchange, Allah commands us to perform our actions perfectly, prudently, nicely and exquisitely too. As such, perfectness, prudence, nice and exquisiteness is nothing but the elements of perfect management or defect less policy for action.

2. Juhud (Exertion)

It is a way of making an action efficient and exquisite. Literally *jahada* means to work hard, to be exhausted with hard work, to exert for better result. As such, nobody can achieve a good result in his undertakings unless and until he put maximum

effort in it. One of the highest blessing of Allah for man is to get His guidance towards right path. *Juhud* is a way of getting of it. As Allah Ta'ala says, (**wa alladhina jahadu fina la nahdiyyannahum subulana...**). *“And those who strive in Our cause, We will certainly guide them to Our path: For verily Allah loves those who act goodly (perfectly)”*. [xv] On this regards (*Juhud*), the Messenger of Allah says, (**Inna Allaha yuhibbu kullu `amalin ya`malu biljuhud**). *“Allah loves all those acts which are done with exertion”*. [xvi]. It means, to be accepted to Allah - the Almighty, an action must be performed perfectly and prudently with utmost ability of its performer. Deeper thought and attention is essential elements of *Juhud*. With this regard there is a saying, such as: (**`amalu al duniya ka annaka ta`ishu abadan `amalu al din ka annaka yamutu ghadan...**). *“Act for the worldly affairs as if you will live here forever and act for the hereafter as if you are going to die tomorrow”*. [xvii] This concept emphasizes on quality actions both in worldly as well as spiritual matters. For quality and prudent actions mental and physical fitness is essential. With regards to this the statement of the prophet SIm, is as follows: (**Al Mu`min al qawi khairun min al mu`min al da`if**). *“A strong believer in the sight of Allah is better than a believer who is weak. Whatever is good for you desire for it and seek His help for it”*. [xviii]

A person suffering from physical and mental weakness can not help others – rather the others are to be engaged for his help, welfare and service. Therefore, physical & mental soundness is essential for *juhud* (quality work) and *juhud* in exchange is responsible for presenting quality management.

3. Musabaqah: (Competition)

It means to compete each other in performing of an action. Competition has various dimensions. Such as, competition to speak good, to write good, to build good, to undertake good research, to be good practicing Muslim, to be good soldier, to

be good politicians, to be good businessman, to be good researcher, to good father and mother and so on. With regard to this Allah Ta`ala says, (**Li kulli wajhin hua mualliha fa astabiqu al khairat**). *“To each is a goal to which Allah terns him, then compete each other towards that all is good”*. [xix]

At another place Allah Ta`ala says, (**wa lau sha Allaha la ja`ala lakum ummatan wahidan.....**). *“If Allah had willed, He would have made you a single nation, but (His) plan is to test you in what He has given you. Therefore, strive as in a race in all virtues. The goal of you all is to Allah”*. [xx]

Competition is one of the best way of deciding as to who is good in a particular aspect or game or race. For example, if two persons join in wresting, both apply their maximum capacity, capability and skill to win the game. Finally the one wins who applies his techniques perfectly compared with the other competitor. This is quality management of managing games. This could be applicable to other factors too including business.

4. Musara`a (Quick Action).

It means to act quickly, to be fast, to be hurry, to speed up, to accelerate, to be prompt, to be rapid. In Arabic language, if some ones wishes the work to be done fast they say *fī sur`a* means do fast. *Musara`a*, in Arabic Grammmaretical point view is belong to **Babi Mufa`ala**, which means to act quickly in competition that requires the participation of more than one party. For a man to achieve highest felicity here and hereafter, he has to act quickly and firstly towards his plan of action. For example, if two persons are selected to come up with a new product in a marker, whoever is able to produce it fast with quality he can marketize it fast than the other. This concept is very much synonym to the maxim that is *"survival for the fittest"*. Unless and until an individual is faster with quality in undertaking his job he can not be the excellent. A state can not be progressive and developed unless and un till it speeds up its

state machinery up to the mark compared with other progressive states. If a driver drives in the high way, if he can not co up with other drivers, he can not stay in the street. This principle is synonym to the maxim: one stitch is at right time is synonym to ten stitch at a wrong time.

There are several injunctions in the Quran about this principle. As Allah Ta`ala directed the believes to act fast: As He says, **(wa sari`u ila al maghfirati min rabbika...)**. *"Be quick in the race for forgiveness from your Lord and for a garden whose width is that of the heaven and earth".[xxi]*. At another place He says, **(Sari`u ila al khairat.....)**. *"They believe in Allah and last day. They enjoin what is right, and forbid what is wrong and they hasten (in emulation) in all things that are good. They are in the rank of righteous". [xxii]*

Allha Ta`ala, further says, **(sari`u fil khairat.)**. (The righteous are those) who hasten faster in every good work, and they are foremost in them"..*[xxiii]*

These Quranic texts are clear evidence that one of the characteristics of a true believes is to act fast. This is as opposed to lazy or negligent one. If a Muslim wants to be come in the seen of a progressive nation in this world then their speed of actions must be multiple, with quality, compared with the speed of the super powered nations of the day. The same is the case of the success in the hereafter too. There is no alternative of Musara'a for progress and development, both for worldly and spiritual aspects of life.

In this ayah Allah Ta'ala urges to compete for having forgiveness of Allah. Whoever is given forgiveness he is undoubtedly an enlighten and perfect man. Hence, his life style could be followed as an example of Quality Management. As regards this the Messenger of Allah says, *"Come up to compete for good without delay".[xxiv]* Efficient and quality management is solely responsible for the status of advanced and developed nations. As Allah Ta'ala commands the Muslin

to be so. He says, (**wa a`iddu lahum ma asta`atum mi quah...**). *"Against them make ready your strength to the utmost of your power including steeds of war to cause fear in the heart of the enemies so that they care you..."*. [xxv]

Islam wants to be saved and save the others. The antagonist of Islam would not dare to launch any offensive war against a Muslim nation if the enemy are aware of the fact that the Muslims are well prepared. Contemporary Muslim nations are not cared for, because, the opponent are well aware of the weakness of Muslims as individual as well as nations. As such, overcoming of such a lacuna could be possible by acquiring of Quality Management by applying defect less policy in all branches of life. The application of *Musara`a* or quick action could be applied to realize this.

5. Munafasa : (Struggle)

Munafasa originates from the word *nafasa*- which means to struggle, to compete, to make a fight, to emulate. To produce quality work or product one has to struggle hard for doing so. The story of mankind of the past and present is the example of that struggle. Who is proven to be fit in his struggle for worldly matter he would win it and who is proven fit for the matter of hereafter, he would get it. As regards belief, it is not enough for a Muslim to keep quiet upon pronouncement of *Kalima*- but he has to work hard or struggle to know the truth and live with truth. Similarly, it is not enough for a businessman to enlist his name as businessman list or at the Stock Exchange but he has to struggle to shine the business. With regard to this *Munafasa* Allah Ta'ala says, (**Ta`rifu fi wujuhuhim ..fal yatanafasa al mutanafisun....**). *"You will recognize their faces the beaming brightness of bliss. Their thirst will be staked with pure drink sealed. The seal thereof will be musk and for this let them struggle (aspire) who have aspirations"*. [xxvi]

If several groups are striving and struggling to come into power, the victorious group is to be the one who is proven to

be fit in its strategy of struggle. Therefore, framing or adopting strategies at right time and right manner require prudence and sagacity. The application of prudence in exchange would offer quality and perfect management.

Possibility of Obtaining of Defectless Action for Quality Management

Apparently it seems that obtaining of perfectness, defectlessness or zero defect quality in all aspects and all product is an impossible task. But it may not be impossible for those who try. Because Allah is perfect. He wants His creatures, particularly man of faith to be perfect. As He says, (**Lys al insana illa ma sa`a..**). *That man can have nothing but what he strives for, that the fruit of his striving will soon come in sight then will he be rewarded with a reward complete*". [xxvii]

Good actions depend on good character. If character is good all of actions of that person would follow the suit. As regards the possibility of making of perfection of character the Messenger of Allah says, (**Ya Muadh! kuluquka lil nas....**). "O Muadh, beautify your character for the people". [xxviii]

This statements shows that beatification or perfection is possible. If not the prophet would have not said so. Character is a fixed position of human soul which man can not see. If without seeing the owner of a soul can change it ugly to beauty and bad to good why should he not be able to beatify his own action what he can see it!

For perfection of action the quality a man should possess is the religiosity which requires the performance of obligatory as well supererogatory or additional actions ('amal). With regard to this the Messenger of Allah says, (**ma taqarrabu ilayya...**). Abu Huraira reported the words of Allah as the Messenger Allah says. *"My slave starts getting my pleasure through obligatory 'Ibadah which I like the most, as well as through supererogatory or additional prayer. In that course of action*

in one point of time I start loving him. once I love him I become his ear by which he hears. I become his eyes by which he sees. I become his hand by which he catches and I become his leg by which he walks. Then whatever he asks for I give him. If he asks for shelter I give him this” .[xxix]

“The prophet Salm., expresses the words of Allah Ta'ala that, if my servant rushes to me a half yard I rush to him a yard. Once he rushes to me a yard I rush to him two yards. Once he comes to me walking I ran (fast) to him”. [xxx]

The prophet further says, *“Make more prostrations (i.e. more prayer). Because by each prostration Allah extends the honor and dignity of the maker of the prostration and removes one sin from him (for one sujood)”[xxxi]*

Based on the above mentioned hadith, a hand , an eye, an ear and a leg metaphorically, transform into the hands, eyes, ears and legs of Allah Ta'ala. So what? It is very significant. It carries weight. It means that the organs of Allah shall never do any bad action, any non quality actions. Hence the possessors of the hands etc., of Allah (metaphorically) with His presence would never produce any act which is not prudent and not perfect. **Secondly**, whoever takes steps to come to Allah, Allah makes His afford double even multiple towards that doer. It may mean that Allah helps to make his steps or action more prudent and perfect. By supererogatory action Allah upgrades the position and forgives the sin of its doer or performer. The more he does, the more he becomes pious and perfect man. The action of a such prudent and perfect man is bound to always be qualitative and perfect which is responsible for quality management too a it is free of defect.

To be a perfect Muslim one is required to make complete submission or surrender to Allah. As He command, (**udkhulu fi al silmi kaffa...**). *"O you who believe! enter into Islam whole heartedly"[xxxii]* Surrender means total submission. Hence, there is no way of making of half submission. It means,

if 100% submission is possible then perfection in management is also possible. With regard to this the Messenger of Allah says, (**Idha ahsan ahdukum Islamu...**). *"Whoever makes his submission (Islam) perfect his other actions will also be perfect"*. [xxxiii] Allah Swt, makes incentive for making quality actions by saying: (**man ja'a bil hasana falahu `ashara amthaliha**). *"Whoever does good (perfect action) he shall have ten times as much to his credit, He who does on evil shall only be recompensed according to his evil"*. [xxxiv]

Further more, Allah Ta'ala commands the believers to seek the help of Allah so as to enable him to make his action good vis-à-vis perfect., As He says, **Rabbana atina fi al dunuya hasan...**). *"Our Lord! give us good (perfection of action) in this world and in the hereafter"*. [xxxv]. The Messenger of Allah is the model of perfection. As Allah Ta'ala says, (**laqad kana lakum fi Rasul Allahi uswatun hasana...**). *"For you have a beautiful pattern (perfection of action) in the Messenger of Allah for any one whose hope is Allah"*. [xxxvi]

These Quranic communications are the evidences of the fact that Allah Swt., intends that His chosen people would act prudently, perfectly, wisely, exquisitely zero defectly so as to prove that Islam is the role model of quality management for all nations and for entire mankind. In fact this is the objective of the prophet hood of Mohammad SIm. As Allah Ta'ala says, (**Hua alladhi arsala Rasulahi bil huda...**) *"It is He who has sent His Messenger with guidance and true religion that He makes it clear (victorious) over all other religions even though the pagans do not like it"*. [xxxvii]

This is very significant message. Based on this the role of Islam is to be victorious not only above a national or regional religion (ideology) but it is to be victorious above all other religions (ways of life) of the world. As such, it is emphatically and explicitly clear that, Islam would not be victorious on a nation as well the world community unless it is

proven to be perfect and its actions are absolutely perfect. It was proven perfect in the past that was the sole reason of the upper hand of the Muslim all over the world for centuries. It is able to be perfect now and the day to come. It is up to the followers of Islam to decide whether or not they want it to be perfect and present to the people as well as to the world community as perfect.

Quality Management :Case Study of a Private University

The objective of quality management is to produce quality and perfect product to survive and lead the concerned market. In the case of a university to ensure the quality management it must have its strong foundation, enough and quality manpower, running machinery and target etc pure and clean.

If not it would mean, as Syed Mawdudi wrote, 'you are planning to climb on top of a rough and rocky mountain that require the by crossing of uneven, stormy and slippery road but your vehicle is unfit and its parts are not fastened to one another properly. In such a case a journey could not be materialized smoothly.

However, for smooth running of a university it requires to have a chancellor, vice chancellor, registrar, treasurer, various faculties, number of departments, deans, chairmen, lecturers in a semester, duration of lecture , fixation of date for resuming of semester, mid term exam, submission of assignment or thesis, final exam, announcing of result, announcing the date for special exam, if any, etc. There should be proper rule for leave and leisure for its staff There should be an academic affairs division, student affairs division, research center, resource center, etc., almanac for activities.

The quality production would depend on the proper fulfillment of the above positions. The role of vice chancellor is like a pilot in a Aero plane. Slight negligence of him would cause havoc to the passenger. Appointment of proper persons to the faculty, departments and divisions would guarantee the proper

running of them. As such, if office starts on time, breaks on time, classes resume on time, end on time, exams start on fixed dates and time, syllabus are revised and followed properly, results are announced on fixed date and next semester starts on due date, evaluation of grading are followed properly, passing rate are standard of all, students welfare and health care are taken with due consideration, congenial atmosphere and facility for study, sports and recreation facility are provided for, moral education and morally acceptable culture, research activities are encouraged and credited, proper and competitive salaries are fixed for all and are paid on fixed date, enough leisure and leaves are given, more particularly for the academicians so as to enable them to involve in research activities, employees are assessed and rated properly and finally the product that the said university produces are fit for competitive job market. If all are done smoothly, all row materials are good, supplied and used properly, each cooperates with others in the administration of the affairs then such institute is said to be best, its management are qualitative and its products are perfect, it is because they have gone the process of quality management.

Concluding Remarks

There are concept of quality management in Islam that provides general principles the implementation of which depends on its users. At present Muslim countries in general are striving for its survival. They themselves are sinking into identity crisis. As such, they are, as a whole, not in a position to think of quality actions, defect free action and quality management. Total quality management may not be come into reality unless the Muslim countries are transformed into Islamic country both conceptually, legally and practically by applying the law of Islam of which the un-Islamic Muslim leaders do not want it to be done. Because, doing so requires to become a pure and perfect Muslim which requires the abandonment of all immoral and unethical activities in which

most of the are involved in, for which they are not ready. In reality, Islamization of all disciplines including state affairs will not be possible if the groups and people intending to Islamize it are not applying quality management within their respective organizations and machineries and their private life.

For that backwardness the Muslim themselves are to be blamed first. It is they who are practical barrier and impediment of Islamization process of their own country. Ironically, out of 57 Muslim countries none other than Iran even claims to be the Islamic country. Because claiming so would require the application of law of Islam in all branches of life and performance of the injunctions of Islam in their personal, family and public life for which they are not ready. The quality management can only be applied if a Muslim country decides to apply the law of Islam in all aspects of their private and public life. Until then, let the Islamic organizations and institutions strive for the Islamization, apply the quality management in their respective organizational functions. If any of such organizations in any of the country is proven to be up to the mark such organization only be fittest to lead for the Islamization of their own state.

Reference

- [i] Al Quran, al Isra, 17:81
- [ii] Al Quran, al Zilzal, 99:7-8
- [iii] Al Quran, al Muzammil, 73:20
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- [v] Al Quran, al Mulk, 67:3-4
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- [xi] Bukhari, Sahih, k, Dawah.
- [xii] Ahmad Ibn Hanbal, Sunan, K: al Sunna.).

- [xiii] Al Qur'an, Hamin Al Sajdah, 41:34; al Mu'minun. 23:96.
- [xiv] Al Quran, al Qasas, 28:77.
- [xv] Al Quran, al `Ankabut, 29:69).
- [xvi] Tibrani, reported in al Masbut, p. 45.
- [xvii] ibid. p.67.
- [xviii] Muslim, Shih (reported in Ryad al Salihin.)
- [xix] Al Quran, al Baqarah, 2:148.
- [xx] Al Quran, al Maidah, 5:51.
- [xxi] Al Quran, al `Imran, 3:133.
- [xxii] Al Quran, al `Imran, 3:114: al Anbiaa, 21:90.
- [xxiii] Al Quran, al Mu'minun, 23:61.
- [xxiv] Muslim, Sahih, K. 'Amal, Badiru bil 'Amal.
- [xxv] Al Quran, al Anfal, 8:60.
- [xxvi] Al Quran, al Mutaffifin, 83:24-26.
- [xxvii] Al Quran, al Mutaffifin, 83:24-26).
- [xxviii] Bukhari, Sahih, K. al Sunnah.
- [xxix] Bukhari, Sahih, K. al Solah
- [xxx] Bukhari, Sahih, reported in Ryadus Salihin 1st vol. p.76.
- [xxxi] Muslim, Sahih, reported in . Ryadus Salihin vol. 1, p. 85.
- [xxxii] (Al Quran, al Baqarah, 2:204.
- [xxxiii] Bukhari, Sahih, K. Iman , Muslim , Sahih, K. Iman.
- [xxxiv] Al Quran, al An'am , 6:160.
- [xxxv] Al Quran, al Baqarah, 2:20.
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- [xxxvii] Al Quran, al Saf, 61:9.

Liquidity Management and Fund Management in Islamic Banks

M. Fariduddin Ahmed*

1.00 Introduction

Over the last 3 decades a large number of Islamic Banks and Financial Institutions have been established all over the world. Excepting a few, the overall performance of these Banks and Financial Institutions are good. According to one estimate the total assets of Islamic Banks is 300 Billion US dollar and the Industry is growing at the rate 23% per annum.

2.00 Main Focus of this Paper

The purpose of this Paper is not a comprehensive discussion on overall liquidity management and fund management of Islamic Banks and Financial Institutions rather it is limited to utilization of short term liquidity of these Institutions.

3.00 General phenomena of Liquidity Management and Fund Management in Islamic Banks and Financial Institutions

Most of the Islamic Banks around the world have the problem of surplus liquidity, particularly employment of short term fund and maintaining statutory liquidity reserve in acceptable securities. This is on account of the fact that the Islamic Banks and Financial Institutions have no access to conventional Money Markets and Capital Markets as transactions in these markets are conducted on the basis of Riba (interest), Gharar (speculation) and Maisir (gambling).

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4.00 Efforts to introduce Shari'ah compatible financial instruments and standardization of Islamic Banking practices:

4.01 International Initiatives

With a view to foster economic development and social progress of the OIC countries and muslim communities in non-members countries individually as well as jointly in accordance with the principles of Islamic Shari'ah, the **Islamic Development Bank** was established on 20th October, 1975. Thereafter, apart from Islamic Banks and Financial Institutions, a lot of specialized Institutions have been established. The objectives of some of such Institutions are briefly mentioned below:

(i) International Islamic Financial Market

Established in 2001 in Manama, Bahrain to develop and regulate an International Financial market based on Shari'ah Rules and Principles

(ii) Islamic Financial Services Board

Established in Kuala Lumpur Malaysia in the year 2003 to promote the development of a prudent and transparent Islamic financial services industry through introducing new, or adapting existing, international standards consistent with Shari'ah principles, and recommend these for adoption, to provide guidance on the effective supervision and regulation of institutions offering Islamic financial products and to develop for the Islamic financial services industry the criteria for identifying, measuring, managing and disclosing risks, taking into account international standards for valuation, income and expense calculation, and disclosure, to liaise and cooperate with relevant organizations currently setting standards for the stability and the soundness of the international monetary and financial systems and those of the member countries, to enhance and coordinate initiatives to develop instruments and

procedures for efficient operations and risk management, to encourage cooperation amongst member countries in developing the Islamic financial services industry, to facilitate training and personnel development in skills in areas relevant to the effective regulation of the Islamic financial services industry and related markets, to undertake research into, and publish studies and surveys on, the Islamic financial services industry, to establish a database of Islamic banks, financial institutions and industry experts and any other objectives which the General Assembly of the IFSB may agree from time to time.

(iii) Accounting and Auditing Organizations for Islamic Financial Institutions

Established in Manama, Bahrain in the year 1998 to develop the accounting, auditing and banking practices thought relating to the activities of Islamic financial institutions, to disseminate the accounting and auditing thought relating to the activities of Islamic financial institutions and its applications through training, seminars, publications of periodical newsletters, preparation of research and other means, to prepare, promulgate and interpret accounting and auditing standards for Islamic financial institutions in order to harmonize the accounting practices adopted by these institutions in the preparation of their financial statements, as well as to harmonize the auditing procedures adopted in auditing the financial statements prepared by Islamic financial institutions, to review and amend the accounting and auditing standards for Islamic financial institutions to cope with developments in the accounting and auditing thought and practices, to prepare, issue, review and adjust the statements and guidelines on the banking, investment and insurance practices of the Islamic financial institutions and to approach the concerned regulatory bodies, Islamic financial institutions, other financial institutions that offer Islamic financial services, and accounting and auditing

firms in order to implement the accounting and auditing standards, as well as the statements and guidelines on the banking, investment and insurance practices of Islamic financial institutions that are published by AAOIFI.

(iv) General Council for Islamic Banks and Financial Institutions, Manama, Bahrain

Established in the year 2001 for promotion of Islamic Financial Industry. Consolidation of co-operation among members of the Councils and similar Institutions in areas which serve the common objectives by using available means, providing information related to Islamic Banks and Financial Institutions and related Islamic Organizations and promotion of the interests of members and confronting the common difficulties and challenges and promotion of co-operation among members and other parties, particularly regulatory authorities.

(v) International Islamic Conciliation and Commercial Arbitration Centre

Established in Dubai UAE in the year 2005 to settle financial and commercial disputes between financial Institutions that have chosen to comply with the Shari'ah to settle disputes.

