

Organizational Leadership from Islamic Perspective: A Study on Some Institutes of Bangladesh

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***Abstract** : Allah (SwT) has addressed the believers as Ummah(nation), which implies the necessity of leadership in Islam. Allah says to his Prophet Mohammad (Sm) "...I have perfected your religion for you, completed My favor upon you, and have chosen for you Islam as your religion" (Surah Al-Maidah). Mohammad (Sm) says "Every one of you is a shepherd and every one of you is responsible for what he is shepherd of" (Sahih Al Bukhari). Islam as a complete code of life has a set of principles, guidelines for managers to lead the human resources in an organization. This study is an attempt to find out the basic guidelines laid down in Islam for organizational leadership. It has pointed out the operational principles of managerial leadership, managerial grid theory, leadership continuum, team building- team spirit and qualities of an organizational leader from the Islam perspective and some empirical observation from one of the Muslim populated country.*

Keywords: Leadership, Organization, Islamic Views.

1. Introduction

Allah (SwT) has created mankind with a noble objective that people would lead their lives in peace and harmony following the tenets of His revelations sent down through Prophets from time to time since the very beginning of the society. Leadership is one of the core corners in our social activities (Patwary, 2003). It refers to a process of influencing and supporting others to work enthusiastically toward achieving objective (Kontz, 1994). In view of Islam, leader is a member of a team who is given a certain rank and is expected to perform in a manner of consistent with it (rank). A leader leads a group who is expected to exercise influence in forming and accomplishing the (*Halal*) goals and objectives. The success of a leader is dependent on team building that leads to team spirit.

2. Objectives of the Study: In this article, the authors took interest to highlight the various aspects of organizational leadership from Islamic perspective. There are few studies in this line but hardly written from the Islamic management point of view. The specific objectives of the study are:

- i. To focus on the concept of organizational leadership;
- ii. To distinguish between conventional and Islamic Leadership;
- iii. To identify the basic characteristics, principles and qualities of Islamic leadership;
- iv. To justify ‘Team Building and Team Spirit’ under Islamic Organizational Leadership.
- v. To suggest a ‘Model of Managerial Leadership from Islamic Perspective,
- vii. To present the practical situation of organizational leadership in some Muslim organizations of Bangladesh.

3. Methodology : This study is a desk-based with practical observation. To find out the development in organizational leadership and related Islamic issues, the authors consulted available literatures in this field, various publications, research monograms, journal and magazines. The study was structured in the light of the research objectives. Practical observation has been achieved from Mosques, Islami Banks and other NGOs.

4. Concept of Organizational Leadership

There are different types of leadership we see in our society – political, societal and organizational. Ours is an age of organizational revolution. Everywhere we build organizations – offices, factories, banks, hospitals, schools, clubs etc. Organizations use rules, regulations, policy and strategy. Rules relate to the ways through which finance, operations, and marketing activities are regulated. (Anisuzzaman et al, 1996). It also refers to managerial leadership

where two positions exist in an organization: Boss and Subordinate. Nowadays boss refers to leader and subordinate to followers. (Ibid, 6).

In recent years, many theorist and practitioners have emphasized the difference between managers and leaders. Nowadays a manger tends to be a managerial leader, which is strongly supported by Islam. In a business setting, a manager is a leader when he or she possesses the quality of influencing upon his or her subordinates, colleagues, and superiors and to direct their work efforts towards the achievement of corporate mission and vision.

The differences between manager and managerial leader has been shown below:

- a. The main function of a manager is to administer and control within the organizational hierarchy, while the main function of a managerial leader is to innovate something in order to develop organizational status in the competitive environment.
- b. Managers focus on systems; structures; policies; and procedures of the organization, while the focal points of the managerial leaders are employees and staff.
- c. Mangers rely on control mechanism, but leaders rely on developing mutual trust.
- d. Managers do the thing right, while leaders do the right thing.
- e. Managers ask ‘how’ and ‘when’, while the leaders ask ‘what’ and ‘why’.
- f. Managers chair, while leaders lead.

