NINE ISLAMIC MANAGEMENT PRACTICES AND HABITS IN ISLAMIC HISTORY: LESSONS FOR MANAGERS AND LEADERS

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ABSTRACT

Islam considers historical experiences to be one of the most important consideration in building a civilization. It is from the failures and successes of people in the past that we are able to construct a path to our future. This paper draws lessons from history for the benefits of modern leaders and managers. It extracts the experiences of Muslim leaders in Islamic history particularly, Caliph Ali ibn Abi Talib and Caliph Umar Al-Khattab, who as models of leadership were paragons of excellence. This study shows that efficient and effective governments in the past came about primarily due to the presence of quality leaders who were God-conscious individuals. These two leaders in Islamic history were good managers who administered the state with justice and tolerance. Their management systems were based on nine principles namely; adherence to the religious texts and praticing ijtihad, shared mission, mission and values, character building, putting the right people in the right place, permanence and dynamism, strong human relations, group consultation, controlling and justice and selective adaptation. These are attributes to be acquired by modern, contemporary leaders and managers. In fact they are also compatible with the management principles which have been elucidated in modern literature. What are more significant are the abilities of these great leaders to lead and manage success, which governments and organizations of today can learn from. It is clear from their experiences that employing the right people with strong moral character and a sense of accountability, and placing them in the right positions are management principles which present leaders can apply to create effective and efficient organization and governance. The lessons we have learnt from Ali ibn Abi Talib and Umar Al-Khattab are indeed indispensable and have been proven to solve practical problems similar to those confronted by today's leaders and managers.

Key Words: *Leadership and Management, Islamic History, Effective leader*

INTRODUCTION

Leadership and management are human activities. They are both the art and the skill of utilizing productive resources to achieve desired goals. However, what is more pertinent is the role of a leader as `one who leads' and `one who manages' to translate visions, directions and plans into effective actions. It is through history that we are able to know why certain leaders and management systems are effective and workable and others are not. There is no doubt that today we are confronted with the even more rapid and complex transformation of our present society. We are also seeing the emergence of new realities never before witnessed by societies in the past.

Islamic leadership principles are primarily derived from four key resources. The first is the Holy Quran, which contains guidelines on the spiritual, social, economic and political aspects of human life, faith, struggle, knowledge seeking, piety, charity and decision making. These are the key attributes and qualities that form the core of leadership principles. Second are the examples shown by the Holy Prophet, who is the greatest leader of all time and whose life, deeds, sayings and personal qualities provide valuable leadership lessons. Third are the wise Caliphs and fourth are the Pious followers.

Islam considers history indispensable in building a civilization. The contention that the complexities of present human societies bear no connection to the past and therefore we can disregard the existence of a continuum from the past to the present is a fallacy. The transformation which Islam created in the Muslim personalities of the past, the rulers, the merchants, the ordinary citizens and so forth was remarkable, especially among Muslims living during the glorious and golden age of Islam.

Islamic leadership requires leaders to possess excellent qualities or traits. These traits and qualities could be learnt from the habits of those effective leadership and principles underlying best management practices shown by the Holy Prophet and the wise Caliphs.

A leader should portray the kind of example expected of him or her. As outlined by Islam, those in authority have to be accountable. Apart from ensuring that the tasks are completed, leaders also have to ensure quality and recognize the limits of their subordinates' capabilities. Leaders should also show their appreciation of and give recognition to subordinates who work and perform diligently.

One of the main reasons why role models are effective is the fact that there is continuous contact between those who provide the example and those who emulate them. Secondly, because of the long periods of association, there is consistent and frequent reinforcement of similar patterns of behaviour eventually culminating into habits which become a permanent part of the character of a person. Thirdly, there is the respect that role models earn from those who consider them to be paragons of excellence and who constantly observe their positive attitudes, patience, achievements, influence and position. Leaders can earn respect from their subordinates through several means. They exemplify the necessary qualities of good leadership and they ensure that they properly execute the duties given to them efficiently and effectively.

Modern theories and body of knowledge in various disciplines have been built on the basis of the experiences and thoughts of earlier thinkers. It also true that the birth and survival of a civilization in the past is directly related to the strength of its administrative and management systems.

Management and leadership are as old as the earliest human civilization. Of course the nature and form of leadership and management systems throughout history have differed as societies have grown in complexity, new realities and challenges have appeared and the requirements for continuous survival have confronted man. However one obvious fact is that there are basic and eternal principles beyond spatial and temporal considerations that affect our well being. It is in the light of these human experiences and endeavours in building human civilizations and societies that Islamic society has some eternal and universal principles to offer. The abilities of Islamic personalities and leaders in the past to manage an expanding Islamic empire covering up to one third of the world and to withstand internal and external pressures for several centuries has attested to the outstanding performance and effectiveness of their leadership and management systems. One of the most important factors that contributed to the success of the early Islamic state in remaining unshaken for centuries was the establishment of an organized and dynamic system of management and leadership based on justice and mutual consultation.