4.02 National Initiatives

In Bangladesh two Forums viz Islamic Banks Consultative Forum and Central Shari'ah Board for Islamic Banks in Bangladesh have been established in the year 1997 and 2001 respectively. The objects for which the **Islamic Banks Consultative Forum** has been founded are to co-operate and advise the members Banks to apply the uniform and unanimous operational procedures to procure, preserve, publish and translate books, periodicals, journals on Islamic Banking and to conduct Shari'ah related training sessions and research works with a view to implementing Shari'ah Principles in the operation of the members Banks. The purposes of establishment of **Central Shari'ah Board for Islamic Banks in Bangladesh** are to establish effective interaction among all

Islamic Banks & Banks having Islamic Branches/Counters/ Offices (herein after referred to as Islamic Banks), to foster and strengthen the bond of co-operation and relationship among Islamic Banks in the country, to promote, encourage and furtherance of the cause of Islamic Banking in Bangladesh, to pursue the common interest of Islamic Banks with Bangladesh Bank, Government, Semi-government and Non-government agencies, to give joint efforts for enactment of Islamic Banking Act in Bangladesh, to guide/support the establishment of Islamic Money Market in collaboration with all Islamic Banks, to help/establish a Central Shariah Board in order that all Islamic Banks follow a Uniform Shari'ah guidelines, to guide in the establishment of an Islamic Insurance Company with equity participation from all Islamic Banks, to help in the development of new Financial Products approved by Shari'ah for all Islamic Banks, to help the development of Syndicated/Consortium Financing of various Projects by the Islamic Banks of the country, to help establishment of Central Training and Research Academy and Central Library for the Islamic Banks, to formulate guidelines for managing the surplus/shortage of liquidity in Islamic Banks, to explore the possibilities of collecting & distributing Zakat by the Islamic Banks, to publish and issue periodicals, newsletters, bulletins or magazines, books, pamphlets or other literature on matters relating to Islamic banking and/or any other subjects, to organize and or to participate in workshops, symposium, meetings, discussions, consultation for seminars, conventions and conferences in Bangladesh or abroad with or without the Government, Bangladesh Bank, or nay other persons, banks, institutions, corporations and all other Agencies, whether local or foreign in order to advance the cause of Islamic Banking, to provide a setting for discussion of common issues relating to banking profession and relevant matters in Islamic Banking, to invest and deal with the moneys of the Forum in such a manner as may be determined from time to time, to engage in any social activities in conjunction with or without other bodies, associations within the limits of the Forum's objects and to

arrange reciprocal concessions and co-operation with such other bodies, associations, to apply for and obtain any Permits, Licenses, approvals etc. from the Government and / or other Authorities for the furtherance of any of the objects of the Forum and to enter into any arrangement with any Authority, Company, Syndicate, Trust, Firm, Person, or Committee that may seem conducive to the objects of the Forum or any of them and to obtain or acquire such rights, privileges, concessions which the Forum may think desirable and to carry out, exercise and comply with any such rights, privileges concessions and privileges respectively.

5.00 Achievements of the above Institutions

The achievements of the Institutions mentioned herein-above are many. However the most laudable and commendable works have been done by the Accounting and Auditing Organization for Islamic Financial Institutions. They have set financial accounting and Shari'ah Standards on issues like general presentation and disclosure in the financial statements of Islamic Banks financial Institutions, Murabaha and Mudaraba to the Purchase Orderer, Mudarabah, Musharaka, Salam and Parallel Salam, Ijarah and Ijarah Muntahia Bittamlek, Istishna and Parallel Istishna, Jua'la, Disclosure of Bases for Profit allocation between Owners' Equity and Investment Account Holders, Equity of Investment Account Holders and their equivalent, Jakah, Provisions and Reserves, General Presentation and Disclosure in the Financial Statements of Islamic Insurance Companies, Disclosure of Bases for determining and allocating surplus or deficit in Islamic Insurance Companies, Provision and Reserves in Islamic Insurance Companies. Investment/Investment Funds, Foreign Currency Transactions and Foreign Operations, Contributions in Islamic Insurance Companies, Deferred Payment Sale, Disclosure on Transfer of Assets, Islamic Financial Services offered by Conventional Financial Institutions, Trading in Currencies, Debit Card, Charge Card, Credit Card, Default in Payment by a Debtor, Settlement of Debt by Set-Off;

Guarantees, Conversion of a Conventional Bank to an Islamic Bank, Hawla, Documentary Credit, Commercial Papers, Investment Sukuk and Segment Reporting. AAOIFI has also developed and set Auditing, Governance and Ethical Standards for Islamic Banks and Financial Institutions and for the Accountants and Auditors of these Institutions.

6.00 Introduction of Shari'ah Compatible Money Market and Capital Market Instruments

Efforts are going on at the level of some of the above Institutions and individual Islamic Banks' level for development and introduction of Shari'ah compatible Money Market and Capital Market Instruments. In some countries Money Market and Capital Market Instruments have been introduced. However, in this Paper, the features of a Money Market Instrument named "Bangladesh Government Islamic Investment Bond" (BGIIB) introduced by the Bangladesh Bank, the Central Bank of the Country and "Mudaraba Perpetual Bond" (MPB) to be launched by the Islami Bank Bangladesh Limited the pioneer Islamic Bank of Bangladesh are discussed below:

6.01 Bangladesh Government Islamic Investment Bond (BGIIB)

- 6.1.1 This Bond has been introduced by Bangladesh Bank in the month of September 2004 in accordance with the principles of Islamic Shari'ah.
- 6.1.2 Institutions and individuals resident in Bangladesh are eligible to purchase BGIIB.
- 6.1.3 A non-resident Bangladeshi national is also eligible to purchase BGIIB from the balance of his non-resident foreign currency account.
- 6.1.4 The BGIIB is transferable and may also be pledged as security against investment.
- 6.1.5 The BGIIB is eligible assets for fulfillment of Statutory Liquidity Requirement (SLR) prescribed for Banks and financial institutions.

- 6.1.6 Sale proceeds of BGIIB are available (i) for financing in conformity with Islamic Shari'ah principles to Islamic Banks and Financial Institutions, for periods not exceeding 180 days, secured by pledge of unencumbered securities, bills and acceptances, or of unencumbered balances in accounts with the Bangladesh Bank; and (ii) for financing/investment in conformity with Islamic Shari'ah principles in such other user institutions in such manner as may be decided by the Government.
- 6.1.7 Profit realized from deployment of BGIIB funds is distributed to Bond holders by applying pre-assigned weightage and retaining management fee at pre-agreed ratio by Bangladesh Bank on behalf of the Government.
- 6.02 Mudaraba Perpetual Bond (MPB) of Islamic Bank Bangladesh Ltd.**
- 6.2.1 Islami Bank Bangladesh Limited will soon float the Mudaraba Perpetual Bond (MPB). Bangladesh Bank permission for this purpose has been received and it is awaiting approval of the Securities and Exchange Commission.
- 6.2.2 Investment Corporation of Bangladesh has been appointed as Trustee of MPB and ICB Capital Management Ltd. will act Manager to the Issue.
- 6.2.3 The Bond will be traded in the Stock Exchanges and will be freely transferable.
- 6.2.4 MPB will be considered as one of the components of Supplementary Capital (TIER- 2 Capital).
- 6.2.5 Minimum 65% of the income generated by deployment of MPB fund and an amount equivalent to 10% of the rate of dividend payable each year to the share holders of Islami Bank Bangladesh Limited will be distributed to MPB holders.
- 6.2.6 The MPB will be unique in its kind in the Capital Market of Bangladesh.

7.00 Impact of BGIIB and MPB on liquidity and Fund Management of Islamic Banks

With the introduction of BGIIB, the Islamic Banks and Financial Institutions having short term liquidity can purchase BGIIB and the Islamic Banks and Financial Institutions facing liquidity constraint can obtain fund from BGIIB. The Islamic Banks and Financial Institutions can also maintain their prescribed Statutory Liquidity Reserve (SLR) in BGIIB (not yet made compulsory by Bangladesh Bank). The proposed Mudaraba Perpetual Bond (MPB) of Islami Bank Bangladesh Ltd. as and when introduced will provide scope of investments in the Capital Market for those Banks who might have short term liquidity surpluses and thereby increasing their income and profitability. As the MPB will be considered as one of the components of Supplementary Capital (TIER-2 Capital), not only the Islamic Banks and Financial Institutions but also the conventional Banks and Financial Institutions of Bangladesh will be benefited.

8.00 Conclusion

The techniques of management of the Financial System under Islamic framework have developed much over the last 3 decades. This is evident from the fact that a large number of Islamic Financial Institutions have been established around the world. The goals and objectives of some important Financial Institutions and special features of two Financial Instruments developed in Bangladesh have been discussed in this Paper. Prominent management experts, Practitioners, Accountants, Auditors and Thinkers are associated with the Organizations mentioned in this Paper. These institutions are run strictly as per the Principles of Islamic Shari'ah. They are no less efficient than any best managed conventional organizations. Continued growth and introduction of innovative systems and instruments bear ample testimony to this statement.

Islamic Management and Its Present Applications in Islamic Organizations

Dr. Md. Golam Mohiuddin*

Abstract : As Islamic Economics and Islamic Banking concepts are established practically, now it is our obligation to establish Islamic Management as a distinct concept. In this article an attempt has been taken to define Islamic Management, identify its special features and principles, to prove the distinctness of its entity. But it is fact that traditional authors ignore the great contributions of Islam towards management. But it is Islam, where managerial appeals were coming from the very beginning of the civilization by the messengers of Allah (SWT) and it is culminated by the last prophet Muhammad (SAW). Due to lack of research and deviating from Islam to golden history of the Muslims is dominated day by day by secular and materialistic managerial concept. Unfortunately many conventional managerial concepts remain unsuitable to the organizations of Muslim society. Consequently Islamic Organizations from family to national level cannot show productive role in comparison to conventional organizations. In these circumstances, it has been proposed in the present study to practice Islamic value based management, as adopting the exemplary leadership role, human recourse management and development strategy proposed by Islam and application of motivational techniques according to divine teachings. Lastly it is pointed out the constraints and possible remedial measures of Islamic Management.

1. INTRODUCTION AND DEFINITION OF ISLAMIC MANAGEMENT

To speak about Islamic management it can be rightly expressed that there is no terminology or Sura named as management in the Holy Qur'an or Hadith. But the word like 'direction', 'control' etc have been used many times in the Holy Qur'an

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and Hadith. Moreover Hazrat Mohammad (SAW) was not only the best prophet but also an ideal leader and ruler. Being the chief of Islamic state of Madina he had to work as chief executive of the state. Following the principles of Hazrat (SAW), the caliphs ruled half of the then world for a long time. Later, other Muslim rulers demonstrated how to implement the principles of Islam in different regions of the world derived from the Holy Qur'an, the managerial practices of prophet and the caliphs. Their integrity, efficiency, righteousness, accountability and Tawakkul and general good of human beings established management as a distinct concept in Islam. From their established idea we can define Islamic Management as follows-

Islamic management means conducting activities depending upon the guidance of Allah (SWT) and following His prophet (SAW) with an accountable mentality, integrity and skill to achieve a predetermined objective (Mohiuddin, 2004).

Generally, management is the technique of getting things done through the efforts of others. When this technique is applied following Islamic principles, it is termed as Islamic management. To say the truth, with the very touch of Islam, management attained a complete shape. In the holy Qur'an and Hadith, we find a detailed indication about the type of management to be followed in solving various individual, familial, social, national and international problems.

To relate management with the history of human civilization, we have to tell about the prophets who appeared to guide the people to righteousness. All the prophets from Hazrat Adam (AS) to Hazrat Muhammad (SAW) were leaders in spreading the message of Islam. Many of them were successful executives and leaders. They were successful managers by proper evaluation. Many principles of management came from Allah (SWT) through all the prophets with the culmination achieved by the best Prophet Muhammad (SAW).

The life style of the Muslim is defined by Allah (SWT) and His prophet Muhammad (SAW) in Islam. It is well recognized that Islam is the complete code of life. Since Islam clearly defines life style, it contains clearly defined directions, rules and regulations regarding the duties and responsibilities in personal, collective and social life of its followers. It deals with all aspects of human life. Management is a vital factor for the success of any organization and for any country from both micro and macro point of view. It is defined as achieving the organizational objectives and goals through group efforts of the organizational members. Islam also defines 'Management' from its paradigm. Islamic Management is that management whose idealism, objective, aim, method of activities and results are determined according to Islamic 'aqidah' and 'shariah'. That is, management that follows the rules and regulations of Islam to achieve the organizational objectives through group efforts to the organizational members. The basic theme, philosophy and directions of this Islamic management are defined in the Qur'an and Sunnah (Alam,2006).

2. OBJECTIVES OF THE STUDY

The main objective of the study is to generate an idea on Islamic Management, and the specific objectives are:

- a) To define Islamic Management;
- b) Show the salient features of Islamic Management;
- c) To present the present applications of Islamic Management;
- d) Constraints and possible remedial measures of Islamic Management.

3. METHODOLOGY OF THE STUDY

The study is based on both secondary and primary data. For secondary data several libraries of the Muslim World, different officials, private records, published and unpublished materials, journals, research report and seminar papers etc. have been used. For primary data different Islamic organizations of

Bangladesh like Islamic banks, Islamic NGOs, mosques, Islamic Foundation have been chosen. Questionnaire have been developed carefully and pre-tested before its final acceptance.

4. LIMITATIONS OF THE STUDY

The study is not assumed free from limitations. Although adequate precautionary measures have been taken in collecting data from the present study, it is supposed to be complacent in the matter of reliability of those data. The main three limitations are discussed below:

- 1) Due to the lack of time and resources only different four types of Islamic organizations of Bangladesh have been selected, though it is essential to include other Islamic organizations of home and abroad.
- 2) Scarce of adequate literature is a serious drawback to proceed with the study.
- 3) Lack of whole-hearted cooperation of respondents is another limitation.

5. SOME CHARACTERISTICS OF ISLAMIC MANAGEMENT

Every concept has its own distinct features. As such Islamic Management has some special features or characteristics. Important ones are mentioned below:

- a. The Islamic Shari'ah, i.e. the holy Qur'an and the Sunnah are the basis of Islamic Management;
- b. The original model of Islamic Management is that of the Prophet Hazrat Mohammad (SAW) and his true associates and followers;
- c. Its target is not only economic development but also social harmony, material well-being and spiritual refinement, i.e. fulfilling Haqqullah, and that of Haqqulebad;
- d. The aim and its objectives is not only achieving the well-being of this temporal worldly life but also the welfare of the Hereafter life;

- e. Its procedure is guided by the exemplary leadership (Ismail, 1999);
- f. It ensures team spirit and cordial relationship among the members of the organization and the manager and employees (Al Quran49:29,61:4);
- g. It reminds all concerned that every one, whatever is his status or position, is simultaneously accountable to his immediate boss and to the Almighty Allah;
- h. Here manager considers himself as a vicegerent of Allah;
- i. Here property is thought to be trusted by Allah to the trustees, i.e. shareholders and managers;
- j. Here decisions are made through consultation (Mashwara);
- k. Here managers do not have such greed to grasp the post;
- l. It is a universal concept and applicable to personal, familial, social, organizational and even at the state level;
- m. Here activities adverse to religion, morality and integrity such as hypocrisy, fraud-forgery etc. are not tolerated;
- n. It ensures such an environment that is conducive for harmony, peace, growth and development, and other benefits as well;
- o. Here everyone enjoys justice (in terms of wage, reward and punishment) and freedom of expression;
- p. Here competition is a common strategy for encouraging and promoting good deeds;
- q. Here emphasis is given on the great objective of the Islamic Shari'yah; and
- r. It is an auto-management system. Here driving force is submission to Allah as master and following His order in every sphere of life.

6. PHILOSOPHY OF ISLAMIC MANAGEMENT

The basic philosophy of Islam lies in man's relationship with Allah, His universe and His people, i.e. other human beings, and the nature and purpose of man's life on earth. Man-Allah relationship is defined by Tawhid. The essence of Tawhid is a total commitment to the will of Allah, i.e. submission to the

will of Allah and conducting life in accordance with the guidance of Allah. The will of Allah constitutes the source of value and becomes the end of human behavior. Life on the earth is a test, and its purpose is to prove successful in the test by accomplishing and assigned duties and responsibilities in accordance with the will of Allah. The entire universe with all natural resources and power is made amenable for exploitation by man, though it is owned by Allah, Allah alone. Life on earth being a test and all the provisions available to man being a trust, man is accountable to Allah and his success in the life depends on his performance in this life on earth. This adds a new dimension to the valuation of things and deeds in this life.

With every human being sharing the same relationship with Allah and His universe, a definite relationship between man and man is also prescribed. This is a relationship of brotherhood and equality. "Tawhid is a coin with two faces: one implies that Allah is the Creator and the other implies that men are equal partners or that each man is brother to each other (Safiullah, 2005).

The above philosophy provides people the following directives

- To satisfy Almighty Allah.
- To create a most congenial atmosphere in the society.
- To nourish and develop friendship and humanity in the society.
- To create a better living place and develop a peaceful life in the society.
- To lead an esteemed life in the society, and so on.

7. IGNORANCE ABOUT THE HISTORY OF ISLAMIC MANAGEMENT

It is evident that traditional authors of management have not mentioned any contribution of Islam in management. The contributions of Islam in different aspects of management can never be over emphasized. According to the Holy Qur'an, Holy Prophet (SAW) and companions (RA) faced lot of problems in

managing the Islamic state and they solved those problems by introducing divine principles and guidance given by Allah (SWT). Prophet Muhammad's (SAW) contributions and the contributions of four caliphs were great to the development of management. Then management was applied in attaining the objectives of family life, society, national, international organizations.

If simply the administration of Muhammad (SAW) and his four caliphs is discussed elaborately, it would be easy to find out how exactly and properly they could manage entire Muslim community. All aspects from planning to controlling were nicely taught to the people of the world by them. In this regard 'Management by Shura,' Hikmat (strategy), exemplary leadership style, appropriate financial administration, harmonious relationship and others can be mentioned. But it is observed from different literature of management of different authors that these important issues of management have not been mentioned in their literature. It may be due to two reasons: Firstly, it might be like that they would not know at all about the contributions of Islam in management. Secondly, it can be rightly assumed that they intentionally ignored the great contribution of Islam in management (Mohiuddin, 2004).

8. PRESENT APPLICATIONS OF ISLAMIC MANAGEMENT IN ISLAMIC ORGANIZATIONS (Bangladesh perspective)

There are so many Islamic Organizations in the 2nd largest Muslim country-- Bangladesh. These Islamic organizations have been playing important role in socio-economic, cultural and political development in the country. A study has already been conducted on Islamic Foundation, Islami Banks, Mosques and Islamic NGOs working in Bangladesh. Among the governmental organizations, Islamic Foundation is working with different programmes in Bangladesh. Among the financial institutions Islami Bank Bangladesh Limited is on the top list by its efficiency and services. Here is presented brief pictures

of managerial problems of mentioned Islamic organizations and probable solutions in context of Bangladesh. These cases are the common reflections of the Islamic organizations of third world mixed economy based Muslim countries (Mohiuddin, 2004).

A. ISLAMI BANK

An Islami bank is a financial institution that operates with the objective to implement and materialize the economic and financial principles of Islam in the banking arena. In banking sector Islami banks have attained a good success in Bangladesh. There are six Shariah based banks and other twelve conventional banks have opened Islamic counters. Though these banks could not organize their all activities according to the principles and rules of Islamic Management. It is observed from the study that banks authorities are trying heart and soul to establish all affairs of these banks according to the principles of Islamic Management. Following are the managerial and execution **problems of Islami banks of Bangladesh** (IBBL, 2004)

- (1) Lack of efficient, religious, trained manpower.
- (2) In Bangladesh there is no separate banking law for Islami Bank.
- (3) Though several Islami Banks have been established in the mean time, but no Islamic money market has grown till today.
- (4) Islami Banks have built up their own Shariah Council but there is no Shariah Supervisory Board in Bangladesh Bank.
- (5) There is no financial instrument approved by Shariah for the money market of Bangladesh.
- (6) Different types of Complexity and problems are found in buying & selling of shares.
- (7) Lack of adequate instruments in international banking.

- (8) Shariah council did not take any initiative for research in the development of rules and procedures of Shariah Council for smooth functioning of the Bank.
- (9) Due to the lack of branch network in entire Bangladesh the activities of Islami Banks are urban-centered.
- (10) Existing laws, trade and industrial policy, income tax policy and education system are not in favor of Islamic Banking System. As a result Islami Bank cannot maintain properly Musharaka, Mudaraba investment systems as per Shariah Board decision.
- (11) Islami Bank cannot attract the non-Muslim clients- to a great extend.

RECOMMENDATIONS.

It is observed from this study that banks authority (top level management) are trying heart and soul to establish all affairs of the bank according to the principles of Islamic management. Some suggestions can be forwarded to its further growth and development:

1. Present Shariah Supervisory Boards should be more careful to check all the activities of the Islami banks so that no unIslamic practices can bring any destruction to its proper growth.
2. Management of the bank should immediately take steps so that the activities of bank can be spreaded in rural areas of Bangladesh too.
3. The primary objective of these Islami Banks should be directed towards rendering best services to the clients by investing more investment in 'Mudaraba' and 'Musharaka' basis.
4. All Islami Banks working in Bangladesh and out side Bangladesh may create instrumental Islamic money market for their own interest.
5. All the employees of the bank should try to create personal relationship and follow the dynamic leadership of Islam for their own benefit and for the growth of real Islamic society in Bangladesh

(B): ISLAMIC NGO's

There are twenty one registered Islamic NGO's in Bangladesh. Their total investment is near about two hundred fifty crore taka. The ratio between the investment of Islamic NGO's and conventional NGO's is 1:1300. From the above ratio we can easily understand about the small size of Islamic NGO's. Moreover they have a lot of **managerial and other problems**. These are as follows(NGO affairs bureau, 2000)

1. Managerial inefficiency is a great problem in Islamic NGOs in Bangladesh;
2. Local officers are dissatisfied due to the presence of all foreigners in the higher position of NGOs;
3. Management by Shura is absent in these organizations and there is the lack of real Islamic knowledge among the high officials;
4. Absence of training, financial constraints and lack of dynamic leadership create problems in execution of programmes & projects of Islamic NGOs in Bangladesh.

RECOMMENDATIONS

Just to expand their activities and to run these Islamic organizations effectively the following suggestions are recommended on the basis of the theoretical and field study:

1. It has been observed that the quality of services of Islamic NGOs is to be developed. This can be done by the development of managerial efficiency of the executives. The high officials must work as dynamic leader with full job satisfaction.
2. The high officials must have the capability to manage the organizations having complete sense of Islamic rules and regulations.
3. All decisions of the organizations must be taken following the Shuratic (Masawara) management system.

4. Fund of Islamic NGOs both foreign and Bangladeshi is to be increased for taking intensive long term programmes and schemes for development of Islamic activities in different spheres of life for socio-economic growth of the country.

C. ISLAMI FOUNDATION

The Islamic foundation Bangladesh has been created with a vision to preach and propagate the values and ideals of Islam as the complete code of life acceptable to the Almighty Allah (SWT) as religion of humanity, tolerance and universal brotherhood and to bring the majority people of Bangladesh under the banner of Islam.

