

## Management: In Islamic Perspective

Dr. Abul Kalam Muhammad Shahed\*

Dr. Md. Golam Mohiuddin\*\*

Mahmudul Hasan\*\*\*

**Abstract:** *“Management is the act of running and controlling a business or similar organization”<sup>1</sup>. Management has been considered as a very important subject in our life. To maintain stable and smooth functioning of lifestyle, human being need to be very systematic and prearranged. It is needless to say that the more a social institution or business organization is organized the sooner it will be successful. This article is an attempt to outline some principles of management from Islamic perspective to show the supremacy of Islamic management over the conventional one. The research is mainly based on theoretical data and logic. This study also tried to highlight the practical and successful managerial activities of some great Islamic personalities with a view to prove that Islam is the religion which is more practical, rational, complete and most comprehensive code of conduct for human being. This study will help to pave the way for the researchers who will be interested to have an in depth study on the topic from the Islamic point of view.*

### Introduction

There is no terminology or *Sura* (chapter) named as Islamic management in the Holy Qur’an to define as Islamic management. But words like direction, control etc. have been used many times in the Holy Qur’an and such terms have been widely used in the *Hadith* too. Moreover, Prophet Muhammad (SAAS) was not only the best of the Prophets but also an ideal leader and ruler. As the chief of the Islamic state at Madina, he had to serve as the chief executive of the state.

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\* Assistant Professor, Department of Islamic Studies, IIUC

\*\* Assistant Professor, Department of Management, IUK

\*\*\* Lecturer, Department of Arabic Language, CU

Through pursuance of principles of Prophet (SAAS), the Caliphs ruled over half of the then world for a long time. Later other Muslim rulers demonstrated as how to implement the principles of Islam in different regions of the world. Their integrity, efficiency, righteousness, accountability and *Tawakkul* (firmness) turned management into a distinctive subject. From the idea set by them Islamic management may be defined in the following way:

Islamic management means conducting activities depending upon the guidance of Allah (SWT) and His Prophet (SAAS) with an accountable mentality, integrity and skill to achieve a predetermined objective.<sup>ii</sup>

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, the worldly subject Management has attained a complete shape. In the Holy Qur'an and *Hadith*, detailed indications are found regarding 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, it is to be asserted that the prophets who appeared in this globe played a great role to guide the people to righteousness. All the prophets from Prophet Adam (AS) to Muhammad (SAAS) were leaders in spreading and disseminating the meaning and message of Islam. Many of them were successful executives and leaders. They were successful managers in different proper contexts. Many principles of management came through the revelations from Allah (SWT) through the Prophets with the culmination being achieved by the best of the Prophet Muhammad (SAAS).

The principles of management given by Fayol are the offsprings of his fertile brain and experience but they have no contradiction with the divine laws having relevance with management. The principles of Fayol are regarded as excellent in Business organizations and they do not bear any relationship with the universal principles of management given by Allah (SWT). Islamic management has some principles like those of *Tawakkul* (firmness) and dependence upon Almighty Allah along with a number of principles like efficiency, honesty, patriotism, placing right man in the right place, decentralization, economy, justice for all, dignity of labor, exemptions, accountability etc. On the other

hand, Fayol proposes managerial principles like those of authority and responsibility, order, stability of tenure, initiative etc.<sup>iii</sup> (Harold, 1993)

The principles of Islamic management are as follows:

### 1. Patriotism

There is a very well-known proverb in Arabic and even considered as *Hadith* among the people of the subcontinent which means "Patriotism is a part of Faith (*'Iman*)". Every manager and all of the workers should be patriot. Otherwise, production of goods, sales, agreements, etc. all activities contrary to the interest of the organization and the country can take place. There are many *Hadiths* encouraging one to devote oneself to trade and to administer it. Moreover, Islam has warned about stockpiling, black marketing, impure and illegal business, which are the causes of injury both for the citizen and the country. For lack of patriotism, a manager can proceed with any illegal and destructive work, which is very much dangerous for the management.

