Periscoping Western Management Theories through the Lens of Islamic Ethical Principles

Yusuf Adebola Bamigboye

*Abstract---*Management, which may be described as the act of getting things done through and with people has such a pervasive influence on human beings that it manifests in any form of human co-existence in all ramifications. Renowned western authors have propounded many management theories from the advent of machine age. Islam, through the precepts of Prophet Muhammad in the first Muslim State of Madinah is, however, believed to have also established management theories and principles. This paper attempts to highlight the management theories propounded by various management schools of thought in the West, examines Islamic principles of management as laid down and practiced by Prophet Muhammad and his followers, and makes a comparative analysis of both. It concludes by asserting that a good match of western and Islamic management principles without disturbing specific regional and cultural contexts in which management is practiced will be best from age to age.

*Keywords----*Western management, ethical principle*, theories, ummah, sunnah*

I. INTRODUCTION

MANAGEMENT, like any other social science concept, has received the attention of many authors. It has therefore been defined in many ways, but for the purpose of this paper, we will be convenient with the definition of Taylor, who described management as "the act of planning coordinating, directing and controlling the activities of a group towards the effective and efficient achievement of set goals and objectives". Management, in its pervasive nature, influences all forms of human groupings. The advent of machine age in the western world led to the propounding of several management theories some of which will be examined in this paper.

Islam, being a complete code of life and not only a religion, has laid a solid foundation for management quite a long time ago, through its message bearer, Muhammad (peace be upon him) who is considered as one of the acclaimed originators of management system via his establishment of the first Muslim State in Madinah . This paper presents the submissions of various management schools of thought. It then brings forth, principles of Islamic management as laid down and practiced by Prophet Muhammad (peace be upon him). A comparative analysis is then made between the western and Islamic management styles. This is followed by a conclusion.

II. MANAGEMENT THEORIES AND PRINCIPLES

As a result of the intervention of machines in the daily life of people in the wake of the 20th century which was prompted by massive population increase the world over and rapid economic growth, modern concepts of management were evolved by Western thinkers and philosophers. Some prominent ones among them are briefly presented in the ensuing paragraphs.

Management Theories

i. The Scientific Management Theory: In formulating the first systematic theory of organization, Fredrick Winslow Taylor (1856-1915) in his famous work, *Principles and Methods of Scientific Management* opined that the major goal of Scientific Management was to raise industrial output in industrial establishments [3]. The major principles of scientific management according to him are: standardization of work methods; scientific selection and training of workers; equal division of work between management, staff and mutual collaboration of workers and management.

ii. The Classical Theories: This theory has seven proponents. On the fore-front however was Henry Fayol (1841-1925). The classical management theory has its most important concern on the formulation of certain universal principles of organization which deal with formal organization structure. The theory, which assumes that there are certain fundamental principles on the basis of which an organization can be established to achieve a specific objective, has efficiency and economy as its watch words [4]. The most important contribution of this school is that its theory instilled a sense of purpose and increased co-ordination of administration operations and by specification of roles, brought more creditability and stability into organization behavior.

iii. The Human Relations Theory: The Hawthorne experiments carried out in the United States of America by Elton Mayo and his colleagues of the Harvard Business School in the late 20's and early 30's of the twentieth century has been the greatest single contribution to the Human Relations Theory [5]. The essence of this theory lies in its primary emphasis on human beings, psychological motivations and informal group behavior in contribution to the structuralist exclusive concern for principles of organization. The Human Relations School carried out various experiments in the Western Electric Company at Hawthorne in USA which proved that men

Yusuf Adeola Bamigboye is an Assistant Lecturer of Islamic Studies in the Department of Islamic, Christian and Comparative Religious Studies, Kwara State University, Malete, Kwara State, Nigeria (+2348033833323; alhajiyusubamigboye@yahoo.com).