By personal interview with the executives and staffs of Islamic Foundation it is learnt that Islamic Foundation has to face the following problems (Islami Foundation, 2001):

- a) Lack of proper linkage and co-ordination among the staffs and officers.
- b) Lack of generating team spirit.
- c) Shuratic management is not practised in taking decision.
- d) Officials of Religious Ministry do not show only problem solving attitude.
- e) Top level officials and staffs are sometimes found to participate in political activities. It hampers in smooth running of the activities of Islamic Foundation.
- f) Financial constraint is a great problem.
- g) Constant change of high officials like Director General of Islamic Foundation is a great problem.

RECOMMENDATIONS

Islamic Foundation is financed and controlled by the ministry of religious affairs for the spread of Islamic activities in all over Bangladesh. It is observed from the study that there are a good number of high-ranking officials working in this

organization. It is also observed that there is absence of brotherhood, tolerance, self-dedication and Islamic belief among the large number of officials. Conflict of interest is also prevailing in some places of the organization. Proper training for the development of Islamic sense among the officials should be arranged. Exemplary Islamic leadership should be developed for execution of projects, programmes of this organization. Shuratic (Maswara) decision making can give better result for the execution of various projects and programmes of the organization. Government should come forward with more financial assistance for this purpose.

D. MOSQUE

The mosque is not only a place of worship; it is recognized as the central place of social, political and religious activities of Islam (Hassan,1993). The mosque is the place where Islamic tradition is cultured. Unfortunately, now a day the mosque is used as the place for prayer only. But during the lifetime of Prophet (SAW) mosque was the center of driving force of all Islamic activities. If the mosque management is proper in an area, its positive affects must be felt in the surrounding locality. The Imams, the Muazzins and the Khadems occupy important positions in the Muslim community. Muslims have to make mosques for performing five times Salat, Jumma prayer and for other religious activities. In mosques other religious activities, social, even political activities would be performed during the incipient period of Islam.

The following **managerial problems** are found in mosque management in Bangladesh:

1. Lack of adequate training facilities for Imams and other staffs of mosques;
2. There are no provisions of regular meeting in mosques;
3. Tyranny of the Motowaylees is a serious drawback of mosque's management;

4. Lack of initiative of proper utilization of mosque's properties;
5. There is no audit system in most of the mosques of Bangladesh and
6. Absence of proper planning and dynamic leadership.

RECOMMENDATIONS

The mosque is the most sacred religious place of Muslims. There are 1,91,620 mosques in Bangladesh, the second largest Muslim country of the world. To make Bangladesh a welfare state the social activities should be largely mosque centered. Unfortunately here mosques fail to play proper role owing to their mismanagement. To bring dynamism in mosque management and to practice Islamic management, the following recommendations are advocated (Mohiuddin, 2004):

1. Steps should be taken to buildup competent Imams for all the mosques of the country.
2. A committee of responsible persons of the area should run mosque.
3. To reduce the tyranny of Motowallies initiative of local devotees and specific policy of government are needed.
4. The number of programmes should be increased where it is necessary.
5. Monthly meeting of the managing committee is to be held regularly.
6. Every step of mosque management should be as per plan.
7. The accounts of the mosques should be kept properly and audit should be on regular basis.
8. Chairman should be selected considering their ability to manage the mosque.
9. The Wakf-state of the government should come forward to take proper step so that the properties of the mosques are not misused.

10. Proper training should be provided to the Imams so that they can efficiently manage the activities of the mosques.
11. Honorarium should be increased for Imams and Moazzins so that they can get satisfaction and work whole-heartedly for the development of mosques.
12. To spread the influence of the personality of the Imams on the society they should participate in social works.
13. Presence of Shuratic (Masawara) management in the mosques can help to solve the lot of problems of the mosques.
14. Various village development programmes of the government, NGO's should be executed through the mosque-management committees. It will ensure proper utilization of funds of the government for socio-economic development of the country. In this regard health and sanitation programme can be effectively organized.

9. COMMON PROBLEMS AND PROBABLE SOLUTIONS FOR APPLICATIONS OF ISLAMIC MANAGEMENT IN MUSLIM COUNTRIES

The progress of Islamic Management concept is too young to present its appeals to management experts. The above-mentioned problems and recommendations are relevant in some particular issues in Bangladesh. But there are some common reasons in most of the Muslim countries which are considered as the constraints of practicing Islamic Management in Islamic in Islamic organizations. These are as follows (Alam,2006):

1. Absence of Islamic Environment in Muslim Countries

Islamic environment and culture are totally absent in most of the Muslim countries. Most of the political parties of these countries are based on secular philosophy and some are totally against the implementation of Islamic Management and business in our life. They take Islamic action as

“Fundamentalism”. These secular political parties are mostly involved in terrorism, cheating and other illegal deeds. From them corruption spread out throughout the country and thus Islamic environment cannot be set in.

2. Lack of knowledge in Islamic literature and Islamic Management

A Hadith said—“*Acquiring knowledge is ‘Fard’ for every Muslim man and women (Bukhari).*” But it is fact that the people of the most of Muslim countries are illiterate and few of them have knowledge on the holy Qur’an and Sunnah. There are a few mosque based the holy Qur’an teaching system. In the Madrasha, a small portion of the students are studying. Therefore students from their childhood remain unaware of Islamic Management.

3. Effects and Influences of Western Education and Culture

The influence of British and western education and culture is obvious in Muslim countries. In fact these education systems and culture make people bound to remain ignored about Islam and Islamic Management from the very childhood to entire life. There is no teaching system regarding Islamic Management in the schools, colleges and universities. Due to globalization, western satellite channels are telecasted all over the Muslim world. These become vital for infecting foreign culture rather than Islamic & Muslim culture. Therefore, for this influence of foreign culture and education system, people of the Muslim countries are losing Islamic zeal.

4. Lack of Media Service for Islamic Management

The role of media to circulate Islamic Management has not been properly approached. Though there are some magazines and newspapers that write on the issues of Islamic Management, most of the others only focus secular management. The satellite channels, radio and other media are captured by secular culture and do not perform any service to propagate Islamic Management.

5. Lack of Investment, Research and Studies for Islamic Management

To implement Islamic Management in Muslim countries, it is required to make a fair investment to develop research centers, which will do research and study on Islamic Management. But practically a few numbers of Islamic Management research centers are there in Muslim countries.

6. Lack of True Practicing Muslim

Many Muslims in present world do not care of following the Quran and performing 'Sunnah'. They are not interested to follow Hazrat Muhammad (SAW) and to take lessons from the lives of Muslim Caliphs. Muslims are to live in the corrupted society and many of them are only 'Muslim by name', not by their deeds. Thus there is a huge lack of Muttaqi and true practicing Muslim, which is a great barrier to implement Islamic Management in the Islamic organizations of Muslim countries.

7. Effects of Globalization

Due to globalization, foreign products, education, lifestyle, culture etc. are entering into the country without any restriction. The satellite channels are telecasting the naked and inelegant programs, which are totally against Islamic norms and values. These programs capture the young generation and induce them to practice un-Islamic lifestyle. Therefore, the effect of globalization becomes a factor of not implementing Islamic Management in Islamic organizations of Muslim countries.

8. Affects of NGO's UnIslamic Preaching

Unfortunately most of the Muslim country is economically poor. In that respect non-Muslims are coming to extend their helping hand by different NGOs. But most of them are working at anti-Islamic motto and philosophies. They are driving our people towards western materialistic management & culture.

9. Environmental bottlenecks

Although the environment of most of the Muslim countries are not Islamic friendly, still there are many devoted and virtuous people who wish to employ Islamic Management in these countries, though they are very few comparing to the total population. There are some environmental bottlenecks, which discourage them to implement and practice Islamic Management in Islamic organizations. There are follows:

a) Social Bottlenecks

Since true Muslims are few in numbers, there is no brotherhood and fraternity in the society. People now lack in patience and are very much self-oriented. Due to un-Islamic education, culture, the entire society is now derailed from the right path of Islam. Therefore society devoid of Islamic spirit and culture, Islamic Management cannot be implemented.

b) Political Bottlenecks

The most of the big political parties in Muslim countries are secular, self-interested than serving public interest. They frequently adopt un-Islamic means to enrich themselves or satisfying west. Thus due to this political bottleneck, the path of implementation of Islamic Management is obstructed.

c) Economic Bottlenecks

At present most of the Muslim countries do not follow Islamic economy. The major bottlenecks of un-Islamic economy are:

- Discrimination in the distribution of wealth;
- Lack of adequate production;
- Misuse, corruption and spreading out of black money;
- Lack of international trading;
- Unemployment;
- Presence of interest;
- Smuggling business;
- Business of cheating.

Due to all these bottlenecks, Islamic Management is almost found to be absent in most of the Muslim countries.

10. RECOMMENDATIONS

To explore any idea, continuous research is essential. The progress of Islamic Management concept is too young to present its appeal to management experts. But in the mean time it seems as a growing concept to management scholars. The following recommendations may be considered for the successful applications of Islamic Management in Islamic organizations in most of the Muslim countries where administration system, academic curriculums and culture are not fully Islamic (Alam, 2006):

1. Islamization of Knowledge and education

Since, acquiring knowledge is mandatory for every Muslims, there should be a thorough Islamization of knowledge. The knowledge on Islamic Management can be circulated by the Immams of the mosque, seminars, meetings, and discussions and also by educational institutions. So, the education ministry should take steps to Islamize education system.

2. Educating Islamic Management in Institution

In every institution, either educations or business, Islamic Management should be educated to the students and followers. They should be encouraged to accept those portions of secular management that are accepted in Islam and discouraged un-Islamic parts of dissemination of knowledge in this direction.

3. Balancing with Globalization

Globalization is such an issue that cannot be prohibited. In that case, the Muslims should be encouraged to accept only those that are supported by Islam, so that they can be in the frontier in globalization.

4. Establishment of Islamic Management Research Center

The govt. should invest to establish Islamic Management & business research centers. The center should do research and

development of Islamic Management issues and seeks for solutions. The Islamic Management center should circulate Islamic Management by arranging seminars, training etc.

5. Reformation of the Govt.

The govt. should follow the Islamic Management ethics to administer the country and should be free from corruption. It should establish local govt. or authority to root our corruption from each and every sector of life.

6. Creating Public Consciousness

Public consciousness should be created by arranging seminars, meetings, and discussions and by the approach of media.

7. Communicating Islamic Management Through Media

The media (TV, newspaper, magazine, radio etc.) can be approached to communicate the benefits of Islamic Management to the common people of Muslim countries.

8. Shariah Based Administration

The policy makers and govt. should take steps to follow the rules and regulations of 'Shariah' in the administration, judgment, economy, society etc.

9. Putting Restriction on NGOs

NGOs are the mostly responsible for creating poverty by introducing interest on micro credit, which in turn makes our economy lame. The govt. should put restrictions on the NGOs regarding their un-Islamic preaching and should take account of there each and every activities and funds.

11. CONCLUSION

In traditional (present) system of management, the activities of employees of the members of the organizations can be organized, coordinated, motivated and controlled for the benefit of the organization itself, but there is no guarantee that these people will show their same nature of attitude in the society as well as in their family life. In maximum cases it is

observed that the people managed under traditional system of management show different attitudes and behavior in the society and family life. But the people who were managed under the Islamic management during the period of prophet (SAW) and Khalapha-E-Rasheda proved their worthiness by showing the same nature of attitude and behavior both for the organization, firm, society and family. Because under Islamic management thousands of instructions, directions, rules procedures and policies have been recommended by Muhammad (SAW) through the Holy Quran and Hadith for the better management of organizations, society and family life. At present Muslims do not observe the rules and regulations of Islam and for this reason there is a great fall in the achievement of result in management of organizations of Muslims (even mosques) of Bangladesh as well as the Muslim Ummah in the entire world.

Allah (SWT) said in the Quran,

The believers! Enter into Islam completely and do not follow the steps of devil, because surely he is the open enemy of you (Al Quran 2:108).

Allah (SWT) also said,

Allah does not change the fate of any nation until the nation does not change itself (Al Quran 13:11).

That's why, the Muslims today are required to achieve halal, honesty, sincerity and to avoid haram and to root out corruption. These are all possible if Islamic Management is in operation in whole over the Muslim countries. It is true that there are lots of bottlenecks to implement Islamic Management, but if the mentioned suggested solutions can be applied, the expected Islamic environment can be launched. Thus we can anticipate that one day very soon, Muslim world will be practicing Islamic Management and Islamic business Inshallah and the Muslim will tests the utmost benefits and flavors of Islamic Management.

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Concepts and Procedures of Administrative Accountability: An Islamic Approach

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Abstract : Answerability is somewhat concrete object, an idea of expression of feeling to discharge delegated liabilities ascertained by superior one. According to the belief of Islam, man has been given some 'trusts' by divine shariah and command him to adhere with this trusts for achieving satisfaction of Allah. Because man is appointed as trustee and there are some explanations to control trustees benefiting the society as a whole. So, +accountability in Islam and its controlling techniques have clearly emerged as a dominant phenomenon for good governance as well as for whole lives of Muslim society. The concept is also a vital issue for any type of government in modern age ensuring proper use and application of vested power for greater public welfare. But the machineries of government find it difficult to ensure control over administrative institutions for various reasons. So, the present study is contained valuable insights into the actual meaning and essence of accountability both its Islamic and contemporary system. Basically, the present study is conducted based on secondary source of literatures because of that it might be called as desk oriented study. In this study, the limitations of contemporary system of accountability are explored through studying conceptual frameworks and thereby ascertained the reasons of failure to make administrators accountable. Then the focus is concentrated on different institutions and mechanisms that are responsible to oversee the performance of administrators in both systems. Finally, analyzing both systems of accountability, an empirical focus concerned with mechanisms to control administrators is put forward so that answerability of executives is ensured in public arena

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1. Introduction

Contemporary democratic societies are suffering from the lack of accountable administration which in turn considered as a vital component of good governance. The administrations of developing countries like Bangladesh have exercised the authority structure demarcated by Weber's bureaucratic model which stands for legal rational authority. But interestingly note that the traditional legacy and cultures of developing administration could not adopt and implement the legal rational authority in the fullest sense. As a result, the dysfunctional traits of bureaucracy have been rising strongly and intermingling very fast with functional values of bureaucracy. In this trend, the power of bureaucracy is growing tremendously which has demoralized the actual essence and implication of bureaucratic accountability. In this point, checks and restraints are found essential in arresting the despotic behavior of public servants. Various processes and mechanisms are proposed by scholars to control discriminatory behavior of administrators and there by confirming the standard behavior of public servants. Sayre (1958) wrote: the fundamental problem in a democracy is responsibility to popular control; the responsibility and responsiveness of the administrative agencies and the bureaucrats to the elected officials.....are of central importance in a government based increasingly on the exercise of discretionary power by the agencies of administration. The formal, informal and legal institutions to control bureaucracy at this stage fail to uphold the public interests from adverse consequences of dysfunctional effects of bureaucracy. In addition to that, non-appearance of strong political leadership, bureaucracy in developing state has accommodated and inserted power over state, society and people. In this connection, opinion of Haque and Rahman (2004) may be stated here. They wrote that in many developing countries bureaucracy usually enjoys continued dominance over the system as political institutions are weak, disorganized or in the process of formation after the achievement of statehood. Therefore, the ideas, values and

approaches of this dominant institution exert profound influence on the emerging political system, often entrenching the bureaucracy in a strong position. However, this overdeveloped bureaucracy need strict control to make it public concern. They also said, attempts are made in many developing countries to introduce reforms in the administrative system to make bureaucracy more effective, responsive and accountable. But government in developing countries finds it difficult to ensure effective control over this powerful institution. With an appropriate system, representative government could use bureaucracies to provide public service that become essential for the populations of all modern state, but at the same time, "Modern bureaucracies can also function as organs of domination and exploitation. In Islamic school of thought, establishing accountable administration is also a pivotal element and almighty Allah has ordained mankind to ensure it accordingly demarked by codes of Shariah. It is the objective of the study to present an Islamic approach on accountability, in so far as its conceptual framework, institutions and processes to ensure it and finding an empirical path, an analytical focus contrasting between Islamic and conventional approach is also put forth. This paper begins with a brief survey of conventional definition of accountability, its institutions, mechanisms and processes.

2. Objective of the study

The issues and concepts of accountability entails all requirements for making an administration efficacious so that it can promote just actions and prevents corrupt doings of administrators. So, it is tried to develop a concrete system of accountability through which corrupt doings of administrative arena can be arrested. Specifically, the objectives of this study are:

- i. To examine the conceptual framework and mechanisms to control both conventional and Islamic system of accountability;
- ii. To find out the gap with respect to the volume of information pertaining to the morale values which entails in conventional and Islamic system of accountability;

- iii. To define a control process in light of contemporary literatures and Quranic references along with the precedence of early Islamic administration;
- iv. To ascertain the fundamental tenets and philosophy of accountability in Islamic system.
- v. To elaborate statutory institutions at early administration for easy understanding their role in ensuring accountability.
- vii. Finally, an explorative overview and argument is put forward on universal acceptability of the system of Islamic accountability for practitioners, policy makers and researchers.

3. Methodology

This present study is produced basically from secondary source of information. So, this study is treated as descriptive study. But the author takes an effort in this study to propose a guideline concerned with the processes and mechanisms of administrative accountability through analyzing and synthesizing the fundamental tenets of Islamic ideology and contemporary literatures in this respect. In doing so, analytic, comparative and exploratory approaches of social sciences are used in this study. The secondary data are derived from both Islamic and conventional literatures in this regard. It is worth mentioning here that the Qur'an and Hadiths are used in this study as the original and primary source of information (law, rules and regulations) for respective theme and concept. The Qur'anic verses quoted in this study are taken from the Holy Qur'an: Text, Translation and Commentary by A. Yusuf Ali. Most of the sayings of Prophet (sm) are taken from 'Selections from the Holy Qur'an and Hadith, with full vowel-pointed Arabic Text, translated and compiled by Abdul Hameed Siddiqui and Abdur Rahman Shad. Besides, other relevant literatures are also studied and examined carefully to develop the concluding remarks in this perspective.

4. Findings

4 (i). Concepts and Procedures of Administrative Accountability in Modern Age

4 (i)a. Conceptual Statement: Administrative accountability in modern age acts as a pivotal phenomenon for making public sector transparent and effective governance. The concept of accountability in democratic society is devoted to make answerable public servant for rendering public welfare services and to prevent the misappropriation of power and other improper behavior pattern of public servants. The administrative authorities are (Bhuyan, 1998) in the ultimate analysis, accountable to the people. The government itself consists of the political and administrative executives. The administration is accountable to the political authority, which, in turn, is accountable to the parliament. The administrative structure is arranged in hierarchical order. So, the subordinate public officials are accountable to the superiors. These twin themes of accountability constitute public accountability. If the government were accountable to the public, it would be bound to hold administration accountable, which will serve as a base for ensuring accountability of the government.

Accountability means answerability and to carry out assigned duties and conducts. It refers an acknowledgement of responsibility for one's actions. There are so many exponents who have exerted their thoughts in explaining this theme through 'distinctive' modes. Fredrick Mosher said, "Objective responsibility is closely akin to accountability or answerability. Mosher defines this responsibility as a responsibility of a person or an organization to some one else. Outside of self for something or some kind of performance. Some kind of penalty may follow if one fails to carryout directive (Mosher, 1998, quoted from Mostafa,1995). Herman Finer in his paper 'Administrative responsibility may mean that a person is accountable for action to an agency / person who determines the lines of his obligation and the terms of his continuance where as, second definition refers to an inward personal sense of moral objection. Finer says, "In the first definition the essence is the externality of the agency or persons to whom an account is to rendered (Finer, 1966, quoted from Mostafa).

The term 'responsibility' is used to connote various things. It may mean 'legal authority' for doing something or compliance with generally accepted moral obligations or responsiveness to other people's value (Simon, 1964).

One political scientist views responsibility from two perspectives. First it is an attribute of the worthy government-meaning something like procedure, integrity, objectivity, impersonality and steadiness; and secondly, it is concerned with the question of accountability; for what he is accountable, to whom he is accountable, and how that accountability is to be enforced (Parker, 1976). Simon, Smithburg and Thompson states that, 'accountability is the enforcement of responsibility-those methods, procedures, and forces that determine what values will be reflected in administrative decisions' (Simon et al, 1964).

Jabbara and Dwivedi defined administrative accountability as mechanisms, such as rules, regulations, supervisions, inspections, hierarchy, etc., by which public officials act and are required to account for actions. They also said that accountability is not only foundation of any governing process but also a check of power and authority exercised by both politicians and administrators (Jabbara, 1963).

4(i)b Procedures to Control:

Public bureaucracy is held responsible to attain public interest and for this reason, it has been entrusted authority proportionately. Apparently, it seems that bureaucracy exercises authority within the line of legitimacy. The practical situation is reversed to this. Due to indifferent attitude to exercise administrative codes of ethics, strong political institutions and adequate scope for exercising power enable bureaucracy to accommodate limitless power and position which assist it to abuse power and utilize it for own interests. That's why different methods and procedures are followed by national government to check the growing tendency of acquisition of power of bureaucrats. The methods and

procedures practiced to check the bureaucracy may differ from society to society. Simon, Smithburg and Thomson (1991) opined in this connection that, "The process of accountability in a democracy will be different from the processes in non-democratic forms of government, and there will be differences among the democracies.

Basically, there are three procedures of accountability such as: the administrative, the legislative and the judicial. These are formal procedures which Simon et. al, (1991) call them executive hierarchy, the legislative and the court system respectively. There are certain mechanisms/ institutions under each procedure. The principle mechanisms of administrative accountability are hierarchy, written reports, rules-regulations, audit, inspection/supervision, code of conduct etc. The legislative mechanisms are convention of ministerial responsibility, legislative debates, parliamentary questioning and the committee system. Government review is a judicial mechanism (Mustofa, 1995).

Gilbert, Kernagham and Thynee and Goldring have identified several mechanisms over time which has been shown in the following table:

Table-1: Mechanisms of Accountability

Internal	External
Hierarchy Rules and regulations Budgets Formal: Personnel management Performance evaluation Auditing Program monitoring Code of conduct Personal ethics Professionalism Representative bureaucracy Informal: Commitment Anticipated reactions from supervisors	Legislative review Advisory committee Judicial action Ombudsman Review tribunals Evaluation research Freedom of information Public comment Interest group Peer review Media security Political parties and officials at other levels of government

Source: Thynee, I. S. and Goldring, J. (1987) Accountability and control: Sydney, Law Book Co.