### 2. Honesty

The base of Islam is founded on honesty. In his childhood, the Prophet (SAAS) was well known as (*Sadik*), truthful and (*Amin*), trustworthy, in the ignorant Arabian community. He said,

"I have been sent to explain in detail what honest character is."<sup>iv</sup> (Al-Nisapuri, 1990)

For maintaining piety, honesty and humbleness in their lives, once the Muslim community earned reliability to the non-Muslims. In this connection, the example of the second Caliph of Islam 'Umar (R) may be brought before us. One night 'Umar (R) was engaged in state affairs lighting a lamp of Olive oil. In the meantime Hazrat 'Ali (R) the fourth Caliph of Islam, knocked at the door and asked permission to enter the house. 'Umar (R) asked,

"'Ali! Have you come to me for any personal affairs or state affairs?" 'Ali (R) informed of personal affairs. Hazrat 'Umar (R) instantly blew out the lamp and opened the door of the house. When asked by 'Ali (R) the reason of blowing out the lamp in this way, Hazrat 'Umar (R) replied, "How shall I account for this to Allah (SWT) on the day of judgment if I use the oil of the light belonging to the state for personal affairs?"<sup>v</sup> (Mannan et al, 1996).

It was the example of honesty in Islamic Management. There are a lot of examples of honesty in Islamic management.

### 3. Efficiency

Every manager should be very efficient, learned, honest, Allah fearing and industrious. The Prophet (SAAS) has said in this regard,

“Allah loves dexterous and efficient worker.”<sup>vi</sup> (Al-Hithami, 1986).

The Holy Qur’an also declares that Hazrat Yusuf (AS) says,

“Set me over the store houses of the land: I am a good keeper, knowledgeable.”<sup>vii</sup> (Al-Qur’an:12:55). “Can those who are aware and who are unaware be equal?”<sup>viii</sup> (Al-Qur’an: 39:9).

There are many indications in the *Hadith* to work efficiently on the earth which could remain as an indelible imprint. In order to direct a better way of action, Prophet (SAAS) said:

“Allah has ordered to complete every action in a better way. When you slaughter (animal), do it in a better way. Slaughter properly the animal meant for sacrifice. So everyone have to sharpen the knife and let the animal meant for sacrifice, die comfortably.”<sup>ix</sup> (Al-Tirmidhi, Vol. 4, Nd.)

There are innumerable examples of efficiency found in Islamic history. As for example, to preach Islam the Prophet of Allah, Muhammad (SAAS) had confronted 27 battles to convey the message of Islam all over the world, in these movements’ only 1800 people of both Muslim and non-Muslim died. In history, there is hardly any other comparison parallel to this in establishing an example.

### 4. Placing right man in the right place

Every competent person (which field he/she is specialized in) should be appointed in the suitable position and should be given the opportunity to work independently. In bestowing duty, the decisions of Prophet (SAAS) were very thought provoking and wonderful. When he assigned an assignment to an individual, it seemed that Allah the Almighty created that particular individual for that particular assignment only. On hearing the name of Belal (R) the *Azan* (summon for prayer) of his melodious and graceful voice is recollected. On hearing the name of Kahalid Bin Walid (R) the name of a great warrior is recollected. On

hearing the name of Hazrat 'Umar (R) the name of a virtuous ruler is recollected. It is described in the *Hadith*,

“It will be betraying with Allah (SWT) and Prophet (SAAS) if any incompetent person is appointed to a responsible post”.<sup>x</sup>

## 5. Discipline

Though Fayol mentioned the principle of discipline in the eighteen century, but in Islamic Management it was mentioned through Qur'an and *Hadith* of Muhammad (SAAS) about more than one thousand and five hundred years ago. Managers should obey the principle of discipline very rigorously. The provision of five times prayer punctually, fasting in the definite month of Ramadan, performing Hajj in the month of *Zilhajj* etc. are the elevated instances of discipline in Islam. Whenever any disorder appeared at that very moment by sending Gabriel (AS) or articulating the mandate of Quran Allah (SWT) used to teach the companions of his Apostle. For example

“O Ye who believe! Raise not your voices above the voice of the prophet, nor speak aloud to him in talk, as ye may speak aloud to one another, lest your deeds become vain and ye perceive not.”<sup>xi</sup> (Al- Qur'an:49:2).

