

Business Management Theories in light of the Holy Qur'an

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ABSTRACT

In the Holy Qur'an there are thousands of things which have thrown light on the significance of science, philosophy, economics, astronomy and so on. This study shows a relevance of business management theories from the Holy Qur'an perspective.

Keywords : Management theories, JIT, Optimum capacity utilization, Quality management system.

Introduction

Achievement and prosperity is the result of commitment to a certain principles, and are not based on coincidence and fate. Those Principles should be readily available to make reality, universally applicable to socio-economic and political systems. The Holy Quran is capable to provide independent and universal principles which are capable of building a man competent enough to achieve his potential either through own business or as an employee. This study attempts to show the linkage of the teachings of the Holy Quran with the contemporary business management theories.

Concept of Management

Management today is defined as getting things done through others.' Following this concept, a Manager is now understood as the person who works through others. A good manager, therefore, is a person who not only knows what is to be done but exactly how to get it done. The Holy Quran confirms: "We raise some of them above others in ranks, so that some may command work from others" (43:32)

This verse of the Holy Quran reveals in a nutshell as to why God raised some people over others in ranks, so that they can get work done through them. This verse (43:32) encompasses the entire philosophy and wisdom of modern management. It emphasizes, in essence, the creation of appropriate hierarchies and the division of responsibilities subject to individual capabilities. It basically implies the creation of organizational charts from the top management to the lower management.

Kaizen: The Management Practice Against Inefficiency

Kaizen is a Japanese word which means continuous improvement. To implement Kaizen, the management continuously seeks to identify areas where wastage is being done. Once identified, they then set out to analyze the problem, suggest a solution, plan its implementation, implement it, and finally reviews the change for success or failure. This is not as easy as implementation of Kaizen sometimes lead to minor or major changes in the system which are not always welcomed, and are resisted by the stakeholders of the status quo environment. Therefore, the management then also has to struggle against the resistance and make the change acceptable by different means.

The Holy Quran says "You who believe Have fear of Allah and seek the means of drawing near to Him, and strive in His Way, so that hopefully you will be successful"[5:35].

A believer must also strive to eliminate any wastage around him, at home, workplace, or in society even when faced with resistance. A very common example would be to control the use of water, food, and electricity according to the needs. Wastage of resources such as material in the workplace, man-hours, machine-hours, human potential, and time should also be minimized. While hundred percent elimination is not possible we should still try to get as close to it as possible, and this can only be achieved through continuous struggle (Jihad). Continuous striving to the excellence is the only way available to achieve minimum possible wastage or maximum

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possible efficiency, which is nothing but Jihad in Arabic.

Just-in-Time (JIT) System for Inventory Management

The concept of Just-in-Time which was invented by Toyota has revolutionized the Inventory Management Systems in the manufacturing organizations throughout the world. It is based on the golden principle of keeping only that much amount of inventory that is needed and that too in continuous movement in order to avoid in-process buffer inventory as much as possible until it is completely transformed into the finished goods.

The Holy Quran instructs mankind that they should spend on himself only as much as he needs and to give away the excess in the way of Allah. "They ask thee how much they are to spend in the way of Allah Say: What is beyond your needs." (2:219). "The men on the heights will call to certain men, whom they will know from their marks, saying: Of what profit to you were your hoards and your arrogant ways" (10:58). What the Holy Quran intends as a whole is to create a specific mindset, or a worldview. Once, this mindset or the worldview is created, these rules automatically become a part of a lifestyle and ceases to be a task. As a result a believing businessman will never accumulate large amount of inventories as prescribed by the economics of scale' philosophy because it will go against his ingrained core beliefs. He will know that accumulation of inventories (wealth) to gain economic benefits by deterring the forces of demand and supply is discouraged by the Holy Quran in 9:34, and so will refrain from doing such a thing. "O ye who believe Those who bury gold and silver and spend it not in the way of Allah" [9:34], announce unto them a most grievous penalty.' JIT was pioneered by Toyota and it is an important part of Toyota Production System (TPS). Toyota believed that accumulation of inventory of any kind, be beginning, in-process, or finished goods, is a kind of wastage in the form of Material Holding Cost which is being added during the time material is kept idle within the premises of the manufacturing facility.

Japanese Five 'S' Process (Seiri, Seiton, Seiso, Seiketsu, Shitsuke)

Seiri-(Tidiness-Dispose of all unrelated and useless materials and items): The first step of the 5-S' process, Seiri, refers to the act of discarding all unwanted,

unnecessary, and unrelated materials from any place of concern. It could be the workplace or home or even a town. The idea is to ensure that everything left is of use only. Even the number of necessary items must be kept to its absolute minimum.

The Holy Quran instructs: "They ask thee how much they are to spend in the way of Allah; Say what is beyond your needs." [2:219] the added advantages of discarding unnecessary materials from any place is that it simplifies task, makes effective use of space, and that it helps the careful purchase of items needed. It also helps the person to increase his efficiency at home and at work as he has to handle items and maintain them with minimum wastage of time and energy.