4(ii) Internal Administrative Process of Control

Another device to materialize the concept of accountability in administration is administrative control process. Any administrative office deserves immense authoritative sources of control resided inside in the organization. Apart from the external institutions of controlling administrative power, organization used to exercise the system of control informally. Control is one of the basic principles of administration through which optimum standard is possible to achieve. For this, ambiguity and vagueness in explaining plans and standards should be avoided and at the same time the executive must have clear understanding about the scope of power to materialize plans through exerting effective control. However, the process of administrative control has been elaborated by various administrative thinkers in different ways. But the core theme of this process is identical for its inherent goals and objectives. So, the system of control elaborated by Fesler and Kettl (1991) is mentioned below. They identified four elements of control process:

1. **Voluntary compliance:** Bureaucrats have a tendency towards voluntarily compliance with the requirements of the organization or with most of the significant constraints on their behavior. Belief in the legitimacy of the system of authority, moral standards, indifferent acquires or even self-interest may motivate them voluntarily comply.
2. **Standard setting :** It enlightens organizational members about behavior expected of them and what sanctions they would be subjected to if found guilty of deviating from the standards. It also delimits the jurisdiction of controlling structure for (they) themselves need to be controlled.
3. **Monitoring:** This element confirms whether standard are being met by organizational members or units. Monitoring may be either comprehensive or selective and may range from remaining administrative actions to auditing financial transactions.

- 4. Sanctions:** The final element is sanctions which provide credibility to the system of controls. It means, if the product does not confirm to setting standard, then actions are to be taken for correcting decision. Jabnoun (1994) writes, performance has to be altered to fit the standards. Sometimes the control process may reveal the standards to be too low or too high. In such a case, the corrective actions should consist of changing the standards.

Theorists work in this field called it basic control process also. The basic steps identified by the theorists are found more or less same in nature. If summarized them, these steps are involved:

- i. Quality planning- the process for preparing to meet quality goals;
- ii. Quality control- the process for meeting quality goals during operations; and
- iii. Quality improvement- the process for breaking to unprecedented levels of performance (Juran et. al.,1988).

4(iii) Accountability: Conceptual Framework in Islam

In Islamic purview, accountability refers answerability in dual sense. Each person is liable for his doings towards Allah individually and at the same time liable to the executive under whom he works. Distinction is that the chief ruler of such administration has answerability to sovereign authority Allah and his subject persons for whose he is made shepherd. In modern age, answerability of executives to Allah does never be interpreted by thinkers. They treat citizens as the source of sovereign power and thereby executives are held accountable to the citizens. But due to deserving unchallengeable intelligence and qualities among creatures, Allah nominated human being as trustee to bear great responsibility (trust), as clearly defined in the Quran:

We did indeed of the trust to the heavens and the earth and the mountains; but they refused to undertake it; being afraid there

of; but man undertook it; he was indeed unjust and foolish (XXXIII: 72).

Scholars interpreted and studied the Holy Quran explain 'Trust' as responsibility which is offered by Allah and no one i.e., earth, heaven, and Mountain accept this responsibility willingly but only man decided to undertake it and is acknowledged vicegerents in this earth. Due to deserving excellent faculty of intelligence and free will man is asked to show obedience and righteousness in carrying out the duties determined by Allah and His apostle, otherwise he who betrayed the 'Trust' penalties are brought for him (Ali, 1934). Since each person has been enlightened with intellects, he/she has to be bounded to account for his/her performance. Allah says in this respect that:

Every soul will be (held) in pledge for its deeds, except the companies of the right hand (LXXIV: 38-39).

Namely, that bearer of burdens can bear the burden of another; that man can have nothing but what he strives for (LIII:38-39).

A saying of Prophet (Sm.) enables mankind to understand the essence of accountability. Prophet (Sm.) said: It is a responsibility and it is a source of ignominy and regret in the hereafter"(quoted from Jabnoun's literature, 1994).

O' Allah, he who is entrusted with authority to rule over my Ummah and is (unnecessarily) hard for them, be thou hard for him and he who is entrusted in any with the affairs of my Ummah and treats them kindly show kindness to him.(Muslim, quoted from Siddiqi and Shad, 1985).

Omar, the second khaliph, always advised his subjects to stimulate the feelings of accountability. He said, "Judge yourself before you will be judged and weight your deeds before you will be weighted (Jabnoun, 1994).

However, conceptually Islamic philosophy of accountability differs from conventional meaning of accountability. The core focus of Islamic accountability lies in individual level because each person is answerable for every single deed he/she does.

And that's why an extensive code is prescribed for mankind by Shariah. The following dictum of Prophet (Sm.) defines duties of each sector and their relationships of answerability.

Behold! Each one of you is a guardian, and each one of you will be asked about his subjects. A leader is a guardian over the people and he will be asked about his subjects; a man is a guardian over the members of the household and he will be asked about his subjects; a woman is a guardian over the members of the household of her husband and of her children, and she will be asked about them; a servant of a man is a guardian over the property of his master and he will be asked about it. Behold! One of you is a guardian, and each one of you will be asked about his subjects (Siddiqi and Shad, 1985).

The above stated Hadith specially focuses on responsibilities done by different functionaries resided in various levels of society. In addition to that each person has been informed about his/her answerability regarding assigned responsibilities.

Another logic can be set-forth behind man's accountability. Man has been given freedom to exercise his will because he is endowed with an excellent faculty of intellect. At the same time, for optimal utilization of intelligence, some guiding principles are also prescribed for human being. Sadeq and Ahamad (2004) states in this perspective: Islam sets limits to what man is free to do making him responsible for all that he does: whatsoever interveneth in a good cause will have the reward there of, and whatsoever interveneth in an evil cause will bear the consequences there of. Freedom must be counter-balanced by responsibility if only to satisfy the dictates of nature's equilibrium. Once Allah has shown the way, the responsibility for going astray is wholly men and he will have to suffer for his wayward behavior. Universal quality of al-Adl, every individual must be held for his action and no one can escape the consequences of his misdeed.

Accountability exerts its extent to state authority from individual level. Almighty Allah imposes strict confinement

for executives of Islamic administration to ensure accountability. In this perspective, sense of accountability in Islam has been in two dimensions. An executive has answerability to his immediate boss by whom he is governed and monitored. Again, the executive is held responsible for doing all his deeds correctly towards Allah. Allah proclaims in the Holy Quran:

"Allah doth command ye to render back your trust to those to whom they are due; and when you judge between man and man that ye judge with justice; verily how excellent is the teaching which he giveth you! For Allah is He who hearth and seeth all things (IV-58).

This verse is specially announced for those who charged with authority or responsibility or decision or the settlement of affairs. But ultimate authority rests in Allah. Men derive their authority from Him. So, it expects that ordinary governments to be imbued with righteousness and such authority must be respected. In another verse, Allah commands:

'O Ye that believe! Betray not the trust of Allah and the apostle, nor misappropriate knowingly things entrusted to you (VIII: 27).'

Trust may be various kinds: i) property, goods credit, etc.; ii) plans, confidences, secrets etc.; iii) knowledge, trusts, opportunities, etc., which are expected to use for fellow men. Men may betray the trust of Allah and His apostle by misusing property or abusing the confidence repose in them, or the knowledge or talents given to them. But one who will true to every trust would be remembered by paradise in the here after. The Prophet (sm.) explained the importance of trust in administration as follows:

'No Muslim ruler who rules over the subjects and dies as being an ill-wisher of them, will be entitled by Allah to get into Paradise (Shad and Siddiqi, 1985).

Therefore, accountability in Islamic administration does not merely mean answerability of functionaries to his superiors, as

a Trustee and Vicegerent of Allah, they also held accountable to Him for utilizing 'Trust' given by Allah. Prophet (Sm.) and his successors were highly conscious to protect these 'Trusts' as because of their sense of responsibility. Omar, as a chief executive of Islamic Administration always felt that he was accountable before Allah for utilizing authority (Trust) entrusted him and for this, he consciously applied this authority in all spheres of administration. Omar's selection procedure may be stated here (Bureay, 1984). Omar tried to select and appoint pious, capable, and trust worthy men to key position in his administration so that abuse of power and corruption can easily be arrested. His sayings to the people in this relation are: "I have appointed over you governors and agents not to beat your bodies or to take your monies, but rather to teach you and service you".

4(iv) The System of Accountability in Islam

In this section, an outstanding elaboration about accountability in Islamic Administration is stated embodying the codes of the Quran and Hadiths and the precedence practiced by great prophet (Sm.) and the pious khaliphes in their administration. The comprehensive divine codes of Islamic ideology cover all aspects of human lives because it is commissioned by Allah for His creatures especially for vicegerents. Through this code, Allah informs and interprets the roles and liabilities of vicegerents and clearly commends them to establish decent and justifiable, equitable social frame in this world. Allah says:

O ye who believe! Stand out firmly for Allah, as witnesses to fair dealing, and let not the hatred of others to you make you swerve to wrong and depart from justice. Be just: that is next to piety: and fear Allah. For Allah is well-acquainted with all that ye do (Qur'an, V: 8).

Therefore, human beings at Islamic society are bound to implement the ideal concepts and will of Allah; otherwise they have to be penalized at the Day of Judgment. In this context, the quest of answerability at every level of society, particularly

for Muslim administrators is repeatedly announced by divine sharia.

However, defining accountability system of Islam, the following procedures and control process are stated elaborately to held accountability in Islamic Administration.

4(iv)a: Answerability of subordinate officials towards superior hierarchically

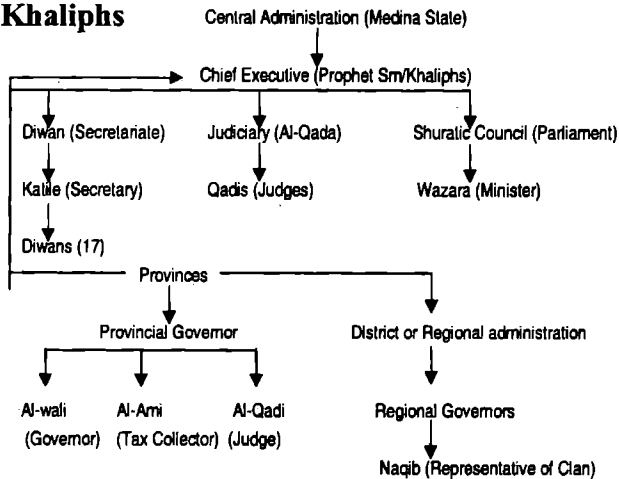
The substance of accountability is indicated clearly through an administrative structure of any organization. Both Islamic and traditional forms of organization depict a chart or structure which is called by another name as line of authority or hierarchy. This hierarchy clearly shows the authority lines of that organization. It means, who is responsible for what and accountable for whom? It also indicates that how much authority (degree of authority) is enjoined by one's and is asked by one's superior to exercise authority. However, Islam also dignifies and outlines the hierarchy of authority in facilitating the sprit and efficacy of accountability. Allah says:

O ye who believe! Obey Allah, and obey the Apostle, and those charged with authority among you. If ye differ in anything among yourselves, refer it to Allah and His Apostle, if ye do believe in Allah and the Last Day: that is best and most suitable for final determination (IV: 59).

According to divine legitimacy of authority line, all vicegerents including state functionaries are held responsible to supreme commanding authority Allah. The belief and fear about the Day of Judgment prescribed by Allah through sharia sensitize human spirit towards the keen realization and observance of accountability. The vicegerents who are given responsibilities for mankind will be asked minutely regarding their performance. Hence, accountability to sovereign authority (Allah) must be realized and practiced by all for their respective deeds and performance due to faith and sense of obedience.

The chief executive authority of Islamic administration designated as khalifa (representative of Allah) is defined the next man of the authority line of Islamic administrative structure. Generally, the administration under Prophet (Sm.) and the pious khalifas was founded on some variables such as belief, justice, public welfare and rule of divine Shariah which aim at achieving peace and development for mankind both here and hereafter. As for reason, the state authority gave special emphasis to select strong and spiritually enlightened ruler establishing such kind of just and welfare administration along-with some sort of effective state machineries to regulate administrative interests and actions. There are so many evidences of careful appointment of government officials during khalaphate including Prophet's era. In order to established checked and balanced administration and to maintain integrity, they laid down importance on very difficult criteria for the selection of just candidate. However, for easy understanding the layers of accountability at the Prophet's regime and during the kholapha-e-Rashadin, the administrative hierarchy is drown below.

Administrative Structure at the reign of Prophet(sm) and pious Khaliphs



Source: This structure is developed through studying respective literatures. They are: Bureay, A. M. (1885), Administrative Development and Islamic Perspective, Seddiq, M.E.M. (1994), Rasul Muhammad (sm) aer Saker Kathamo, Siddiqi, J.U.M.B.H. and Noor, A.(1995), Mahanabi (sm) aer Proshasion Babastha, Watt, W.M. (1988), Muhammad At Medina,

The figure presents the administrative structure appeared at the era of Prophet and Kholapha-e-Rashadin. It is worth mentioning here that the government officials in early Islamic administration were held responsible to their immediate superior according to hierarchy as well as to Allah.

During the time of Prophet (Sm.) and pious Khaliphs and their successors, public functionaries were asked their liabilities according to defined hierarchy. Provincial governors i.e. Wali, Amil and Qadi were held accountable to Prophet (Sm.) for their performance. Prophet (Sm.) himself practiced the check and balance policy to monitor the procedure of collection and income-expenditure of revenue at provinces. For instance, once upon a time, a person was appointed as Amil and sent to one of the regions to collect revenue. After collection, when he returned home, he said to Prophet, "A little part of revenue was given to him by people as gift". Hearing such, Prophet (sm.) replied, "How was wrong with him, whom we appointed as a tax collector for collecting revenue, said that a portion of revenue was given for him as gift and rest of the portion for the state. He added,

"If he stayed in his parents' house, would something be given to him"? In this relation, another saying of Prophet may be quoted. He said: 'when we employ any body in any job we also fix-up his pay and allowances. If he takes extra facilities over that fixation, he will be accused for violation of trust' (Bureay, 1984).

Moreover, Al-Hisba and Diwan al-Mazalim were introduced and Prophet (Sm.) himself played key role to oversee those two institutions for preserving the interests of people from administrative autocracy and malpractices in business. Historical accounts tell us, once while Prophet (Sm.) was roaming the streets of Al-Madina, he passed by a food seller and inspected the food. The Prophet found that the food was wet and said, why is this?" The seller responded, "It is wet because of rain." The Prophet (Sm.) said, "You are supposed to

put the wet food at the top in order to be seen by the customers. Whoever deceives us does not belong to us."(Nusair, 1995).

However, the administration under Prophet (Sm.) was characterized as simple and ease for conducting the administrative affairs. Administrative layers in Prophet's (Sm.) era were not numerous and complex. Instead of Diwans, Mosque was the center of all administrative activities and with the help of friends and companions many administrative functions were carried out informally. Different administrative institutions (Diwans) and codes of government officials were introduced after Prophetic era, while Khalaphat-e-Rashadah was begun. Any way, if anyone closely examines the administrative system of the Prophet, he/she must be agreed to the fact that the sense and practice of accountability with regard to administration, society and mankind were excellently established and thereby he set instances for his successors.

During the Khalaphat, the area of Islamic state and administration was expanded rapidly. For effective governance of that expanded territory of the state, rulers took and implemented massive attempt to modernize administrative bodies. At this effort, many institutions and career public services were initiated and assembled with existing administrative structure. The figure shows that innovations named Diwans (Diwan al-Kharaj-treasury department, Diwan al-Jund-military department, Diwan al-Khatm-office of the seal, Dwan al-Hisba, Diwan al-Majalim, Diwan al- Rasial etc.) are placed under the control of Katib (chief secretary). Katib was himself controlled by the chief executive (Khalipha). Under the regime of pious Khaliphas, each province was in turn divided into districts or regional administrations. The chief authority of those administrations was called regional governors. They discharged their responsibilities with the guiding 'Formans' of provincial governors, Al-Wali and they also submitted their performance accounts through sending performance records when and how asked by the governors of

provinces. Same as, the provincial governors were also directly responsible to the chief executive of Muslim Ummah. Naqub was another layer of administration who represented the interest of the people of clan. The distribution of the Naqib (representative) among the clans was based on the numbers and quantity of the members of the clan. No clan had more than two representatives. The Naqaba were the leading men in each clan. (Watt, 1988). Subordinate employees were also found at each level of administration who were called as Azin (convener), Bauab (door keeper), Hasib (security guard) etc (Siddiqui, 1994) and they were asked their duties to their respective superiors. In spite of that hierarchical accountability system, all responsibilities had been carried out by Khalipha for effective and right functioning of administration. Because, Khalipha himself had legitimate authority to query about discharging duties of administration through formal and informal procedures of accountability. In this connection, few influential events practiced at the reign of Omar may be stated here. Omar's methods of accountability and judging of state officials and governors were unprecedented. Each governor, tax collector, judge, and other public official from the highest to the lowest rank in the administrative echelon was conscious of what he was doing best he be reported to the Khalaph. This was the case for the officials in distance provinces as well as capital. The accountability device gave the chief executive a kind of direct control over the subordinates. It also provided general supervision by the people. Citizens all over the state were aware of their right and duties and could complain and present their grievances against any public officials, no matter how high in the administrative hierarchy (Bureay, 1984). Historical accounts narrate so many events which are exposing the high moral and sense of accountability of the chief executives of Islamic administration. Omar once said while he was addressing his companions that, he was afraid that a mule might fall off the mountainous roads in Iraq and breaks it legs, and that Allah might ask him why he had not paved the roads

in that area.(Jabnoun,1994). In another occurrence, Omar's expressions expedite his excellence feelings of accountability. One day he was looking into a camel which had been lost from government charity house. Seeing that Ali (R) asked him,

"Amirul Momenin! It is not decent to you that you engage yourself in looking into the camel, rather you should discharge these duties to another one". Omar replied," I am assigned the responsibility to preserve public assets. I myself must be asked at the Day of Judgment for that reason. If somebody would be asked, I would like to refer him to do this duty" (Jabber, 1980).

To conclude this section, the realities with regard to the principle of accountability must be re-uttered that the early Islamic administration and its successors were fully aware about the quality exercised of duties and authorities assigned by Allah as they appointed of deputies of Him. They always remembered the Qur'anic injunctions which defined the duty of mankind. Fear about Allah guided rulers from tyrannical role playing. They treated their administrative duties as 'Ibadath'. So, answerability of subordinate officials towards superior was practiced as the duties delegated by Allah and therefore, they tried to ensure quality in accomplishing in their assigned tasks.

4 (iv) b: System of Answerability of Government Officials to Mass People Directly

The unique feature of Islamic accountability system at early administration was that all government officers including chief executive had to give answer their doings towards people directly. In this process, the rulers were asked openly by the people regarding the public affairs and to do so administration used to follow formal procedures. For example, annual conference during Hajj and Friday conference in Jumma prayer are notable two formal arrangements where all state officials from regional to central level were asked about the case of grievances of people and it was obligatory for them to give satisfactory answer at the presence of Khalipha. In this process, the people were encouraged to ask their allegiance

against state functionaries freely. Historical evidence shows that, once in a Juma prayer conference Omar himself was accused by the people for dressing-up with extra cloths and he was compelled to interpret the reason behind such dressing up in that open conference of Juma prayer (Noor, 1999). Omar, in his inauguration speech, admonished, 'Put me right if you discover any crookedness in me.' One of the audiences immediately retorted, 'By Allah Almighty, if we had found any crookedness in thee we should have put you right with our swords' (Bureay, 1984). However, the sense of responsibility of state-head made them very conscious to explore the real status and position of people. For this, they used 'open door policy', so that the actual situation of people is possible to know. Open door policy was a special aspect of Omar's administration. An incident which exposed open door policy of Omar is stated by Al-Buraey (1984). In his literature, he stated that on one occasion, he even sent his messenger to a city in Iraq with orders to set afire the door of the governor's palace because the governor kept aloof and hid from his subjects. This incident clearly reflects the openness and non bureaucratic aspects of administration where mass people were allowed to free entrance with grievances. No governor had been given approval at that time closing their doors to the people. However, the concerns of people interest and satisfaction were first and foremost liabilities for rulers which may be reported by narrating the sayings of Khalipha Qmar. He said, "I am very keen on satisfying every single need you might have as long as that is possible. If we could not (satisfy the needs of everybody), we would help one another (share whether we have) until we all reach the same level of the necessary minimum... and I am only teaching you through actions." (Jabnoun, 1994).

4 (iv) c: Different Institutions to Control

At early stage of Islam, many institutions were developed for establishing the roots of transparent Islamic thought. The

values and functions of these institutions were mainly ascribed to control and check the performance of the administrators. Among these institutions, Hisba and Majalim were two, played fundamental roles to restore the trusts of its rightful owners and to judge just looking into the complaints of people against the officials of the state. In addition to above two institutions two more were traced at the Abbasids dynasty as stated in the Encyclopedia of Islam (Bureay, 1984). They were: Diwan al-Azimmah and Diwan al-Ahsham. Diwan al-Azimmah was responsible to check and control the accounts of other Diwans, supervise their work and act as the intermediary between other Diwans and the office of the vizierate. On the contrary, Diwan al-Ahsham looked after the people in the royal service, and the Diwan al Riqā was another one responsible to collect petitions and grievances to be presented to the Khalīfah.

Now, the discussion turns into the Hisba and Majalim elaborately to trace their roles clearly.

4 (iv) c.i : Hisba: The term Hisba took on an institutional form by describing the institutional setup to promote proper and prevent improper (amar bil ma'ruuf wa-n-nahi ' anail munkar, to promote what is good and to prevent what is improper) in accordance with the call made in the Qur'an by an Islamic state. From the days of the Prophet Mohammad (Sm.) himself the Islamic state has been enjoined to institute arrangements to oversee the implementation of these injunctions. The functions performed by Hisba involved regulations of market prices and supplies. Prophet Mohammad (Sm.) himself would, so often, undertake instructions of market to see that the merchant did not engage in improper behavior and whenever he would see someone indulging in an important action, he would ask the individual to desist from such behavior. This function he carried out both as the Prophet (Sm.) of Allah and as Head of the Islamic state. Subsequently, when his personal engagements increased he appointed others to perform the role. One of those appointed to the position was Umar bin al-

Khattab, who became the second caliph after the death of Prophet Mohammad (Sm.) and Abu Baker, the first caliph.

The duties performed by a muhtasib were of three categories:

1. Functions relating to (right of) Allah. These covered religious activities such as punctuality of prayer, organization of Juma and 'Id congregations and maintenance of mosques.
2. Functions relating to (rights of) people. These related to community affairs and behavior in the market, such as accuracy of weights, and measures and honesty in dealings.
3. Functions relating to both. This pertained to affairs relating to municipal administration such as keeping the roads and streets clean and lit at night and preventing the building of a factory or dwelling place which could damage the community interest.

The Muhtasib could appoint others, such as technically qualified experts to investigate matters pertaining to different crafts and trades. He received complains from the public but could not also initiate in investigation on his own. He had wide powers, but was required to use them sensibly. The power assigned to him carry out his functions included simple advice, reprimand, rebuke, obstruction by forces, threat, imprisonment and expulsion from the town. The Muhtasib was required to choose a stronger punishment only if a milder one was either ineffective or seemed to carry no weight with the person being admonished. The code of conduct for a Muhtasib provided a system of cheek and balance. For example, he could not doubt a prima facie approved behavior nor could engage in secret probing into doubtful affairs. The behavior of a person should be obviously against the injunctions of the Sharia'a before a Muhtasib could intervene. Similarly, he could not issue new edicts interpretations of the rules-to punish people, instead he could forbid them from only those actions which there existed a consensus of the community. (Murtuza, 2002).