To maintain discipline in organizational structure the instruction of the Holy Qur'an is,

“O ye who believe! Obey Allah, and obey the messenger, and those charged with authority among you.”<sup>xii</sup> (Al-Qur'an: 4:59)

It is found that the entire 63 years' life of the Prophet of Allah was fettered under a fixed discipline. No instance of any disorder was found in his life. He was also disciplined in matters of daily works. He said, “Allah himself is graceful, He likes the graceful.”<sup>xiii</sup> Allah has ordained five times prayer obligatory so that the Muslim nation would get accustomed to a disciplined life. Allah pronounced,

“For such prayers are enjoined on Believers at stated time.”<sup>xiv</sup> (Al- Qur'an: 4:103).

## 6. Division of labor

Division of labor is one of the most imperative principles of Islamic Management. Nobody should be assigned a work beyond his capacity. It has been cited in *Surah* Baqara,

“On no soul doth Allah place a burden greater than it can bear.”<sup>xv</sup> (*Al- Qur’an*:2:286).

The *Hadith* described by Haishami explains,

“Don't be affected and don't affect others.” In the history of state philosophy, the Islamic state established at Madina by the Holy Prophet (SAAS) is a unique example of labor division. For the proper execution and direction of administrative activities, planning and execution, integration of the competency and ensuring effective patronization in every field, the strong Parliament of Madina was organized through the process of labor division. In that Parliament the name of 24 divisions are found.”<sup>xvi</sup> (*Nurul Islam*, 1985).

For example. President's personal division, sealing division, *Wahy* (divine verses) composing division, reception division, defense division etc. To acquire competency in these divisions' subdivisions were modeled. For an example to establish discipline in defense division, the cavalry, the infantry and the archery division were arranged. Apart from these, in the management of Allah, the exemplification of Labor division is found. For instance, four chief angels are assigned with four important responsibilities and the indication of division of labor is also found in the process of sending the records (*'Amal nama*) of the devotees to Allah through various angels. Therefore, it can be rightly said that the principle of division of labor introduced by any conventional expert in Management is not a new dimension in this regard as it has been established by Islam long ago.

### **7. Unity of command and unity of direction**

It has been said in the principle of unity of command that, from whom the command will come, will not be an infinity. If more than one authority commands the subordinates they will naturally be in confusion. Hinting to this problem regarding the Unity of command Allah (SWT) refers to an example -

“Allah puts forth a parable-a man belonging to many partners at variance with each other, and a man belonging entirely to one master: are those two equal in comparison?”<sup>xvii</sup> (*Al- Qur’an*:39:23).

Regarding the unity of direction we can say, a direction from any level of management will not serve the purpose, rather there should be a similarity in commands given to the subordinates.

In Islamic management, there are perfect examples in the verses of Allah (SWT) and the Prophet (SAAS) regarding the unity of direction. The providence of Qur'an and *Hadith* has been sent to remove confusion in the conduct of human life. Allah says-

*“if it would other than Allah (SWT) then you find very disagreement.”<sup>viii</sup> (Al-Qur'an: 17:22).*

Apart from this the basic direction prevailing in Islamic organization is equally applied in every section. For example, interest is prohibited in financial organization, *Niqab* (veil) has been made essential in organizations where both male and female employees work. There is no contradiction of opinion in Islamic management regarding these principles.

### **8. Centralization and decentralization**

The centralization and decentralization of power is one of the main principles of Islamic management. The hint of the centralization of power can be found in the following verses of the Holy Qur'an

*“When there comes to them some matter touching (public) safety or fear, they divulge it. If they had only referred it to the messenger or to those charged with authority among them, the proper investigators would have known it from them (direct).”<sup>xix</sup> (Al-Qur'an: 4:83).*

Prophet (SAAS) gave immense power to his provincial governors and he emphasized on the solution of local problem locally. Even, measures were taken to spend fund of *Zakat* collected locally for relevant locality. But there was providence of state involvement in decision contrary to public welfare. For instance,

*“During the reign of Hazrat 'Umar (R), a subordinate of one of his governors named Abu 'Ubida (R) complained to the Hazrat 'Umar (R) about Abu 'Ubaida. Hazrat 'Umar (R) replied, "The matter is under the control of Abu 'Ubaida.”<sup>xx</sup> (Jabnoun, 1994).*

### **9. Preference to the organizational interest**

In Islamic management, the interest of an organization should be given priority above the interest of an individual. If personal interest gets

preference to organizational interest, it will bring danger to the organization. In *Surah Baqara* and *Qasas* preference has been given on the glorification of the interest of the owner and management. Because Islam thinks that, if the owner and organization are not spared, then the worker will also be affected. In Islamic leadership, power has been proclaimed as something deposited to one's custody. In the Holy Qur'an, treachery and non-performance of assigned job and misuse of asset have been described as misappropriation.