5. Conventional Vs. Islamic Leadership: There are a number of basic differences between Western and Islamic Leadership in an organization. Goals, traits, styles, decision-making process, methodology, nature, and participants are not similar between these two types of organizational leadership, which have been stated below:

<i>Points</i>	<i>Conventional Leadership</i>	<i>Islamic Leadership</i>
1. Goals	Solution of a problem by groups, no reference to Devine efforts.	Seeking Allah’s pleasure in solving a problem by group.
2. Participants	Formal and informal leaders, and rarely ordinary member	Allah (Swt), Rasul (Sm), the Leader and the followers
3. Nature	Leadership is ruled-bound and situational and no ‘trusts’ are involved.	Leadership relates to ‘trusts’ which are to be rendered back to the participants.
4. Methodology	Meetings, conference, study reports, file orders etc.	Consultation with the folloers especially by those with relevant knowledge, memoranda,

		notifications.
5. Traits	Mundane knowledge, skill, values as prescribed by organizations	Knowledge of Islamic Shariah, individual judgment, justice and competence
6. Decision making	With reference to rules of business and no reference to any Divine Law	After consulting, the leader must decide, but put trust on Allah (SwT)
7. Limitations of leader	Leaders seek leadership without waiting for leadership to come to them.	Leaders must not seek leadership; it must come to them.
8. Limitation of followers	Followers usually have a passive role.	Followers have an active role to advise and warn leadership of consequences of policy / action.
9. Leadership style	Authoritative, let alone, democratic as necessary	A combination of authoritarian and democratic styles.
10. Followers style	Responding to the leader's call for advice and cooperation with the leader, but no acceptance of partial responsibility. Both the leaders and the followers are primarily accountable to organization.	Responding to the leader's call for advice and cooperation with the leader, and acceptance of partial responsibility for action. Both the leaders and the followers are primarily accountable to Allah (SwT) and organization.

Source: Mohammad Anisuzzaman and Md. Zainal Abedin Majumder, Leadership: Western and Islamic – A Conceptual and Explorative Study, (Dhaka: Bangladesh Institute of Islamic Thought (BIIT), 1996), p. 49-50

6. Characteristics of an Islamic Leadership : Prophet Mohammad (Sm) said that the leader of a *Jamaah* (organization / community / nation) is their servant. Hence, a leader should be in the business of serving and helping others get ahead. Talib, Hisham Al (1991) identified some important characteristics of Islamic leadership, which are also applicable for the managerial leaders in an organization.

a. Allegiance:

The Islamic managerial leader is bound in allegiance to Allah.

b. Global Islamic Goals:

The leader perceives the goals of an organization not only in term of the interests of the group, but also in terms of wider Islamic objectives.

c. Adherence to Shariah and Islamic Manners:

The leader must adhere to Islamic injunctions. He can only continue his office as long as he observes the principles of *Shariah*. His behavior must conform to Islamic manners.

d. Delegated Trust:

Islamic leadership is a position with divine trust. He must enjoy this trust with highest degree of responsibility. Allah says, "Those, who, if we give them power in the land, establish *Salat* and pay *Zakah* and enjoin the right and forbid the wrong, with Allah rests the end of affairs" (Surah Al Hajj)

7. Operational Principles of Islamic Organizational Leadership : Islam does not permit any Muslim to live without having a leader in any situation even if they are on a trip or in a desert. The primary duties of a leader are to lead the people in offering prayers, to look after their interest with justice and run their activities in a disciplined and systematic way (Ahmad, 2006). However, an Islamic managerial leader will serve his followers or subordinates under some distinctive principles, out of which some distinct operational principles are mentioned below:

i. Shura

Managerial leaders in Islam must consult with their people before making any decision. It is also the fundamental aspect of democratic system. Managers in an organization must consult with their subordinates in formulating any strategy or policy. Allah (SwT) directed his Prophet (Sm) to consult with his companions. Allah says "And those who have answer the call of their lord and establish prayer and who conduct their affairs by consultation and spend out what we bestow on them for sustenance." (*Surah Al Shura, Verse-38*).

ii. Freedom of Thought

Islam encourages freedom of thought. Practicing managers or executives should create such an environment in the organization so that the staff members can easily opine on any issue. The Four *Khalifs* of Islam considered this as an essential element of their leadership (Patwary,

