

## **Islamic Principles of Administration: Implications on Practices in Organization**

**Dr Mohamad Johdi Salleh & Nazifah Alwani Mohamad**

*International Islamic University Malaysia (IIUM)*

### **Abstract**

*The purpose of this paper is to develop a discussion expounding the principles of Islamic administration and its implication to practices in any organization. The paper will enumerate basic principles of Islamic administration that are extracted from the primary and secondary sources of shariah, its definition and scope, application and implementation and more significantly; its impact to the practice in any organization. The paper will also highlight the relationship of Islamic principles of administration vis-à-vis the mainstream corporate values and good governance as adopted by world leading firms and organization particularly in amplifying the impact of those principles to the aforesaid firms and organization in a real sense. The discussion of the paper in relation to the impact of the Islamic principles of administration would centre around the three main areas of any organization i.e. employment practices, managerial practices and lastly the training and development. At the climax of the discussion, readers of the paper will find that Islamic principles of administration do not merely serve as a concept or theoretical aspect in the Islamic administration but rather as a very practical tool in serving the needs of any organization in facing the challenges of this new globalization era.*

*Keywords: Principles Islamic Administration – implication - organization*

### **Introduction**

Islamic principles in administration provide a more comprehensive system as they incorporate both moral and spiritual dimensions. These principles are universally applicable and important for the success of Muslims' organization. Since Islam is a comprehensive way of life, it treats the most minor and simple to detailed and major issues in various aspects of human life and activities including the administration of organization or institution. It addresses all mankind without distinction of race, region, language or time. The principles of Islamic administration are derived from the Quran, which is the most fundamental source in Islamic *shari'ah*, and the *sunnah*, which is the second important source in Islam. The most crucial principles are knowledge, commanding good and forbidding bad, *amanah* (trust), justice, *shura* (consultation), brotherhood, moral and ethical behaviours, responsibility (trustworthiness), *muhasabah* (accountability), and, motivation. Those are the values embody the administration in Islamic approach which should be implemented by those who employed in any organization.

### **The Implication of Basic Principles of Administration Toward Employment Practices**

#### **i. Selection of Employees**

The Allah-fearing attribute is valued because it will ensure that he carries out his duty with *amanah*, devotion and perfection. It is also said that "Selecting staff with completely denies a man leadership should he requests it or contest for it (leadership)" (*Muslim, Kitab al-Imarah, chap. 12:207*). It is also narrated that a group of people came to the Prophet (*s.a.w*) and

requested leadership. The Prophet (s.a.w) said: “We, by Allah, would not charge any body who requests it, or is greedy for it (leadership)” (Muslim, Kitab al-Imarah, chap. 12:207).

Further, it is also said that in selecting any prospective staffs, emphasis should be given to two (2) main elements namely; strength and trust. This is as what indicated in the following Quranic revelation:

“One of the women said, “O my father, hire him. Indeed, the best one you can hire is the strong and the trustworthy”

(Al-Qasas: 26)

From this verse, there are two pre-requisite in selecting employees set i.e. Strength and Trustworthiness. The first pre-requisite i.e. strength and power referred in the above verse depend according to the kind of the duty to be entrusted to the employee and this strength includes the capability in knowledge, field of specialization, experience, personal abilities, potentials and character. The second pre-requisite is trustworthiness (*amanah*). Trust in this context refers to the fear of Allah S.W.T and awareness of Allah’s presence at all time which should result in a person carrying out his duty with diligence, accountability, effective and in full obedience not only to the existing rules set forth by his employer but more importantly the laws and injunction by Allah S.W.T.

Further, it is also said that there are several limits in the Islamic methodology of selecting staff which need to be observed by the employer stated as follows:

- The leader should feel strongly that choosing appropriate staff is a great trust to be taken seriously;
- The leader is duty bound to choose the best staff for each duty without inclinations, bias or cheating, and
- The leader must display capability and *amanah*.

## ii. Specialization and Division of Labour

In the context of specialization and clear demarcation of duties, one can see the application of several Islamic principles of administration such as knowledge (*ilm*), justice (*‘adalah*) and brotherhood (*ukhuwwah*). It is a fact that job allocation should be done properly in ensuring effective performance amongst the employee for the task entrusted to them and in ensuring the target set by the management can be achieved accordingly towards the success of the organization. Arising from this, it is pertinent that in allocating the task amongst the employee, the employer should take into consideration the knowledge (*‘ilm*) that the employee possess in relation to the task to be entrusted to him. This indirectly gives some advantage to those having the necessary knowledge (needed for the performance of the task) over those without such knowledge. By doing so, this would allow the employee to practise their job perfectly as expected by the management of the said organization.

