

## **Decision Making Style in Islam: A Study of Superiority of Shura (Participative Management) and Examples from Early Era of Islam**

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### **Abstract:**

*Shura or Consultative Management is as a toll to arrive at a consensus on management decision of great importance to the community or organization rather than on routine daily decision of the organization. The holy prophet Mohammad (saw) and his immediate successors ran the administration of the polity with the aid and advice of men having acumen in matters religious, social, economic and political. The consultation must be trustworthy. But if the matters relates to the mundane affairs of the believers for which counsel is sought, then the consultant should be wise enough to give a sound opinion. Modern management thinkers and practitioners can find many lessons about decision making from the events of the golden era of Islam. It is expected that present study will indicate the fact that the Shura or consultative management is a toll which ensure not only the better management, but also ensure the peace, cooperation, coexistence and progress of the organization as well as positive impacts to the society. It is concluded that decision making style of consultative management in Islam produces much shared value for all aspect which is bigger challenging in conventional management practices.*

**Key Words:** Management, Consultation, Decision, Divine, Shura.

### **1. Introduction, General conception about Shura or Consultative management**

*Shura* is an Arabic word which exactly means “consultation”. The term *Shura* is a noun which is taken from the Arabic work “*shawara*”. In Arabic, the word *Shura* literally means the process by which honey is extracted from the hive. Firstly, we shall discuss Management

by Shura or consultative management as a toll to arrive at a consensus on management decision of great importance to the community or organization rather than on routine daily decision of the organization. In matters of administration within society, it means a continuous dialogue between the participants-- the ruled and the ruler, manager with employer--until a consensus emerges.<sup>1</sup>

To understand the exact meaning of *Shura*, it is essential to know *Shara*, *Yusharu* and *Mushawrah* which means to show things. *Yusharuhu* means he consulted him, he sought his opinion of an advice; He discussed with him in an order to find out his opinion. *Mushawarah* means, a good counsel or consultations. *Shura* means, mutual consultation.

In discussing decision making, it is customary to focus on a decision-making process or the decision itself. Focusing for a moment on the decision itself, it is useful to note the variety of definitions for the term *decision*. One definition, for example, avers that “to make a decision means to make a judgment regarding what one ought to do in a certain situation after having deliberated on some alternative course of action”<sup>2</sup>. In a classic work on the science of management decision making, Herbert A. Simon treats it as a process synonymous with the whole process of management. In his words: “Decision making comprises three principal phases: finding occasions for making a decision; finding possible courses of action; and choosing among courses of action” .

Another definition views a decision as only one step in an intellectual process of differentiating among relevant alternatives. The decision itself is the point of selection and commitment when the decision maker chooses the preferred purpose, the most reasonable task statement, or the best course of action<sup>3</sup>.

It is an effective process, but complicated. The limits on the exercise of power have been set by divine law and consultation is mandatory. The primary task of the public authorities is to encourage unity in action by extending the application of the principle of consultation to as many aspects of the community’s life as possible. In management Shura or mutual consultation plays an important role as a process of decision making, thus proving a restraint on management power and authority. Shura or consultation to be clearly understood has two restrictions. First, consultation is not applicable to any problem or issues for which there is a clear precise injunction in the Holy Quran and Sunnah (prophet’s traditions), both of which are recognized as the primary source of public and private law (Shari’ah).<sup>4</sup> Second, Shura or consultation is a process and procedure in decision-making. If a problem or an issue is brought up for consultation, the opinion or end result reached by the participants cannot and should not contradict a clear and concise injunction of Islamic law which appears in either the Quran or Sunnah (Traditions of Prophet Muhammad). Such a difference in the viewpoint or result renders consultation to be null and void.

The legal framework of participation in Islam can be derived from the following Quranic verses, “Those who answer to the command of their Lord and establish regular prayer and

conduct their affairs by mutual consultations; who spend out what we bestow on them for sustenance” (Surah Al-Shura 42: 38)<sup>5</sup>. The above verse of the Quran is the basis for participatory decision-making on which every person charged with the affairs of the community or the organisation ought to adhere to. It is very clear from this verse that Islam does not support autocracy or absolutism and that a leader is accountable not only to Allah SWT but also to the people he purports to serve. In other words, people participation is a prerequisite and obligatory upon a leader or manager who conducts the business or administration of a company or organisation in accordance with the principles of *Shura*. The scope and extent of the applicability of the *Shura* is very broad and covers all aspects of life (Al-Atari, 1999)<sup>6</sup>.