When 'Umar Ibn 'Abdul 'Aziz (R) the 5<sup>th</sup> Caliph of Islam, received any application from his officers asking for various facilities, he used to write at the corner of the application

“Write less with public papers and pen, waste less ink, and such illegal facilities should not be achieved by any how.”<sup>xxi</sup>

Here it is adduced that the interest of the state should be upheld above individual interest.

### **10. Remuneration**

No other conventional system has so far been able to indicate such a perfect principle in matters of remuneration of labors as Islam does. Muhammad (SAAS) has declared, “Pay the labor his wage before his sweat dries up.”<sup>xxii</sup> *Surah Bani Isra'il, Hashr, Nahl, Hadid* etc. and various books of *Hadith* like *Bukhari, Tirmidhi, Ibn Majah* consist of various illustrations pertaining to the relationship of the management and remuneration, agreement, fixation of pay scale, proper remuneration, fringe benefits, pension, provident fund etc. If customary salary and remuneration is not provided by the owner, the Holy prophet (SAAS) will be on the side of the labors against the owner on the day of judgment. Hazrat 'Umar Faruque (R) paid high salary to his government employees so that they might not be induced to take bribe.

### **11. Economy**

Completion of works economically and frugally is a logical principle of Islamic management. In the Holy Qura'n a squanderer has been declared as the brother of Satan.

“Verily spendthrifts are brothers of Satan.”<sup>xxiii</sup> (Al-Qur'an: 17:27).

In another verse it has been described,

“Eat and drink: But waste not by excess.”<sup>xxiv</sup> (Al-Qur’an: 7:31).

Islamic management guides how to prosper by a better means with less expense. Waste and misuse are actions contrary to righteousness and benevolence. Islamic management has brought about distinctiveness in matters of economic principles concerning legal matters. For example, to make ablution prior to prayer, Islam solicits the economic use. During ablution, washing of any part of our body more than thrice is regarded as *Makruh* (disliking) according to Islamic *Shari’ah*. There is a strong direction in Qur’an and *Hadith* of Muhammad (SAAS) to do or complete any work most economically in any organization.

## 12. Justice for all

Another important principle of Islamic management is to ensure justice in every field. Discrepancy could not be created among workers regarding appointment, transfer, promotion, sending for training, distribution of other facilities etc. This indication is obvious in various verses of the Holy Qur’an. In the *Surah al- Nisa*, 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.”<sup>xxv</sup> (Al-Qur’an: 4:58).

In the *Surah al- Nisa* it further said,

“O ye 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 and poor.”<sup>xxvi</sup> (Al-Qur’an: 4:135).

## 13. Collective efforts

Islamic management provides much importance on collective effort. Islam has made compulsory to do work with collective effort and in a comprehensive way. 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.”<sup>xxvii</sup> (Al-Qur’an: 61:4).

Islamic management believes that if managers and officers do not perform their mutual duties separately, then it becomes quite difficult to attain the goal of the organization. So it has been advised to firmly catch hold of Allah’s teaching in any circumstances.

“And hold fast, all together, by the Rope which Allah (stretches out for you), and be not divided among yourselves.”<sup>xxxviii</sup> (**Al-Qur’an**: 3:103).

#### 14. Dignity of labor

Islamic management does not acknowledge enumerate any task as disgraceful. Every work is valuable in the light of Islam if not illegal. The Holy Prophet (SAAS) has preached,

“No one is fed better than the person who leads his life on his own earning. Keeping in mind, Allah’s Apostle Da’ud (AS) would live on his own earning.”<sup>xxxix</sup>  
(**Al-Bukhari**, 1987).