In addition, justice<sup>1</sup> (*‘adalah*) is one concept that is synonym with Islam and Muslim is ordained to do justice in every aspect of their life and this includes in the task specialization and division of labour. The employer is required to assign proper tasks to the proper and qualified person regardless of their acquaintance, friendship or personal connection with such employee.

It is also interesting to note that brotherhood (*ukhuwwah*) or the so-called teamwork spirit is nothing peculiar to Islamic principles of educational administration particularly in the specialization and division of labour. Even though the concept of specialization and division of labour entails that the employee will be working on different scope of work in different division, Islam sees this does not stop them from exercising the spirit of teamwork in the performance of the work.

In fact the concept of teamwork amongst the specialized employee in carrying out the different task assigned by the management of the organization according to the division of the labour will assist the latter to achieve their organization target effectively (*this is very obvious in a big organization such as manufacturing companies in which each of the employee work in shoulder with his fellow colleague in the midst of specialized and different division of labour harnessing output aimed by the companies in less cost and time: achieving profit effectively*). The impact of the principle of brotherhood (*ukhuwwah*) or team work also can be seen from the fact that those employees who practice these principles would assume the qualities of modesty, kindness and humbleness since these are the worthy qualities to develop brotherhood at the very beginning.

### **iii. Remuneration of Employees**

Islamic principles of educational administration has put into effect that any agreement about payment or salary should include the following:

1. As practiced and spelt in any contract of employment, the payment must be defined in advance by the employer to avoid any confusion and argument between both parties. This will create concentration and ensure that the employee's work is according to a well-defined terms of the agreement.
2. The formulation of the salary scale should be made carefully according to widely accepted criteria in the prevailing market, standard of living and benchmarked-studies from other similar/equivalent organization. Islam also views that the determination of the wage/salary should also be based on employees' past experience and qualification. More importantly, the wage to be granted by the employer to the employee must commensurate with the work done and performance made by the employee.
3. In deriving the quantum of the salary, employees should refrain themselves from any prejudice, bias, favoritism in order for them to arrive at a very just and fair amount of salary to be granted to the employees. Islam affirms the need to give out salaries in full without the unwanted elements as said above. At all material time, it is stressed by the Islamic principles of educational administration that the amount of the salary should be sufficient enough to cover the needs of staff (especially taken into consideration the prevailing standard/cost of living).
4. It is also worth to be noted by the employer of the organization that salary should be given immediately after a job is completed by the employee (*this is also in tandem with prominent Hadith by the Holy Prophet (s.a.w) who has said "Pay the labourer his wages before his sweat dries"* and *Anas (r.a) states that Prophet (s.a.w) never paid a low wage to any person. One of the three persons that the Prophet (s.a.w) will argue against on the Day of Judgement is a man who engaged a labourer and enjoyed full benefit from him, yet did not pay him (his due) wages.*

5. As such, employer should refrain themselves from delaying in payment of staff (as the employee may in dire and urgent need of the money for their personal/family needs).

Be that as it may, in the Islamic principles of administration, remuneration in real sense does not only confine to monetary or materialistic sense but more importantly the pleasure of Allah S.W.T and the promise of paradise are other forms of valuable and precious rewards which motivate Muslim to struggle and work hard. This can be aptly described in the light of the following verse:

*“Whoever does righteousness, whether male or female, while he is a believer - We will surely cause him to live a good life, and We will surely give them their reward [in the Hereafter] according to the best of what they used to do”*

*(An-Nahl:97)*

The above Quranic in fact is a strong motivation to every employee in any organization to work hard in carrying out the duties entrusted to them as these good deeds would be given endless reward in the Hereafter; a reward which could not be compared with any monetary reward given by the employer or organization in this world.