Obviously matters brought before consultation are always of a delicate and important nature requiring deliberation to reach decisions on them. As far the daily management matters which occupy the executive and administrative branches of a state, due to their nature and the need for quick decision, cannot be brought before consultative body except when they are related to important issues or to problems which affect the entire personnel in these branches.<sup>7</sup>

The institution of *Shura* does play a crucial role in the political and social progress of well organized societies. The principle of *Shura* was not the continuation of tribal institutions before Islam, which had undergone definite modification by adapting moral principles as mentioned in the Quran. *Shura* obliges the group or people to get involved in decision-making as a process of ensuring transparency, accountability, collective responsibility, tolerance and unity of purpose. *Shura* signifies the acknowledgement of the will of the people and challenges the ability and integrity of the administrator or manager and his wiliness to accommodate divergent views. This principle makes it clear that whatever it takes to make a decision by way of *Shura*, the leader has to accept it and put the trust in Allah for the ultimate results. Moreover, it is divinely directed and fully applied in the operation during the time of the Holy Prophet (PBUH) and *Khalifah ar-Rasyidin*.

According to Al Mawardi<sup>8</sup> the characteristics of the members of the *Shura* according to Islam are as follows:

(1) Imam (belief) (2) Ability to Ijtihad (research) (3) Knowledge of Shari’ah (4) Trustworthiness (5) Justice (6) Adulthood (7) Contemporary knowledge (8) Reliable man of believer.

As for the daily, routine administrative matters mutual consultation would take simpler approach. Consensus which is not majority by definition would be reached here not by majority vote but by how the decision arrived as per Islamic laws.<sup>9</sup> If, for example, there is majority favoring the serving of alcohol at organization’s social gatherings and parties the decision will be null and void since it contradicts the basic Islam law banning on the drinking on the alcoholic beverages.<sup>10</sup> Many examples of this nature could be cited.

## **2. Methodology and Objectives of the Study**

The study is mainly based on secondary data. The major sources of data were the Holy Quran, Sunnah and Islamic management literature, Journals and different related research study. Some academicians and experts in theology faculty have also been consulted. The main objective of the study is to discuss the divine thinking regarding consultative management which is specified the Arabic term Shura. The specific objectives are as follow:

1. To discuss to history of consultative management in the life of Prophet Mohammad (saw) and his disciples (RA);
2. To present the divine documents in favor of Decision making style of Consultative Management;
3. To specify the characteristics and managerial advantages of Consultative Decision Making Approach;
4. To prove the superiority of Shura based decision making style (Consultative Management) than conventional perspectives.

### **1. The Theory and Practice of Shura Under the Prophet (saw)**

As stated earlier, Shura (consultation) occupied such a paramount significance in the early Islamic Polity that the Prophet was asked by Allah to consult believers in matters relating to state and government.<sup>11</sup> The Qur'anic verses relating to Shura have differently been interpreted by the classical commentators. Some have expressed the view that the Prophet was directed to consult his companions in matters relating to war and peace in order to win over their loyalty and secure their willing cooperation. Commentators have made consultation a basis of the Shri'ah and an obligation imposed by Allah. Thus according to this stream of thought the deposition of a ruler is an obligation of the believer if he does not consult believers in the affairs of state and government. The most significant of the views put forward in this respect is that the Prophet was advised by Allah to consult believers in all the matters where there were no specific injunctions in the Qur'an so that the generations after his demise should follow his precepts in the affairs of the state and government.<sup>12</sup>

The basic aim of injunctions regarding Shura (consultation) was an eventual and permanent establishment of the institutionalization of the concept of consultation in Islamic Polity. This contention is supported by a tradition from the Prophet on the authority of Hadrat Ali (RA). It has been transmitted that the Prophet was asked as to what they (believers) should do after his demise in matters where they had no clear cut guidance of the Qur'an and Sunna of the Prophet? To this query the Prophet of Islam is reported to have replied that they should resolve their matters through mutual counsel, the condition being that the consultants must be men of piety and should have sound opinion. According to another tradition recorded by Ibn

Kathir the Prophet was asked as to what the word ‘*azm*’ in the Qur’anic verse III: 159 meant? To this the Prophet is reported to have said:

*“Consulting men of sound opinion and resolving the matter in the light of the same.”*<sup>13</sup>

The Qur’anic verse “*Obey Allah and obey His Rasul and those in authority from amongst you. If then you create dispute over a matter, refer it to Allah and His Rasul*”<sup>14</sup> also implies that besides the book of Allah and the Sunnah of His Rasul there must always exist in the Muslim ‘Umma men of sound opinion (*ulu’l amr*) possessing acumen in the religious, economic, social and political affairs of the state and government to derive rules from the Qur’an and Sunnah (traditions) of His Prophet. This body of persons was present around the Prophet during his life time, which later came to be known as *ahl al-Shura* or consultative body.