ISLAMIC LEADERSHIP AND MANAGEMENT: A BRIEF HISTORY

The history of Islamic leadership and management began during the time of the Holy Prophet (peace be upon him) after the historic migration to Medina and the subsequent formation of Islamic society. An analysis of the experiences of the early Muslims in Mecca reveals that Islamic leadership and management practices were already in the formative stage, as exemplified by the Holy Prophet's plans

and strategies to organize and ensure the continuous survival and struggle of the Muslims in the face of bitter opposition. The ability to lead and manage what was initially a small group of Muslims and to bring them out of Mecca, despite the existence of life-threatening situations, and the eventual establishment of an Islamic community composed of a larger Muslim population living side by side with the Jews and the Christians in what is known as pluralistic community, is indeed an outstanding achievement. All of these situations and the battles that the Muslims participated in and won, despite on several occasions being out numbered, show high-level leadership and management skills and an art of war to be reckoned with. These successes provide several lessons for both present and future generations. Some of these Muslim leaders were known for managing success while others produced success stories by making turnarounds from instability to a level of excellence. This paper will focus on two of these great Muslim leaders of the past in whom temporal greatness was tied with the sacred.

NINE PRACTICES OF EFFECTIVE MUSLIM LEADERS

This study has identified nine habits and practices of the early Muslim leaders, particularly Umar Al-Khattab and Ali Ibn Abi Talib, in leading and managing effectively and efficiently the Islamic state, which we believe can be emulated by present leaders in all forms of organization. These early leaders are excellent models to be emulated for their leadership practices. They show a form of leadership which blends the highest potential of the rational mind, unwavering belief in God, the guidance of the religious texts and political power for public interest.

Adherence to the Religious Texts and Practicing Ijitihad

There is no doubt that the main reason for their success is their obedience to God and their adherence to the Quran and the Traditions of the Holy Prophet. Their clear understanding and method of approach to the religious texts became a precedent for other rulers and later jurists. Their leadership styles were indeed an extension of the principles and policies practised in the Medinan period by the Holy Prophet based on the prescribed injunctions in the Quran. However, they understood that with the change in places and conditions where new circumstances were being encountered and in view of the fact that the interests of the people were the basis of all laws, it was necessary that the legal interpretations should change with the change in times, places, conditions, intentions and customs.[5]

There is no doubt that after the death of the Holy Prophet, the two primary sources of Islamic Law were the Quran and the Traditions of the Holy Prophet. In the process of building and constructing an Islamic state based on public interest, new situations arose which necessitated and demanded the use of ijtihad. The Quranic text and the Traditions are the primary sources for the Shariah rules but in the absence of a text to be used and applied in the event of a new situation, recourse is made to opinion, and this approach goes back to the reasons behind the Shariah rules, the fulfillment of the interests of the people in their social life, and the abiding as closely as possible with absolute good to the dictates of justice and equity[6]

The recourse to ijitihad is not contrary to Islamic law as can obviously be seen from the following Traditions of the Holy Prophet:

(i)   I adjudicate among you by opinion in what has not been dealt with by revelation.
(ii)   The Holy Prophet is also reported to have told Ibn Masud `Give your rulings in accordance with the Quran and the Sunnah if such are available. If you do not find such provisions have recourse to your opinion and interpretation.

These instances of introducing new policies in order to manage the state and lead the people to achieve the common good have been well documented as facts in Islamic history. As observed by

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[5] S. Mahmassani, Falsafat Al-Tashri's fi al-Islam, translated by Farhat J. Ziadah, Penerbitan Hizbi, Malaysia, 1987, p. 107.
[6] Ibid. p. 84

Mahmassani `the caliphs did not hesitate to change the interpretation of rules embodied in the texts if the needs of Shariah policy or public interest required that such changes be affected[7]. These were the sources of Islamic law that governed the conduct of the state during the leadership of Umar Al-Khattab and Ali Ibn Abi Talib. In order words they managed the state in accordance with Islamic law, which is based on primary sources and secondary sources, particularly ijtihad. However, a word of caution is to be made here that the usage of ijitiad requires the proper understanding of the Quran and the Traditions of the Holy Prophet and the rules governing ijitihad, and the implementation of ijitihad is for public interest and not the interests of the few. This is to avoid the misuse of ijitihad to fulfill the self interest motives of unethical leaders and managers.

Shared Mission, Vision and Values

One of the most important things to be done in any organization is the giving of a clear direction by its leaders to their subordinates on the objectives of the organization and where it is heading. Without a shared mission and vision, it will be virtually impossible to become involved in team building, acquire cooperation from other members of the organization and minimize the flaws in the process of achieving the goals of the organization. Without a shared mission and vision, myriad problems arise which, at times, are difficult to handle. Once the shared mission and vision is implanted and internalized there will be cooperation, and a winning team or spirit de corps for the accomplishment of that mission and vision will be created.

Due to this, the Muslim leaders and managers of the past were concerned with ensuring that their subordinates clearly understood the purpose of their appointments and their ultimate mission and vision. They gave specific instructions to their officers, and their job assignments were clearly spelled out and some were written down for future reference. The letter Caliph Ali ibn Abi Talib sent to the newly appointed Governor of Egypt is a classic example. The letter gave instructions on the duties of a governor covering multidimensional areas such as personal morality, treatment of subordinates and the safeguarding of their welfare, the criteria of choosing an advisor, the appointment of judges, land administration, choosing the best people, principles governing trade, poverty eradication, leadership quality and peace agreements with the non-Muslims. He wrote:

> *"These are the commandments of Ali to Malik ibn al-Ashtar upon his nomination as ruler of Egypt, to collect its taxes, to seek the welfare of its people and the rehabilitation of its land. He orders him to fear God… You should always refer to precedents of fair judgments, virtuous tradition, or examples from the life of the Prophet, peace be upon him, or stipulation in the Qu'ran, and follow our example in adhering to them… Verily we are to return to Him.[8]*

The second Caliph Umar Al – Khatab also did the same thing. Once he addressed his officials in a public meeting as follows:

> *"Remember, I have not appointed you as commanders and tyrants over the people. I have sent you as leaders instead, so that people may follow your example. Give the Muslims their rights".[9]*

Such directions are indeed pertinent and beneficial in order to ensure that our subordinates or those who have been assigned to perform certain tasks have a sense of shared mission and accomplish their assignments diligently with a sense of satisfaction. In fact, these leaders were also clear about the administrative and organizational structure required to enable them to mobilize the available human resources and organize them for the purpose of achieving the goals of the state. A good leader must continuously strive to provide the best example for all his subordinates. His first task is to outline the mission, his last is to say thank you and in between these two, he has to define realities[10]

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[7] Ibid. p. 127

[8] Letter to Malik Al-Harith from Ali ibn Abi Talib, available both in English (translation) and Malay (translation) by Nor Azmah Shehidah.

[9] Nu'mani Shibli, Shamsul, `*Omar The Great'*, Muhammad Ashraf, Lahore, 1975, p. 18

[10] Syed Othman AlHabshi et. Al, 'Islamic Managaement for Excellence' INMIND,1998, p.253

Character Building

One important lesson that we can learn from these early Muslims is that their successes were due to the fact that they were God–conscious individuals who were committed to ensuring that directions and policies were translated into action with minimal inconsistencies. Thus, their accountability was not solely to their leaders, who were not always there to ensure that they performed their duties, but to God Who had created them and Who is All-Knowing

Thus, it is clear that in order for any organization or government to succeed, character building must be the main criterion otherwise it will fail, as is evident from the history of human civilization. In Malaysia, it has been highlighted that in addition to the existing ISO 9001 syariah requirements, the user of the standard should be able to enhance the level of effectiveness and efficiency through the practice of universal good conduct at all levels of the organization[11].

The change for the better must begin from within man. This is in consonance with the idea propounded by some modern management gurus that "the change must come from within." It is relevant to quote one of the verses of the Holy Qur'an:

> *"God will not change the condition of a people until they change it themselves"*
> *(Surah al-Ra'd 13:11)*

We need individuals, whether they happen to be workers or managers, who have a strong character and high moral integrity to be able to take an organization or government along its desired path. This was the reason why Islamic leaders in the past reiterated in their instructions to their officers to obey God and persist in obedience to Him, restrain their desires and not follow their passions. They were constantly advised to refrain from doing what is not right and to be fair in administering justice in all circumstances. In actual fact, the leaders were the role models for the people and thus were justified in exercising firmness so as to ensure that the implementation of state policies would not create discrepancies with regards to the goals that had been established.

As a consequence of their consistent moral attitudes and behavior the leaders were able to establish administrative and management systems based on trust and sound principles. A leader has to treat the position and power he holds as being one of custodial power. Therefore, the holder has to serve the community and act according to spiritual principles. Such leaders consider the responsibility of managing public funds not as an opportunity which entitles them to attain power and wealth but as a means to serve God. It is relevant to quote one of the verses of the Holy Qur'an:

> *"If any of you deposits a thing on trust with another, the trustee should (faithfully) discharge his trust, and let him fear his Lord."*
> *[Al-Baqarah (2) : 283]*

This stance is portrayed in the following words of Umar Al-Khatab:

> *"He said: I have no greater right on your money than the guardian of an orphan has on the latter's property. If I am wealthy, I shall not take anything. If I am needy, I shall take for my maintenance according to usage. You men, you have many rights on me, which you should demand of me. One of those rights is that I should not collect revenues and spoils of war that come to my possession should not be spent unlawfully; another is that I should increase you stipends and protect the frontiers and that I should not cast you into unnecessary perils"[12]*

Due to the importance of having good and morally upright leaders, Ali Ibn Talib gave specific instruction to his governors to be involved in spiritual and self-improvement programmes.

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[11] Ahmad Sarji Abdul Hamid, 'Islamic Perspectives on Management: What we need to know and why'.
 AIM Asian Business Conference, 1 March 2007.
[12] Ibid, pp21-22

"He orders him to fear God and persist in obedience to Him, to follow what he has ordered in His Book: the obligations and recommendations which are the only source of happiness for those who follows them, and the cause of misery for those who deny and neglect them. He also orders him to serve God in all sincerity in his heart, deeds and talk. God almighty has promised to support him and to give those who fight for him the upper hand over their enemies. He further orders him to restrain himself from following his passions, and to control the excessiveness of his soul, since man's soul often leads him astray unless God's mercy keeps him away from evil."[13]

Thus, a comprehensive form of training and education which involves the spiritual, mental and physical dimensions covering areas of leadership, skills, good work ethics, motivation, spiritual and self-improvement programmes at both the theoretical and practical levels, is necessary for an organization to build a pool of quality human resources. Through enforcement and "reward and punishment" methods, we can gradually create individuals who can become assets to the organization. Character building produces courageous and morally strong individuals who are prepared to face all circumstances, even an uphill battle, and who are willing to `walk an extra mile' to solve problems.