## **The Implications of Basic Principles of Islamic Administration Toward Managerial Practices**

### **i. Employment in Managerial Practices**

The practice of empowerment upheld by the Islamic principles of administration and which is well-enshrined in the managerial practices can be seen in the statement on empowerment by the prominent Islamic scholars as follows:

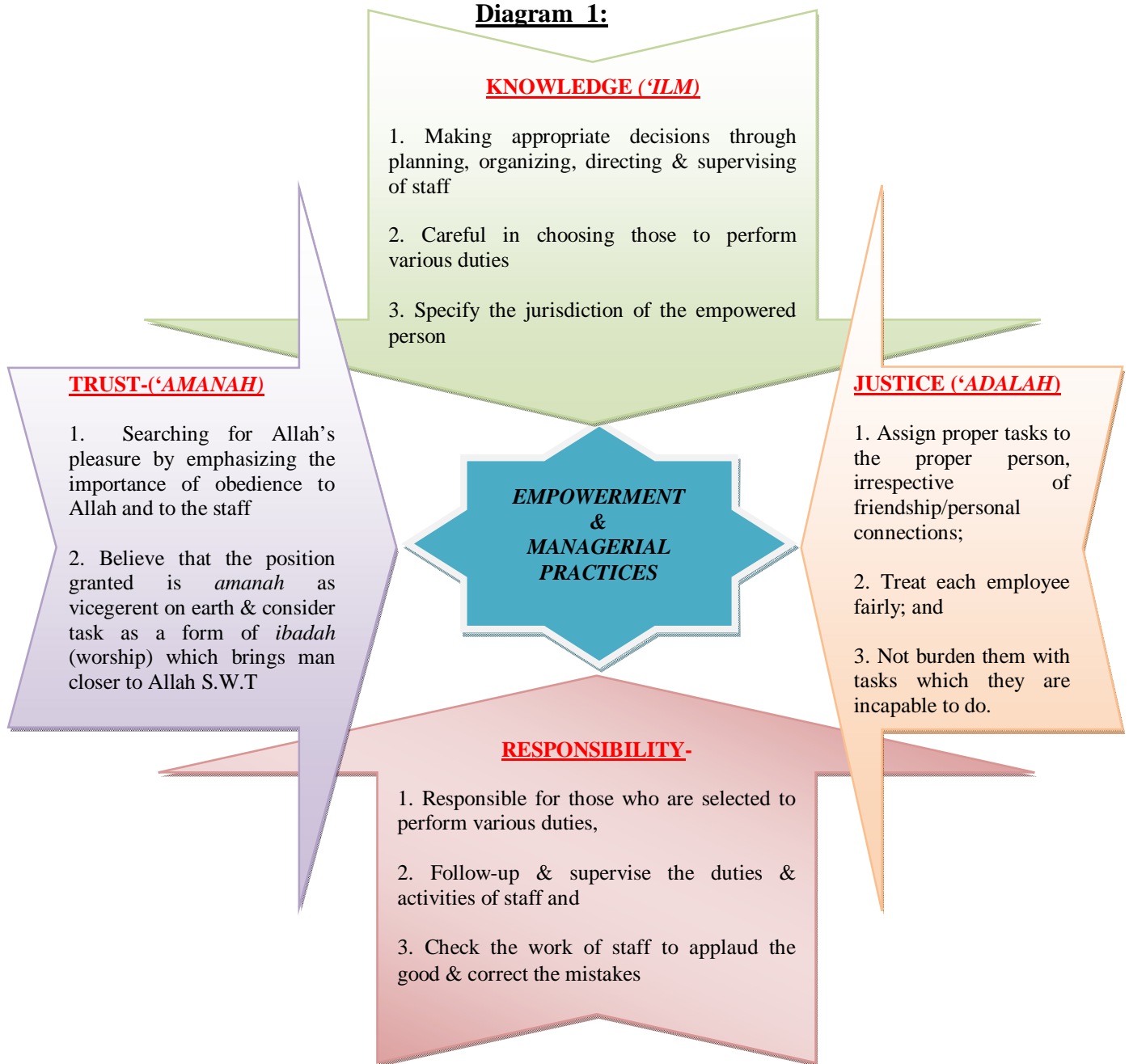
- *“Appointment of an individual by the Imam, to whom the administration of matters is completely entrusted, allowing him to make decision according to his own judgment”.* (Al-Mawardi 1996:39)
- *“Delegation of authority is rational, and necessary because no individual is capable of executing all matters alone”* (Ibn Khaldun in Al-Mukaddimah).
- *“One must understand that ruler (government) is weak, yet he is carrying a huge burden, he needs the help of his citizen. If the government seeks the help of the citizens in trivial responsibilities, it is therefore important for it to seek their help in governing the state”.* (Abdul-Azim 1988: 137)

The same can be seen in the primary and secondary source of authorities: *“And give me (Moses) a minister from my family”*

*(Thaahaa:29)*

The Holy Prophet (s.a.w) also is said to be accustom to delegating responsibility to his fellow companion. He would appoint one of his companion to cover his duties in his absence especially should he leave Madinah for the battlefield.