Due to the revealed nature of consultation and its importance in human affairs, the Prophet exhorted Muslims to practice mutual counsel in their affairs. He is thus reported to have said.

*“If your leaders are virtuous, your rich men generous and your affairs are settled through mutual consultation the surface of earth is better for you than its bottom.”*<sup>15</sup>

He is also reported to have expressed the utility and importance of collective discussion in the following words:

*“He who consults others in matters will never regret and he who has recourse to interrogation shall not fall into destitution.”*<sup>16</sup>

He also emphasized “the consultation must be trustworthy”.

Al-Qurtabi, besides others, is of the opinion that consultation should take place both in religious and temporal affairs of the Muslims. He however, opines that if counsel is sought in connection with religious injunctions, the consultant (*mustashar*) must be well-versed in religious sciences. But if the matters relates to the mundane affairs of the Muslims for which counsel is sought, then the consultant should be wise enough to give a sound opinion.<sup>17</sup>

A cursory glance at the pages of the early history of Islam shows that consultation with the leading companions and others was the general practice of the Prophet. He usually sent for the most prominent men of the city-state of Medina and sought their advice on all important matters of state. The central mosque at Medina was the place where consultation took place. But since the procedure of consultation was informal, therefore, we do not find the minute details of *shura* in history. It is, however, certain from the practices of the Prophet that *shura*, in a way, aimed at eliciting public opinion and enlightening the point under consideration.<sup>18</sup>

It is true that on important matters only a selected number of men was consulted and that the general body of believers was consulted in very rare cases, but consultation with men of

supreme talent was in vogue in Pre-Islamic Arabia who were competent to give counsel on the basis of seniority in age, wealth, valour, honour, decent and social status in life. The change brought by divine message was that membership of shura was enlarged and any one believing in Islam, having rendered services for promoting the cause of Islam and a deep insight in the matters of state and government could attend the meetings regardless of one's race, color, caste and social status in life. This was a definite improvement over the pre-Islamic institutional framework.

It appears that Prophet Muhammad (SAW) practiced consultation management in the battle of Ditch (*Khandaq*) the whole strategy of war was adopted on the suggestion of Salman Al-Farisi, who being Persian freed slave would never have even enjoyed the ordinary rights of citizenship in the pre-Islamic polity. Not to speak of mundane affairs, even the call to prayers (*adhan*) is also the result of mutual consultation.<sup>19</sup>

Here bellow some instances of Consultative management practiced by Prophet Muhammad (saw) have been discussed:

**(a) Battle of Badar:** Before the battle of Badar he called the Muhajirs and the Ansars and briefed them about the situation. One of the Muhajirs, Hazrat Mikdad *Ibne-Aamar* said,

" O Prophet of Allah! Let there, where your God direct to go, we are with you. We shall never say like Bani-Israil, "Go you and your God, and fight, we shall stay here."<sup>20</sup>

The Prophet (SAW) did not declare his decision on this matter but he waited to know the opinions of the Ansars. When one of the Ansars Sa-ad-Bin Moaj said,

*"O prophet of Allah! Whatever you want. By the promise of that Almighty, who sent you with truth. If you say to jump in the sea, we shall do that. Nobody will disobey this order."*<sup>21</sup>

Then the facial expression of the Prophet (SAW) got illuminated and he declared to fight against the armed force of the unbelievers.

**b) Battle of Ohud :** When the unbelievers reached near the mountain of Ohud, the Prophet Muhammad (SAW) sat down for consultation with his disciples. In this consultation meeting the elder disciples suggested to defend themselves by staying within Madina. But the younger disciples were insisting upon fighting the battle moving forward from Madina. The Prophet (SAW) restrained himself from expressing his own opinion. But he gave order to take preparation for the battle. The younger disciples were the main spirit of the battle. And the messenger of Allah wanted to raise the victory flag of Islam through their hands. So the decision of battle was accepted giving priority to the opinion of the younger disciples and the Prophet (SAW) went out of Madina on Friday after the jumma prayer with one thousand soldiers.<sup>22</sup>

**c) Battle of Trench (Khandak):** The time of Battle of Khandak was very sensitive. All the Arabs appeared as enemy. Thousands of Arabian soldiers surrounded the holy city of Madina. Even in that case the Prophet (SM) adopted the defense strategy by consultation with his disciples. Trench digging strategy was taken according to the suggestion of Hazrat Salman Al Farasi (R.A.). The castles and military outposts of the Jews were behind the city. There was an apprehension of betrayal from the part of the Jews at any time. The Quraesh kept communication with the Jews. The Quraesh even attempted to break their commitment with the Muslims. Understanding the fragile situation, the Prophet (SAW) initiated a talk for negotiation with Banu-Gathfan. He wanted to make them receive one third of the crops produced in Madina and make them sign agreement with Muslims leaving the association of Quraesh. But he consulted with his disciples about this event too and rejected his own decision on the basis of opinion of his followers.<sup>23</sup>

In this way, instead of imposing decisions like a powerful dictator, the Prophet (SAW) made his followers participate in every activity of decision-making.

