

FACULTY OF BUSINESS

Nurturing professionals with high moral and ethical values.



Islamic Management

Lecture 4

The Concept

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ISLAMIC MANAGEMENT CONCEPT

Learning objective:

- ❑ To understand the function of human as a successor,
- ❑ To understand the Islamic Management practice during the glorious Islam
- ❑ To understand the Islamic Management practice during the glorious Islam vs today.

ISLAMIC MANAGEMENT CONCEPT

- ❑ The concept of replacement/succession
(الاستخلاف)
- ❑ Islamic management model:
 - Management of Rasul PBUH.
 - Management during the Islamic Caliphates.
- ❑ Islam and modern management.

The concept of replacement/Succession (الاستخلاف)

Surat An Nur 24 : 55

55. Allah has promised those who have believed among you and done righteous deeds that **He will surely grant them succession [to authority]** upon the earth just as He granted it to those before them and that He will surely establish for them [therein] their religion which He has preferred for them and that He will surely substitute for them, after their fear, security, [for] they worship Me, not associating anything with Me. But whoever disbelieves after that - then those are the defiantly disobedient.

The concept of replacement/Succession (الاستخلاف)

Surat An Nur 24 : 55

55. Allah menjanjikan orang-orang yang beriman dan beramal soleh dari kalangan kamu (wahai umat Muhammad) bahawa **Ia akan menjadikan mereka khalifah-khalifah yang memegang kuasa pemerintahan di bumi**, sebagaimana Ia telah menjadikan orang-orang yang sebelum mereka: khalifah-khalifah yang berkuasa; dan Ia akan menguatkan dan mengembangkan ugama mereka (ugama Islam) yang telah diredhaiNya untuk mereka; dan Ia juga akan menggantikan bagi mereka keamanan setelah mereka mengalami ketakutan (dari ancaman musuh). Mereka terus beribadat kepadaKu dengan tidak mempersekutukan sesuatu yang lain denganKu. Dan (ingatlah) sesiapa yang kufur ingkar sesudah itu, maka mereka itulah orang-orang yang derhaka.

The concept of replacement/Succession (الاستخلاف)

- ❑ It is stated in the Quran in more than one place that ownership of everything belongs to Allah, since The Almighty is The Dominion (سلطان).
- ❑ However, He has put mankind in charge of worldly property and provided them with it and has given them the right to use it.
- ❑ Succession (استخلاف) is based on the Quranic notion that Allah (SWT) created humankind and every individual to be a vicegerent, a deputy in use of property that belongs to The Creator.

The concept of replacement/Succession (الاستخلاف)

- ❑ To us Muslims, when the concept that “Allah is the owner” settles in a man’s heart, be he a producer or a consumer, he feels honoured and grateful that some of Allah wealth has been put in his trust.
- ❑ A man is then inclined to acknowledge Allah’s right to define for him the proper limits for the enjoyment and the appropriate extent of use of wealth.
- ❑ He also acknowledges Allah’s right to designate other individuals or the community as the rightful claimants to share that wealth.

The concept of replacement/Succession (الاستخلاف)

- ❑ It is stated in the Quran:
 - ❑ “Believe in God and His messenger and expend of that unto which He has made you trustees. And those of you who believes and expand shall have a mighty wage” (Al-Hadid 57:7).
- ❑ Out of this concept of trustship follows unique Islamic moral, political and economic principles for social and individual life.
- ❑ There is nothing in the concept of succession that goes against the desire for fulfilment of material needs, nor that it is an appeal to shun worldly pleasures.

The concept of replacement/Succession (الاستخلاف)

- ❑ On the contrary, those material needs has been so explicitly recognized by Shari'ah. Suffice it to say that a Muslim dying for defending his material wealth is recognized in Shari'ah as martyr.
- ❑ The concept of Succession (استخلاف) is the foundation of the principles of Islamic economic system, and the ideal underpinning of the economic behavior of individuals in an Islamic society.

The concept of replacement/Succession (الاستخلاف)

Surat An Nur 24 : 56

56. And establish prayer and give the poor-due and obey the Messenger - that you may receive mercy.

(Dirikanlah solat dan tunaikan zakat dan taatilah Rasul, moga-moga kamu mendapat Rahmat.)

- ❑ This verse describes three essential conditions for the fulfilment of the promise mentioned in the previous verse (55)
 1. Observe prayer.
 2. Give alms to the poor (زكاة)
 3. Be obedient to the Messenger.

The concept of replacement/Succession (الاستخلاف)

- ❑ Out of the concept of succession (الاستخلاف) emanates the individual's responsibility towards the rest of the society, be it in the form of tithe (زكاة) which is compulsory, or alms (صدقة) which is voluntary, but may become obligatory when rest of society is in need.
- ❑ These obligations stem from the fact that the wealth at hand is actually owned by Allah and holder only deputized to use it.
- ❑ Another outcome of the succession (الاستخلاف) concept is apparent in the Islamic laws of inheritance.

The concept of replacement/Succession (الاستخلاف)

- ❑ We heard about a wealthy individual leaving all his wealth to a museum at the determinant of his immediate family and children.
- ❑ In the Islamic system, because an individual is only vicegerent, he has the right to enjoy wealth only during his life time. Ownership of a deceased goes back to the original owner who is Allah. Hence it must be distributed in the way prescribed by the real owner. These are the Shari'ah law of inheritance.
- ❑ The deceased has no right to dispose anything outside the prescribed inheritors, except a will of no more than $\frac{1}{3}$ and even that only to a benevolent purpose defined by the law giver who is Allah.

Management Function and Manager's Role

Islamic perspective of leadership traits are clearly mentioned in the Holy Book, Surah An-Naml (21). It also portrays the functions and roles of managers:



Knowledge

An-Naml (27) Verse 15

We gave (in the past) knowledge to David and Solomon: And they both said: "Praise be to God, Who has favored us above many of his servants who believe!"

(Dan sesungguhnya Kami telah memberi ilmu kepada Daud dan Sulaiman; dan keduanya mengucapkan: "Segala puji bagi Allah yang melebihkan kami dari kebanyakan hamba-hambanya yang beriman".)

Knowledge



An-Naml (27) verse 16

And Solomon inherited David. He said: "O ye people! We have been taught the speech of birds, and on us has been bestowed (a little) of a

(Dan Sulaiman telah mewarisi Daud, dan dia berkata: "Wahai Manusia, kami telah diberi pengertian tentang suara burung dan kami diberi segala sesuatu. Sesungguhnya (semua) ini benar-benar suatu kurnia yang nyata".)

Organizational Structure.



An-Naml (27) Verse 17

And before Solomon were marshaled his hosts,- of Jinns and men and birds, and they were all kept in order and ranks.

(Dan dihimpunkan untuk Sulaiman tentaranya dari jin, manusia dan burung lalu mereka itu diatur dengan tertib (dalam barisan.)

**Thank You
&
Wassalam**