2003). Hazrat Umar (R) praised Allah (Swt) that there were people in the *Ummah* who would correct him if he went astray.

iii. Sources of Islamic Jurisprudence

There are four sources of Islamic Jurisprudence. These are: *Quran, Hadith, Izmah, and Kias*. In managing any activity, the managers first look to its hints for solution from the *Holy Quran*. If hints are not available, he should give a second search of *Hadith*. Again if the solutions are not found in *Hadiths*, he should look to *Izmah* and *Kias* of recognized religiously learned persons and his good conscience.

iv. Justice

The management leaders must behave with team members justly and fairly without any discrimination regardless of their race, color or religion. Islam always urges for doing justice to all. The *Qur'an* commands to be fair and just in any circumstances even if the verdict come against their parents or themselves. Allah says "O you, who believe! Stand out firmly 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 protect both". (*Surah An-Nisa, Verse-135*)

v. Dependence on Allah

The managerial leaders in Islam must depend on Almighty Allah (Swt) for the outcome of any action. It is known in Islam *Tawakkul*. Allah asked his believers to be depended on Him. Allah says, "when you have made a decision, put your trust in Allah, certainly, Allah loves those who put their trust (in Him)" (*Surah Al-Imran, Verse-159*).

vi. Accountability

Islam teaches accountability as vital component of management. According to Islam, each and every human being will be made responsible for his good or bad deeds and accordingly he will be rewarded or punished. Allah says "...whosoever does good equal to the weight of an atom (or a small ant) shall see it. And whosoever does evil equal to the weight of an atom (or a small ant) shall see it." (*Surah Az-Zilzal, Verse- 7-8*)

vii. Sincerity

An Islamic managerial leader must be sincere enough to achieve the objectives of an organization. The *Qur'anic* terminology of sincerity is *Khulusiat*. The Holy *Quran* urges people to be utmost sincere in his praying, meditations, and good deeds.

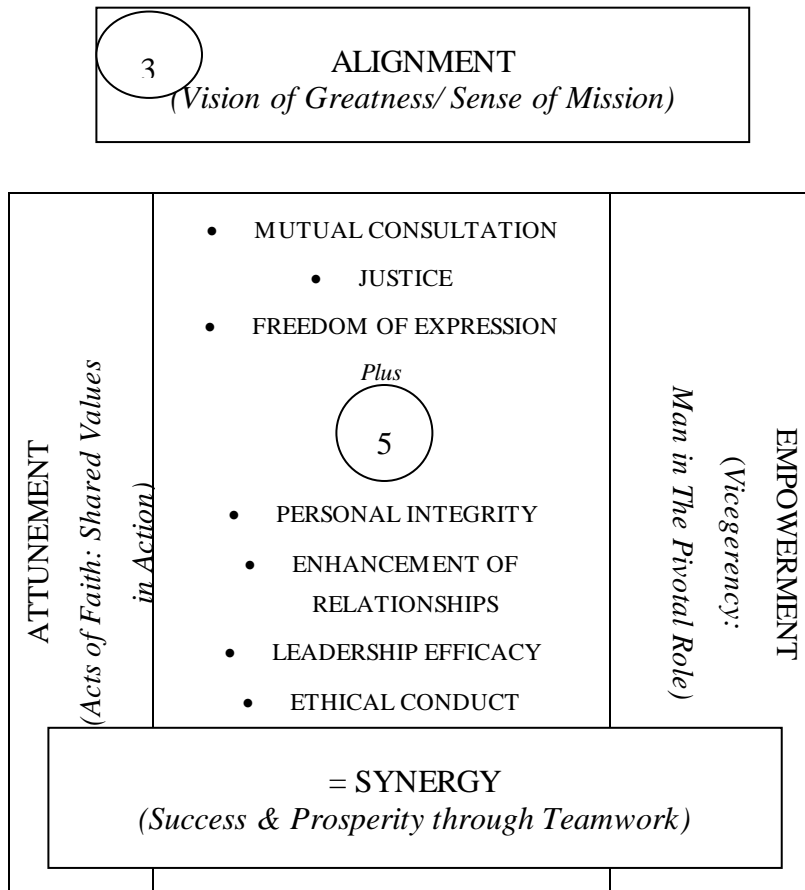
viii. Dignity of Labor

Islamic leaders must recognize the dignity of labor. Mohammad (Sm) says, “Pay the wages to the labor before his sweat dries up” (*Al Hadith*). Islam pointed out that earning as the best, which is earned by the toil of the labor.