If there had been any right for any leader to impose the decision taken by him, it would have been only for the Prophet (SAW) and not for anybody else. Because he was not a leader like any common man, he was the Rasul of Allah (SWT)

The objectives of this principle of consultation taken by the Prophet (SAW) are as follows:<sup>24</sup>

- (a) To teach the consultation policy to the *Ummah*.
- (b) To arise the realization of mutual unity and solidarity in the mind of organizational members and to motivate them to revive the sense of mutual help.
- c) To grow confidence among the members of the organization.

Summing up, it must be observed that from the very inception of the Islamic Polity, Muhammad (SAW) set up the precedent of consulting Muslims generally and a few men having acumen in the religious, economic, social and political affairs of the state in particular. Actually it was the precedent established by the Prophet of consulting men of supreme wisdom that played a very significant role in the legal and political development of Islam after the demise of Muhammad (peace be upon him).

#### **4. Shura Under The Pious Caliphs**

As long as Muhammad (SAW) remained alive, he performed the role of principal law executor and interpreter. He received direct divine guidance for implementing the religious injunctions. In matter where no divine revelations were received, he consulted the Shura or in formal consultative body. In such matters the customary law of the land ('urf) was also taken into consideration provided it did not infringe the basic principles of the Shari'ah. In any case, the will of the Prophet remained dominant due to primacy of his honour as the Messenger of Allah.<sup>25</sup>

After the demise of the Prophet, the Qur'an and Sunnah of the prophet were the authoritative guides for the Muslim Ummah. Within the bounds of these authoritative guides, the task of legislation and execution of the divine will devolved on the shoulders of the members of the ummah who according to the Qur'an were "*the best ummah raised up for mankind enjoining right conduct and forbidding indecency.*" To preserve Islam and administer the Polity left behind by the Prophet, these men of supreme talent and acumen elected the heads of state and advised them on all important matters of the state and government.<sup>26</sup>

The main task of the consultative body after the demise of the Prophet was to frame laws in matters where there were no direct revelations. The masses had to follow the pronouncements of the members of the consultative body because of their close association with the Prophet and the acumen they had in matters religious, social, economic and political. The Institution of Shura during the Pious Caliphate may be regarded as representative body of the ummah although not by formal methods of elections known to the people in modern times. The rulers of the Islamic polity used to adopt measures only, after consulting members of the Shura. A few illustrations would illuminate the point at hand.<sup>27</sup>

It has been recorded in the annals of Islam that whenever Abu Bakr (RA) had to make a decision, he looked forward to the Qur'an. In the absence of clearness (textual injunction) in the Qur'an, he used to refer to the Sunnah and Tradition of the Prophet. But if he failed, then he used to discuss the members of the consultative body. Ordinances were issued only when a consensus had reached and confirmed by the community at large. Regarding the Shura of Abu Bakr (RA) we have the following report of Ibn Sa'd:

*"Whenever some important problem broached to Abu Bakr (RA) he called on the Muhajirin and Ansar and invited in particular 'Umar (RA), 'Ali (RA), 'Uthman (RA), Abu 'Ubaydah, 'Abdal-Rahman b. 'Auf, Mu'adh b. Jabal, Ubayy b. Ka'b, and Zaid b. Thabit for consultation. These counselors pronounced verdicts on questions of law during the reign of Abu Bakr and the people relied on them in respect of their legal opinion."*<sup>28</sup>

Besides men of supreme talent and wisdom Abu Bakr (RA) also used to seek advice of even ordinary men in public.

It is true that Shura under Abu Bakr (RA) was somewhat vague and informal and that is why we do not know the minute details of the working of this body as it appears under his successor 'Umar (RA). But this does not mean that there was lack of general participation of the masses through their representatives. From the very inception of his rule he had reiterated his belief in the sovereignty of Allah and the responsibility of the ruler not only to Allah but to the people as well. This statement of Abu Bakr (RA) categorically rules out the idea of absolutism from the body politic of Islam.

