A Model of Ethical Management in Organisations: An Analysis of al-Ghazali's Theory of Management

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ABSTRACT

Ethical management is a crucial component of any organisation. While Western scholars have extensively explored the theory of ethical management in organisations, there have been limited contributions from Islamic scholars, serving as a major guideline. This article aims to shed light on al-Ghazali's perspective on organisational management theory. According to al Ghazali, ethical management within an organisation entails a fundamental principle: placing the concept of Tawhid at the forefront. This means ensuring that the organisation's actions and decisions are aligned with the unity and oneness of God. Next, the organisation should focus on implementing the four main aspects of management: planning (al-Takhtit), organisation (al-Tanzim), supervision (al-Wiqayah) and leadership (al-Qiyadah). Incorporating these practices can significantly impact the overall culture of the organisation, promoting an ethical and harmonious environment by making religion as the foundation.

Key words: *al-Ghazali, Ethical management model, Islamic management, Organisation theory.*

Modern organisational management strategies recognise the importance of ethical organisational management models, particularly in guiding the direction and progress of the organisation. The leader or supervisor plays a critical role in formulating and introducing the organisation's mission and vision in line with its operational needs. Therefore, it is crucial for the leader or supervisor to practice an ethical management model during the organisation's strategic planning process, emphasising ethical principles from the outset (Taylan 2018; Ridzuan 2012).

In today's conventional approach to organisational management, practices such as monetary rewards, appreciation, and promotion are commonly employed (Omar S. H. S et al. 2018). However, in Islamic management, the foundation lies in Allah as the Almighty God, who

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governs the universe and its creatures. The responsibility of managing and administering the world was then entrusted to Prophet Adam, as the first human and caliph, and his descendants continued the legacy of human management and administration. The Prophet Muhammad SAW. further perfected this legacy, establishing various aspects of management and administration, including expanding the Islamic territory, spreading Islam, establishing Islamic law and the charter of Medina, building mosques and Islamic cities, and many more (Ridzuan 2012). The management and administration of the Prophet Muhammad were carried on by his companions during the Khulafa al-Rashidin period (632-661 AD), followed by the Ummayad kingdom (661-749 AD), the Bani Abbasid (750-1258 AD), and the Fatimid kingdom (909-1149 AD). The Ottoman Turkish government (1290-1924 AD) also played a significant role in this tradition (Ahmad 2002; al Buraey 1992; Mohd Faizal 2009).

The administration and management of Islam are crucial aspects that should be integrated into human social life, especially within the Islamic faith. The significance of ethical Islamic management and administration lies in the fact that their outcomes are comprehensive and holistic in nature. (Tubagus et al. 2015). To delve deeper into this topic, this article explores a model for ethical management and administration in organisations that is based on al-Ghazali's perspective. Al-Ghazali's theory on the ethical aspects of administration and management is specifically selected for this study because it incorporates Islamic principles and his individual viewpoints. Through an examination of al-Ghazali's literary works, this study highlights the ethical management models that he outlines for organisations. As a result, this article formulates an ethical management model for organisations that is grounded in al-Ghazali's perspective. This model can serve as a practical methodology or guide for managing organisations in an ethical manner.

Al-Ghazali and the Concept of Tawhid in the Management System

Abu Hamid Muhammad bin Muhammad, also known as al-Ghazali, was born in 450 AH/1058 CE in the small town of Ghazaleh in the Khurasan region of Iran, which is now called Meshed. He received a comprehensive education from renowned scholars and developed expertise in philosophy, law, and politics during the reign of Nizam al-Mulk (Azlan 1991). Al-Ghazali taught at the Nizamiyyah college in Baghdad for almost five years, but after the assassination of Nizam al-Mulk, the patron of the college, he left the city and devoted himself entirely to Sufism. Drawing on his diverse experiences, he authored numerous influential books related to politics and state management (Russell 1961). Among his famous works are *Ihya Ulum al-Din, al-Munqidh min al-Dalal, Tahafut al-Falasifah, al-Basit, al-Wasit, al-Wajiz, al-Khulasah, al-Mankhul, al-Mustasfa* and *Maqasid al-Falasifah*. He also wrote several works that specifically focused on politics, management and organisation, such as *Fadaih al batiniyah wa Fadail al-Mustazhiriyyah, al-Iqtisad fi al-I'tiqad, ihya ulum al-Din* and *Nasihat al-Muluk*.