In reply to the query of a companion about the dignity of labor Prophet (SAAS) replies,

“Engage thyself in sacred earning for your family; for it is certainly like a struggle in the path of Allah.”<sup>xxx</sup>

In another *Hadith* it is found,

“The person, who spends his evening tiredly due to hard labor, spends his evening being exonerated.”<sup>xxxi</sup>  
(**Al-Tabarani**, vol.7, 7520).

To encourage earning, Allah (SWT) says'

“And when the prayer is finished, then may ye disperse through the land, and seek for the bounty of Allah.”<sup>xxxii</sup>  
(**Al-Qur’an**: 62:10).

In Islamic management, the work of every employee has been considered as dignified. Recognizing the dignity of labor it has been described in *Hadith*,

“An employee’s most blessed earning is performing his duties with reverence and care toward his employer.”<sup>xxxiii</sup>

#### 15. Exemption

Another great teaching of Islam is to exempt the officers and workers from the unwilling mistakes. An employer has been called upon to exempt the officers and staffs from their mistakes out of compassion. Prophet (SAAS) says,

“You should forgive your employees even seventy times a day. For he is your brother.”<sup>xxxiv</sup>

Another Hadith interprets,

“It is an emblem of great virtue to exempt the fault of staff and officers number of times”.

In a *Hadith* it is found,

“An atrocious employer will not be able to get into the heaven.”<sup>xxxv</sup>

Holy Prophet (SAAS) never even complained against his employee who has served him for long 10 years.

## 16. Accountability

In the employee of all sectors under Islamic management the ideal of accountability is to be created. The sense of giving a clarification of proper execution of one's responsibilities conferred upon him encompasses accountability which may give rise to flaccidity among the workers. Thus Islam has made self and formal accountability mandatory. In Islamic management this accountability is to be maintained, firstly to Allah, and secondly to the higher official.

It has been prescribed

“Then shall anyone who has done an atom's weight of good, see it! And anyone who has done an atom's weight of evil, shall see it.”<sup>xxxvi</sup> (**Al-Qur'an**: 99:7,8).

Hazrat 'Ali (R) in a letter wrote to Malik Ashtar about accountability-

“Malik, you should never forget that if you become their monarch, caliph will be your monarch and Allah is even highest supreme (authority) than the caliph.”<sup>xxxvii</sup>  
(**'Ali** (R), 1983).

In *Surah Bani Isra'il* (**Al-Qur'an**: 15:34), it has been said that there is no doubt that you will be accountable about your mutual agreement. To ensure accountability Islamic management has attributed two conditions: firstly, to ensure autonomy of action and secondly, to arrange convenience of all types. Thus, Islam undoubtedly preserves the right of giving accountability.

## 17. Tawakkul

It has numerous times been pronounced in the Holy Qur'an that Allah loves those who depend on Him. The Prophet (SAAS) of Allah says,

“Allah- the Almighty is enough for us and he is our best administrator.”<sup>xxxxviii</sup>

This is called *Tawakkul*, is the cardinal assistance for the virtuous (*M'uminun*) in gaining their goal. It means that in every sphere of activities or atmosphere of life one should establish faith and depend on Allah alone. Prophet (SAAS) said in this connection: *Tawkkul* does not mean that to sit idle to fulfill one's own necessity by deviating from the original context and help. The aim is that not to consider materials and other help enough in gaining the real success rather as per the strength and ability by using necessary things that the ultimate result depends on Allah and keeping in mind that this material has also been created by Allah and the lot of those materials also depends on Allah. What He wants or desires that will come true. Dependents of Allah directly succeed to reach their goal with the help of Allah.<sup>xxxix</sup> (Mufti Mohammad Shafi, 1992). This is the most important principle of Islamic Management. Managers of organizations might follow this principle in order to achieve the organizational goal successfully.

## 18. Conclusion

Islam long ago advocated the proposal of the above-mentioned principles. Conventional management experts since to day have not been able to offer principles more acceptable and better than these. The proposed Islamic principles are not opposite to Foyallian principles rather complementary to them. By deep research on Qur'an and *Sunnah* a practical model of Islamic Management can be upheld even today.

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