Putting the Right People in the Right Place

Based on the administrative practices of the early Muslims, it is evident that they were concerned about putting the right people in the right job. They were particularly worried about the possibility of favouritism creeping into the government machinery. Ali ibn Abi Talib wrote:

"Do not nominate them (officers) on account of favoritism or egoism. These two attributes reflect injustice and treachery."[14]

In the case of civil officers, these were chosen based on two factors; trustworthiness and honesty, as well as having an excellent track record. What made the leaders paragons of excellence was that they were very consistent in choosing officers based on these factors despite having to face resentment. Only when the criteria were not followed, political and social upheavals began to appear.

There are instances which attest that the early leaders of the Muslims actually terminated the position of governorship of many individuals who were not able to work as expected. They did this in view of the great responsibility they had to bear and the trust given to them by the Muslim community. Thus, it is our contention based on the practices of these early Muslims, that in order to create a winning team, the policy of "hire and fire" should be applied without "fear or favour" after all possible alternatives, options and compensations have been considered. In this era of fierce competition, maintaining an unproductive worker or employee is an unnecessary burden and cost to a business organization.

In essence, these leaders acted in accordance with the Islamic legal maxim which states that "Public interest supersedes private interest." What was pertinent to them was to ensure that members of the public were not victimized and unjustly acted upon by incapable or dishonest administrators.

Ali ibn Abi Talib wrote:

"Have a good look into the situation of your administration. And choose their best men for your service. Entrust your confidential correspondence to those who are known for their good manners and noble character, who would not betray you in public or in private, and who would not, through negligence, delay the submission of the messages you receive from your officials or fail to send prompt responses to them in all honest and thoroughness."[15]

A strong and capable team will be created when the members of that team are placed properly based on their potential and commitment, without which there will be no cooperation or harmonious relations

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[13] Letter to Malik ibn al-Harith.
[14] Ibid
[15] Ibid.

in the group, which in turn will lead to deterioration in morale and finally a drop in productivity and quality.

In relation to the principle of putting the right people in the right place, two institutions, IKIM and SIRIM in Malaysia have developed the MS 1900:2005 Quality management system requirement from the Islamic perspective. It is basically the Islamic version of MS ISO 9001:2000 and has the aim of ensuring that organizations are managed in accordance with the principles and practice of the quality management system from the Islamic perspective. It has to be syariah compliant which requires the appointment of a syariah qualified person who is accountable to monitor and ensure syariah is observed and continuously practised in the management of the organization according to the Syariah Advisory Committee's advice.

Permanence and Dynamism

It is also a documented fact, based on the practices of the early Muslims, that the improvements and innovations in the management systems that they introduced were an on-going process. Despite the various adjustments that they had to make as they went through the change and development continuously occurring in the simple but gradually more complex Medinan society, these Muslim leaders and managers of early Islamic society were constantly aware of the indispensable need to preserve their Islamic identity and culture.

A lesson that we can derive here, and which has made us more concerned in recent years than ever before, is the need to maintain a certain value-system as part of the inseparable and integrated corporate culture. It is this value-system that gives an organization its sense of identity and provides the impetus for the long run survival of that organization. It gives the strength to move on despite the tremendous challenge that awaits it. More than that, it provides the members of the organization with values to hold on to as they work to become one winning team. With a value system, the ultimate goal will be clearer for everyone, other considerations are just means, and we will be surprised to see that the areas for disagreement will be very much reduced. We will be able to work for a common cause despite the existence of disagreements. A culture of "unity in diversity" is indeed necessary. The Holy Prophet of Islam once said: "Disagreement among my people is a blessing," We should compromise on the existence of differences of opinion in some cases in our organizations but we should never compromise on morality and the fundamental principles because they are the basic ingredients for the long-term survival of an organization. A leader loses his or her credibility once immorality prevails without firm action to hinder it.

In order to confront new and challenging realities, we need dynamic organizations that are easily adjustable and adaptable. To be flexible means to be able to absorb new experiences and new technologies that can enhance the growth and development of the business entity compatible with the concept of a learning organization.

Historical facts have attested to the innovative and dynamic character of the leadership of the early Muslims. 'Umar al-Khatab, for example, introduced a clear administrative structure with clear goals, which was broad enough to allow for change in accordance with the incorporation of new ideas and human experiences. He introduced a decentralized approach to the administration of the state, reformation in the agricultural sector, in the political system, military and educational system.

But we have to be cautious in using the phrase "Nothing is constant in my organization except change." A true spirit of cooperation with sincerity as its basis will not live in such an environment. In such an environment, the self-interest motive replaces sincerity, opportunistic tendencies replace sacrifices, immorality and indecency replace morality, dishonesty replaces truthfulness, laziness and lack of team spirit replace cooperation, productive and high quality work and imitation replaces ingenuity and innovation.

The management systems of the early Muslims were built based on the elements of permanence and change. Similarly, present and future leadership and management systems have to be rectified based on these two elements if they are to remain efficient and effective. In any situation there has to be a balance between two extremes. Leadership has to work within these two extremes. Leaders have to be firm in some cases and in others they have to allow for flexibility.

Leaders, managers and their subordinates have to have a balanced personality - a good leader, manager or worker in the workplace and a good father or mother, husband or wife at home, who organizes his/ her family as effectively as heshe does in the workplace and vice versa. If he/she feels firmness is necessary to build a stable family then he/she has to practise the same principles at his/her workplace.