Al Ghazali emphasized the importance of managing a perfect organization, whether political or not, as a fundamental human need, just like the need for clothing and a state. He believed that Islam and management are inseparable, and that managing an organization in accordance with Islamic principles is essential for achieving happiness and well-being (al-Ghazali 1983). Islamic management requires a holistic approach that addresses spiritual, physical, and material needs, with the aim of demonstrating obedience to Allah and fulfilling one's responsibilities as His caliph on earth. Therefore, it is important for individuals to balance their worldly and spiritual needs (Masitah Idris et al. 2019). Al-Ghazali also argued that humans must fulfil their mandatory needs of happiness, personal satisfaction, and acceptance in order to live in accordance with Islamic law, and to gain the pleasure of Allah, which is the main purpose of human life on earth (al-Ghazali 1971). To meet these requirements, it is necessary to implement management and administration based on the principle of Tawhid to Allah.

Islam places great emphasis on the importance of administration and management based on the principle of worshipping the Almighty Allah. Real estate development, financial affairs, and organisation administration should be managed in accordance with the principle of Tawhid in Islam. The concept of Tawhid or unity, as explained by Nasr S. H. (1997), refers to the unification

of all definite existence, and this understanding should guide human management. When human management is based on science and common sense, it will produce a deep sense of piety towards Allah, further uniting Allah through the way of human management itself (Nasr. S. H 1976). The relationship between the concept of Tawhid and organisation can be used as a tool to achieve the grace of Allah and improve the quality of human life. However, it is important to note that this must be done in accordance with the guidelines set by Shariah which will ensure that the organisation and its practitioners gain the pleasure of Allah SWT (al-Ghazali 1983; Omar S. H. S et al. 2018).

The Tawhid approach to management and administration is integral to the progress of human civilization. This is because the Islamic administration and management draw their teachings from the Quran and the Sunnah, which are the primary sources of Islamic law. These sources are a reference in Islamic administration and management because they are universally applicable and relevant for all times and places (Afridi T. et al. 2021). For example, Tawhid-based management and administration are responsible for eliminating *'al Fasad'*, which refers to corruption, fraud, injustice, and oppression that can disrupt the administration and management systems of human organisations. Neglecting the concept of Tawhid in the context of Islamic management can cause severe harm to the Muslim faith (Omar S. H. S et al. 2018). Therefore, Islamic management and administration play a critical role in promoting the values that elevate the dignity of Islamic management and administration through the Quran and the Sunnah. This system takes care of human welfare by promoting honesty, trustworthiness, fear of Allah SWT, accountability for actions, and impartiality (al-Ghazali 1951; Haron 2010).

Analysis of the Ethical Management Model in Al-Ghazali's Theory of Organisation

Administration and management are crucial components of any thriving organization. Al- Ghazali (1989) argued that successful organizations must have ethical administrative and management practices based on four key aspects: planning (*al-Takhtit*), organisation (*al-Tanzim*), supervision (*al-Wiqayah*) and leadership (*al-Qiyadah*). However, it is crucial to assess whether these characteristics are suitable for the specific context of an organizational study (Mohd Syahir 2018). This paper critically analyzes Al-Ghazali's ethical management model, and its relevance to contemporary organizational practices. Figure 1 presents al-Ghazali's *ethical management model in organisations*.
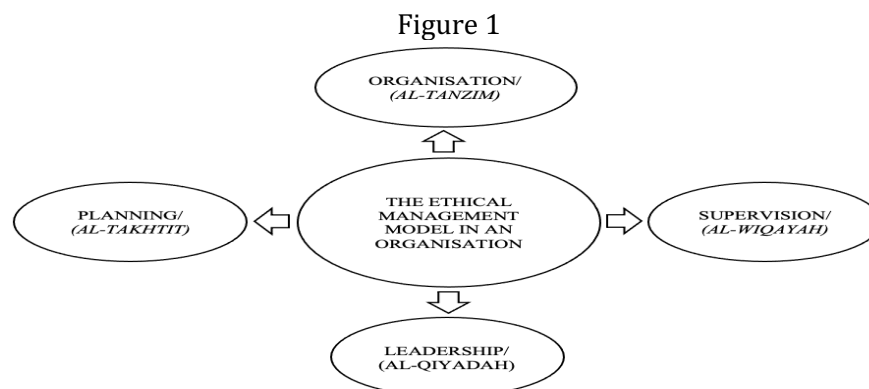
Figure 1