4 (iv)c.ii: Majalim Majalim -the board of institutions of grievances was entrusted authority to protect mass people from autocratic actions and behavior of administrators in Islamic administration. Majalim was stands for supreme appeal court for people conducted by Khaliph of Islamic state. Prophet Mohammad (Sm.) himself and first four caliphs would carry out the functions of Majalims. Historical evidences supported that Prophet (Sm.) himself undertook investigations and preventive actions while Jutima Tribe appealed their grievances against Khaled-Ibn-Walid. Calipha Omar also carried out judicial actions against the governor Jabal-Ibn-Ayham of Gashaem and the son of Egyptian governor Amar-Ibn-Ash while they were accused by Beduin and Citizen of Egypt respectively.

Diwan al- Majalim had to assigned responsibilities to look into complains of the people against officials of the state. This Diwan was under the jurisdiction of a judge who assured responsibility for investigating these matters.

1. Unlawful exercise of power and exploitative behavior of official to provide state allowances;
2. Discrimination in imposing and collection of tax;
3. Unjust confiscation of property;
4. Improper actions to provide state allowances;
5. Application of rules-regulations and prevention of illegal action.
6. Hearing cases of grievances of all affected classes and arbitration of their disputes.
7. Non-performance of public prayers;
8. Omission of names in the register;
9. Non payment of salaries; and
10. Non-compliance with the Quadi's (judge) judgment (Noor,1999).

Diwan Al-Majalim was not only characterized as the board of hearing cases of grievances and investigation, but also authorized to take speed actions and implement decisions. Therefore it was entitled as judicious and executive body due to its dual nature of action orientation.

Shaikh Muhammad abu Zafra, former Shaikh of Al-Azhar, said, the investigation of grievances is not a mere judicial function, it is a judicial and executive function. The investigator of grievances can make decisions on issues and enforce them (Nusair, 1995).

Historically evidences show many events in respect of Majalim's actions and performance which certainly ascribed its distinguished roles and authority differentiated from the institution of ombudsman. Ombudsman may be defined as general complaint bureau where every citizen can turn to complain about administrative malpractices. It has no statutory power to take action. But Majalim could do that. In a true sense, it played roles similar to the contemporary Administrative court that is reviewed allegations of citizens and at the same time executed actions at the context of those allegations. History told us that a Majalim named Zafar appointed by khalifa Harun-Al-Rashid of Adbasya dynasty decided more than a thousand cases and passed brief decrees within a certain day. Another case was recorded at the reign of khalifa Al-Mamun. A woman bought a case against the caliph's son. Al-Mamun ordered judge (Qadi) to hear and decide the case in his presence. The judge decided the case against the prince and the decree was executed.

It is truly speaking that the Hisbah and Majalim were two distinct and indispensable administrative bodies to check and control activities of public affairs against their misappropriation of official excesses. These two successfully accomplished their investigation, inspection, hearing, grievances and implementing actions for shaking the public interest during the reign of Islamic rule. But when gradually

the spirit of khalaphat was going to destroy the rulers became less accessible to the public and kept themselves apart from hearing appeals and inspection of grievances. As a result, the efficacious roles of Majalim and Hisbah to control improper and unjust public behavior towards people were begun to neglect and the disappearance of khalaphat, these two institutions also lost eventually.

4 (iv) c. iii : The Institution of Shura and Its Control

The structure of political administration during Prophet (Sm.) and Kholapha-e-Rashedin was equipped with three basic departments i.e. Council of Shura, Executive Department and Judiciary. Here we elaborate the status of these three institutions and their control over executives.

Shura or obligatory mutual consultations is an important basic tenet in Islamic state and administration. Mutual consultation refers a conducive strategy to make administration effective through spontaneous participation of people and there-by developing a harmonious working environment both for the superior and the subordinate. Allah sent message directing for Prophet (Sm.) to take consultation with his companions in state affairs. Allah says in the Holy Quran:

It is part of the mercy of Allah that thou dost deal gently with them. Wert thou severe or harsh-hearted, they would have broken away from about thee: so pass over (their faults), and ask for Allah's forgiveness for them; and consult them in affairs (of moment), then, when thou hast taken a decision, put thy trust in Allah (III:159). The Prophet's and the Khaliphs's attitudes and working policy with regard to consultation was free from vagueness and misunderstanding. Omar (R) said, "There is no state and administration without mutual consultation and not will be any administration. (Kanjul Ummal 5th part, Hadith no: 2354 quoted from Kadir, 1991). The opinion of Faqui (Islamic Juries) regarding consultation is also just and clear. Ibn Atia said, "Shariah includes the principle of Shura. The chief executive, who does not seek

mutual consultation, will be removed and it's an obligatory (wajib) for Muslim Ummah (Kadir, 1991). Consultation does not only mean to consult others but also to accept and implement it. In this connection, Ibn Kasir reported a hadith. He mentioned while Prophet (Sm.) was asked the meaning of 'strong will', he interpreted that 'strong will' means 'to consult them who can render opinion intelligently and then to materialize that opinion significantly (Tafsir Ibn Ksashir: Tabshir first part quoted from Kadir,1991). In the process of giving consultation and accepting it, the 'institution' named 'Shuratic Council' was developed as a strong and important one in Islamic administration during early age of Islam. The structure and composition of Shuratic Council was varied at time and place. For example, Omar introduced a strong council for consultation named Mujlish-Ush-Shura was constituted with two parts. one was called Mujlish-ul Amh and the other was Mujlish-UI-Khash.(Sahidullah,1995) However, the practice of mutual consultation had been a culture during the time of Prophet (Sm.) and his successors after him. They were obliged to consult with respective members of council. As stated by the Holy Quran, "Those who hearken to their Lord, and establish regular prayers; and conduct their affairs by mutual consultation" (XI11: 38). Not only getting authority to consult but also the council could change or modify the decisions of executives if it would contradictory with the interest of the community. There are several evidences of such relations between Shura and executives. Hazrat Abu Baker did all administrative affairs based on the opinion of majority in his Khalaphat Omar was appointed as a chief counselor by Abu Baker at his Shuratic council. Truly, Abu Baker never overrode the opinion of counselors including chief adviser Omar. Once Abu Baker stood against Omar in taking decision about Khalid-bin-Walid. Malik-Ibn-Nubira, a pious Muslim was killed by Khalid without fair judgment regarding Malik's misdeeds. When he was killed, few members of his tribe reported grievance in this relation to Kalipha Abu Baker. Omar

was there at that time. After hearing, Omar became angry and denounced this evil doings and insisted to follow the penalty of murder i.e. the rule of Kisas (murder for murder). Abu Baker disagreed with Omar and pardoned Khalid and compensated the affected family for losing of life (Sddiqui, 1980). Considering the past contribution of Khalid in elevating and expanding the messages of Islam, Abu Baker overlooked the Shuratic decision in this perspective and it may be treated as exception.

Omar also gave emphasis on community majority opinion in any state affairs. He did not overlook the institution of Shura. He gathered the prominent people around him and had consultations and open decisions about the land tax for several days. The session ended with the majority vote in favor's Omar's proposal. Persuasion by reasoning and relating different issues to the laws of Qur'an and Traditions was always his most effective tools (Bureay, 1984). Prophet (Sm.) practiced the Qur'anic guidelines with regard to consultation and its implementation in all state affairs viz: political, military, and civil administration. In spite of having Prophetic competence and specialty, he used to seek counseling from his companions in formulating political, administrative, social, regional and communal decisions. Historical events are not so scarce which shows that Prophet (Sm.) had revised even altered his decisions while companions disagreed with him and consulted thereby to implement majorities' opinion conducive for respective affairs, as their expectations.

In fact, Prophet (Sm.) was authorized unchallengeable power and capacity to accept or reject any kind of consultation given by his adviser (Musir). In religious matters, Prophet (Sm.) was guided by almighty Allah directly, so mutual consultation was not needed. Oakidi said, Prophet (Sm.) always consulted with his companions in military affairs. For example, at the end stage of battle of Badar, the question was raised about the prisoners. Prophet (Sm.) asked advisers to settle this problem.

In this case, Abu Baker advised to make free the defeated soldiers in exchange of murder' money (Muktipaun). On the contrary, Omar opined to implement the capital penalty i.e., murder. 'Prophet (Sm.) accepted Abu Baker's opinion to settle this dispute (Siddique, 1994). The another example is the battle of Ohud. When it became obvious that the enemies of Islam had gathered a large army and were moving toward Medina, the Prophet called all Muslims who were nearby for consultation. The majority of them including the hypocrites, decided to meet the enemy on the city out-skirts. Prophet personally disagreed with this view, but decided to follow the majority opinion. Unfortunately, history proved that the prophet's advice to guard the city and fight from within the right (Sharfuddin,1995). A few days later, Allah addressed His saying: 'So pardon them and ask forgiveness for them and consult with them upon the conduct of affairs'(III:59). Bureay's (1984) findings appropriately dignify this event. He states: The lesson from this incident and the intent of the Qur'anic ordinance are clear. Essentially, Allah said to his Prophet(sm), 'Do not worry about the result of that particular consultation, but keep on consulting your people in daily affairs of the state. 'Because no one in Islam has the absolute authority over the affairs of Muslim community, shura is fundamental; and consultation is a duty of the ruler rather than an opinion. Hence, shura effectively restricts the executive's power, leaving no loopholes for the potentiality of dictators as rulers.

Prophet and his successors auspiciously felt to follow the principle of shura on different important issues. Especially, the appointment of state officials was virtually affected with consultation of administrative levels. Buray (1984) stated in this connection that prior to appointment Omar mutually consulted his advisory council as well as the people of the province of city to which the official would be appointed. In fact, the institutions of Shura and its active role towards administrative affairs were recognized as part and parcel of Islamic state.

4 (iv) c. iv: Judiciary and its Control to Executive

Justice is one of the fundamental principles of Islamic ideology. The judiciary system under Islamic state enjoys complete freedom in carrying out judiciary services. The system. For keeping judiciary free from other influences', the system is designed in such manner so that it can maintain its mandatory role within the codes of Sharia. The judges under this system were appointed carefully through testing essential qualities by chief executive and his advisory council. It is expected thereby that the judges should not be influenced by external pressures.

The administrators of early Islamic state truly practiced the Islamic conception of justice. There are multiple verses in the Holy Quran addressed concrete meaning and process of justice. Allah Almighty said,

But how (will they fare) when we gather them against a day about which there is no doubt, and each soul will be paid out just what it has earned, without (favor or) injustice?(IV:25)

In another verse, Allah advocates, 'O ye who believe! stand out firmly for Allah, as witnesses to fair dealing, and let not the hatred of others to you make you swerve to wrong and depart from justice. Be just: and fear Allah. For Allah is well-acquainted with all that ye do' (V:8)."

Judiciary called Al-Quda at that time and was specially designed to provide effective and speedy justice for the people. Strengthening the foundation of social justice and equitable distribution of judiciary services Qadis were not only appointed at central administration but also at all administrative levels. Though the judges (Qadis) were directly appointed and advised time to time through issuing 'formans', they were free from control and domination of governors to implement daily affairs of judiciary and other principles of administration of justice. Due to attaining such status, the administration of justice was impartial irrespective of one's social status, financial assets, class, races, political persuasion

or religious beliefs. If we go back to the administration of Prophet (Sm.) and his successors, it will be clearly seen by us that that they strictly followed the Qur'anic injunctions to settle the cases on the basis of equity, impartiality, and uprightness of testimony. It is also seen that the executives never dominate and manipulate the decision of judiciary in any circumstances. Even, the executive had to give answer to judiciary attending the office of judge with regard to grievances raised against him.

The Prophet (Sm.) himself administered impartial justice and to assure its perpetuation, appointed Qadis, Allah-fearing, pious and irreproachable men who were well versed in the Sharia and who had been well-trained by him (Buray, 1984).

The prophet is reported to have said, "No judge shall pass a decree between two men while he is angry." On another occasion he advised, "when a judge wishes to pass a decree, and then strives to pass hard and decides justly, there are two rewards for him; but when he wishes to pass a decree, and then strives hard but commits a mistake, there is one reward for him (Siddiqi and Shad, 1981). In the administration of justice, Omar appointed only the most qualified scholars to the post of judge, as he was gifted with a remarkable aptitude for recognizing people's worth. But even after recruiting a reliable individual, he had to take the appointment decision to the members of his Consultative Assembly before finalizing the decision.

The story of 'Omar's selection of judge Shuraih as reported by Muslim scholar (Kurd Ali, 1941), illustrates his objectivity and reliability. One day the khaliph decided to buy a horse. He made an offer and asked the owner to let him ride it as a test. When the caliph returned with horse its leg was heart. The owner refused to accept the horse in that conditions and caliph refused to buy it. The caliph asked the owner to choose a judge to arbitrate the dispute. The owner suggested a man named Shuraih of Madinah. When the caliph and the owner went to

him, the judge said, "O commander of the faithful (the khaliph's title), take what you have bought or return what you have taken." In other words he told the caliph to either take the horse as it was and pay the owner the agreed upon price or return the horse in the same condition as it was in when he took it. Because, Shuriah was just and honest in his decision, the caliph immediately said, "This is what justice is all about. The khaliph then sent shuriah to Kufah in the province of Iraq, where history tells us, he reminded a judge for sixty years (quoted from Buray's literature, 1988). In another event happened in Abbasiyah dynasty at the rein of Al-Munsur which strongly advocates the concept of freedom of expression and the sense of impartial views. Once, Munsur asked Imam Abu Hanifa to accept the post of chief justice for discharging judiciary affairs competently. But Imam Abu Hanifa refused to discharge and explained reasons of his refusal sincerely; He said... If any judgment issued by me were go against your interest and I would be pressurized by you to alter or modify that judgment or I would be threatened by you to die by throwing forate (river), then I might be died but could not change my judgment" (Kader, 1991).

Thus, judiciary regulated the whims and discretions of executives and exerted influences on administrative affairs to establish "adal' and there by ensuring basic rights of citizens.

4(v) Control Process in Islamic Administration: Special Focus on Omar

Quality administrative system may be evolved through exercising an equation continuously which is called 'control'-one of the components of administrative process. This process facilitates administration to confirm the performance of public servants with the setting standards and defined objectives determined earlier. Quality is highly emphasized in the teaching of Islam. Prophet (Sm.) said, "Allah always wants that when one of you does a job, he/she does it well (quoted from Jabnoun, 1994).

The Qur'an reminds the human being:

Every soul is a pledge for its own deeds; some those who will stand on the right hand (XXIV:38,39). Therefore, the rulers in Islamic administration were highly conscious to ensure good governance and for attaining that they always maintained their lives, the lives of their companions, the public affairs within the guiding principles of divine sharia. In doing so, they initiated and maintained a kind of control which affected the end-results of their performance. Though that control process was not derived from any administrative or management school of thought and was not materialized in any theoretical framework, the essence of this process was practiced by the rulers of Islamic administration because they understood it. In fact, the theoretical connotations of this process were described in the holy Qur'an and the Traditions but those assumptions are yet to be materialized in empirical status. If we study the concepts, visions and strategies of governing administration of that time, a process of control is found which is treated as synonymous to the concept 'basic control process for Total Quality Management. However, it is tried to conceptualize here the control process, an effort of making answerable the state functionaries at early Islamic administration. The basic tenet and theoretical assumptions behind this administrative action is exposed through a Qur'anic verse:

"Nor would we visit with our wrath until we had sent a messenger (to give warning) (17:15).

Sharfuddin (1995) explained the verse in the following manner. He said that the verse establishes the rule that no one is to be penalized until the following conditions are met in order:

- i) a message is sent defining standards and stating rules that should not be broken;
- ii) the people get the message;
- iii) they understand the rules and regulations contained in the message;

iv) the people disregard the message and continue in their wrong doing.

Ahammed Abu Hebeish believes that there is a great deal of similarity between these steps and management control cycle and rules as understood in the modern organization system (quoted from Sharfuddin, 1995).

Based on Quaranic guidelines regarding control and its practice at early Islamic administration by the executives, a full-fledged control process may be outlined for executives for any kind of administration.

4(v) a: Defining objectives and standards through message

Generally, this process clearly determines the quality goals of administration through written documents i.e. planning documents. Quality planning begins with identifying clients' expectations, their needs and improving the nature of services that respond to clients' needs. Informing these issues clearly administration ascertains well applicability of control process. The people who held accountable to perform, they are known what are supposed to do to achieve defined standard. Theoretically, Islam also clearly determines the mission, objectives and goals of Muslims and teaches them how to achieve them within its broad framework. Allah also gifts us adequate capabilities to understand and differentiate what is wrong path and what is right one for doing assigned duties. Allah said in the Holy Quran:

By the souls and the proportion and order given to it. And its'enlightment as to what its wrong and its right. Truly he succeeds that he purifies it. And he fails that corrupts it" (91:7-9).

According to this guiding principle, administration should describe clearly that what standard of performance should be observed by people to achieve setting standard. Then administration would be able to hold them accountable for performing and for not performing assigned activities. Now the questions with regard to the components of performance come

to rise. What components of performance should be evaluated by the administrators? In Islamic administration, ethical and morale elements were and will be emphasized with other components i.e., time, money and quality or technical performance. Allah says,

"And when they (i.e., the hypocrites) are told, 'do not spread corruption on earth, they answer, 'we are but improving things!' "Oh, verily, it is they, they who are spreading corruption-but they perceive it not." (2:12-12}

The Prophet (Sm.) mentioned that religion is sincerity. we said: to whom?. He said: To Allah, and his Book and His messengers and to the leaders of the Muslims and common folk." In addition to that the executive official provide necessary inputs, skill, resources, authority with the pre-establish message to the people so that they can determine conformance to requirements.

This process has great deal of similarities to controlling strategy of Omar's administration. Omar was very committed to ensure high quality in administration through maximizing performance. Jabnoun (1994) stated that Omar used to extensively define the roles of his commanders and his governors and he made sure that they followed his general direction while allowing them their operational freedom. Omar used to provide those among his appointees, who felt that their tasks were so difficult with extra resources in order for them to be able to achieve their desired goals.

4(v)b: Comparing and measuring actual performance

In another voice, it can be defined as follow -up process during when the actual performance is confirmed. It should be practiced on regular basis. Because, frequent measuring can play an effective role to succeed the control process. Jabnour (1994) opined that the performance and output are checked through the existing culture of commitments and involvement, and some specially designed activities such as regular measurement, statistical control, and client's survey.

Islam also delineates a framework to conduct a continuous follow-up method as it assigns specific duties towards vicegerents. Allah says:

"And he is with you where so ever ye may be. And Allah sees well all about so do (LV11:4). In another verse, Allah says,

"For the lord is (as a guardian) in a watch –tower (LXXXIX:14).

Islam acknowledged a continuous system of monitoring. Allah appointed two angles for monitoring each daily functions and resided them right and left shoulders of each man. They are called Kiraman and Katebin and continuously write down the right doings and wrong doings of man respectively. Even, after this word, each performance will be compared and measured and righteously through a measurement instrument named 'Mizan' for rewarding or penalizing him. Allah says:

"Then shall any one who has done an atom's weight of good, evil it and among who has done an atom' weight of evil, shall see it". (XCIX: 7-8).

In this connection, a valuable comment of Omar which was materialized by him is stated here:

"Omar once asked his companions, what they would think if he appointed one whom he believed to be the best man among them and ordered him to do the justice. Would Omar have done his share? They replied, "Yes". Omar reported "No", not unless he saw whether the appointee did what he ordered him to do" (Tamani, 1976 quoted from Bureay's literature, 1984). Analyzing the above statement, Jabnoun (1994) comments that Omar had fully known the control process. Omar indicated that he would not have done his share had he not checked whether his appointee did what he ordered his to do. This signifies that Omar's first task is to explain to the appointee what he is expected to do. Then he has to check whether the appointee is doing what he was ordered to do. The checking of Omar over the performance of his appointees was carried out through

certain programs such as the annual Hajj, Omar's personal visits, intelligence agents and the agency of complaints about the culture of the people which was based on forbidding what is evil and enjoying what is good.

4 (v) c: Corrective Measures for Deviation from standard

Whether it is seen after measuring performance that actual performance does not confirm the setting standards then administration should investigate causes of non conformance and at the same time taking action both to correct the deviations and to prevent them in future.

Islam facilitates dual mechanisms for correcting deviations. One is self correcting mechanism which is called in Islamic jargon 'Ath- Tawbah' means repentance and the other is administrative control. In several verses of the Holy Quran, needs, reasons techniques and benefits of 'Tawbah' is explain elaborately. Allah says in the Holy Quran:

"Unless he, repents, beliefs, And works righteous deeds, for Allah will change the evil of such persons into good, and Allah is oft –Forgiving, Most, Merciful" And whoever repents and does good has truly turned to Allah with an (acceptable) conversion."(XXV:70-71).

Allah, almighty offers chance for people to rectify wrong doings through 'Tawbah' and Allah has also given condition to accept individual's repentance i.e. evil deeds should not repeated by the respective person. In addition to that, administrative mechanisms to correct deviation were also used in early Islamic administration. For example, Omar did not hesitate to change the appointees who did not carry out their duties appropriately. Once the employee were appointed, Omar used his intelligence service to watch them and keep him informed of any misuse of power or any injustice to citizens (Buray,1985) and there by needed actions against reported employee by the administration. In an event, Omar issued order to set afire the door of the governor's palace in Iraq while he

was informed about his detachment from his subjects and tendency of closing his doors to the people. This incident reflects Omar's genius in the field of administrative control.

4(v)d: Continuous Search for Improvement

Once, it is seen that the actual performance confirm the standard established during planning period, a search process for new improvement must be confirmed through a favorable culture. Commitment to quality, participation and improvement should be the component of culture.

Executives of Islamic administration during the Prophetic era and its aftermath were committed to continuous improvement in administrative actions. The process of improvement was facilitated by the culture of advice as Prophet (Sm.) said, "Religion is advice." Islam encourages Muslims to fulfill their obligations and commitments. Allah says:

"O ye who belief! fulfill all obligations (V:1). Omar among the successors of Prophet (Sm.) fully realized and implemented improvement process in executing any administrative decision. His thinking pattern in the relation might be identified as synonymous to the management strategy of continuous improvement, one of the components of TQM. An event of appointment of governor ascertains this fact of improvement. Jabnoun (1994) stated that Omar appointed Sharhbil Bin Hasnan as governor over Syria, then changed him with Muabuaia Ibnu Abu Sufaine. The former asked, "Omar whether he was angry at him for any thing, Omar, replied saying, " No you are exactly as I like, but I want a man stronger than the other." This shows that Omar was satisfied with Sharhabil's performance, but at that moment he found Sufiane as stronger. So, Omar decided to replace him. Any way, the control process to establish quality administration, is the enforcement of accountability was particularly exercised by the executives of the Islamic administration. The foundation of this process was built through the theoretical knowledge and guidelines of the

Holy Qu'ran and reinforced it with the culture of religion i.e. commitment, participation and involvement of pious rulers of Islamic administration. The control process practiced by Omar may be summarized in a diagram which is shown below:

Continue Performance

Source: Naceur Jabnoun, Islam and Management, P.199, 1994

Modify Standards

Output

Inspect via culture & program

Is there a new improvement

Search for new improvements via culture & performance

Set Standard

Provide necessary Input: Skills, Resources Authority

Performance

Is there a new improvement

Modify input

Yes

No

Correct performance

5. Conclusion :

To conclude this paper, an attempt is made to explore a way for establishing just and perfect administration which claims universal acceptability. To construct such universal system, logics and arguments are clearly mentioned here with contracting and identifying the gaps of conventional system of accountability.