Building Human Relations

Despite the existence of an environment of firmness in the application of the rules relating to proper human conduct in the early Islamic state, a situation conducive for proper human relations between the superiors and their bottom-line was built. The leaders and managers of the state were committed to ensuring that guidelines on proper human relations were personally conveyed to the top administrative officers, and various checking mechanisms were established to see to it they were not transgressed. The administrative system was made to be transparent, and an open-style leadership and management system was established for honest interpersonal dealings to ensure an environment of trust and stability between all parties involved, especially the Head of the State and the Governors of the various provinces, as well as between the Governors and the people.

One important lesson we can extract from this concerns the reason behind the minimal inconsistencies in the application of the rules governing human relations. One of the reasons for their success is that they were all aware and conscious of the religious demands for the establishment of justice and fair dealings with others even with the non-Muslims. The non-Muslims who were appointed to hold important positions were also at ease in working with their Muslim leaders due to their clear awareness of the existence of workable mechanisms, at the state level, ensuring their welfare and rights were safeguarded and also due to their personal experiences with Muslims in the past.

The second reason for the success is due to the leaders' clear understanding of the natural needs of man, which are dual in nature and which require the satisfaction of not only his spiritual but also his material demands. Thus, it is not surprising that they introduced a satisfactory remuneration system as a mechanism to reward their administrative officers. In order for the administrative system to function effectively and efficiently, material incentives to motivate and provide an environment for mental contentment for the officers were considered as pertinent and indispensable. Conflicts and problems that arose in those days were resolved by the leaders based on their understanding of the Holy Qur'an and the Traditions of the Holy Prophet. However, when solutions were not available in both the Holy Qur'an and the Tradition, due to the existence of new problems, they were directed by the Holy Prophet to resort to their reasoning.

The rights and obligations of employers and employees in Islam as prescribed in the Traditions of the Holy Prophet and the Qur'an are precise. Only through the implementation of these rights and obligations can justice and cooperation prevail, and proper human relations based on mutual respect and trust, which will bring about an improvement and excellence in quality and productivity, be established. It is important to take note that the relationship has to be two-way. It is insufficient that only the leaders or managers of an organization perform their obligation towards their subordinates, while their subordinates ignore their obligations towards their leaders. In the modern world there are some individuals who are only concerned about their own ego and self-interest at the expense of the organization in which they are working. Thus, a Muslim is rational according to the Islamic precepts as long as he abides by these religious obligations. The leaders and managers of the Islamic State or "the Khulafa' as-Rashidin" in the early days of Islamic history were implementers of these general principles.

Ali ibn Abi Talib, gave specific instructions to his officers on the importance of human relations.

On human relations, he wrote:

> *"Be kind and affectionate to your subjects…Observe God's right and people's right in own behaviour and in that of your close relatives, your employees and those who have access to you. Otherwise you will not be fair.*[167]

On the remuneration scheme for the judges, he wrote:

> *"Give them decent remuneration. That will give them the power to resist temptation…"*[17]

There are numerous Traditions of the Holy Prophet emphasizing human relations in the working environment. From these Traditions, principles were derived which were then applied by the early Muslims. In one of the Traditions, the Holy Prophet said:

> *"Those working under you are your brothers. Those who serve you have been made by God subservient to you."*

In another tradition, which describes the responsibility of the employees towards their employers, the Holy Prophet said:

> *"Three kinds of people shall get double rewards. One of them is the worker, who is discharging his responsibilities towards his master and serving God well."*

If a two-way relation is established which requires a change in attitude of the leaders, managers and workers, and the above principles are imbued and permeate at all levels of an organization, it will become a motivating force for people to be involved in and committed to quality and productivity enhancement.

Management systems practised by the early Muslims emphasized the importance of managing people and taking care of their needs and problems. Leaders should have that personal touch in order to earn the respect and trust of their subordinates. Ali ibn Abi Talib wrote in his letter in reference to the administration of land as follows:

> *"Administer the land and its workers in an efficient manner. Their prosperity will reflect on the community at large, and the community will not prosper without them…If there are complaints stemming from exhaustion or sicknesses…give them your utmost attention in order to remove the cause of complaint, alleviate the burden, and improve the lot of the people."*[18]

In solving the problems of our subordinates, we should not wholly depend on our assistant whom we have entrusted because, in Islam, ultimately it is the leader who is accountable. The leaders themselves should take the initiative to resolve problems. It is not surprising to read what Ali ibn Abi Talib wrote to the Governor of Egypt:

> *"Then there are certain affairs that you yourself should undertake directly, such as replying to your assistant in matters that cannot be left to your secretariat, and responding to those needs of the people which your assistants are unable to meet. Plan your work daily, because every day comes with new concerns."*[19]

Again a personal touch was recommended to solve problems. In fact leadership and management is basically about managing people, managing their problems and managing their potential. Thus, it is logical that if we can manage people properly, any management system will not be as complex as the ones we see today. They are complex because we are dealing with all sorts of people. Details of the policies of the organization have to be spelled out in order to deal with fraud and other dishonest dealings. A leader should not only delegate efficiently but he must also be concerned with

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[16] Ibid

[17] Ibid
[18] Ibid
[19] Ibid

effectiveness, which comes from allowing everyone to reach their potential. Leaders must develop, express and defend civility and values. Muslims are supposed to work together towards a common goal and put their individual interests and motives aside.