Seiton-(Orderliness- Set everything in proper place for quick retrieval and storage): A mindset of a believer evolves after learning, implementing, and benefiting from Seiri' towards Seiton, or orderliness, which is all about efficiency. This golden principle relates with putting everything in an assigned place so that it can be accessed or retrieved quickly, as well as returned to that same place without delays. The logic is that if everyone has quick access to an item or material, workflow becomes efficient and less time is wasted in locating it.

Seiso-(Clean the workplace): everyone should be a janitor. Seiso consists of cleaning up the workplace and giving it shine.' Cleaning must be done by everyone in the organization, from operators to managers.

The Holy Quran understands the importance of cleanliness and instructs its believers to keep themselves clean at all times, and sets about to describe how this can best be achieved. The entire system of Salat (Prayer) is a perfect example and an exercise to ensure that believer obey and follow this golden rule at least five times a day, every day, throughout their lives. A believer offers his Salat in a Masjid behind an Imam. He first performs ablution which not only purifies him physically but also spiritually. He then stands shoulder-to-shoulder with his brothers irrespective of any social and economic status behind an Imam, and follows his instructions. Similar should be the scenario in a workplace as well where everyone should feel responsible to work passionately (worship in Salat), respect each other (stand shoulder to- shoulder), keep his surroundings clean (ablution and cleanliness of Masjid), and follow the instructions of their superiors (Imam) without any resistance or laziness. Needless to

say, it is a perfect system.

Seiketsu (Standardization- Standardize the way of maintaining cleanliness): The fourth step of 5-S is Seiketsu which more or less translates into 'standardized clean-up.' What it consists of is definition of standards against which people must measure and maintain cleanliness. Seiketsu encompasses both personal and environmental cleanliness. Visual management is an important ingredient of Seiketsu.

The Holy Quran also provides us with a standardized yet very comprehensive set of rules to obtain and maintain cleanliness at all physical, emotional, intellectual, and spiritual levels. One such standard is the five-time obligatory Salat which is also considered as the Pillar of Islam. Another is ablution, the standards of which are clearly stated in Islamic Fiqh. How the state of intellectual and spiritual cleanliness is achieved and maintained is a very comprehensive subject in Islam.

Shitsuke (Discipline daily makes it a way of life; this also means commitment): The last step of 5-S is Shitsuke which literally means Discipline.' This golden rule denotes commitment to maintain orderliness and to practice the first 4 S's as a way of life. The emphasis of Shitsuke is on the elimination of bad habits and constant practice of good ones. Once a person achieves the state of Shitsuke, cleanliness and orderliness is then voluntarily and at times subconsciously observed at all time, without the need of reminders or motivation. Shitsuke is the most evolved state of mind that incorporates all the previous golden rules. It is too obvious for any rational mind to conclude how natural it should be for a believer to have this state of mind.

Optimum Capacity Utilization

The following verse from the Holy Quran reveals another golden rule that a businessman should learn from and practice in his daily life. No soul shall have a burden laid on it greater than it can bear [2:233] "On no soul doth Allah place a burden greater than it can bear (Pray) Our Lord! Lay not on us a burden greater than we have strength to bear"[2:286]. This principle is emphasizing on the fact that physical, emotional, and intellectual capacity of an individual is limited and not exhaustive. Additionally, since every person is unique in his talents and temperament, and in his skills, it is important not to burden someone with a task that is beyond his scope to deal with it. This

is an important principle of modern business management. If we add another verse to the above mentioned ones, we will come across a set of very comprehensive principles for business management and personal life.

- "And the Firmament has He raised high, and He has set up the Balance (of Justice), in order that ye may not transgress (due) balance. So establish weight with justice and fall not short in the balance" [55:7-9].
- "For the wasteful are the brothers of Satan; and Satan is ungrateful to his Lord"[17:27].
- "O Children of Adam Wear your beautiful apparel at every time and place of prayer: eat and drink: But waste not by excess, for Allah loveth not the wasters"[7:31].

Quality Management System

A business cannot flourish in the long run if it doesn't give its customer what it promises to. Being a customer it is easy to understand this but for a business it is usually not. The main focus of a businessman is to make profits and not necessarily to satisfy the customer. This has been realized the hard way by the western organizations that customer satisfaction is vital for their survival and growth. So, in order to achieve the highest levels of customer satisfaction, they have put in considerable amount of research on the concept what is now known as Quality Management Systems including its various tools and methodologies such as the Six-Sigma and TQM. The same golden rule has mentioned in the Holy Quran.

The Holy Quran Commands:

- "And come not nigh to the orphan's property, except to improve it, until he attain the age of full strength; give measure and weight with (full) justice ;- no burden do We place on any soul, but that which it can bear;-whenever ye speak, speak justly, even if a near relative is concerned; and fulfil the covenant of Allah. Thus doth He command you that ye may remember" [6:152]
- "Give just measure and weight, nor withhold from the people the things that are their due ; and do no mischief on the earth after it has been set in order: that will be best for you, if ye have Faith."(7:85).