ix. Esprit de corps

The managerial leaders must try to achieve organizational goals and objectives with team rather than individual endeavors. The highest level of unity should be maintained among the executives, staffs and workers for motivating and energizing team works. Islam encourages *esprit de corps* i.e. team efforts. Prophet Mohammad (Sm) says “The Hand of Allah is with the *Jama'ah* (team)” (*Sunon Al Tirmidhi*). (Ather, 2006)

Figure: Prophet Muhammad’s Organizational Frame work:



8. Underlying Qualities of a Leader in Islam : The organizational leaders have to work with the human resources through **team building and team spirit**. In fact, it is very tough job to develop a team & team spirit in an organization. Unless or until a leader possesses a variety of skills, he will be facing many problems in managing human resources. Meredith et al (2000)

pointed out some important project management skills relating to communication, organization, team building, leading, copying, and technology. The same skills are also required for an organizational leader. On the contrary, an Islamic leader must possess two fundamental skills, which are (i) **Islamic character & behavioral competence** and (ii) **Islamic & professional knowledge**. Other qualities required for an Islamic managerial leader has been mentioned below:

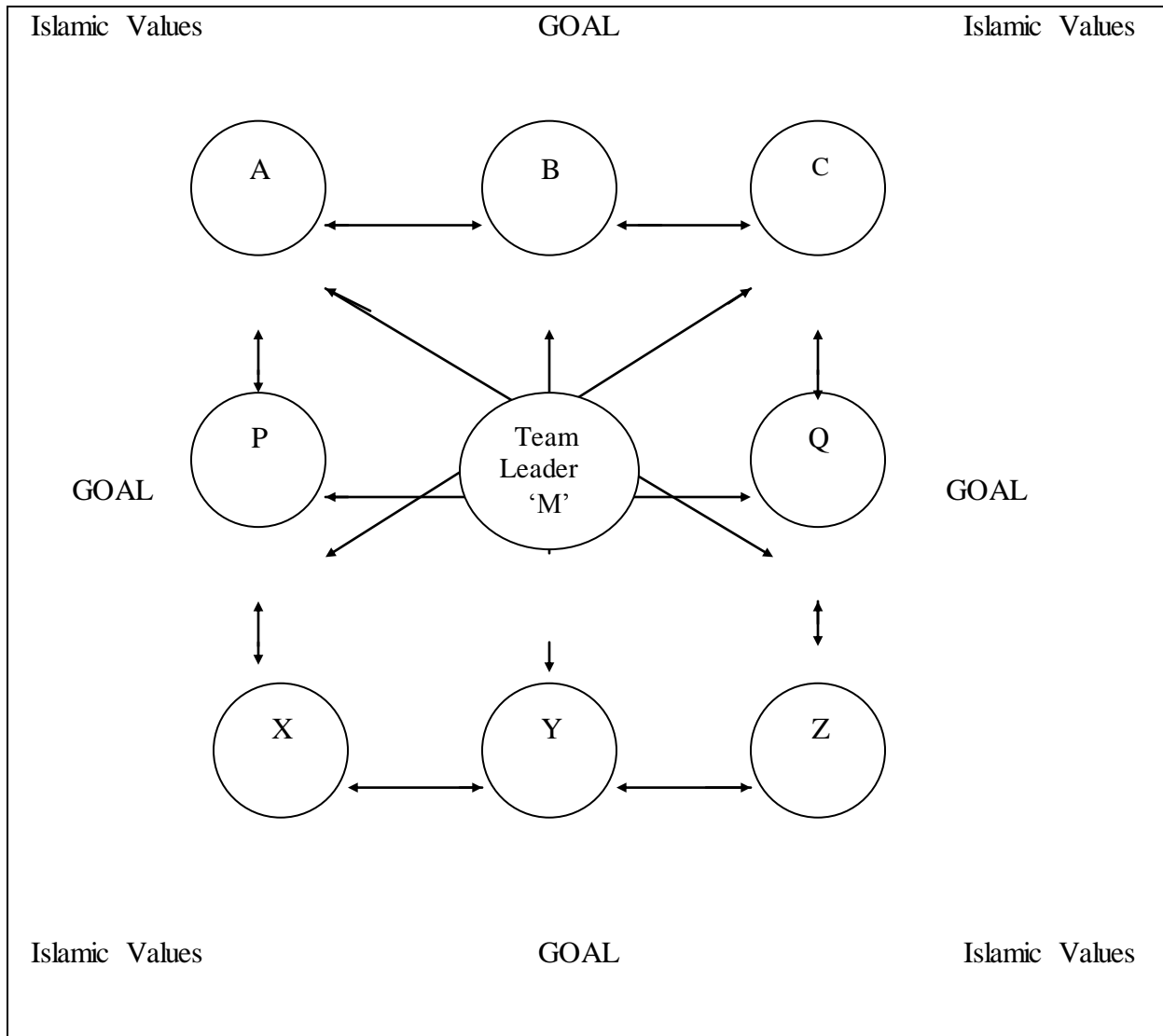
<i>SL. No.</i>	<i>Classified Skills</i>	<i>Focal Points</i>	
1	Team building skills	a) Empathy c) Cohesion	b) Motivation d) Esprit de corps
2	Leading competence	a) Sets an example c) Energetic e) Positive	b) Vision d) Delegates f) Initiating
3	Ethical competence	a) Morally sound c) Justice	b) Unbiased / impartial d) Logical
4	Communication skills	a) Listening c) Persuading e) Punctual	b) Dispatching d) Convincing f) Regular
5	Organizing capacity	a) Planning c) Standard setting e) Expediting	b) Goal setting d) Analyzing
6	Coping skills	a) Flexibility c) Patience f) Contemporary knowledge	b) Creativity d) Persistence