In relation to this principle as it was practised by Caliph Umar and Ali ibn Abi Talib, Latifi (1997), in a study of traditional and modern Islamic texts, identified certain work-related characteristics - equality before God, individual responsibility within a framework of co-operation with others, a view that people in positions of power should treat subordinates kindly, as if their subordinates are their brothers or sisters, fatalism but also a recognition of personal choice; and encouragement of consultation at all levels of decision making, from family to the wider community, to the country as a whole. Islam emphasizes that the nature of relationships among people is egalitarian, and, further, co-operation, patience, and family-like relationships among people will encourage teamwork and mutual support within an organization and care for the community outside it.[20]

Decision Making Process Based on Consultation and Empowerment

Another important lesson from the early years of the Islamic state concerns the prevailing democratic process used to solve problems and make decisions. It was not in the hands of autocratic leaders who made decisions based on their whims and desires. Most of the decisions were made after going through open discussion and debate. In other circumstances, the opinions of experts were sought and decisions were made via consultation with those who were highly regarded for their wisdom and experiences.

Both leaders used the Holy Quran and the Sunnah as guidance in leading and managing people and the state. Islam encourages discussion and consultation at all levels before a decision is made especially when it affects many people either internal or external to the organization. As stated in the Holy Quran, leaders have been given clear instructions to consult subordinates in their affairs. Among other things, managing affairs through "mutual consultation" or syura is described as one of the characteristics of righteous people.

> *"Those who hearken to their Lord, and establish regular prayer, who conduct their affairs by mutual consultation, who spend out of what We have bestowed upon them for sustenance".*
> *(Holy Quran 42:38)*

Through this verse, we are reminded that consultation is a type of conduct which is as important for Muslims as prayers, meaning that a society or an organization which does not consider consultation important in the decision making process cannot be considered to be true believers.
Islam urges leaders to consult their followers in the running of their affairs and to translate this practice into the workplace. In other words, it means creating a culture of consultative decision-making process and a fairly diffused power structure. When an organization instills the qualities of self-discipline, trustworthiness, honesty, decisiveness, loyalty, and self-control among its members, it should encourage the managers and leaders to trust their subordinates' judgments and integrity, which in turn leads to a participative management style.

The early Muslims practised "participative management". The involvement from below is a necessary condition for the creation of a stable and strong organization. In order to create a strong team, the team members should feel that they belong to a team and this happens when they see that either the decisions made have taken into consideration their views or enough mechanisms are available for them to express their concerns.

This condition of consultation was further enhanced by the early leaders' perception that their rights were at par with those of the other citizens. Thus, citizens had the right to express their opinion even on matters relating to the conduct of the state. They would not hesitate to make the necessary changes for the better, even if it meant adopting the opinions of their subordinates.

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[20]Monir Tayeb. 'Islamic Revival in Asia and Human Resource Management'. Emerald library, *http://emeraldinsight.com.* 19 Dec 2007 p.3

It is through open discussion and consultation that we can get the involvement and commitment of the members of an organization or citizens of a state to enhance development and productivity. It is also through this that we will be able to gradually improve the relations between leaders and subordinates, a problem that cannot be solved only through wishful thinking. Strong teamwork is pertinent in producing a strong and viable organization. However, it also necessary to be clear ourselves that open discussion and consultation will not be of any use when what we have available in our pool of human resources are self-centered and insincere individuals.

During his reign, Caliph Umar al-Khattab laid the foundation for a democratic system of administration. One of the most vital steps that he took was to establish what was known as the Consultative Assembly.

> *"Whenever an important question came up for decision, the assembly was called and no decision was made without free debate and without the consent of the majority."[21]*

In fact in certain affairs of the state the appointments of provisional governors and district officers were made with the approval of the people. In some instances, for the appointment of revenue officers, orders were sent by Umar that the people should select a person whom they considered to be the most honest and capable. For example, a very close companion of the Holy Prophet, Saad bin Abi Waqqas was dismissed as governor of Kufah when the people complained.

Umar's politico-economic system and administration, which used the decentralization approach, is a clear example of empowering people. It shows the trust that he had in his officers to perform the directives that he had outlined for them. Furthermore, he was confident of the various controlling mechanisms that were available to ensure the continuous commitment of his officers, including the controlling power of the people.

Controlling

Despite the fact that Umar and Ali appointed honest officers and employees to run the administration of the state, controlling was still carried out in order to ensure that the stage of implementing what had been planned had minimal defects. They were conscious of the existence of human weaknesses at the implementation stage and, in order to ensure that these would not be a hindrance to achieving the desired goals, controlling was carried out.

Abuse of power, corruption, lack of administrative ability and other forms of defects were checked using various means.

One of the means of controlling was through a compulsory declaration of the wealth owned by an officer or employee appointed to a particular position. If there was any unusual increase in the financial position of the officer, he would be called upon for questioning. This mechanism was introduced by the second Caliph Umar Al-Khattab during his administration of the Islamic State.[13]

Another means which was employed in those days was the establishment of a special assembly in which the officers and employees of the state assembled, attended by their subordinates and others, in the presence of the state leaders. In this assembly, grievances and complaints about the conduct of these officers were heard so that strict action could be taken against those who were found to have abused the power given to them. A special committee was formed to look into cases that required further investigation.