The conceptual basis of accountability is some-what synonymous with the sense of responsibility. Administrative thinkers quoted that basically accountability connotes 'legal authority' he who are assigned to implement it, should compliance with inward sense of moral obligation. The external mechanisms to ensure accountability have been emphasized by these thinkers.

A striking gap is identified from conceptual discussions of both types of accountability. The essence of external procedures both conventional and Islamic types of administration are found more or less uniform in nature. But vagueness in the question of internality that is inward response of moral obligations, make difficult to materialize the process of accountability. Islam, as a comprehensive code of conduct for mankind clearly defines the perspectives of morality, its essence, its sources, and penalty if disregard the codes of morality. Several verses of the holy Qur'an are placed in the section named conceptual framework of Islamic accountability in this paper which ascertained the fact. Conventional mode of moral obligations explains the essential ingredients of moral behavior but does not refer any testimony with regard to its universal source, principles, and thereby reward or penalty for confirming or misconduct moral behavior. On the contrary, the sources of moral attributes in Islam is designed well by divine Shariah, it has universal acceptability and validity over time, space and the societies. Therefore, due to the unambiguous explanation regarding moral obligation, the codes of morality in conventional approach are seemed difficult to apply properly. Some sort of quests may stimulate man's inner sensory organs regarding spontaneous practice of moral obligations. For example, man intends to query that why he/she shows and practice of moral obligation? What are the drives being enthusiastically obey these moral attributes? What are universal sources of moral qualities from where he/she is guided to observe? What are the universal rewards/penalties for this obligation? People do not find satisfactory solutions of these quests in prescribing the codes of morality devised for them. For reasons, abuse and misappropriation of authority and decline of morality among the executors are found frequently in now-a-day. So, Islamic approach presents a complete moral code of which stimulates man's inner sense of responsibility to regard it with careful response.

Another distinction between these two approaches is written down here. The hierarchy of authority, the sources of sovereign power and the range of delegated power in administrative affairs both Islamic and conventional approaches should clearly be defined for easy understanding the distinction.

An administrator, who works in a conventional institution, is controlled mainly by mass people. Because they are constitutionally designated as the source of sovereign power. So accountability in such type of administration lies upon the ultimate will of people. People ascertain the roles and responsibilities of executives and also the authority to withdraw them if deviate from commitment. Administration must abide by the sanctions of people and provides their desires thereby. But practical situation is considerably reversed to the words of constituencies. People's opinion is considered rarely. Different statutory bodies like legislature, judiciary code of administration, political party, mass media etc., act as a watch dog to control activities of administrators and their excessive exercise of power.

On the other hand, Islamic administrator enjoys significantly different authority system. The fundamental ideology of Islamic worldview is weighted by the concept of 'Tawhid' or 'oneness' of Allah, which imply that Islam does not delegate the supreme authority to any 'Caesar' of 'governor' for the affairs of running administration. Rather, it aspires to establish its own political and administrative theories and practice under the democratic institution of Khalaphat (Bureay,1984). The ruler of an Islamic administration is not free to execute rule according to his own views but is subject to check by divine code of Shariah and advisory council. According to the belief of Shariah, all powers are vested to the hand of supreme authority of Allah.

Say: O Allah! Owner of Sovereignty! Thou givest sovereignty unto whom Thou wilt, and withdrawest sovereignty from Thou wilt. Thou exaltest whom Thou wilt and Thou abasest whom

Thou wilt. In Thy hand is the good, Lo! Thou art Able to do all things (III:26)

Allah is the source of all sovereign power in true sense of formulating and legislating the comprehensive divine law or Shariah. The Shariah embodies the general laws both public and private. So, the chief executive in Islamic form of administration is not the full sovereign because Islam (Burary,1994) is not an autocracy. On the other hand, Ummah (community) alone is not the full sovereign, because Islam is not a democracy in a narrow sense. Rather, the 'Ummah' and the "Shariah' together are the sovereign in the Islamic administration as stated by Ar-Rayes (quoted in Bureay's literature, 1985). So, it is ascertained that absolute authority belongs to Allah as vicegerents, human enjoy only delegated authority. He must be account to give answer about execution to Allah. So, the man, who is designated as trustee and vicegerents by absolute authority Allah, he has no any chance to overlook in materializing the delegated responsibility carefully.

The question of direct accountability of executives towards people is a cardinal phenomenon in both type of accountability system. In modern age, the system to control bureaucratic despotism does not earn desired result because of incompleteness in the chain of answerability. It is said in democracy that, mass people are the ultimate source of sovereign power and as because of that they enjoy legitimate authority to control executives. So, logically speaking in this context that the public servants, the key persons of implementing people's interests must account themselves for delegated responsibilities towards people directly due to having the status of legitimacy. If we analyses the practical process of answerability of public servants, we can see that there is no direct chance for people to seek accountability of public servants. People elect political executives through direct election who constitute political institution named parliament,

is liable to formulate policies. Ministers, the political executives are asked by the members of parliament who delegated power on behalf of the people. Public servants who are designated as the authority to execute policies and decisions are only responsible for providing input and information required for policy formulation and correction while asked by respective ministers. In the name of legislative accountability and political neutrality public servants are implementing decisions from a secured zone staying far distance of people. People never see them to ask their grievances directly. This is the crucial reason of failure to control bureaucracy effectively. Abdun Noor (1999) quoted the opinion of Millon J. Esman in this relation. He states, to materialize the interests of people through public service, opinion of mass people (beneficiaries class) should be reviewed directly. He also examines the statement of H. J. Laski and D.C, Carbett. They opined, since the public servants are actual and practical heroes of executing authority, and the legislators- who act according to the counseling of public servant, so it is the demand of democratic government that the public servants have to submit their answerability to people directly through legislators. But such process is disappeared in modern accountability system. This is a cardinal gap between Islamic and conventional process of accountability. Islam always claims fundamentally to account executives their deeds and actions directly to the subject-person. We see such practices during the Prophetic (Sm.) era and the reign of his successors. So, it can be said that the direct answerability system might be fruitful in ensuring accountability which is depicted by Islamic ideology.

Islamic system of accountability stresses on individual answerability. Stimulating the sense of accountability through the guiding principles of the Qur'an and the Traditions, Islam encourages each person to exercise the process of control to regulate one's performance defined by Shariah and thereby

he/she can reach at the desired end. On the other hand, conventional system of accountability does not provide any details code to control one's each deed encompassing the whole living period. In conventional system, an individual see a prescribed rules and conducts as an incumbent during his tenure of service. So, comprehensive codes to control one's activities in Islamic accountability system might be more effective in contrast to conventional mode. So, it may be claimed that Islamic system of accountability deserves universal applicability, because;

It's

1. It's conceptual basis is accelerated through the codes of divine sharpie;
2. An intelligible morale code to control human aspiration is clearly defined in Islamic accountability system;
3. It dignifies the absolute authority of Allah and human being, as because of his designation as trustee and vicegerent, he feels extreme liabilities to accept and regard the chain of answerability;
4. It claims direct answerability of executives to mass people;
5. It ascertains most powerful statutory bodies like Hisba and Majalim which enjoyed both judiciary and executive roles at a time to settle disputes.
6. After all, strong belief and excellent feelings of answerability to satisfy the desires of Almighty, sensitize and stimulate the executives for absolute dedication in functioning correctly.

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A Traditional and Islamic Styles of Management : A Comparative Study

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Abstract : *Performance of management mainly based on management practices of the organization but the different styles exist in different culture, may be they are effective now but may not be in the future because the practices are not unique or not universal or not without any critics. On the contrary, Islamic management style that is unique, universal, and no critics at all. The managerial tools with their roots in the culture of contemporary Islamic societies have been included emphasizing their importance and priority for our systems. The leadership that has to play a vital role in implanting a healthy and Islamic culture within the organizational premises has then been positioned. Discipline and order can not properly be maintained without providing an acceptable and exemplary leadership. Planning and decision making is another vital factor of the effective management. The leadership and qualities of leader and his activities mainly affected by the belief and trust of him which is pertinently formed through the Islamic rules, polices, and procedures under the Islamic shariah. In addition to a human factor and management style there is a need to replace the existing managerial tools with the more modern and scientific ones which are consistent with Islamic values. All managers have to keep on sharpening tools to improve and update their management process by following Islamic management Style and its need a through and repeated testing on a continuous basis for tots best fit in the modern world.*

[Key words: Traditional management, Islamic management, Management Styles, Islamic Shariah.]

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1. INTRODUCTION

Management is an activity of converting disorganized human and physical resources into useful and effectively results. It deals with setting, seeking and reaching objects. The success of an individual, group, or organization mostly depends on the effectiveness of management. Despite its importance to everyone, management is one of the most nebulous and at the same time the most ubiquitous functions in all societies being found in the homes, churches, governments and economic undertaking of all peoples. From an unrecognized position in 1900, management has risen today to be the central activity of our age and economy – a powerful and innovative force on which our society depends on material support and national well being. Management is at one and at the same time the determiner of our economic progress, the employer of our educated, the amasser of our resources, the guide for our effective government, the strength of our national defenses and the molders of our society. It is the central core of our national as well as personal activities and the way we manage ourselves and our institutions reflects with alarming clarity what we and our society become. Management includes a lot of mechanism –mechanism of selectivity, socialization, and control of members, such as testing before giving membership of the group training, indoctrination into the purposes, norms and values of the groups, participatory decision making based on shared information, cultivation of loyalty to the collectivity, motivating members through a mission and a vision of excellence, and a system of reward and a punishment. Management has to decide not only which goals should be pursued but also to what extent and what trade-offs need to be made between competing goals. The management also shapes the operating environment so that it is more congenial to the organization; inspire and motivate members of the staff for superior performance; take care of the interests of various stakeholders in the organization so that they support to the organization; cultivate a favorable image of the organization so that it build up general goodwill, so essential in crisis situations; contribute to socio economic development as well

as other social needs and priorities by playing role of a good corporate citizen. Inevitably management becomes a group effort generating its own dynamic within the tasks of management such as differences of opinion, selective perception, struggle for power, and communication difficulties. These dynamics along with the objectives of the organization, the operating context, and key choices in the past give rise to the distinctive management culture known as management style¹. Management styles are profoundly influenced by the social culture in which the organizations operate. Scholars have argued that the American, the Japanese, the Korean, the china, the Indian, the British have distinctive management styles². Further these styles of management have been established on distinctive thoughts or view in the world. The styles are changing with the change of the world and new thoughts are developing to cope with the changing world. There has not yet been developed a uniform and universal management style. As a result the management has become the most dilemmas in the world. On the other hand, Islam as a universal and complete code of life all over the world has a distinctive management style. Islam deserves that Allah has created the universe and control and governs it. He created human beings and provided him with all that he needs for the progress and growth of life. To fulfill his material requirements, He has endowed the world with all kinds of materials and substances which men can harness to use. To cater to his spiritual, culture and social requirements, He needs His revealed guidance through his Prophet (SAW). It is the guidance which constitutes Islam. It looks upon life in its totality and provides guidance to every fields of activity. The holy Quran (Q) declare Islam as deen (code of life) which means elegance. Islam is an all comprehensive divine guidance in all aspects of our life. It prescribes the code of conducting every aspects of our life. There are some fundamental and pragmatic difference between the traditional management styles and Islamic management style. The present paper concerned with the formal traditional management styles and the Islamic management style.

1.1 Literature Review : Research scholars identified a lot of researches on traditional management but a few on Islamic management and this few writings till date provides unique guidelines for traditional management. About 900 A.D an Islamic philosopher Al Farabi said in his philosophical book about the management of the state leader that in the model state there must be a hierarchy of rules coming under control of a supreme head or prince. This prince, head of the model state or of the whole earth, must possess certain traits: great intelligence, excellent memory, eloquence, firmness without weakness, firmness in the achievement of good, love for justice, love for study, love for truth, aversion to falsehood, temperance in food, drink and enjoyments, and contempt for wealth.³

After 200 years another Islamic philosopher Imam Gazzali advice to the leader of the state that you should always keep with you, i) Justice ii) Intelligence iii) Patience iv) modesty and should be avoid i) envy, ii) arrogance, iii) narrow mind ness, and iv) malice.⁴

2. OBJECTIVES OF THE STUDY

The core objective of the study is to assess the values of the Islamic management style comparing with the traditional management styles. The specific objectives of the study are:

- I. To make a brief study on the traditional management styles in the world.
- II. To make an outline of Islamic management style.
- III. To make a comparative study of Islamic management and traditional management styles.
- IV. To show the prospects and problems of traditional management in moderating to the Islamic management, and
- V. To give recommendations and policy suggestions for the application of Islamic management style in the traditional management styles.

3. METHODOLOGY OF THE STUDY

The present paper is equipped with the secondary data. Sources of pertinent secondary information range from company publications, research journals, magazines, newspapers, Islamic books, Holy Quran (Q), pertinent Hadith, and websites. The holy Quran treated as a source of information without end note.

4. OVERVIEW OF TRADITIONAL MANAGEMENT STYLES

4.1 Management Process : Management is the act of managing something. Management is creative problem solving. This creative problem solving is accomplished through the functions of management. It is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims (Koontz and Wehrich, 2000). Functions of management are conducted under the principles of management which are given by different management specialist in different periods. On the basis of those principles, various management models were developed in different times to ensure management quality and management excellence and they were success by applying their styles. The well management styles are the American management style, the Japanese style, the Chinese management style. Besides these the Korean management Style, the British management style, the Indian management style are also developed whatever the management style basic unique functions of management are the following:

Planning is the ongoing process of developing the business' mission and objectives and determining how they will be accomplished. Planning includes both the broadest view of the organization, e.g., its mission, and the narrowest, e.g., a tactic for accomplishing a specific goal. **Organizing** is establishing the internal organizational structure of the organization. The focus is on division, coordination, and control of tasks and the flow of information within the organization. It is in this function that managers distribute authority to job holders. **Staffing** is filling and keeping filled with qualified people all

positions in the business. Recruiting, hiring, training, evaluating and compensating are the specific activities included in the function. In the family business, staffing includes all paid and unpaid positions held by family members including the owner/operators. **Directing** is influencing people's behavior through motivation, communication, group dynamics, leadership and discipline. The purpose of directing is to channel the behavior of all personnel to accomplish the organization's mission and objectives while simultaneously helping them accomplish their own career objectives. **Controlling** is a four-step process of establishing performance standards based on the firm's objectives, measuring and reporting actual performance, comparing the two, and taking corrective or preventive action as necessary. Each of these functions involves creative problem solving (Figure-1.1).

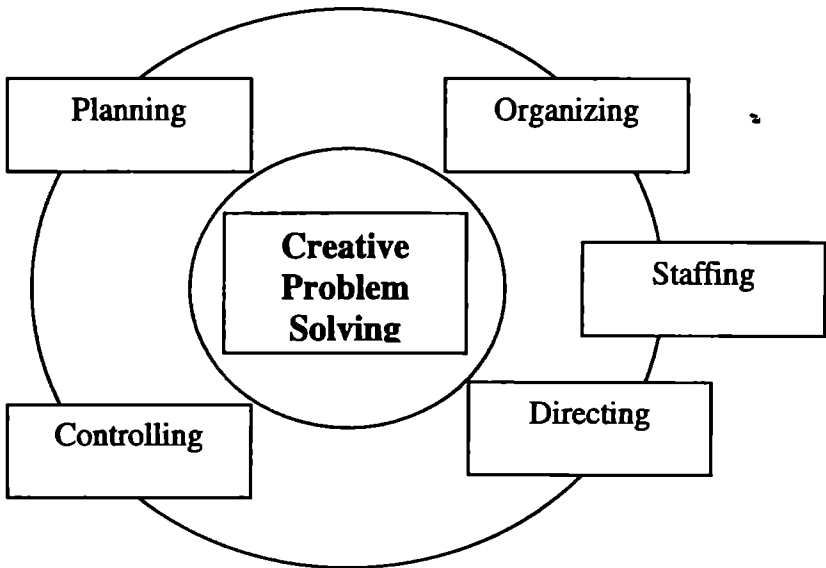


Figure -1.1: Management Functions

4.2 Traditional Management Styles : There are different management philosophy and principles developed by management specialists in different ages to be a successful manager. With the change of world and views of people these philosophy are changed and are changing till . With the changing nature best thinker of management and successful manager of developed country introduced different management style those are considered as a proven method of organizational success. Now the following distinct management styles are well known in the globalize world and application varies on different culture:

- I) Japanese management styles
- II) American management style
- III) Chinese management style

Since their style of management is different from each other, management values of those are not indifferent. Japan one of the industrial nations in the world, has adopted managerial practices that are quite different from those of economically advanced countries in the western world.⁵ Developing and underdeveloped country followed by themselves. Practices of the above mentioned management styles discussed with their characteristics below.

4.2.1 Japanese Management Style.

The socio cultural traits of Japanese people have imbued in them a perception, a belief and a behavior at workplace congenial for high productivity, fast industrialization and innovation. In contrast to the Western individualism, the “Groupism” of the Japanese makes them more cooperative, contributive, supportive to the others in the group and hence the organization.⁶ General characteristics of Japanese management are: *“Japanese accepts ambiguity, uncertainty, and imperfection as much more of a given organization life.”*⁷ Another specialist group concluded that Japanese management was based on the philosophy and organization culture that emphasize.⁸ *Hard work for common goals, Consultative*

decision making, A two way communication, Long term planning, Sharing of overall objectives of the organization by the employees at all levels, Establishing harmony and loyalty between works and management, and Showing a degree of concern for people and their values.

Another management specialist in the modern world identified some characteristics of Japanese management style are:⁹ **Planning:** *Long term oriented. Decision making: Collectively, flow of decision is top to bottom (in case of critical decision), flow of decision is bottom to top (in case of non critical decision), process of decision making slow but implementation is swift. Organizing: Informal organizational structure, well known common organizational culture, collective responsibility and accountability. Staffing: Recruitment takes place at entry level, life time employment common in companies, promotion based on long term performance, loyalty to the company. Leading: Paternalistic style of leadership is applicable, leader acting as a social facilitator and a group member. Controlling: Control by peers, focus on group performance, and extensive use of Quality control circles*

4.2.2 American Management Style

The quality movement in the west began in the United States at the turn of the 20th century. One of the first attempts of the movement was done by Frederick Winslow Taylor who introduced new approach to improve the work of unskilled workers in industrial organizations known as father of scientific management.¹⁰ The management style of western is not static at all. It characterized by different views which are currently applicable in different organizations. D.M Flynn has made comparison between the characteristics of the top management in Japan and the U.S.A, as given below:

Characteristics of Top Management : A Comparison

Organic Type-Japan	System Type-U.S.A
Facilitator	Decision maker
Social leader	Professional
Group Strength	Individual initiative and
Emphasis on human relations	Emphasis on functional
Management by consensus	Management by objectives
Leader adapts o change	Systems adapts to change

Source: Flynn et. Al. (1982)

Wehrich H and Koontz H identified some characteristics of American management style are the followings:

Planning: *Short term oriented; Decision making: Emphasis individual decision making, decision initiated at the top and flowing down, process of decision making swift but implementation process is slow. Organizing: Formal bureaucratic organizational structure, individual responsibility and accountability; Staffing: Job is not secured; promotion based on short term performance, primarily based on individual performance, loyalty to the profession; Leading: Directive style of leadership is applicable, leader acting as a decision maker and head of the group; Controlling: Control by Superior, Focus on individual performance, Limited use of Quality control circles.*

4.2.3 Chinese Management Style

Now China is considered as an emerging tiger in the globalized world among the truly developed countries. Behind the success of the Chinese there are some management factors which played an important role for assisting Chinese to be a unique one in the modern competitive world. Management style of Chinese is not characterized as an exclusive one but the combination of Japanese and American. The following characteristics of Chinese management style are discovered by Wehrich H and Koontz H (2000).¹¹

Planning: *Long term and short term orientation ;***Decision making:** *Decision making by the committees; at the top often individual, flow of decision is top to bottom, process of decision making slow and implementation process also slow compare with Japanese and American management style.*
Organizing: *Formal bureaucratic organizational structure, collective and Individual responsibility and accountability;*
Staffing: *Job secured, promotion based on performance, potential ability, and performance, lack of loyalty to the company and profession;* **Leading:** *Directive style of leadership is applicable (parent child relations), Leader acting as a head of the group (committee);* **Controlling:** *Control by group leader (Superior), focus on group as well as individual performance, limited use of Quality control circles.*

Though all traditional management styles are not same but views are not different at all. Every style has common a goal to increase productivity through the proper utilization of human resources known as internal people of the firm. Practices of management depend on culture of the specific region. With the changes of time traditional management also amend their views to cope with the changes and changing will continue even in the future to get a greater satisfaction.

5. OVERVIEW OF ISLAMIC MANAGEMENT STYLE

The contributions of the contemporary management in Japan and Western countries are found to be appreciable, their management styles, as they are, are not universally practicable.¹² China is a leader in the world market but the style is not unanimously acceptable. On the contrary, Islamic model is world recognized to the person who followed the Islamic rules and regulations for managing their families and business. Even most of the world recognized models ensure their success mainly based on Islamic model. Islamic management means conducting all activities to accomplish the objects in accordance with the divine guidance of Allah and the practices of His Prophets Sallauh Alihis Salam (SAW). Islamic

Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims within the boundary of Islamic principles given in the holy Quran and the hadith. These two teaches us clearly the style of management for solving problems. The problem solving process in Islamic perspectives is given in brief under the following sections:

5.1 Planning in Islam

The setting of goals, making plans and designing strategies to assure the accomplishment of objectives are all Islamic Sunnah. This is according to the Qur'an and the practice of Prophet Muhammad (SAW). Prophet (SAW) has not a single piece of work in his life without a good plan. Planning, therefore, must be at the center of a Muslim's life, in all his or her moral, political, social and economic activities. Unfortunately, this precious Sunnah, however, is not apparent in the lives and activities of the Muslims today. It is the absence of this Sunnah that has contributed much to our failures and suffering.¹³ The Holy Qur'an teaches the Muslims to be strategists and planners in their affairs. It shows this in a number of ways: through the stories of the Prophets, the law of Allah in nature, and in praising the people of vision and foresight. An illustration of this can be seen in the story of Prophet Moses and his strategies in approaching the Pharaoh of Egypt. When Allah commanded Moses to go to Egypt and call the Pharaoh to God, Moses accepted the order and spelled out his plans as can be seen in the holy Quran. "Moses said: Oh my Lord! Expand my chest (with faith, knowledge and affection); ease my task for me; and remove the impediment from my speech, so they may understand what I say: and give me a minister of my family, Haron, my brother; add to my strength through him, and make him share my task." (Q-20:25-32). In this example, three major elements to build the plan clearly stand out. In the first instance, Moses prepared himself for da'wah. The second element in Prophet Moses' planning was to deal with a problem of communication. The last major element to be considered in Moses' plan was a matter of logistics and

support: human elements and tools required to support him in carrying out his mission. So the traditional planning is not new concept in the management rather than a developed concept of Islamic planning. Another best reference of planning is the hudaybiah treaty. Allah said “verily we have granted thee a manifest victory. That Allah may forgive thee thy faults of the past and those to follow: fulfill his favor to thee; and guide thee on the straight way. And Allah may help. Thee with powerful help”(Q-48:1-3). This treaty was between the Makkan Quraish and the Prophet (SAW). Apparently this treaty was not favor to the Muslims, But in the long run it was the manifest victory declared by Allah and was proved after two years through conquer of the makkah. The battles of Aohud and the battle of Khandak teach the muslims to be strategic.