It is also a historical fact that sometimes Abu Bakr (RA) did not agree with members of the Shura on several matters of public policy. Thus he sent an expedition to Syria under the youngest general Usamah b. Zayd despite the grim opposition of the leading members of the Shura. Similarly he declined to accede to the demand of some of the tribes outside Medina that they should be exempted from the payment of Zakat to the centre despite the fact that some members of Shura including ‘Umar (RA) were of the opinion that at least they should be given exemption at that particular juncture of the state when all the tribes outside Medina had revolted against the centre. The stand of Abu Bakr (RA) in these matters purely related to administrative measure and may be regarded as veto power given to heads of states in modern times. It will not be out of order to mention here that even ‘Umar (RA) who had opposed Abu Bakr (RA) on these issues had to say later on that but for the timely action and resolution of Abu Bakr (RA), the situation arising consequent upon the demise of the Prophet might have proved detrimental to the integrity and solidarity of the ummah and the religion itself.<sup>29</sup>

#### **4.1. Management by Shura (consultation) Practiced by Umar (RA)**

The members of Shura (consultation) during the reign of Abu Bakr (RA) continued to be the members of Shura under ‘Umar (RA). Beside them, the learned people (qurra’) and young people were also made members of the Shura. This practice of consulting the learned and intelligent men of the ummah seems to have been in vogue till the rise of nascent civil wars in the Islamic state. It was a general practice during the reign of ‘Umar (RA) that Muslims in general and experts in particular should be consulted and unanimous decisions announced in public gathering. About the importance of Shura or consultative body once he remarked:

“The opinion of one man is like the cloth woven of one thread; the opinion of two like the cloth made of twisted thread and the opinion of three (of more) like a piece of cloth woven of several threads together that can hardly be torn into pieces”.

Umar (RA) used to consult his disciples on different matters, though his leadership was out of question. In one sense he was the pioneer of establishing the history of participative management and created a culture, which is worthy to be followed by any organization. Umar(RA) used to consult his people in the appointments of governors and army commanders.<sup>17</sup> He had also followed the opinion of his followers and did not participate by himself in battles. Consultation was also made in the day-to-day administration of the country’s expanding resources. It was by virtue of consultation that the various administrative departments “*Dawawin*” were established. Umar (RA) kept the people of highest caliber among his companions with him in Madina so that he could get benefit from their opinions. The people that he appointed as governors were not as refined as his advisors. Decision by consultation did not stop at the level of the highly experienced and qualified companions of the prophet; rather it was so wide that it included everybody in the society regardless of age, race, or gender. When the council of advisors failed to reach a decision on the issue of

sharing the land of Iraq and Syria, Umar (RA) called for a general public meeting in Madina to take a decision. Moreover, Umar (RA) organized an annual conference for Muslims about the public matters and to hear complaints about the way the government was running. The most peculiar elements in the decision process during the rule of Umar (RA) were consultations with the Muslim juveniles and especially the consultation with some of his enemies. Umar (RA) believed that juveniles had sharper with minds that enabled them to give original ideas. He also understood that the best people to inform him about his enemies were none but his enemies.<sup>30</sup>

The conditions under which all assumed responsibilities as head of the Islamic polity were abnormal. Under the changed circumstances that spirit of rule by mutual counsel could not be maintained which had characterized the era of his predecessors. Its reasons were manifold. Many prominent members and sincere counselors of the preceding era had either become indifferent due to the political upheavals or gone to opposing camps on the question of the *qisas* of ‘Uthman (RA). Under these circumstances the institution of consultative body under ‘Ali (RA) showed cracks in many respects as compared to Shura preceding his rule.<sup>31</sup>

### **5. Characteristics of Management by Shura or Consultative Management**

From the above discussion we can find some special characteristics of consultative management. These are as follows:

#### **a) A group of people**

Consultation will be practiced by a group of persons.<sup>25</sup> To take a decision only one person cannot take this alone. The document of consultation from the holy Quran we find plural indications who will consult their mutual affairs with free consent.<sup>32</sup>

#### **b) Participative process**

Management by consultation is a participative process. All of the members of the consultation participate in discussion and decision making. They can express their opinions without fear and hesitation. Well participation makes the consultation effective and successful.<sup>33</sup>

#### **c) No over emphasis on personal opinion**

In Shuratic process every member participates democratically. There is no scope to emphasize any member and his opinion. Every member will be treated equally for the better participation in consultation process.