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are not atomistic or voluntaristic creatures, but are motivated by a variety of factors and are influenced by their social environment. The school concludes that for a realistic analysis of workers' behavior, all the factors motivating them have to be studied [6].

iv. The Bureaucratic Theory: Karl Max and Max Weber are the two most outstanding contributors whose models continue to be dominating public administration in the modern society [7]. Bureaucracy is an administration system operated by a large number of officials usually leading to delay in getting things done and raising complaints from the public. The universal spirit of bureaucracy is the secret, the mystery sustained within bureaucracy itself by hierarchy and maintained outside as a closed corporation. So authority is the principle of its knowledge.

Management Principles

Management, in carrying out her functions of planning, organizing, leading, directing, staffing and controlling, make use of statements of fundamental truth based on logic which in turn, provide guidelines for managerial decision making. Henry Fayol, whose theory of management is considered to be foremost, enunciated basic concepts and principles of management and viewed management as a teachable theory. Research has revealed that many of Fayol's famous fourteen principles of management have close lineage with the teachings of Islam. The fourteen principles propounded by Henry Fayol are:

i. Division of Work: This principle signifies the concept that specialization increases the output and productivity, which in turn helps in making the employees more efficient and fruitful.

ii. Authority and Responsibility: This principle stipulates that commensurate authority should be given to responsibility during delegation for effective performance of delegated duties.

iii. Unity of Command: This provides that a subordinate should receive orders from, and be accountable to one and only one superior at a time

iv. Unity of Direction: This is an extension of unity of command. This principle will pave way for unity of action and prevent role clash.

v. Equity: which means contribution towards the organizational growth and dealing with employees on the platform of fairness, kindness and justice is advocated by Henry Fayol to be allowed to reign in the home setting or business environment.

vi. Order: This principle is concerned with proper and systematic arrangement of men and materials in the work place for better achievement of goals.

vii. Discipline: Fayol describes discipline as sincerity, obedience, respect of authority and observance of rules and regulations of the enterprise or family setting.

viii. Initiative: This refers to eagerness on the part of employees, to initiate positive actions without being asked to do so.

ix. Fair Remuneration: As far as practicable, workers' remuneration should be satisfactory, both to employers and employees.

x. Stability of Tenure: Fayol maintained that employees should not be moved frequently from one job position to another. This, according to him, is because time is required for an employee to get used to a new work and succeed in doing it well, but if he is removed before that, he may not be able to render worthwhile services.

xi. Scalar Chain: This is the proposition that all orders, instructions, messages, requests and explanations should pass through the chain of superiors ranging from top to the lowest to remove the risk of buck-passing.

xii. Subordination of Individuals to General Interest: This provides that interests of the organization or undertaking should prevail in all circumstances since the organization is much bigger than the individuals.

xiii. Centralization and Decentralization: Fayol suggested that absolute centralization or decentralization is not feasible, so an organization should strive to strike a balance between the two for better performance.

xiv. Espirit-De-Corps: This indicates harmony, team spirit and mutual understanding among the work-group members which combine to inspire them to work harder. Henry Fayol cautioned managers against causing division among employees into competing groups as it might damage workers' morale and interest of the organization in future.

III. ISLAMIC MANAGEMENT PRINCIPLES

Human beings in the view of Islam are trustees on earth and their activities are acts of worship; therefore, work is an act of worship. It is not only important for oneself, the value of the work is to utilize and enjoy the bounties of God for the benefit of oneself and the community [8]. Work ethics in Islam are therefore related to striving for perfection, seeking rewards in life and the life hereafter and exerting efforts without excess. Whatever task a Muslim performs is carried out with the intention of worshipping God, earning a suitable income and living a good and respectable life. It is in this doctrine of seeing work as a social, economic and religious duty for every Muslim who is able to work and that humans are trustees of God on earth that employer- employee relations are based and management is conducted in Islam.

The principles of Islamic Management can be traced back to the time of Prophet Muhammad when he laid down the foundation of an Islamic society. Those principles were administered by the *shura*- a group of his companions for consultation. Although, as a Prophet, his companions were supposed to obey him without questioning, Prophet Muhammad created a conducive environment of consultation and participation [9]. It is pertinent to mention that the *shura* or council comprised of honest and pious members. As Islam spread to other regions of the world, the administration turned to be complicated and other non-members also became part of it [10]. It is significant to note that the holy Qur'an and sayings of Prophet Muhammad are the sources of guidance for the principle of management and work ethics. The two sources clearly speak on the significance of justice, honesty and

fairness in employer-employee relationship. Besides, they encourage and stress on the learning of skills and struggle for good work to benefit the community as well. Islam firmly believes about consultation and co-operation at work [11].