5.2 Organizing in Islam

Islam clarifies the boundary of authority, responsibility, and accountability to attain the objectives. Allah said, “ Oye who believe! Obey the allah and obey the messenger and those charged with authority among you...” (Q-4:59). Responsibility means obey the order of the superior. Allah said, “But no by the lord they can have no faith until they thee judge in all disputes...” (Q-4:65). Delegation means the allocation of authority to the responsible person. Prophet (SAW) said, Whoever obeyed my appointed leader indeed obeyed me and who disobeyed my appointed leader indeed disobeyed me (Bokhari Sharif).

Accountability means to do the works with the guidance of the superior. Allah said, “Every soul is a pledge for its own deeds; save those who will stand on the right hand (Q-74:38-39). Prophet (SAW) said that all of you are responsible and accountable and must be asked for the actions under your position (Bokhari Sharif). Allah said, “you shall certainly be called to account for all your actions (Q-16:93).

5.3 Leadership in Islam

A person or a group that will lead humanity from the brink of destruction to the way of Allah the Almighty is known as

Islamic leadership.¹⁴ Islamic Leadership's target is *Jannatul Firdaws* (Highest position in Paradise) Islamic Leaderships work for the pleasure of Allah. To begin with, muslims base their behavior as leader and/or as follower upon the word of God as revealed in their holy book, the Qur'an. They believe that the Prophet of Islam, Muhammad (SAW), has modeled the way for Muslim leaders and followers for all times. This belief is supported when God says the following about Muhammad (SAW):

And you stand an exalted standard of character (Q-68:4). According to the Prophet Muhammad (SAW), leadership in Islam is not reserved for small elite. Rather, depending upon the situation, every person is the "shepherd" of a flock, and occupies a position of leadership.¹⁵ Islamic leader able to contribute in any organization by influencing the people because of his morality and honesty. It is well known that caliph Abu Bakar (RA), the Hajrat Umar (RA), Hajrat Osman (RA), and Hajrat Ali (RA) are the closest leader of Prophet (SAW) and they are also the model to us.

5.4 Decision making in Islam

The holy Quran prescribed to take decisions by mutual consultation with the followers. Allah said, "It is a past of the mercy of Allah that thou dost deal gently with them wert thou severe or harsh-hearted, they would have broken away from about thee: so pass over and ask for forgiveness for them; and consult. Those in affairs then when thou hast taken a decision put thy trust in Allah. Allah loves those who put their trust in Him (Q-5:159). Another place Allah said, "Those who respond to their lord and establish regular prayer; who conducts their affairs by mutual consultation" (Q-42:38). Thus Allah prescribed the ideal path in which a good man should conduct his affairs, so that on the one hand, he may not become too egotistical and on the other, he may not lightly abandon the responsibilities which devolve on him as a personality whose development counts in the right of Allah. It is a quality of those

who wish to serve Allah that their conduct in life is open and determined by mutual affairs, as between husband and wife or other responsible members of the household; in affairs of business, as between partners or parties interested and in state affairs as between rulers and ruled or as between different department of administration, to preserve the unity of administration. Further Allah said, "In most of their secrets talk there is no good but it one exhorts to a deed of if charity or goodness or conciliation between people. To him who does this seeking the good pleasure of Allah; we shall soon give reward of the highest."(Q-4:114). Islam thus disapproves of secrecy and loves and enjoys openness in all consultations and doings. But there are three things in which secrecy is permissible and indeed laudable, provided the motive be purely unselfish to earn the good pleasure of Allah: i) if you are doing a deed of charity or beneficence, whether in giving material things or in helping in moral, intellectual or spiritual matters; here publicity may not be agreeable to the recipient of your beneficence, you have to think of his feelings. ii) where an unpleasant act of justice or correction has to be done; this should be done; but there is no virtue in publishing it abroad and causing humiliation to some parties or adding to their humiliation by publicity: iii) where there is a delicate questions of conciliating parties to a quarrel; they may be very touchy about publicity but quite amenable to the influence of a man acting in private. Consultation has been given importance in hadith Prophet Mohammad (SAW) said that when the leader will take decisions after consultation then the surface of the world will be better then the underneath (Teermeze). The man who takes decision consulting with of hers can run with modestly, the consultation may be come from the general, responsible person and from the specialists and experts.¹⁶

5.5 Controlling in Islam

Controlling is measuring performance, comparing performance with the standard, ascertaining the difference if any, and

correcting unfavorable deviation by means of remedial actions. In Islam there is controlling procedures like above. Allah set up standard for measuring the performance of the human. He said, "This is the book (Quran) is the guidance sure, without doubt" (Q-2:2). Again Allah declared prophet as and you stand an exalted standard of character. Therefore the holy Quran and the practices of Prophet (SAW) are the standards of controlling in Islam. The Islam compares the activities with these two. Allah said, "Read your records: sufficient is thy soul this day make out an account against thee (Q-17:14). Islam takes action after measuring the performance with the standards. Allah said "The most honored of you in the sight of Allah is the most righteous of you (Q-49:13). He declared punishment for those who failed to obey his duties accordingly. He said, " whose ever turns away from the message verily for him is a life narrowed down and we shall raise him up blind on the day of judgment" (Q-20:123).

5.6 Ethics in Islam

Islam has set the basis of the Islamic society and set its code of ethics that grand people a secure, happy and warm life. The word Islam in itself means peace attained through submission to the Divine will. There is no contradiction between the seeking happiness and the quest for virtue. The norms that have characterized belief and action in Islam have their initial inspiration in two main sources. One is scriptural, embodying the message revealed by Allah to Prophet Mohammad (SAW), and recorded in the Qur'an. The second is Prophet's (SAW) life (Sunnah). So a true Muslim can't take the Qur'an as the only source for Islam and ignore the Sunnah, or take the Sunnah and ignore the Qur'an. Allah has prescribed some lawful and good things for the human being, he said "Oye people eat of what is on earth lawful and good and do not follow the footsteps of saitan (evil) for he is to you an avowed enemy (Q-2:168). Allah has not specified the forbidden things elaborately but he ordered the people to do the lawful things and said, 'Oye who believe eat of the good things that we have provided for you,

and be grateful to Allah if it is Him ye worship (Q-2:172). Allah has defined some prohibited things. He said, "Hath only forbidden you dead meat and blood and the flash of swine, and that on which any other home hath been invoked besides that of Allah. But one is forced by necessity without willful disobedience, nor transgressing due limits. Then is he guiltless, for Allah is oft – forgiving most merciful."(Q-2:173). Again Allah declared, "forbidden to you are: dead meat, blood, the flesh of swine, and that on which hath been invoked the name of Allah. That which hath been killed by strangling or by violent blow; or by a head leery fall , or by being gored to death; that which hath been eaten by a wild animal unless you are able to slaughter it that which is sacrificed on stone; also is the division by raffling with arrows ; that is impiety."(Q-5:3). Here gambling of all kinds is forbidden. Gambling means of getting something too easily without working for it. Another place Allah permitted trade but forbidden usury (Q-2:275). Allah has said, "Oye who believe intoxicants and gambling, sacrificing to stones an arrows are an abomination of Saitan handiwork (Q-5:90). Islam suggests all kinds of transaction in written form. The art of writing should be look upon as gift from Allah and he should use it as in service (Q-2:82). Islam has strongly suggested giving just measure and weight nor withholding from people the things that are that due (Q-11:85). It also forbids avoiding suspicions as much as an spy not on each other (Q-49:12).

5.7 Shariah Council

Islamic management needs to certify the activities of an enterprise. The board provides scholarly guidance in planning organizing, staffing, and controlling after conducting practical observations of the activities. It makes sure that operations of the enterprise are undertaken according to the Islamic shariah principles. A shariah supervisory board is an independent of body specified jurists in fiqh–Al-Muamalat (Islamic commercial and jurisprudence).¹⁷ This board may consist of specialized in fiqh Al-muamalat, experts in the related fields, Islamic commercial jurisprudence. Further this may include

specialist in economics, marketing accounting, finance, lawyers, and entrepreneurs for their assistance. The shariah board acts as a decision maker as well as an auditor in Islamic management.

5.8:Characteristics : The aforesaid discussion on Islamic management outlines the following characteristics of Islamic management:

i. Based on the holy Quran , the practices of Prophet (SAW) an his followers; ii. The ultimate goal is to achieve the permanent peace in the hereafter as well as in the world; iii. The style and principles are uniform allover the world; iv. Consultative decision making; v. Exemplary leadership; vi. Islamic ethics is mandatory; vii. Leadership is open to all qualified; viii. Twofold accountability at first to boss and to the Allah; ix. Applicable to the believers to Allah; and X. First and original management style in the world others styles are derived fro it.

6. FINDINGS OF THE STUDY

The foregoing study shows that there are two types of management in the world the traditional management styles and the Islamic management style. The traditional management styles have no world wide universal principles. Each country has distinctive management style depends on its culture viz unique planning, organizing, staffing, decision making, and controlling. Planning in Japanese management is long term oriented while it is short term oriented in American management; again in Chinese management planning is short term as well as long term oriented based on situations. Collective decision making process from top to bottom and bottom to top in Japanese management; though this decision taken slowly but implement very fast by them. In American management swift individual decision is encouraged taken by top management but implementation process of decision is very slow while Chinese management make the decision by the committee as well as individually both in top and bottom level and this decision making process as well as implementation process is slower compare with the Japanese management.

Japanese management develops informal organizational structure under collective responsibility and accountability while formal and bureaucratic organizational structure of individual responsibility has been developed in American management, where Chinese followed formal bureaucratic organizational structure of collective as well as individual responsibility. In Japanese management recruitment takes at the entry level as a life time employment and long term performance considered as a basis for promotion while American management takes promotion on the basis of short term performance and job security is completely low but the Japanese and American management are loyal to the profession. In Chinese management job is secured but the promotion takes mainly on short term as well as long term performance, but there is a lack of loyal to the profession. Paternalistic leadership style is practiced in Japanese management where leader acts as a social facilitator and a group member while American management followed directive leadership style and leader acts as a decision maker and head of the group. In Chinese management parent-child relationship developed between the leader and employees. The Japanese management controls the functions by peers focusing on group performance using quality control circles, while the American management controls the activities by superior focusing the individual performance by limited usage of quality circles and Chinese management controls the functions by the superior focusing on the individual as well as group performance by limited usage of quality control circles. Therefore, The Japanese, the Chinese, and the American management styles are distinctive form of management from each other.. The relationship between Japanese and American management is oppositional while the Chinese management is the moderate of Japanese and American management styles. Besides these three distinctive and well known management styles there are numbers of management styles are available in the world like Korean management, Indian management and so on and all these management styles are developed depends on different

cultures exist in the world. On the other hand, Islam is a complete code of life has a distinctive management style based on the divine guidance and the practices of the Prophet (SAW). It teaches us that Allah has provided everything for every step of our life through this guidance and the Prophet (SAW). Islam tells us that Allah has created the world for human's benefits and He has created human for him. It means that human should conduct his life accordance with the guidance of him and the best messenger Prophet (SAW) otherwise the earthly life and the spiritual life would not be peaceful of them. The rules and regulations of the divine guidance and the practices of the Prophet (SAW) are the sources of Islamic management. The foregoing discussion further shows that both in Islamic management and traditional management planning is short term as well as long term oriented. The difference is only that in Islamic management plans are taken giving emphasize on Islamic shariah to achieve the earthly as well as spiritual peace. On the other hand the traditional management plans only to fulfill the earthly benefits. In Islamic management there is no alternative way to violate the order of the superiors. But in traditional management sometimes the subordinates may differ from the superiors. The consultative decision making is obligatory in Islamic management while in traditional management it differs from culture to culture. The Islamic management must consider the ethical issues in the light of Islamic shariah in every aspects of management but it is often absent in the traditional management. Traditional management styles do something which is harmful for the human being but the Islamic management never permits to do such types of activities. In Islam leadership is not reserved to small elite rather than any one can occupy. The position of the leadership if one is equipped with required takwa (fear of Allah) intellectuality and wisdom. But in traditional management leadership is reserved to a small elite. A general man can never be a leader. In organizing loyalty to the holly Quran and Sunnah of Prophet (SAW) are given emphasize besides others. In Islamic

management, the capabilities of doing the duties with takwa are the basis of recruiting, selection, and promotion. The group leader controls the functions focusing on individual as well as group performance. Therefore, the traditional management is the moderate of Islamic management. The functions of traditional management (Planning, Organizing, leading, directing, and controlling) are the same with the Islamic management but differs only from the ethical view point. Islamic management stands that Allah has sent people to this world as a Khalipha (representative) thus the people have to do all the activities which he needs according the rules of Islam and divine guidance of Mohammad (SAW) as a Prophet of Islam. As a complete code of life Islam has given all the principle, rules, and procedures for human life through the Quran, Sunnah of Mohammad (SAW), and Fiqh. If he follows all the rules and guidelines of Islam he will be success in this world as well as in the next world other wise he will be punished in this world as well as in the hereafter.

7. SUGGESTION

Traditional management has been derived from Islamic management but it has gone away from the ethics of Islam. If the people under the management followed the ethics of the Islam and management follow the fundamental rules and principles of Islam that will be the Islamic management and success will be obligatory as Allah promises in the Quran. People of the different culture can be followed all the rules and regulation of Islam as it is unique, universal, and without any critics. It may be noted at the end that the basic philosophy of management in respect of the welfare for human beings does not exist in the Japanese, American, Chinese, Korean, and Indian models but is has specially been sited in the Islamic management style in order to save the organization from the internal as well as external environment effluence in the globalize world. It is possible to build an atmosphere of mutual trust team spirit and group consciousness in the firm by the spirit of the Islamic code of life that is through the Islamic management style. The traditional management styles will be

the Islamic management if it accepts the universal guidance given by Allah in the process of management. In fact there is only the difference between Islamic management and traditional management that Islamic management based on universal accepted principles and procedures while the traditional management follows the policies and rules for their success in different times in different places. As a result the desired success is not achieved through the traditional management and this process is ongoing but it is mandatory in Islamic management.

Notes:

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- 1 K.N. Prodig (1995), Management Styles, Tata Mc Graw- Hill Publishing Co. Ltd, New Delhi P3.
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- 13 Burhan F. and Berdine M.D. The sunnah of planning in Islam, <<http://WWW.Islamic-study.org> >
- 14 Morshed A.A. (2006), Principles of Islamic leadership, <<http://www.youngmuslims.ca/articles/display.asp?ID=26>>
- 15 Islamic Scholar Software. Sahih Bukhari (Johannesburg, South Africa: Par Excellence Computers), Abdallah Ibn Umar, hadith 3.733. The term *hadith* refers to the sayings and actions of Prophet Muhammad (*saw*). All future references to Islamic Scholar Software's Sahih Bukhari will simply be referred to as Sahih Bukhari.
- 16 N. M Rahm,an (2005), Islami Andolon and Sangothan, Publication Departmnet of Jamat-Islami Bangladesh, P.100
- 17 Accounting and Auditing organization for Islamic Financial Institutions, Appointment, Composition and report organization for financial institutions, P.38

An Islamic Model of Promotional Mix: A Study On Advertising

Md. Shariful Haque*

Md. Moazzam Hossain Khan**

Abstract

In this new millennium the amazing growth of trade and commerce approaches both the profit and non-profit organizations to the demand for huge promotion & communication as the people want to get the necessary information about goods and services they use. The most familiar process used for promotion is advertising. Now the question is whether this advertising should be safe, sound, and accountable to the society. In this article the authors tried to find out the Islamic view points of advertising where the society will find advertising works the way it supposed to.

Introduction

Present world has given more emphasis on promotion and communication that are necessary to make marketing effective. In marketing the promotional mix consists of – advertising, sales promotion, public relations, personal selling and direct marketing.¹ In this article the Advertising has been given special significance to justify its consistency and inconsistency with Islamic epistemology. In Islam it is allowed or permitted to do business maintaining the doctrine given by Shariah. There should not be any deceptive practices, fraudulence, misrepresentation, coercion, and injustice in measurement; and there should not be anything unfair.

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In the present world we find advertising in different ways. It has been practiced to satisfy various purposes – to *inform*, to *persuade*, to *remind* customers about the goods and services. Advertising is done using some media, tools and techniques. The media can be Radio, Television, Newspapers, Magazines, and Internet; tools may be some machineries and persons; techniques may be different types of messages or expressions. Islam has no objection to use media, objects, and messages. What it says is that these should be safe, sound and obviously not to harm the social values, not to destroy the moral base of the people, but to ensure all sorts of welfare (Khairyah).

Objectives of the Study

The paper attempts to focus on the Islamic model of advertising as an important promotional tool. So, the evaluation is carried out aiming to achieve some objectives. They are – (1) to know about the present status of advertising, (2) to know about the critics' views about advertising, (3) to identify the causes that make the advertising unsafe and jeopardizing, (4) to know how advertising can be fair in touch with Islamic principles of advertising.

Design and Methodology

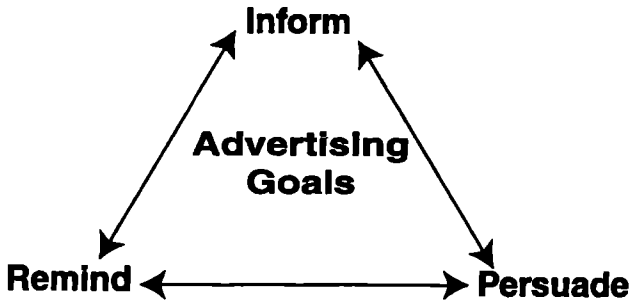
The study uses data collected from different sources using questionnaire. The work has also been performed on the basis of secondary data like relevant documents from different texts of relevant field and govt. published documents. Using Search Engine in the Internet, the addresses of the websites including the information about the relevant issues have been collected and afterwards information from different pages have been organized and written according to their significance with the topic.

Goals and Media Types of Advertising

Advertising is any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor.²

Or, Advertising is paid non personal communication from an identified sponsor using mass media to persuade or influence an audience.³

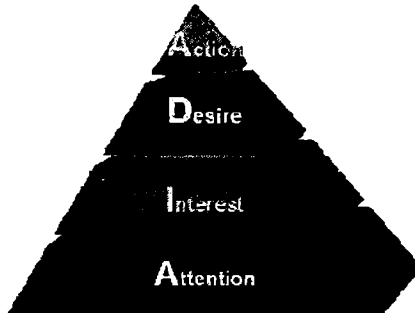
There are three goals of advertising. These goals are to: **Inform, Persuade, and Remind.**



Source : <http://www.devedolak.com/advtg.htm>

The major media types for advertising are: Newspapers, Television, Direct mail, Radio, Magazines, Internet, Outdoor (billboards, blimps, etc.), Yellow pages, Newsletters, Brochures, and Telephone.

The traditional conceptual model for creating any advertising or marketing communications message is the AIDA Model: get Attention, hold Interest, arouse Desire, and then obtain Action.



Source : <http://www.devedolak.com/advtg.htm>

John Caples, one of the greatest copywriters, provides us the following principles (although he was talking about direct response marketing--more about that later--the wisdom is directly relevant to all forms of advertising) when it comes to communicating an advertising message:

Caples' Principles

- Get attention
- Hold attention
- Create desire
- Make it believable
- Prove it's a bargain
- Make it easy to buy
- Give a reason to buy now

An even newer paradigm, according to some, is **Interrupt, Engage, Educate** and then **Offer**. In any of these models, the first step is to somehow get a person's attention.⁴

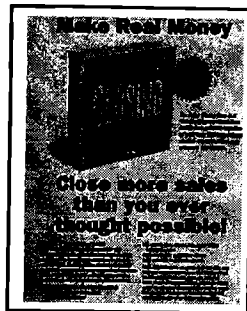
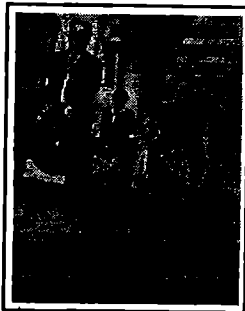
5. Findings and Analysis

5.1 Advertising Modes and Practices in modern world:

Here we have presented a few advertising modes that are used worldwide.

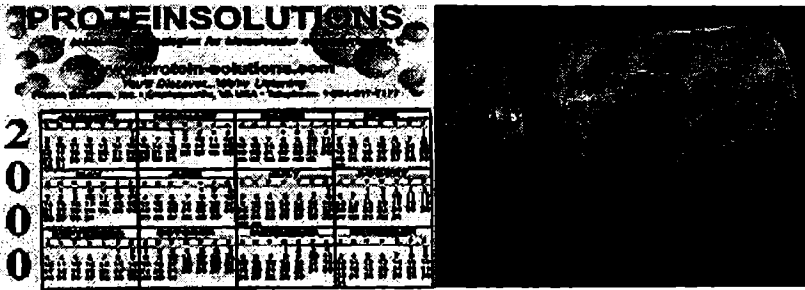
5.1.1 Various Advertisement Examples

5.1.1. A Print advertisements: We always find the following type of advertisements published in any of the print media or they are published individually as a form of posters, leaflets, banners etc.



Source : <http://www.devedolak.com/advtg.htm>

5.1.1. B Advertising Specialties



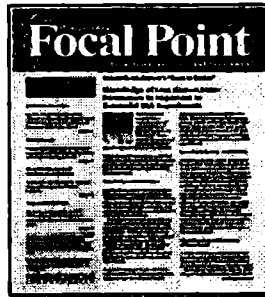
Source : <http://www.devedolak.com/advtg.htm>

These calendar magnets and bubble bottles were created to be used as give away items at tradeshow exhibits to increase awareness while communicating an advertising message. Bubbles were integrated into the campaign because they embodied an actual product feature (bubble-type ventilation on the scientific instrument) that helped differentiate this brand from knock-off competition. Advertising specialties can be very creative but should always be chosen because they somehow tie into a competitive advantage or because they reinforce a product feature or point of differentiation.