Source: Developed by the authors through study and research

9. Team Building under Islamic Leadership : Teamwork has to be organized and nourished through effective leadership and management (Altalib, H., 1991). Working together with team spirit is an Islamic directive. It is said in Hadith “The Hand of Allah is with the team (*Jama’ah*). Then, whoever singles himself out (from the *Jama’ah*) will be singled out for the Hell-Fire” (*Sunon Al Tirmidhi*). A team from Islamic point of view may be defined as a group

of people under a team leader who work together on a continuing mission with common (*halal*) goals and objectives. The figure-3 is a diagram where people designate A, B, C, P, Q, X, Y, and Z are working together under a team leader 'M' to achieve organizational goal considering Islamic values. Here the team members are mutually interactive and connected with their leader.

Figure: 1 – A Diagram of Team Building under Islamic Leadership



Source: Developed by the authors through study and research

Team building refers to creating and development cohesion of the team. *Esprit de corps* is the ultimate organizational outcome of team building. Team spirit requires much more than

knowledge, sincerity, dedication, and sacrifice. It is nourished by much higher level of understanding, appreciation and tactics.

Team building encourages team members to examine how they work together, identify their weakness and develop more effective ways of cooperation. Keith Davis et al (2001) identified the following steps in a team building process:

- a. Identification of a problem
- b. Collection of relevant data
- c. Data feedback and confrontation;
- d. Problem solving experience
- e. On the job application and follow-up.

Altalib et al (1996) stated team functions at all levels, but is most useful at the top level of management. The main shortcoming of teamwork in our society is the pervasive feeling that unless we agree with a person 100%, we can't work with him or her. Hence, a very few groups are working harmoniously. In most of the cases, one person tries to dominate and dictate his way of thinking and approach on the group. Many private institutions are victims of one-man management styles.

No mankind is perfect in this world. We shall not find any leader or team member who is devoid of all shortcomings except Prophets. Everybody has strengths and weaknesses. Islam encourages focusing on individual's strong points and putting aside the weak points. This may be the team spirit equation of the total group.