**Diagram 1:**



This is why sometimes he would choose Ali Bin Abi Talib to administer the affairs of Madinah, and sometimes it was Abdulah Ibn Umami Maktum. Deputies were also appointed to administer the affairs of remote provinces. In this regard, Attab Ibn Usaid and Uthman Ibn-Al As were amongst those had been chosen to undertake the said task by the Holy Prophet (s.a.w). The same also goes to the mission of Ali Bin Abi Talib, Muaz Ibn Jabal and Abu Musa al-Ash'ari in Yemen (Ibn Taimiyah 1992b:27) as well as the practice amongst the Khulafa ar-Rasyidin (who were leaders, invested with full powers) in delegating their authorities to other qualified individual in carrying out any duties for the interest of the public (*maslahah al-ummah*).

It is clear from the aforesaid diagram that the combination of the four values and principles of Islamic administration i.e. Knowledge, Trust, Justice and Responsibility are the essential ingredients of true empowerment principle (as envisioned by the Islamic Principles of Administration) which can be implemented in any organization in ensuring not only the smooth-running of the daily operation of the organization but also towards the survival and success of the organization respectively.

Be that as it may, the delegation of authority in Islam does not signify a total relief or waiver of responsibility on the part of the authority or the management themselves as those at the apex of the organization would be answerable for the affairs, outcome and result of the employees beneath of their jurisdiction. They are responsible for the ways and means by which the duty is carried out.

## ii. Motivation in Managerial Practices

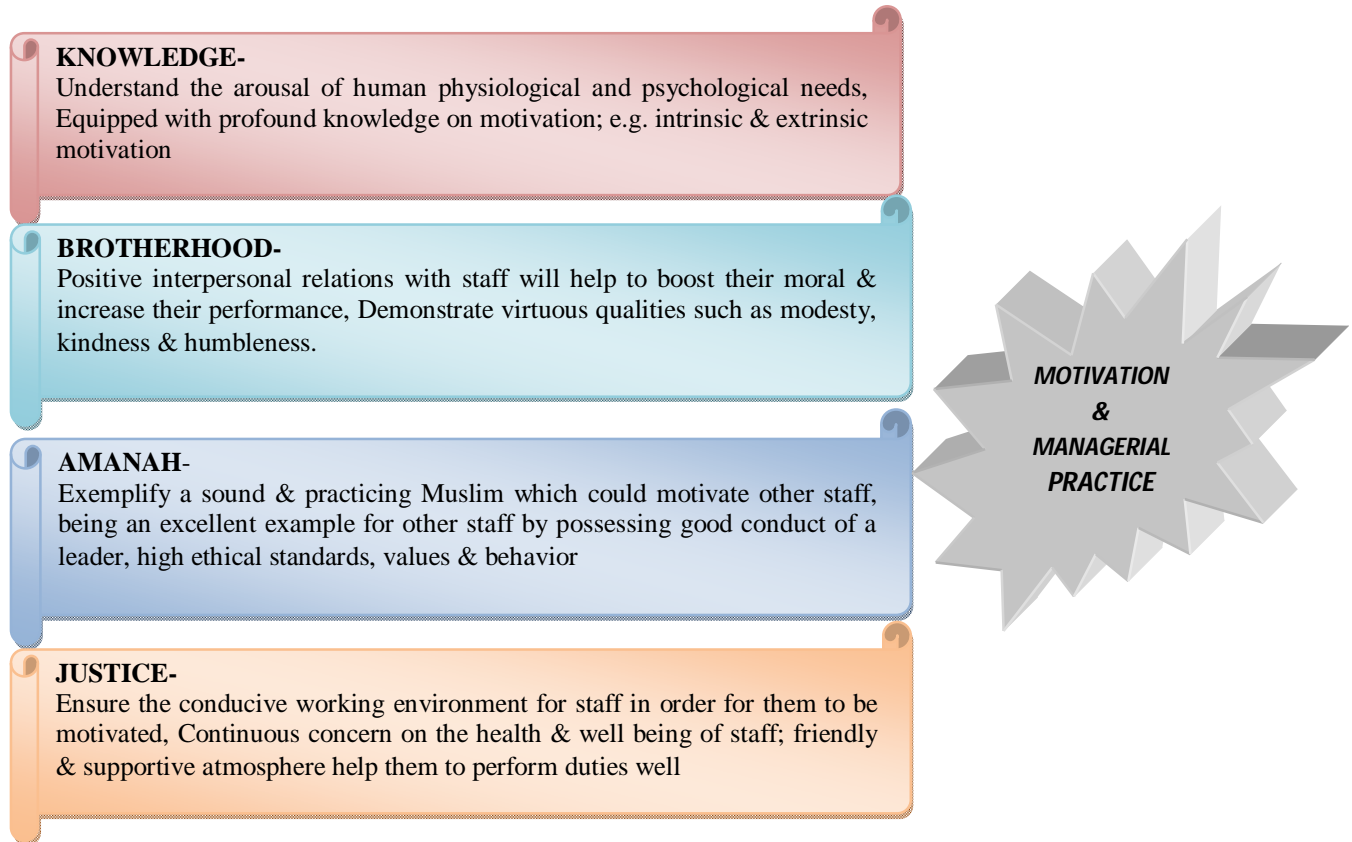
The principles of Islamic administration still view that the prime motivation for any Muslim employee is “to get Allah S.W.T’s pleasure, His forgiveness and entering His paradise. The rewards to obey Allah S.W.T and follow His law can be seen from two angles i.e. in the world: to live a happy and honorable life while in the hereafter: to enter the paradise promised by Allah S.W.T. A Muslim with strong faith, is stimulated by the great reward (*ajran*) of Allah S.W.T more than any worldly or materialistic goal. Similarly, a leader with strong faith is stimulated by the great reward of Allah S.W.T more than any worldly or materialistic goal. This can be seen in one of the Prophet (s.a.w)’s tradition. It is narrated that a man asked the Prophet (s.a.w) on the day of “Uhud” about his place, if he was killed for the sake of Allah. When he was told that he would be in paradise, the man threw away the dates, which were in his hand and fought until he was killed (Al-Buraey 1994: 69).