As far as the practice of human resource management is concerned, there are many values and norms that managers should adhere to in Islam. Values such as trustworthiness, responsibility, sincerity, discipline, dedication, diligence, cleanliness, co-operation, good conduct, gratitude and moderation guide by which human resources are managed. All these principles have bases in the Qur'an and the practice of Prophet Muhammad. The main principles of an Islamic management system with significant implications for the practice of human resource management as explained in the work of Abuznaid [12] and Mohamed Branine [13] are as follows:

A. Sincerity of intention ('Ikhlas)

In Islam, every act should be accompanied by sincere intention. The Prophet Muhammad is reported to have said: "actions are to be judged according to intention and a person will be rewarded or punished accordingly". Man is endowed with free-will and is therefore responsible for changes in the society. The Qur'an states: "God does not change the condition of a nation unless it changes what is in its heart" (Q.13:11). The implication of this principle in Human Resource Management is that employees should not, for example be punished for making unintentional mistakes and should be rewarded or punished for their intended objectives, ideas, plans and strategies rather than just for the outcomes of their actions which may be affected by external factors beyond their control.

Equally, sincerity and keeping promises are important principles of Islamic management. People should fulfil their moral obligations with sincerity and keep promises. The Qur'an states: "O you who believe! Fulfil all obligations (Q.5:1). Sincerity infuses a culture of trust and confidence, truthfulness and co-operation among managers and subordinates in the work place.

B. God consciousness/Goodness (Taqwa/'Ihsan)

Taqwa is a kind of check and balance on an employer or employee who considers him/ herself accountable to Almighty Allah for his/her wrong actions. It is a self accountable characteristic which shapes the behavior of an individual, either a manager or a subordinate, in a way that he/she honestly performs his/her duties and accomplishes tasks assigned to him/her without being tele-guided.

Managers can perform their tasks related to subordinate aptly with high level of Goodness ('Ihsan) such as training and development; behavior with employees and their involvement in the job. Goodness ('Ihsan) in workplace is encouraging employees to participate in decision making.

C. Justice ('Adl)

Justice is a quality everyone should develop irrespective of his gender and level of employment. The Qur'an, about justice states: "O you who believe! stand out firmly for God as witness to fair dealing and let not the hatred of others to you swerve you to wing and depart from justice" (Q.5:8).

D. Trust ('Amanah) and Trustfulness (Sidq)

Trust is the core value of operating a social relationship and by this everyone is accountable for his actions and deed. By trust, consultation and delegation of authority can be accomplished. An organization can be a trust for its owner and employees. Regarding trust, the holy Qur'an says: "O you who belief! Neither betray the trust of God and the apostle nor misappropriate knowingly things entrusted to you" (Q.8:27). The centre of effective management is honesty and trustworthiness. By trust, resources cannot be misused; hence, everyone would perform his/ her job with responsibility. The holy Qur'an on many occasions abhors lying. Managers, leaders, owners and subordinates should be truthful and not be guided by their personal will or feelings. They should perform their duties with honesty and trustworthiness.

E. Consciousness of Self-improvement ('Itqan)

This value implies the continuous struggle within oneself for self-betterment in order to do better work. Striving to do better all the time requires human beings to work harder and improve the quality of their products and services through the learning of new knowledge and skills. A statement of the Prophet has it that what Allah expects of a Muslim is that whenever he embarks on a project, he should do it diligently [14].

F. Consultation (Shura) and Patience (Sabr)

A Muslim leader should work by seeking the suggestions of his subordinates through consultations. He or she should not adopt autocratic style of management. The Holy Qur'an making reference to the early Muslims states: "Their matters are settled through shura among them" (Q.42:38). The principle of shura is an important concept of Islamic management which guides managers to relate with their subordinates with equality and justice. At the organizational level, patience and humility go hand in hand. Being patient in making decision reduces the possibility of making mistakes and increasing the chances of success in negotiations. Patience is the highest level of belief. The holy Qur'an enjoins Muslims about patience when it says: "O you who believe! Perseverance in patience and constancy; vie in such perseverance; strengthen each other; and fear God; that you may prosper" (Q.3:200).