#### **d) No discussion before the Shura and after the Shura**

In Islamic consultation there is no provision of discussion before the Shura or after the Shura. All the discussions and bargaining will be in meeting. Discussion before or after consultation will hamper the objective of the management by consultative.<sup>34</sup>

**e) Discussion must not be contradictory with Quran and Sunnah**

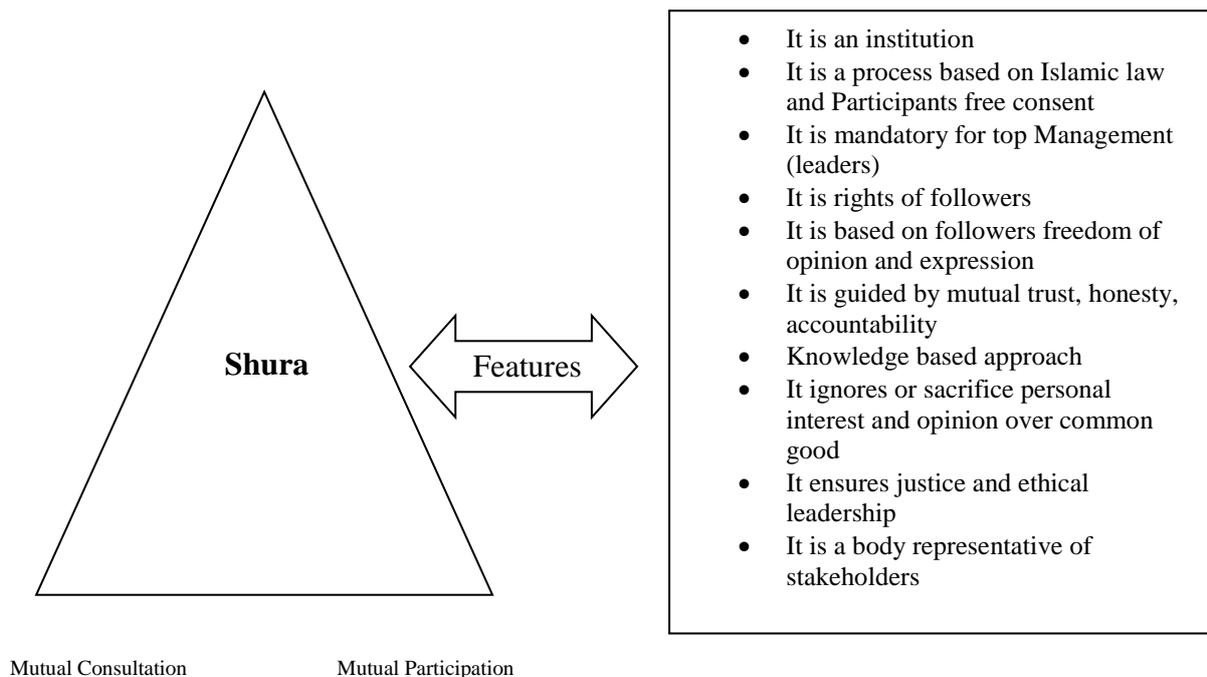
If there is any discussion or decision taken which is contradictory with Quran and Sunnah, the collective consultation will be null and meaningless. Shura is concerned, the basic principle which holds true in Islamic law is that with respect to worship, do what has been prescribed and do not deviate or innovate; while with respect to the general affairs of life, follow what has been commanded, avoid what has been forbidden.

**f) Shura will be practiced by ‘Alem’ (knowledge person) and Mujtahid**

Islam entrusts two major groups to practice Shura: (a) Ahlal-hal wal-aqd or Ulama who represent the community and perform a limited legislative function, and (b) Ahl-al-ijtihad, a group of Jurist who are qualified to deduce rules and regulations from the basic source of Islamic Shari’ah through the exercise of independent Judgement and exertion -- a logical deduction by this learned body from Shari’ah will create a law or a rule which is binding.

**g) After decision Tawakkul is must**

By discussion when the members of the consultative body come to a consensus and make decision, then there is no alternative without depending on Allah (Tawakkul). Members of the consultative body can show argument and conceive contradictory perception, but after decision they have to leave their own perceptions and must depend on Allah. In this regard Allah (SWA) says-“ And when thou art resolve, then put they trust in Alah”.<sup>35</sup>



**Figure: Decision Style of Consultative Management in Islam**

**Developed by Authors**

## 6. Advantages of Management by Shura or Consultation

If any organization (governmental or non-governmental) applies the practice of Shura (participative management) for its proper management it can derive some benefits which will help for its proper growth and development .These benefits are:<sup>36</sup>

- (i) Decision-making is to be easy and accurate.
- (ii) Advantages of participative management
- (iii) Team work facilities
- (iv) Co-ordination becomes easier
- (v) Increase of mutual co-operation
- (vi) Interchanges of ideas and values
- (vii) It creates democratic attitude
- (viii) Decentralization of ideas and power
- (ix) Avoiding undesirable situation

It can be rightly mentioned here that management by consultation helps to attain some extraordinary benefits that present system of participative management cannot give. These are follows:

- (1) Grace and mercy of Allah
- (2) Benefits of divine knowledge
- (3) Self-complacency by following the Quran and the Sunnah.