Quranic verse:

*“They said, “O Dhul-Qarnayn, indeed Gog and Magog are [great] corrupters in the land. So may we assign for you an expenditure that you might make between us and them a barrier?”*  
(Al-Kahf:94)

Notwithstanding to the above fact, the material (in terms of monetary/non-monetary incentives or reward should not be neglected because it is still a need for a living (as referred in the concept of pyramid of *maslahah-daruriyat, hajiyyat and tahsiniyat*) in a strict condition of balance between the two (*wasatiyyah*) and with condition that the emphasis is still given on the spiritual side and reward in hereafter. Finally, the application of basic principles of Islamic administration in terms of motivation in managerial practices can also best described by the following diagram:

**Diagram 2:**



(Modified from: Ali Mohammad Jubran Saleh, 2002)

**iii. Autonomy in Managerial Practices**

In Islam, autonomy is defined as liberalization of man from any decisive influence or excessive restriction on his thoughts, creativity or movement (*al-Qardhawi 1993:65*). It is also the condition or quality of being autonomous and self-governing and having freedom & independence as an individual. However, it does not mean engaging in permissiveness or immorality neither implies disorder or chaos in society. Islam itself is a religion of autonomy in the sense that the concept of *tawhid* (Oneness of God) is indirectly signifies liberalization from the subservience to other creatures and from evil influences. The sense of autonomy is an essential feature for every Muslim individual regardless of positions and job category. Man is free to live in accordance with the will of his Creator without being restricted by the power of any other creatures.

This is reflected from the fact that Islam protects one's choice of religion, since man is endowed with intellect by which he can distinguish right from wrong and at the same time he is responsible for whatever that he has chosen:

*“Every soul, for what it has earned, will be retained”*

(*Al-Muddaththir: 78*)

*“There shall be no compulsion in [acceptance of] the religion. The right course has become clear from the wrong. So whoever disbelieves in Taghut and believes in Allah has grasped the most trustworthy handhold with no break in it. And Allah is Hearing and Knowing”*

*(Al-Baqarah:256)*

The practice of autonomy can also clearly be seen during the reign of Khulafa al-Rasyidin. This is what upheld by Abu Bakar As-Siddiq when he was being appointed as the Caliph when he urged the people and his subordinate to correct his mistake and forward their grievances if they were not satisfied with his decision or action. Caliph Umar al-Khattab similarly once said *“May the mercy of Allah S.W.T. be on people who presented gifts to us by pointing our mistake”* (Farghali, 1402 AH: 143). By doing so, Caliph Umar has encouraged his subjects, the people and the subordinate to voice their opinion and comment freely without fear or favour and because of the positive impact that it has for bringing *Ummah* to the right path.