IV. WESTERN AND ISLAMIC MANAGEMENT STYLES: A COMPARISON

It would be realized based on the various examinations made in the foregoing discussions that there are areas of similarities and dissimilarities between Western and Islamic Management Systems. Indeed, we find Justifications for some of the principles given by Fayol in the Qur'an and practice of the Prophet; and that goes to show some form of relatedness between the two systems. For instance, to Henri Fayol division of work signifies the concept that specialization increased the output and productivity, which in turn helps in making the employees more efficient and fruitful. A Qur'anic injunction that corroborates Fayol's principle of division of work reads thus:

…no person is charged with more than his capacity. No mother should be harmed through her child; and upon no father through his child; and upon the father's heir is a duty like that of the father; and if they both desire weaning through mutual consent from both of them and consultation, there is no blame upon either of them (Q.2:233).

The quoted Qur'ānic verse clarifies the fact that the physical and intellectual ability of individuals are limited and varied; work within the family fold could therefore be shared on the basis of individual talents for greater efficiency.

Also, on unity of command, Fayol opines that it provides that a subordinate should receive orders from and be accountable to one and only one superior at all time. This principle finds support in Islamic Management and the Qur'an thus: "If there were, in heavens and the earth other gods besides God, there would have been confusion in both…" (Q.21:22).

As for the principle of equity, Fayol equates it to contribution towards organizational growth and dealing with employees on the platform of fairness, kindness and justice. He advocated that this principle should be allowed to reign in the home and in business environment. A prophetic tradition that relates to Fayol's principle of equity has it that: "Allah does not take pity on one who does not have it for others" [15].

Fayol's view on centralization and decentralization suggested that absolute centralization is not feasible. An organization should therefore strive to strike a balance between the two for better performance. In Islamic Management Principle, Allah ordered Prophet Muhammad in the Qur'an to consult with his followers in all affairs when He says: "so Passover their faults and ask for God's forgiveness for them and consult them in affairs" (Q.3:159). Finally, Fayol's opinion on Espirit-De-Corps is that it indicates harmony, team spirit and mutual understanding among the work-group members which combine to inspire them to work harder. He warned managers against causing division among employees into competing groups as it might damage workers morale and interest of the organization in future. God, in Islamic Management Thought, commanded Prophet Muhammad in the Qur'an: "…if you had been fierce of heart, they (the companions and followers of the Prophet) would have disappeared from around you, so pardon them and ask forgiveness for them… (Q.3:159).

It is however instructive to note that the above similarities between the western and Islamic management systems notwithstanding, there exists a major sharp difference. While the Islamic management system premises its principle on divine sources namely, the Qur'an and precepts of Prophet Muhammad, the Western management theories and principles have human reason as their main fount.

V. CONCLUSION

Among the modern Western philosophers of management, Henri Fayol's fourteen principles of management which were propounded in the twentieth century have been found to bear very close resemblance with the Islamic principles of management stated in the Qur'an and practice of Prophet Muhammad 1400 years ago. This goes to confirm the fact that Islam has conveyed the contemporary principles of management to entire mankind ever before the existence of what the modern Western philosophers called management.

Also, unlike the modern western thinkers' philosophies and concepts where technical and material objectives are important, Islamic management system comprises of principles derived from the Qur'an and precepts of Prophet Muhammad. Its principles and management approach are based on religious and moral dimensions which are not stimulated by material objectives. Employer-employee relationship is purely based on religious dictates and governed by divine injunctions.

The Islamic management system, having its source from divine origin, is free from mundane human manipulations. The Islamic Management System offers a more stable and permanent solution to modern management problems. On a final analysis therefore, it may be a safe spot of conclusion to assert that in the context of thoughts and theories in management studies, the Islamic views need to be studied and examined to strengthen the subject of contemporary management studies.

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