- "O my people! Worship Allah. Ye have no other god but Him. And give not short measure or weight : I see you in prosperity, but I fear for you the penalty of a day that will compass (you) all round. ? And O my people! give just measure and weight, nor withhold from the people the things that are their due : commit not evil in the land with intent to do mischief." [11:84-85]
- "Give full measure when ye measure, and weigh with a balance that is straight: that is the most fitting and the most advantageous in the final determination". [17:35]
- "Give just measure, and cause no loss (to others by fraud). And weigh with scales true and upright." [26:181-182]
- And the Firmament has He raised high, and He has set up the Balance (of Justice), In order that ye may not transgress (due) balance. So establish weight with justice and fall not short in the balance. [55:7-9]
- Woe to those that deal in fraud,- Those who, when they have to receive by measure from men, exact full measure, But when they have to give by measure or weight to men, give less than due. Do they not think that they will be called to account?' [83:1-3]

For a believing businessman, there is no alternative but to satisfy his customer, even if the market and economic forces are making it difficult for him to do so. It is his obligation to God that he resists these forces and struggle and strive (wage Jihad) to fulfil the above-mentioned commandments, even if he has to compromise on some profit or put up some extra effort (up to his capacity). For him, profit is only a means' to keep his business alive and to satisfy his customer. The wisdom behind the golden rule is that the welfare and well being of the customers and the society is far more important than the profitability of a single entrepreneur. Yes, by preferring customers over profit, a business will reduce its income in the short-term but will surely improve its sustainability in the long run.

Obedience & Respect for Authority

Obedience and respect for authority is the basic fundamental requisite for taking work from others and getting it done. Working through people actually presupposes the willingness of people to obey. It is therefore necessary for those people who are given the

job to complete a task to obey all legal and reasonable orders and perform it responsibly, as Holy Quran instructs: "Obey Allah and His Messenger and those in position of authority among you" [4:59]. This verse is a commandment and not a plea. To be a good believer, it is incumbent upon the believer to observe the ruling with willingness and honesty. When this spirit of voluntary obedience is instilled in the mind of an employee, the scope of the hierarchy as envisaged by the verse is strengthened [43:32]. Needless to say, without the spirit of voluntary obedience among those who work, the creation of hierarchy will not serve any purpose.

Joint Consultation and Team-Work

The modern world realized the importance of joint consultation (Shura) and team-work when the Japanese based its management style on it and proved to the world of its effectiveness. The Holy Quran advocates this concept: [42:83] ...and those who do their work through mutual consultation.' [3:159] pass over (their faults), and ask for (God's) forgiveness for them; and consult them in affairs (of moment) Then, when you have taken a decision put your trust in God, for God loves those who put their trust (in Him).'

Principle of Equal Opportunities

The principle of equal opportunities postulates that all members of an organization shall have equal and fair chances to grow, contribute, and be rewarded accordingly. The Holy Quran emphasises this golden rule: [49:13] O people We created you from a single male and female couple and then divided you in nations and tribes so that you may recognize one another. Verily the most honorable among you in the sight of Allah is he who is most righteous of you.' Our beloved Prophet Muhammad (PBUH) expounded the verse for us on the occasion of Hajat-ul-Widaa, in the following words: In the light of this Quranic verse no Arab has any superiority over a non-Arab nor does any non-Arab have any superiority over an Arab. Neither black is superior to white nor white is superior to black. Of course, if there is any criterion of superiority and respectability in the sight of Allah, it is Taqwa (righteousness). These words suggest that despite the fact that we are all equal, human beings can excel over one another in certain aspects of life. One such aspect could be in terms of righteousness. There can be no better pattern for equal opportunities than the one

spelled out by the above Quranic Ayat. In the realm of management, it would mean that the criteria for entitlement to any benefit, reward, position, or status shall be such that any one having requisite qualifications and experience should have equal opportunity to achieve it. This will obviously go a long way towards maintaining the requisite degree of harmony in the work environment conducive to the smooth working of the management process

Motivation and Commitment

Making people what they are supposed to do requires a certain degree of commitment which can only be achieved through motivation. It is an established fact that the way a manager behaves or deals with the subordinates determines the level and vitality of their motivation and commitment to a great extent. The Holy Quran too speaks about this golden rule: [3:159] (telling the Prophet) If you had been stern and fierce of heart they (the companions and followers) would have disappeared from around you. So pardon them and ask forgiveness for them and consult them in the conduct of affairs' This beautiful ayat emphasizes upon two aspects: one, that compassionate and sympathetic behavior towards companions and followers, and second, the adoption of participatory approach when dealing with them i.e. consulting them, is the most effective way of

management. If this golden rule is not observed then they will disappear from you' i.e. they won't pay attention nor any interest in you or what your work entails. Both these golden rules play vital role in the motivation of subordinates and inculcating in them the spirit of commitment and passion for work.

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