Thus, it is clear that controlling in this sense is indispensable in all forms of organization and leadership in order to bridge the gap between what we plan and what we acquire at the end of the day.

Ali ibn Abi Talib wrote:

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[21] Nu'man, Shibli, Shamsul, p. 16

> *"Monitor the behaviour of your assistants and use them only after probation. Monitor their performance and use for this purpose people who are known for their truthfulness and loyalty. Your discreet monitoring of their work will ensure that they remain honest and considerate to their subject."[22]*

The institution of al-Hisba played a dominant role as a controlling mechanism especially in implementing the "rules of the game" in the market to see to it that there were no transgressors. The purpose of the Hisba was to control the market place for the purpose of the public interest. Hisba is a mechanism which fulfills the conditions of economic freedom but which is not unlimited, in order to restrict different trades and activities in the market place which are found to be injurious to public interest. In this approach to economic management, freedom of economic enterprise does require control to prevent harm being done. This means that in management an organization requires the implementation of the "no-harm" principle to ensure that the general welfare is safeguarded.

This is compatible with one of the Traditions of the Holy Prophet that says, "There should be neither harming nor reciprocating harm." Thus control is necessary to prevent harm to oneself, to the organization and to the environment from occurring.

Model of Justice, Tolerance and Selective Adaptation

The administration of the early Muslims is a model with respect to justice, tolerance and fair-dealing despite their concern for the propagation of Islam. They were receptive to human experiences in management and administrative practices including those of the non-Muslims. During the early days of Islam, there was no systematic management of the State's financial resources. The second Caliph of Islam, Umar al-Khattab started a regular department of finance called Diwan in the manner of the Kings of Syria which contained information about income and expenditure and census reports of people for the purpose of distribution of allowances of revenues.

This economic institution is illustrative of the administrative genius of Umar in coping with the rapid progress occurring during his rule. In one instance he ordered his lieutenants to convert the agricultural systems of the Persians and Romans almost in their entirety but with the abolition of absentee-landlordism, which was alien to the Islamic politico-economic system. In this sense he practised selective adaptation in managing the state by Islamizing the systems that he had acquired elsewhere to ensure their compatibility with Islamic principles.

Today's leaders also acknowledge the importance of this selective adaptation, as it embraces new knowledge and new thinking. Our Deputy Prime Minister, Dato' Seri Mohd Najib says that although `younger leaders may lack the experience and wisdom, they compensate with creativity and their willingness to learn and to accept new ideas. We need new thinking and innovation in order to meet the challenge of a highly competitive globalized world.'[23]

The experiences of the Jews and the Christians under the treatment of the Roman and Persian Empires in the past, leaves a black mark not only in their history but also in the history of humanity - causing misery and suffering never to be forgotten by the Jews and Christians even today. They were not given property rights in the lands they tilled and in some circumstances they were treated like a kind of property.

However, with the advent of Islam the status of these people underwent a tremendous change and they were treated as being equal to the Muslims. Not only did the Muslim leaders restore their rightful status as citizens of the state, in certain matters they held consultations with the non-Muslims, especially concerning their welfare.

During the time of 'Umar Al-Khattab, the task of recording the collection and disbursement of revenues in Iraq, Syria and Egypt was done by the non-Muslims, which portrays a spirit of tolerance and

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[22] Ibid. p. 33-34
[23] Dato' Seri Mohd Najib Abdul Razak, Leadership and Globalisation, Management, Malaysian Institute of Management, 2006, p. 8.

cooperation. This attitude of his is further exemplified by the treatment that he gave to the rebellious Jews of Khaibar and Christians of Najran who, despite being expelled due to political necessity, were given fair compensation for the lands that they had to leave behind.

In the matter of civil rights, these leaders made no distinction between Muslims and non-Muslims and equal regard was paid to the honour and self-respect of the non-Muslims. The Muslim leaders of the past showed in practice what the words of God in the Holy Qur'an have mentioned and what the Holy Prophet said in his Traditions. This was definitely the reason for their success.

These leaders were concerned with the value system which provides the standards and principles that guide the practices of people in an organization. These effective leaders encouraged contrary opinions, had a certain level of maturity in the sense of self- worth, sense of belonging, a sense of expectancy, a sense of responsibility, a sense of accountability and a sense of equality.

Table 1: 9

Principles of Islamic Management and Leadership

Principle no. 1	Shared Mission, Vision and Values	a. Clear and specific directions from the leaders to the subordinates. b. Internalization of shared mission, vision and values in an organization is an indicator of good leadership. c. This approach can result in cooperation, spirit de corps and job satisfaction among members of the organization. d. Clear goals can enable leaders and managers to gauge what has been achieved and learn from failures.
Principle no. 2	Adherence to Religious Texts and Practising Ijtihad	a. For Muslims, leading and managing an organization should be guided by the religious texts which seek to protect public interest. b. They are principle-centred leaders who do not sacrifice their values for their own self-interests c. New circumstances also require the proper use of ijtihad not for self interest but the common good. d. Leaders who require ijitihad in making decisions and policies should be aware of the rules in the utilization of ijtihad.
Principle no. 3	Character Building	a. God conscious and sincere leaders are required to translate vision into action b. It also requires leaders with a strong sense of accountability to