## 7. Qur'anic documents of Shura

It is evident, several documents of Shura, in the Holy Quran-

*“It is part of mercy of Allah that thou dost deal gently with them .Wert thou sever or harsh-hearted, they would have broken away from about thee .So pass over (their faults) ,and ask for (Allah’s) forgiveness for them; and consult them in affairs (of moment) .Then ,when thou hast taken a decision ,put thy trust in Allah. For Allah loves those who put their trust (in Him).”<sup>37</sup>*

*“Those who harken to their Lord and establish regular prayer; Who (conduct)their affairs by mutual consultation ;Who spend out of what we bestow on them for sustenance.”<sup>38</sup>*

*“Behold, they lord said to the angles; “I will create a vicegerent on earth”. They said: “With thou place there in one who will make mischief therein and shed blood?- Whilst we do celebrate they praises and glorify they holy (name)? He said, “I know what ye know not.”<sup>39</sup>*

*“(Pharaoh) said to the chief & around him; “This is indeed a sorcerer well versed: His plan is to get you out of your land by his sorcery; Then what is it ye counsel?”*

*They said “Keep him and his brother in Suspense (For a while), and dispatch to the cities heralds to collect-.”<sup>40</sup>*

Consultation of Queen Bilkis with her ministers when Hazrat Soliman (As) ordered her to surrender:

*She said- “ Ye chiefs! Advise me in (this) my affair: no affair have I decided except in your presence.”<sup>41</sup>*

## **8. Superiority of decision style of Consultative Management (Shura) in Comparison to Conventional System Management**

According to Al-Trimizi, Abu- Dawood and Ibn Majah “My Ummah (Muslim) cannot agree on error” , sufficient evidence that the consultation is mandatory in Islam”. Management by Shura is followed in various Islamic organizations. First of all in practicing management by Shura, Islamic leaders or managers will attain self-complacency by following injunction of the Quran and Sunnah. Secondly, participation is guided by divine laws, which is absolutely pure source of knowledge. On the other hand in conventional management accuracy is questionable. In Shuratic process there is no scope of discussion before the Shura or after the Shura. But in case of conventional management, members can consult before and after sitting. So decision may be misled.

In conventional corporate decision making body focuses on corporate transparency, effective monitoring, efficient management, sound management of internal control and risk management through board of directors who should be free from conflict of interests and possess skill and experiences to run the corporate affairs in competitive environment. On the other part, Decision making in Islamic point of corporate governance also consider all the above principles ensured by good, knowledgeable, honest and expert man as well as decision has been taken by following few core principles a) by whom; with mutual consultation of consultative council b) for whom; the ultimate objectives of organizational activities is to achieve grace of Almighty Allah and the decision makers on the earth regarded as trustees of given powers to take decisions in the best of interest of his people and c) with whom and to

who; all operations and procedures of organization must be ensured according to *Sharia* (Alsanosi, 2009).<sup>42</sup>

In Shuratic management members can follow some ideologies which are absent in present system of conventional participative management. Hafeez (2013) Members of management by consultation are very much aware of their accountability. They think that they are accountable to almighty Allah in any kind of decision taken by them. Side by side they don't forget their earthly responsibility.<sup>43</sup> So the consultation management encourages and promotes ethical norms of transparency and honesty as mandatory in all transactions. But in case of conventional management members are only accountable and responsible in the earthly ground. So discussion and decision may be wrong at any time. They do not give any importance to the fact that they are accountable to Almighty Allah. Believers having real idea on laws of Islam practice in consultative Management. So decisions are more reliable than the decisions taken by present system of conventional management. It is also true that organizational governance of Shuratic Management has boarder horizon and unable to compartmentalize the roles and responsibilities in which all functions and obligation followed by divine Islamic law, where as conventional corporate governance principles focused limited issues and obligations toward achieving organizational objectives only (Tapanjeh, 2007)<sup>44</sup>. As there is an order in the holy Quran with regard to taking any decision with the help of Shura, Almighty Allah's mercy and grace may be present in decision taken in consultation. Consultative Management followed moral principles enunciated by Holy Quran (Stork, 1999) and cited in the Holy Quran (6.132) "*To all are degrees (or ranks) according to their deeds*".<sup>45</sup>

Furthermore, another scholar mentioned wisdom behind the legitimacy of consultation in Islam is to prevent absolutism and autocracy in the decision making process (Salleh & Al-Daba, 2014). The Prophet stated that "Those who seek what is best shall never fail and those who consult shall never regret". Consultation ensures good governance in an organization. The consultative decision making is as a pillar in Islam in order to protect the true and balanced welfare of the community as well as reward of hereafter (Al-Khalili, 2000). But in conventional decision making always focused to protect the corporate interest or owner interest.<sup>46</sup>