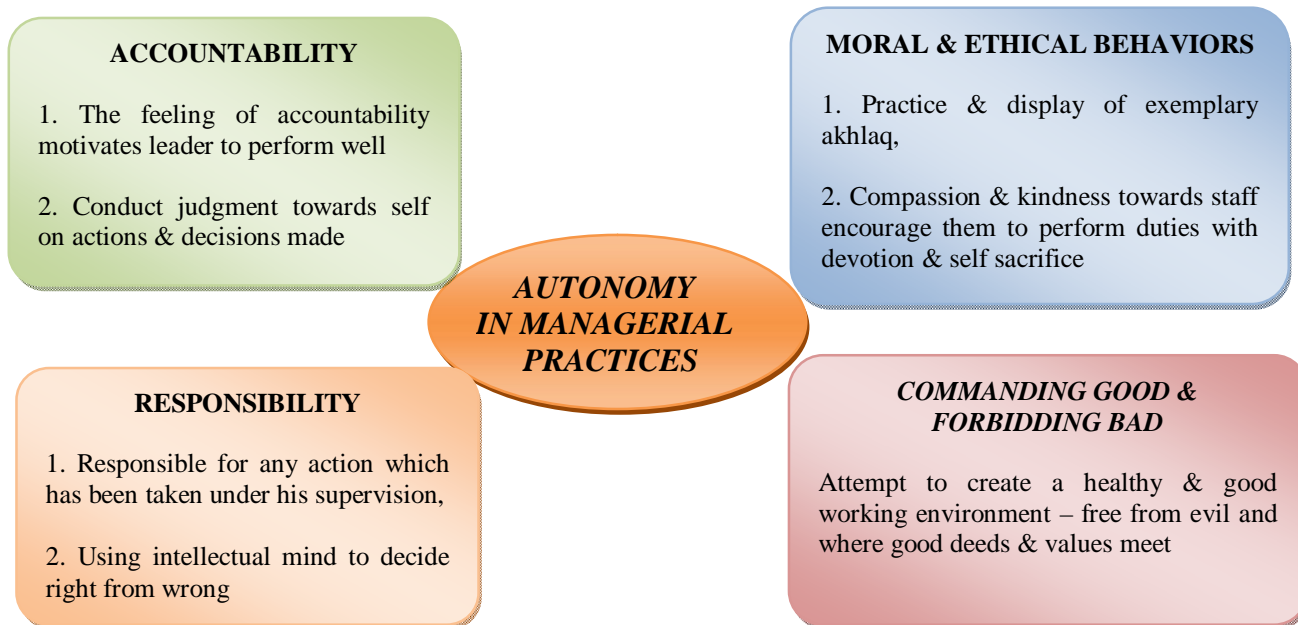
The sense of autonomy is an essential feature and quest for every Muslim. Therefore, the employee should be treated in such manner that he feels and sense the principles of autonomy. In this way, the employee can also express his opinion freely without the fear from the superior and also highlight for any violation of his right to be rectified as soon as possible by the management. Furthermore, Islam has also defined all kind of autonomy which man is in need of in his daily life, and gave each and every individual in the society the right to live in the place he chose and do the work he wishes. These rights are protected by the divine laws. Most importantly, Islam protects the individual’s liberty of thought and opinion, in so far as it does not conflict with the essential spirit of Islam.

In ensuring that the practice/concept of autonomy does not only be enshrined in the organization’s vision and mission statement but more pertinently to be properly implemented at every level in any organization, it is crucial if the administrator or manager in the organization could promote the following:

The aforesaid rights conferred to the employee tantamount to certain kind of autonomy that can be exercised and practiced by the employees in their daily lives in any organization. The concept of Autonomy can also be reflected by the following diagram:



**Diagram 3:**



*(Modified from: Ali Mohammad Jubran Saleh, 2002)*

The above Diagram 3 in brief has summarized the concept of autonomy in the managerial practice vis-à-vis basic principles of Islamic administration such as accountability, responsibility, moral and ethical behavior and commanding good and forbidding bad.