		God and to the organization
		c. Leaders should focus on programmes that can instil values and ethics so that effective change can come from within the individuals
		d. Leaders, managers and subordinates with strong moral characters, leadership qualities and personal and group accountability will enhance the productivity of the organization
		e. Leaders should walk the talk.
Principle no. 4	**Putting the Right People in the Right Place**	a. Leaders should manage people by appointing the right people for the right job.
		b. Appointment should be based on the criteria of trustworthiness, honesty and ability to perform.
		c. Putting the wrong people in a particular job can lead to negative consequences to the organization
		d. Favouritism, discrimination and conflict of interests are detrimental to an organization.
		e. A non performer whether a leader, manager or subordinate within the organization should be advised and appropriate action should be taken.
		f. People with moral integrity and good work ethics should be hired.
Principle no. 5	**Permanence and Dynamism**	a. Managing an organization should be based on continuous change and growth.
		b. Although change is inevitable but the core purpose and values should remain the identity of the organization.
		c. With the presence of a permanent value system, unity in diversity due to a common purpose can be preserved to achieve the desired goals.
		d. Change must come from within the individuals and must begin from the leaders themselves.
Principle no. 6	**Building Human Relations and a Strong Team**	a. Tasks will be done effectively and efficiently when there are strong bonds between the leaders and their subordinates.
		b. Leaders who are concerned with the welfare of their subordinates will be close to the hearts of their subordinates.

		c. Leaders will gain respect when they are close to the hearts of their subordinates
		d. Leaders and subordinates must know their rights and obligations to their organization.
		e. Leaders can inspire their subordinates through compassion, kindness, leadership by example and personal touch
		f. The outcome of strong relations between leaders, managers and subordinates is a continuous growth of the organization and retention of the best staff.
Principle no. 7	**Decision Making Process through Consultation and Empowerment**	a. Leaders need to create a democratic process of decision making and solve problems. b. It will create a strong sense of belonging, commitment and loyalty to the organization. c. It creates leaders who are good listeners, humble and responsive to new ideas from the subordinates. d. It prevents a dictatorial leadership style which is destructive to the organization e. Constructive ideas from people below can reach the people above f. It strengthens employer-employee relations, which is indispensable for stability and staff retention.
Principle no. 8	**Controlling**	a. Although leaders and subordinates are selected based on their honesty and capability to do a particular job, human nature and weaknesses are unavoidable. b. Leaders, managers and subordinates have to be constantly monitored and controlled through internal and external mechanism to minimize the gap between what is desired and what is actually achieved. c. Islam considers self control as more effective than other forms of controlling mechanism set up by the organization. d. An unethical person can find ways to circumvent policies, regulations, procedures and processes to achieve their selfish motives.

		e. What is required is to develop ethical and God conscious leaders, managers and subordinates with leaders showing the paragon of excellence and a model for others to follow.
Principle no. 9	**Tolerance, Justice and Selective Adaptation**	a. Leaders should not misuse their power and authority to practice injustice and unfairness. b. Differences of opinion should be tolerated as long as it is within the boundaries of Islam. c. Discriminatory practices in an organization in terms of gender, race, religion and colour is not permissible in Islam as they demoralize those affected and negatively influence their quality of work and productivity. d. Leaders should learn from the experience of their predecessors and others and adopt the selective adaptation approach in order to implement a holistic, practical and viable management system and leadership style.

CONCLUSION

It is indeed worthwhile to apply these lessons on leadership to the present context since useful principles and values concerning administration and management can be extracted from them. These principles and values have been tested before and have proven to be useful in solving some of the difficult problems confronting organizations and governments today. The experiences of these two Muslim leaders from the past who successfully performed their roles as managers of the state highlight one important ingredient for the corporate sector to consider – the power of managing people – and it is not just managing human resources in terms of their potential and skills but more importantly, it is managing the human self. Managing the human self means focusing on personal development through understanding the basic and fundamental issues and their goals, in order to enhance the good potential of man, as well as on the application of religious values and change in attitudes and perception towards a higher level of morality and accountability.

Similarly, Islam emphasizes the building of a good personality as a prerequisite for excellence in the worldly life and the hereafter. Good personalities will possess a good work culture, as depicted in the documented facts of the experiences of the early Muslims. There are various kinds of motivation that are necessary for success that are not necessarily acquired solely through material incentives. At times, knowledge of the ultimate goal in life and sharing and internalizing the vision of an organization will become the motivating factors for the creation of leaders and workers who are self-sacrificing, innovative and dedicated to worldly material pursuits and organizational goals with the clear intention of building and protecting the society in which they live. Islam also stresses professionalism with respect to human relations in the working environment. However, it should not be to the extent of not introducing proper correction, which would be to the detriment of the organization as a whole. It is due to this, that Muslims leaders in the past were concerned with hiring employees with strong moral integrity and who possessed good work ethics, and they themselves played a significant role in

portraying exemplary behaviour and took the initiative to instill good values in the hearts and minds of their subordinates. Muslim leaders in the past were aware that good character, being knowledgeable and competent are the qualities required of a worker in order to ensure that a task be done effectively and efficiently.

Personal emotions and favouritism should not be the yardstick by which to make organizational decisions. Again lessons from Islamic history have attested to this. The future lies in organizations that manage people –leaders, managers and their subordinates who have been transformed into selfless and god-conscious individuals, feeling accountable to God and to the organization for the position entrusted to them, resulting in higher productivity and improved quality of work.

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