Consultative Management always focuses on interest free economy. Lewis (2005) mentioned Islam always encouraged trade and business under the framework of Holy Quran. Riba generally translated usury or interest and it is strictly prohibited in consultative decision agenda. Saeed (1996) stated "*wealth is considered as a trust and a test, where failure to use it wisely, especially to alleviate the hardship of the poor is detrimental to the person who holds that wealth*".<sup>47</sup> It is axiom; conventional management system based on capitalism which creating huge crisis of wealth distribution in the world (Rizk, 2008).<sup>48</sup> In recent time, shariah based banking industry is growing in the world and even in western world in spite of

huge challenges (Wilson, 2000). One of the stories is very important for consultative body and his followers for business transactions:

*The Prophet passed a pile of grain. He put his hand into its midst and felt moisture. He exclaimed: Oh merchant, what is this? The owner of the grain responded: "It has been damaged by the rain, oh Prophet Muhammad." The Prophet asked: "If this is the case. Why did you not put the damaged grain on top of the pile so that people can see it? The Prophet concluded by making clear that "whoever practices fraud is not one of us".*

As seen above, the holy prophet and his immediate successors ran the administration of the polity with the aid and advice of men having acumen in matters religious, social, economic and political. They always encouraged constructive criticism. Under such circumstances the masses who are still uneducated are in a great danger of being exploited by the traditional and vested interests. The governments of the Muslim World are duly bound to safeguard the larger interests of the masses. The greatest responsibility, which devolves on the shoulders of governments in Muslim World for weaning the people out of their moral, political, economic and social degradation, could only be fulfilled when there is a trust and confidence between the people and their governments. In this regard the Quran says "*It is immoral to acquire possession of income or wealth by stealing, cheating, dishonesty or fraud*" (*Quran 83: 1-4*).<sup>49</sup> Mutual counsel (Shura) is the media through which this objective can be attained. Counsel should, therefore, not be confined to legislative bodies in these countries but should be extended further and be taken in public gatherings, through mass-media communication and other techniques employed for ascertaining public opinion in modern times. For smooth and efficient administration and progressive development there must be a complete harmony with the input and output functions of our political system representing national aspiration. It is properly explained here the spirit of the Islamic concept of consultation which should inspire and guide the present generation of Islam. Sharia based organization or Muslim community must follow the consultative management system rather than conventional management in decision making otherwise it will produce the lower job satisfaction among employees within the organization (Kenari, 2012).<sup>50</sup>

As consultation sustains and presupposes a high degree of social cohesion based on mutual confidence, trust and a sense of responsibility, efforts should be made to wash away any mistrust or misunderstanding created by the vested interests between the people and the government. All forms of mutual suspicion must be eradicated because Islam requires the Muslims to stand together like a solid structure and not be disunited on trifle matters. It is to be added that in the present century the idea of the rulers and the ruled no longer exists as it did in the past. They are now regarded as faces of one and the same coin. The end of shura is for devising ways and means for achieving objective ends and where there is shura or consultation there must arise difference of opinions but differences of opinion must not be for

the sake of opposition. Consultation always urges doing justice to all without any discrimination regardless of race,color or religion of members and followers of decision making. Allah says “*O you, who believe! Stand out family for justice, as witness to Allah, even as against yourselves or your parents or your kin and whether it be against rich or poor, for Allah protects both*”. (*Surah An-Nisa, Verse-135*)<sup>51</sup>

It is only through consultation that believers of the world over can contribute adequately to the promotion and establishment of a sane, progressive and viable social order. It is only by persistent, devoted, purposeful and collective endeavors that believe can show to the world what Islam is and what it ought to be in modern scientific and industrial age.

### **9.Concluding Remarks**

Islam is the complete code of life. Islam means “the surrender”, that is the man surrendering to God’s will and purpose. The Arabic word Islam is that connotes submission, surrender and obedience. It has another meaning peace and one can achieve authentic peace of body and mind through submission and obedience to Almighty. This is indeed significant or urgent for all believers. Islamic perspective on management studies is emerging area of research of modern management scholar for true sustainable future. (Abbasi et al., 2010). Consultation decision followers are always committed, loyal, obedience and maximum sacrifices mentality to implement or execution the decision for the organization; it has many examples in Islamic history. On the other part coin, conventional decision making style are practiced taking decision making and execution as a routine work, dedication and sacrifice is rare example in current corporate world. Conventional decision making still focusing on social and environmental issues where as Islamic perspective strictly focused since the inception. It is concluded that decision making style of consultative management in Islam produces much shared value for all aspect which is bigger challenging in conventional management practices. Finally modern management practitioners, researchers, managers, policy makers could follow or learn many suitable, effective and viable ideas and concept from consultative management of Islam.

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