10. The Managerial Grid Approach – from Islamic Leadership view of point: A well-known approach to defining leadership styles is the managerial grid (Keith Davis, 2001). The managerial grid is so far the most popular approach to help teach managers about leadership. Three largely parallel sets of leadership studies were conducted in the mid of 1940s at the Ohio State University and the University of Michigan. It was an attempt to determine what leader behavior was meaningfully associated with organization productivity. The studies under the initial leadership of Ralph Stogdill at Ohio State and of Rensis Likert at the University of Michigan, concluded that there were two principal-dimensions of leadership behavior:

- a. *Concern for people:*

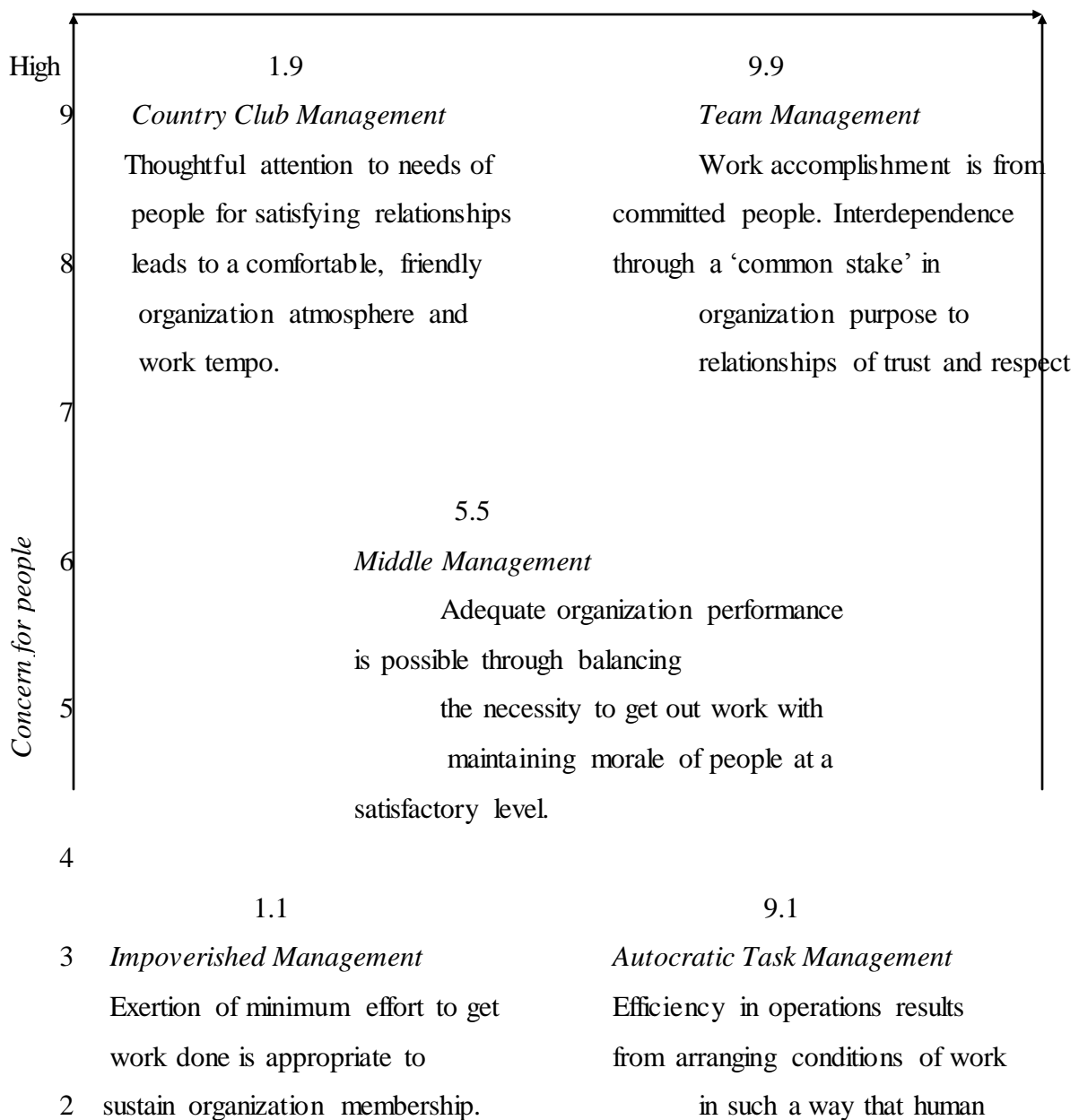
This dimension is mostly 'staff and commitment oriented'. It involves a manager's concern for developing mutual trust with subordinates and followers, promoting two-way communication, being sensitive to their feelings and ideas. Managers with this