5.1. 1.C Corporate Newsletter

One good way to communicate with and maintain relationships with market is to create a company newsletter. The above newsletter is the product of a corporate initiative proposed in order to more fully leverage the leads in sales/marketing database and maintain a relationship with the people who had already initially responded to one of the marketing messages.

The response was tremendous and served to move people further through the sales pipeline while also building loyalty among the existing client base. The newsletter opened customer feedback channels and created ongoing name awareness with customers and prospects.



Source : <http://www.devedolak.com/advtg.htm>

Requests have been got from folks specifically wishing to subscribe to the newsletter since the newsletter provided valuable information to scientists in the field. The newsletter was wildly successful on all measures and was a great corporate marketing tool.

5.1. 1. D Website advertising

Websites can be wonderful ways to advertise a product, event, idea or brand. Not only can advertisements be run on websites with highly target traffic and likely buyers (as the ad above), but it may also create entire websites dedicated to advertising of the product. Modern websites can also contain content-rich features such as multi-media presentations, seminars and virtual demonstrations.

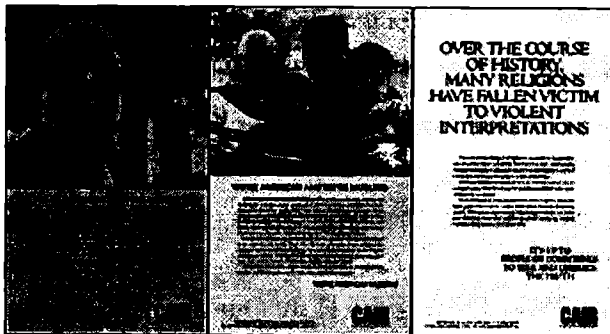
5.1. 1. E Television advertising

Television commercials usually come immediately to mind when one mentions "advertisement". While proven to be very effective at selling products and helping to create high brand awareness, television advertising is facing new challenges from digital technologies that enable the skipping or "zapping" of commercials during playback/viewing. Yesterday's model of "mass advertising" on television is changing due to both market and media fragmentation. No longer can companies reach most people by advertising on "the three major

networks". Mass marketing is over because there are exponentially more channels out there with cable and satellite television and consumers have fragmented into niche groups with very unique needs, desires, and wants. Television advertising these days must be highly targeted toward the specific demographic desired. Not only that, but we are all becoming "advertisement intolerant" and are more and more likely to "zone out" during commercial messages.]⁵

5.2 Advertisement in Islamic Viewpoint

'The Koran, Islam's holy book, does not prohibit advertising per se. In North Africa, the Levant (the countries bordering on the eastern Mediterranean Sea), and the Gulf states, one sees posters, billboards, print media displays, and messages on the electronic media that in a variety of ways promote the Islamic faith. In post-revolutionary Iran and other conservative Middle East states, specific aspects of the faith are promoted by a variety of print and electronic means. Five times per day in the Moslem world, loudspeakers on mosques call the faithful to prayer.'⁶



Patterns of Islamic Advertising

Photo Courtesy: <http://www.americanmuslims.info/>

CAIR has launched a year-long "Islam in America" advertising campaign designed to foster greater understanding of Islam and to counter a rising tide of anti-Muslim rhetoric in the United

States. The weekly ads, each explaining one aspect of Islam, will be distributed to Muslim communities around America for placement in local newspapers.⁷

5.3 Doctrine of Advertising in Qur'anic Verses:

In the holy Quran we find the following verses to establish the principles of Islamic Advertising.

5.3. (A) Do not demonstrate the worldly materials to seem superior to the hereafter

Allah (SWT) says:

These are the people who buy the life of this world at the price of the hereafter their penalty shall not be lightened, nor shall they be helped. (Al- Baqarah: 86)

A party of the people of book threw away the book of Allah behind their backs as if it had been something they did not know. (Al- Baqarah: 101)

5.3. (B) Always be transparent and honest about the message:

Allah (SWT) says:

And our duty is only to proclaim the clear message. (Yassin: 17)

Allah sees well all that they do. (Al- Baqarah: 96)

Say. Vile indeed are behests of your faith if ye have any faith. (Al- Baqarah: 93)

5.3. (C) Not to use the women as open commodity in the advertising:

Allah (SWT) declares in the Holy Qur'an:

"Say to the believing men that they should lower their gaze and guard their modesty.....And say to the believing women that they should lower their gaze and guard their modesty; that they should not display their beauty and ornaments except what ordinarily appear thereof; that they should draw their veils over their bosoms..24:30,31

"O Prophet, tell your wives and daughters and the believing women that they should cast their outer garments over their bodies (when abroad) so that they should be known and not molested." 33:59

Source:

<http://www.islamonline.net/livedialogue/english/Browse.asp?hGuestID=Owcu1M>

5.4. (D) Do not use prohibited elements as a promotional tool:

And they learned what harmed them not what profited them and they know that the buyers of magic would have no share in the happiness of the hereafter and vile was the price for which they did sell their souls if they but knew. (Al- Baqarah: 102)

If thou after the knowledge hath reached thee, wert to follow their (VAIN) desires, - then wert thou indeed (clearly) in the wrong. (Al- Baqarah: 145)

To each is a goal, to think Allah turns him, then strive together (as in a race) towards all that is good. (Al- Baqarah: 148)

And an announcement from Allah and his Apostle to the people (assembled) on the day of great pilgrimage..... (Surah Al-Tawbah: 03)

Here Allah (SWT), through prophet (PBUH), called upon all the people in a place to circulate a great message. These are the signs of promoting Islam through advertisement.

5.5 Some findings based on questionnaire

We have conducted a study with the attached questionnaire and got some valuable information from the respondent. We've set 10 questions out of which 7 questions are directly related with the advertising and 3 questions for the personal information of respondents. The sample size is 30. All of them are business graduate from different universities. It was randomly selected.

We found that 97% of the respondents watch advertising. 40% of them watch always and 60% watch sometimes. 93% pay due attention to ads, 7% don't. Ads make effect on purchasing decisions of 83% people. The following types of ads got emphasis. They have been shown, priority basis, below:

Sl. No.	Types of Ads
1	Ads carry the reflection of life
2	Ads made by animation and graphics
3	Ads with exaggeration in message
4	Ads with presence of women with fair dress ups

As a media, Television has got the first priority being most effective; Newspaper received the second priority, radio third and magazine fourth.

The most significant information for us is that 77% of the respondents don't like the openness of women in advertisements.

6. Critic's views about advertising

We have found some critics' voice on unfair advertising. Some of them called deceptive advertising as unfair advertising. 'An unfair ad is one in which the advertiser withholds information that, when not disclosed, could result in injuries to consumers; a deceptive ad contains explicit or implicit claims or omissions that are likely to mislead a consumer acting reasonably under the circumstances. One study distinguished three categories of deception: (1) unconscionable lies, in which completely false claims are made intentionally; (2) claim/fact discrepancies; in which some relevant qualifications of a claim are omitted, resulting in misrepresentation; and (3) claim/belief discrepancies, in which no deceptive claim is made explicitly, but a deceptive belief is created.'⁸

Some criticisms are like these that ads containing almost nude appearance of female doing a great harm to the society. These are being done under the banner of freedom of expression. But we should not forget that the freedom must have a boundary. Freedom should be controlled to ensure discipline.

In these circumstances, we wanted to show a new model for making the ad fair. Steps of a new model for advertisement can be shown by the following:

- i. Identify the need of the target group for communication (consider their real rights to know)
- ii. Select the right messages on the basis of the product's attribute (right message will include the actual information about product quality, no exaggeration)
- iii. Select the right person to approach the messages maintaining Islamic code of attire (some objects can be approached with computer animation, real portraits of the products can also be shown)
- iv. Select the convenient media for advertisement (can select any media)

Here we can site an example of an Islamic Advertisement for women's hair oil.

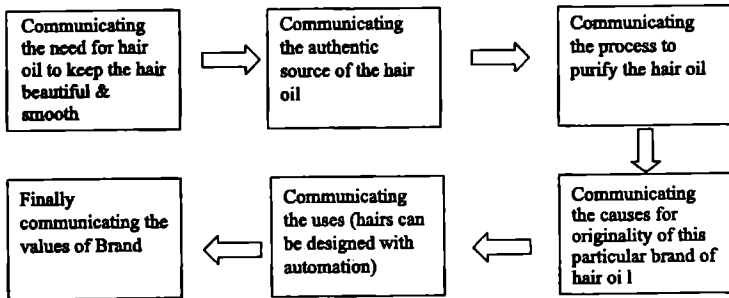


Figure 6-2: Islamic Model for Advertising of Female hair Oil

7. Recommendations and Conclusion

7.1 Recommendations

For the fair practice of advertising we can take the following recommendations into account:

- 1) Ads should carry the real information about the product
- 2) It must be free of objectionable use of women
- 3) Use of objects made by computer animation can be appreciated but the animation should also be made considering the social values

- 4) Product itself can be shown in the ads
- 5) Mentality for misrepresentation should be overthrown with much campaign
- 6) Consumer rights association should come forward with a much campaign for ethical advertising
- 7) Waves should be come from both the private and government initiative to ensure fair advertising
- 8) Overall campaign for corrective advertising should be launched

7.2 Conclusions

After all these discussion we can reach in a conclusion that there are many form of advertising with their purposes. The modern practices of advertising have been discussed here. Advertising is advancing with a rapid pace. It has some criticism for deceptive practices, creating false wants, promoting unsafe goods and using women as a commodity. Now it can be our hope that a movement has been started to make the ads fair and safe. The modern world is talking about ethics to be ensured in advertising but we want to approach an alternative proposal that the ads will be free of deceptive practices in their speech and they will be free of all sorts of violation created by presenting the women that can destroy social and moral values. As it is prohibited in Islam to capture in a photo snap or draw any picture or constructing idols some questions may arise how advertisement will pose these things. But these can be allowed to use to meet any necessary needs like giving information about anything, to use as a language. The fact is that these can't be used as a means for worship or more respect. If it is possible it is better to use alternative means in advertising like floral presentation, calligraphic presentation etc.

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Islamic Management of E-Commerce

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Md. Golam Rabiul Alam**

Abstract

Now a day's e-commerce plays a great role to enhance business policies as well as our lifestyle. Muslims around the world are wondering whether e-commerce is acceptable from the Syariah point of view. We have studied both conventional and Islamic perspective of e-commerce, transaction, contract and e-payments procedures. In Islam pay in advance is allowed with certain conditions. So we proposed a method of e-commerce, which may be permissible by Islamic Syariah. Muslims also could take the advantages of these modern policies if we can adjust the procedures with the teachings of Islam.

Keywords : E-commerce, E-payment, Islamic Contract, Transaction.

1. Introduction

The whole world is in the grip of a rapid technological revolution; the innovations in technologies are changing the social, cultural and economic relationships in a vast variety of ways. The Internet has taken its place as an important part of people's lives. Consumers use the Internet not only for e-mail but also to shop, bank and invest online. Commerce through Internet is already in reality. E-commerce has been a revolutionary force in business sector in all over the world. E-commerce is a new concept then there is no necessity to create entirely new methods to build a modern Islamic Economics.

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This new concept, if we would use in the right way and the right combination, could serve the purpose. Here, we must look at every method of conventional e-commerce to find a function it can serve, then adopt the necessary modifications in its structure, or combine it with other techniques, in order to serve the purpose of an Islamic society. Here we have discussed about the e-commerce in both conventional and Islamic viewpoints.

2. E-commerce

Commerce through Internet is the e-commerce. E-commerce has defined as “the use of electronic transmission mediums to engage in the exchange, including buying and selling, of products and services” [1]

E-Commerce has been defined by the National E-Commerce Committee (NECC) [9] as all forms of business transaction conducted over public and private computer networks, based on electronic processing and transmission of data, text, sound and video. The activities range from a business that has opened a website only for promotion and advertisement purposes, to a business that transacts sales agreements, process payments and even delivers on-line.

2.1 Components of E-Commerce

- 1. Potential Consumer:** who, after viewing an on-line catalogue of products and prices, places an order and initial payments on-line.
- 2. Potential Supplier:** Before the business (seller) fulfills the order, who ensures that the payment initiated on-line is processed.
- 3. Computer:** Computer is an electronic device that can input process and store a set of instructions designed to perform a specific task, input and store data, process the stored data according to the instructions, and produce output to be relayed to its user.

4. **Browser:** A web browser is a client application that enables the client computer to gain access to a web server running on the Internet. Example: MS Internet Explorer, Netscape Navigator, AOL, CompuServe etc.
5. **Internet:** largest inter-network is the Internet. The Internet connects millions of computers all over the world.
6. **Payment Facilities:** Banks, credit card companies and payment clearing houses are the key players in on-line financial processing.
7. **Product Delivery:** distributors and delivery companies that fulfill of the delivery of orders.

2.2 Rules Apply to the Advertisers

01. **Advertising must be truthful and non-deceptive:** The US Federal Trade Commission (FTC) Act allows the FTC to act in the interest of all consumers to prevent deceptive and unfair acts or practices. [10] The commission has determined that a representation, omission or practice is deceptive if it is likely to mislead consumers and affect consumers' behavior or decisions about the product or service.
02. **Advertiser must have evidence to back up their claims:** Claims must be substantiated, especially when they concern health, safety, or performance.
03. **Advertisement cannot be unfair:** An act or practice is unfair if the injury it causes, or is likely to cause substantial, not outweighed by other benefits and not reasonably avoidable.

3. E-Payments

The Internet has taken its place as an important part of people's lives. Consumers use the Internet not only for e-mail but also to shop, bank and invest online. Most consumers use *credit* or *debit cards* to pay for online purchases. Unlike credit card to

get a debit card one person must have a bank account, bank provides debit card against the account. Debit card is exactly like ATM card only exception it can be used to purchase like credit card. To complete a debit card transaction, user has to use a PIN, some form of a signature or other identification. The money for debit card using purchases usually transferred almost immediately from user's bank account to the merchant's account.

3.1 E-payment Security

Complex legal issues are also raised concerning tax avoidance schemes, money laundering and unauthorized creation of money [2]. Although we can't fully eliminate fraud or deception on the Internet, we can take action to recognize it, avoid it, and report it by observing the followings:

01. **Secure Browser:** Is software that encrypts or scrambles the purchase information user sends over the Internet. When submitting user's purchase information, user has to look for the 'lock' icon on the browsers status bar, and the phrase 'https' in the URL address for a website, to be sure user's information is secure during transmission.
02. **Privacy Policy:** Before provide any personal financial information to a website user has to check the site's statements about the security provided for user's information.
03. **Refund and Shipping Policies:** Before making any transaction it is better to read and understand the refund and shipping policies of the web site.
04. **Personal Information:** User should keep personal information like address, bank account number protected, unless it is clearly confirmed who's collecting the information, why they are collecting and how they will use it.

05. **Payment Information:** Payment information should be given only to businesses user knows and trust and only when and where it needed like transaction form.
06. **Keep Records:** User has to keep proper records of user's online transactions. It is better to check e-mail time to time they may send any valuable information regarding the transaction.
07. **Credit or Debit Card Account:** Lastly, user should check the bank account or bill that they have taken the correct amount or not.

4. E-commerce in Islam

It is fundamental to know that there is no necessity to create entirely new methods to build a modern Islamic society. Modern methods, if used in the right way and the right combination, could serve the purpose. We must look at every method to find a function it can serve, then adopt the necessary modifications in its structure, or combine it with other techniques, in order to serve the purpose of an Islamic society [3].

4.1 Legality of Commerce and Prohibition of Interest

The Holly Quran revealed two prerequisites for the validity of any given transaction; namely, permissibility and harmlessness. Permissibility means that the commodity and service in question must be permissible by the Syariah; while harmless means that the commodity or the service must not be harmful for the contracting parties or the general public. Following Qur'anic verses and *Ahadith* have supported the trade and prohibited the interest:

Allah (SWT) says in the Holly Qur'an:

"... Allah hath permitted trade and forbidden usury" (2:275)

"When you have finished your prayer, then disperse, seeking the grace of God in work and trade". (62:10)

“There is no harm in trading while ye are engaged in pilgrimage”. (2:192)

“O man of faith! Do not devour the goods of another with injustice but trade based on mutual agreement and good-will is allowed”. (4:29)

“O ye who believe fear Allah and give up what remains of your demand for usury, if you are indeed believes” (2:278)

“O ye who believe; devour not usury, doubled and multiplied; but fear Allah, that ye may prosper” (3:130)

Rafe Ibn Khadiz narrated, when asked to the Prophet (SAW) which income is the best? *“He replied who earned by his own hand and by doing the Halal way of trading.”*(Miskat Sharif)

Imam Malik, on the authority of Abu Sa'id al-Khudri quoted the Prophet (S) as saying, “Do not sell gold for gold, except measure for the same measure; and do not sell silver for silver, except measure for the same measure; and do not exchange for future payment in either gold or silver. (Malik, pp58)

From the above verses of the Holly Qur'an and the Ahadith we can confirm that the trade or commerce is allowed but Riba or any unjust transaction is haram. So there is nothing wrong in e-commerce if we can avoid the interest or any unjust transaction. The principle of justice was very strictly applied to various forms of exchange in vogue at the time of the Holly Prophet (saw).

The Holly Prophet (saw) maintained those forms of transactions which were based on justice and fair play for all and prohibited all those forms of business transactions which were either unjust, or were likely to lead to quarrels and litigation, or resembled gambling, or contained an element of *Riba* or deceit, or where profit of one was based on loss of another [4].

5. Islamic Contracts

The following Islamic contracts are related to E-commerce:

5.1 Ordered Sale (Bai' Al-Salam)

Ordered Sale (Bai' Al-Salam) is a contract of sale in which the price is fully paid in advance while the product will be delivered in future [8]. The ordered sale is legal in Islam. Hadith narrated by Ibn Abbas stated that when Prophet (SAW) came to Madinah, the people were making salam (ordered) of the future harvest of their fruits (in one, two, and three years). Prophet then said:

“Whoever wants to make ordered sale, do so upon specified weight and for a specified duration of time”.

Future commodity trading is not permissible on the ground that both payment of the price and the delivery of the commodity are deferred.

The conditions applied to the *Bai-Salam* are as follows [4].

1. Price fixed with *Ijab* (offer) and *Qabul* (acceptance)
2. Pay in cash or goods
3. Pay in the same *Majlish*
4. Products have to clearly identified
5. Delivery date have to be fixed

5.2 Manufacturing Sale (Bai' Al-Istisna')

Manufacturing Sale (Bai' Al-Istisna') is a contract of sale where the buyer gave an order to a workman (seller) to make a definite thing with an agreement to pay definite wage or price for that thing when it is made. It is similar to ordered sale since it is also something non-existence; but the price need not to be paid in advance; no specification of delivery and the subject matter is not available in the market [8].

5.3 Deferred Sale (Bai' Muajjal)

Deferred Sale (Bai' Muajjal) is a contract of sale in which both contracting parties agree that the payment of price for the product shall be deferred.

1. Subject matter must be in existence.

2. Subject matter must be owned and possessed by the seller.
3. Sale is instant and absolute. It is not pending on future date.
4. The price is certain.
5. No conditions attached.

So, e-commerce may fall under any of the three types of Islamic contract mentioned above, depending on the mode of communication and the types of business being conducted. Now important is to make the e-payment in a *halal* way without crating any *Riba*.

6. Methods of E-payments

The most common method of e-payments is to use *debit card* or *credit card*. Since the debit card is issued against consumers bank deposits and the money for debit card using purchases is transferred almost immediately from consumers bank account to the merchant's account so there is no room for interest in using debit card. We will concentrate our discussion on issuance and uses of credit card in e-commerce.

The credit card is a new invention and Muslim scholars define it as either a guarantee given by the issuer to the seller who accepts it or as a transfer of the debt by the debtor to another party, the issuer [11]. Hence, it falls within the permissible transactions. However, there are two problems, one for the issuer and the other for the user; this relates to the fact that the contract here usually contains an *interest* if payment is delayed and if cash is withdrawn. The Holly Qur'an prohibited *Riba*, and also the Prophet (SAW) also prohibited unjust transaction but there is no prohibition on transactions that involve third party.

6.1 Making a Transaction in Islamic E-commerce

We can use both Islamic and conventional credit card to make a e-commerce transaction which is permissible by the Islamic Shariah with certain conditions.

I. Interest Free Credit Card: Buyer has to use a debit or credit card given by the Islamic Bank or Islamic Financial Institute. For example Paying TK 6000 for IELTS registration to British Council or purchase a laptop computer from Dell Corporation by using debit card given by Islamic Bank is permissible by Islamic Shariah.

II. Conventional Credit Card: Buyer can use convention credit card but have to settle the payment within the grace period otherwise there will be interest which is *Haram* in Islam. For example Paying TK 6000 for my IELTS registration to British Council or purchase a laptop computer from Dell Corporation by using credit card given by the conventional bank is permissible if buyer pay the bill to bank within the grace period (the time that bank has given to pay without charging any interest). But if I fail to pay within the deadline then I need to pay interest, which is not permissible by the *Islamic Shariah*. So cannot delay if buyer use conventional credit card.

6.2 Issuing of credit card in Islam

There is no doubt that issuing interest-based credit card is not permitted for any Islamic bank or financial institutions. Islamic banks issue credit cards that are not interest based. So banks do not really benefit from the credit card itself, and they provide it as a service to their customers.

6.3 Accepting of credit card in Islam

No Muslims are permitted of issuing of interest-based credit card but accepting it is permissible because they give a choice to the user of either going interest-based or settling within the grace period without any interest. The user will able to purchase only and settle within the grace period and not withdraw cash because cash withdrawal generates interest.

7. Conclusion

Islam encourages E-Commerce as a new way or technology of doing business. United State had estimated the value of e-commerce has reached US\$300 billion in year 2002. The US alone has more than 140 million users with about 52,000 new users logging in daily, and by 2005, it is expected that, globally, the number of Internet users will reach 1 billion, from the 320 million users in 2000 [12]. Such statistics indicate the massive market outreach potential of e-commerce, whether in goods or services. We certainly wish that the interest condition is not inserted in the contract, but unfortunately in most countries there are no Islamic institutions that issue such cards, and even those card issued in some countries are not really satisfactory because they are limited in scope and usability. "Islamic Banks have to more modern" said by governor of Bahrain in the conference of *Islamic Banking and Finance, 2004*. There are 265 Islamic financial institutes all over the world with US\$1,300 Crore capital and US\$2,620 Crore assets [7].

In order to compete with the conventional system and to establish interest free e-commerce, Islamic banks or financial institutes have to come forward in all over the world to provide interest free credit card and other facilities.

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