Figure 1: al-Ghazali's Ethical Management Model In Organisations

Leadership (al-Qiyadah)

Al-Ghazali underscored the crucial role of leadership in organizations. He asserted that leadership is not only essential but also mandatory for realizing human happiness and fulfillment (al-Ghazali

1971). He viewed leadership as a manifestation of power, which, when wielded with wisdom and integrity, could elevate the leader's spiritual standing and evoke support from Allah SWT (al-Ghazali 1956). Hence, he saw leadership as a sacred responsibility that could enhance both organisational outcomes and personal spiritual growth.

According to Mohd Syahir (2018), the appointment of an imam or leader is not merely a rational decision, but a shariyyah obligation that can potentially bring benefits or harm (Syahir 2018). In Islam, leadership is essentially the process of guiding and motivating the followers or organisational members towards clear goals and a shared vision that aligns with Allah SWT's blessings (Allabed 2017). Hence, it involves planning, empowering, guiding, mentoring, policing, managing, educating, and teaching members towards achieving goals within the framework of Allah's established rules (Chaudhry Ghafran & Sofia Yasmin 2019).

Additionally, the leader or government in an organisation plays an important role in uniting people, nations, and religions under a single leadership that is followed, to facilitate effective management and administration; and to prevent chaos and division. The absence of such leadership will inevitably lead to chaos and result in riots breaking out within the organisation (Haron 2010). This situation will affect not only innocent people but also vegetation and livestock. Therefore, leadership is an important and necessary element for humankind's religious wellbeing. Thus, if religion and leadership are alienated from human life, then all human affairs and other worldly matters will be ruined (Ibn Taimiyyah 1985).

Planning (*al-Takhtit*)

Planning (*al-Takhtit*) is an essential requirement for effective management and administration of both states and organisations. While it is primarily associated with state governance, it can also be applied in an organisational context. The important elements in this design theory are the elements of the meeting and knowledge. They are:

1. Consultation and discussion (*al-Shura*) as the fundamental pillars of the planning process: Al-Ghazali (1989) asserted that a national ruler cannot govern his country effectively without the assistance of his Ministers. Thus, a leader must collaborate with his ministers and employ a meeting-based approach to discuss and reach a consensus (*muafakat)* on matters related to ruling, fostering prosperity, and organising people's lives. This practice is not only supported by the example of Prophet Muhammad and his companions, but also by the command from Allah. Moreover, by implementing the principle of *muafakat* and conducting discussions in accordance with religious guidance, all issues can be resolved effectively and conscientiously. Al-Ghazali (1987) also warned against equating debates and arguments with the deliberations of the companions and *salaf* experts, emphasising that certain conditions must be met for effective deliberation.

2. The importance of knowledge for effective management and governance as khalifah of Allah on earth: Prioritizing knowledge is crucial for managing and ruling as a Khalifah of Allah on earth. It leads humans towards the right path and covers all aspects of their lives in this world and the hereafter, including taking care of oneself, family, community, country, and the environment (al-Ghazali 1994). Knowledge serves as guidance, which is then followed by practice. Moreover, leaders who possess knowledge prioritize planning and consider religious teachings, resulting in better results (al-Ghazali 1987).