### **The Implication of Basic Principles of Islamic Administration Toward Training and Development Practices**

The task of handling and implementing the staff training and development has been entrusted to the Human Resource Management Department (HRMD) that has been set up in any organization and corporate firms. HRMD in any organization is entrusted for the training new employees, training employees to perform new duties and responsibilities, improving competencies and skills of employees in current position and preparing employees for upward mobility and personal growth. In banking industry for instance, the significance of having training and development programme can be seen from the effort embarked by Bank Negara Malaysia in implementing the Guiding Principles (GP) 4 called Staff Training Fund having the effect of compelling all the banks and financial institutions in Malaysia to have sufficient fund to ensure all the staffs are properly trained for the task assigned to them respectively.

In the principles of Islamic administration, it is stated that a Muslim administrator or manager of any organization should be knowledgeable and should constantly look for means of improving the employees' skills and capabilities to enable them to be able to cope with the job requirement and management expectation as time goes by

The practice of training and development is not something peculiar in Islam since it has been upheld during Prophet (s.a.w) period, when Ali Ibn Abi Talib was charged with a duty in Yemen. *Ali has said: the Prophet (s.a.w) has sent me to Yemen as a judge. I said : Oh messenger*

*of Allah! I am a youth, how could you send me to a people who are far advanced in years than me. The Prophet (s.a.w) prayed for me and said “If two adversaries approach you (for fair judgment) and you hear the claim of one, do not judge until you have heard from the other, for this is to decide the case” (Al-Baihaqi n.d.vol.10 Kitab A’dab al-Qadhi).* The principles taught by Prophet (s.a.w) to Ali Ibn Abi Talib to be followed by him when he was sent to Yemen as a judge is equivalent to training and development for the person having less skills, knowledge and expertise in the job to be entrusted to him by the management.

The same practice of training has been applied by Prophet (s.a.w) when Muaz ibn Jabal was sent to Yemen as Da’iyah (Preacher of Islam). Before Muaz ibn Jabal is sent to Yemen, Prophet (s.a.w) has taught Muaz with several methods or procedures to be followed in preaching those who know nothing about Islam; *“When you come to the People of the Book, the first task for you to do is to call them to bear witness that there is no God apart from Allah. If they accept this, make them understand that Allah has made five times payer a day as an obligation upon them. If they accept this, make them understand that there is alms to be taken from the wealth of their rich for the poor. If they accept this, then you should leave them their valuable possession and beware the supplication of the oppressed for it is directly accepted by Allah” (al-Bukhari n.d.vol.2 Kitab az-Zakah chap 1:108).*

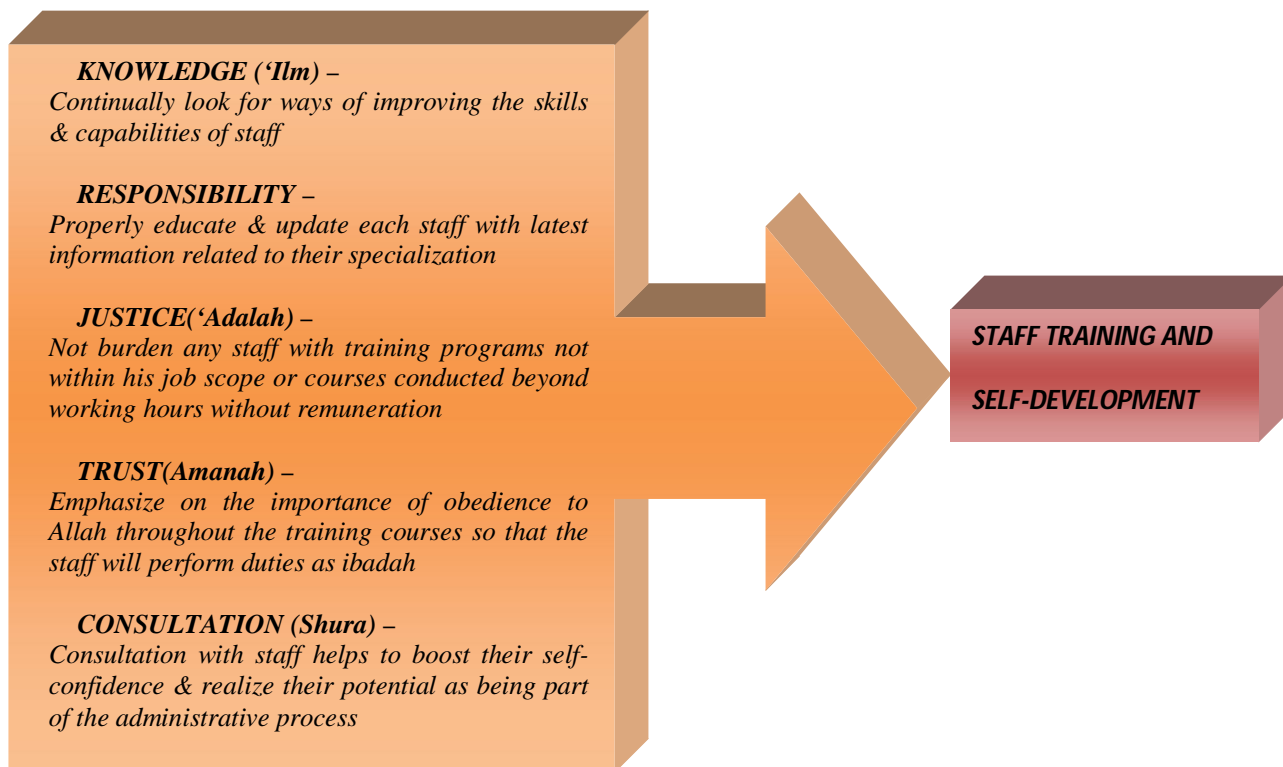
It is also apparent from this *Hadith* that organized and scientific method has been used by the Prophet (s.a.w) in training and preparing the companion for the task to be shouldered by them later. The Prophet (s.a.w) in his training also stressed the importance of being polite and firm in order to make them as a role model for *da’wah* (preaching of Islam to non-believer). In Islam, another means of individual training and development method which can also prepare them as representative, agent or delegation for the organization is via the engagement of *Shura* concept. The concept of *Shura* is highly recommended in the light of the following Quranic verse:

*“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. For Allah loves those who put their trust (in Him)”.*

(Ali-'Imran: 159)

*Shura* serves as another means of individual training and development method which can also prepare them as representative, agent or delegation for the organization due to the reason of their participation in the forum or meeting which consist of experience, skilled and knowledgeable individuals in the organization. When the under skilled and non-experience individual consult with the experience, skilled and knowledgeable one, this can add to their knowledge and skill while at the same time boost their morale and self-esteem and realize their potential as being part of the administrative process. The implications of basic principles of Islamic administration in the areas of Training and Development Practices can further be explained via the following diagram:

**Diagram 4:**



*(Modified from: Ali Mohammad Jubran Saleh, 2002)*

The above Diagram 4 clearly explains basic principles of Islamic administration which need to be applied and practised when it comes to Organization Staff Training and Self Development. The combination of all the principles would eventually assist the HRMD in their objective in producing the highly skilled and quality of staffs who indeed can add value towards the organization survival and success in future.

### **Conclusion**

The notion that Islam is a way of life has transcend accordingly to all generation since the demise of our Holy Prophet Muhammad (s.a.w) who has left this *Ummah* with the most precious things in the world i.e. Al-Qur'an and As-Sunnah. The two sources of reference for *Shariah* have laid down complete guidance for Muslim in every aspects of their life in this world and Hereafter. The divine guidance in the form of essential Islamic principles has covered all aspects of social, administration, economic, human, psychological, organizational, managerial, physical, ethical and spiritual. In terms of administration, Muslim has been bestowed upon (by Allah S.W.T via the two source of reference above) with complete principles of administration so as they can perform the task as vicegerent of Allah S.W.T effectively. These principles of Islamic administration has given three important messages to the whole entities in any organization namely, Employment is an *Amanah* (trust) on both the employer of labour and employee, A *Muslim* leader, manager or employees of any organization is distinguished from other

administrators by being Allah-conscious and Allah-fearing. All the duties and tasks are considered as *ibadah* which intended towards seeking Allah's pleasure; and Managerial practice based on *tawhidic* paradigm is the most important catalyst in guiding, controlling and managing both material and human resource for the betterment of entire humanity living in the cosmos, which would be rewarded by Allah S.W.T and leads to the eternal success (*al-falah*) in this world and Hereafter. On the final note, it can be said that indeed the Islamic principles of administration can give massive impact to the betterment of any organization, its leader, managers and employees for the life in this world and Hereafter.

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