Organisation (*al-Tanzim*)

To provide a reference for the hierarchical structure of social society based on al-Ghazali's writings, the following summary is presented, which is drawn from the books "*Fadaih al-batiniyah wa Fadail al-Mustazhiriyyah, ihya ulum al-Din*" and *"Nasihat al-Muluk"*:

1. Head of state/Leader/Supervisor: The obligation to appoint a head of state is not only based on rational reasoning but also on *shari'a* inclination. The inauguration of the Imam is considered an act that brings benefits, and abandoning it will result in significant harm (Mustafa 1994). However, it is crucial to appoint an *imam* or leader who has knowledge and abides by religion practices. Al-Ghazali (1994) stated that, *"religion is a pillar while the king is its guardian"* implying that these two elements are mutually necessary to ensure universal human life in the future (al-Ghazali 1955). Thus, it is clear that the implementation of the leadership concept in the organisation must be followed by the leader or chairman, as stated above.

2. Minister: Minister, or also known as *Al-Wazir,* plays a vital role as a helper to the chairman or leader. A king or head of the state will be highly regarded if all the services provided by the ministers who carry out their mandates and duties well (al-Ghazali 1989). A chairman cannot rule alone without the assistance of their ministers. Furthermore, in the context of the organisation, the chairman needs to support their assistants or trusted personnel to streamline all affairs and administrative management tasks (Mustafa 1994).

3. *Ulama* and religious experts: *Ulama* and religious experts are groups that fight for the truth and the law of Allah, as well as what has been brought and practiced by the Prophet Muhammad. By adhering to the principle of "*al-Amr bi al-Makruf wa al-Nahy 'an al-Munkar",* the glory and wisdom of the ulama is a gift from Allah (al -Ghazali 1955; al-Ghazali 1989). The position of this group of scholars and religious experts is crucial in the government, and the same is true for public organisations. Religious experts are the ones who can advise the chairman or leader on matters related to Islamic affairs or any actions and ethics that are based on Islamic guidance (Nor Anisah et al. 2017).

Supervision (*al-Wiqayah*)

Al-Ghazali stated in his book "*al-Ihya' Ulumuddin"* that there are effective methods for managing the state that can also be applied to organisational management. One of these methods is the practice of supervision or control in management and administration, which serves as the basis for measuring success and ensuring the smooth running of the organisation (al-Ghazali 1971). It can be considered as the ultimate function in management and administration that deals with addressing any problems that may arise.

Furthermore, it is important to remember that the administration of a country or organization is a significant responsibility entrusted by Allah to selected individuals. Hence, the government will always be under the watchful eye of Allah. If the appointed leader fails to fulfill their obligations as prescribed, then the punishment of Allah awaits those who are deemed untrustworthy in carrying out their responsibilities in the hereafter (al-Nawawi 2018).

Likewise, a leader appointed to head a country or organisation must provide continuous supervision and control over its administration. This is important, as without proper oversight, an organisation is bound to fall or flounder. Al-Ghazali emphasised the importance of forming a team of monitors or ministers from among professionals and religious experts to aid in controlling and monitoring the organisations under their governance (Nur Kirabaev & Maythem al-Janabi 2019).

In the nutshell, there is one important aspect that can be pointed out, namely the relevance of al-Ghazali's point of views in terms of management and administration of organisations. This indirectly highlights the timeless relevance of al-Ghazali's thoughts and perspectives, as they can be adapted and applied in modern organizational management and administration. Besides, al-Ghazali's concept of ethical management and administration is based on the monotheism of Allah (al-Ghazali 1983). Then, it is broken down into the organisational elements, supervisory elements, leadership elements, and planning elements. All of these elements in al-Ghazali's theory of ethical management and administration aiming to enable Muslims to provide brilliant services with high quality results, a noble work culture and most importantly, based on Islamic *shari'a* compliance (Mohd Fauzi Hamat 2005). Although in essence,

it is mostly the ideas and theories of Western or empirical figures that dominate the field of management and administration, the ideas and theories of Islamic figures also exist as al-Ghazali's theory. This writing indirectly proves that management and administration are also included in the scope of sociology according to Islamic ethics. Thus, Islam is an all-encompassing religion that encompasses all the ways and styles of human life so that it is in line with what has been stated in the Quran and the Sunnah.

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