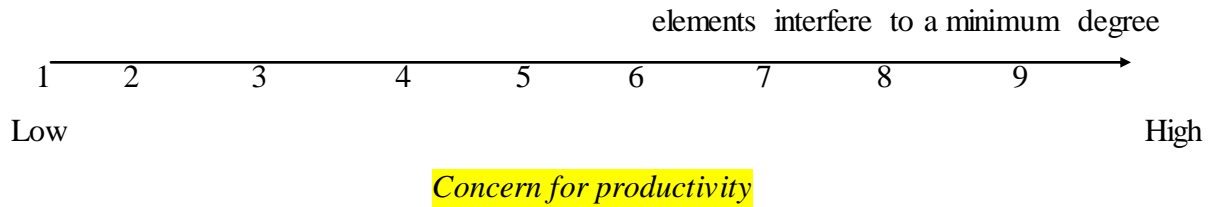
concern are often characterized by their concern for welfare, commitment, friendliness, approaches and attitudes towards solidarity.

b. Concern for production:

This dimension is mostly ‘job and task oriented’. It involves a manager’s concern for actively directing subordinates in order to get the task done effectively and efficiently. The managers under this category are characterized by concern for completing the task as per plan, implementing rules, regulations, policies and procedures.

Figure: 2 - Managerial Grid (Adapted)





Source: Originally by Blake and Mouton, 1994 from Fred Luthans, Organization Behavior, New York, McGraw Hill Inc. 1995, p. 415

Islam supports high productivity and high involvement of employees in an organization. Hence, from Islamic point of view 9.9 styles may be the target as an ideal leadership to become successful in managerial leadership

11. An Islamic Outlook of Leadership Continuum :The latest development in leadership styles is the leadership continuum. The theory of leadership continuum is developed by Robert Tannenbaum and Warren H. Schmidt. Instead of suggesting a choice between the two styles of leadership – authoritarian or democratic, the leadership continuum assumes variety of styles, ranging from highly boss-centered to highly subordinate centered, with no suggestion that one is always right and another is always wrong.

This theory recognizes that appropriateness of a particular style is dependent on the leaders, the followers and the situation. In the revision of continuum theory, interdependency of leadership style and environmental forces have been included in 1973 [Vide the modified diagram of leadership continuum in Fig.3].

Figure-3: Continuum of Manager –Non-manager Behavior

(Please another file ‘Figure -3’ be pasted here)

It seems that the highly boss centered style of leadership in the continuum, where the subordinates have no voice but to accept the managers’ decision is against Islamic ethics; hence it is not supported by Islam. Other styles are the reflections of discursive and participative management, which are justified by Islam. (Ather, 2005)

12. Islamic Model of Organizational Leadership: On the bases of previous discussions, concepts and facets of Islamic Leadership, a Model of Organizational Leadership from Islamic Perspective has been developed (Vide–Fig. 4). Basic three elements of leadership as shown in the model are: Organization, Leaders and Followers. Leaders will take decisions consulting with the followers. Leaders will act, as both the servant and guardian leadership while the followers will show dynamism in their participation and action. Leaders will be gentle to the

followers and they should never be harsh with them. Leaders must pass over followers' faults, if any, and ask for Allah's forgiveness. They must consult followers when necessary. After consulting leaders must decide and put trust in Allah (SwT).

The role of followers in Islamic leadership process will be positive. They will act as observers of men, women and things. They must be cooperative with their leaders. They provide necessary suggestions to their leaders thus contributing to decision-making. They also warn their leaders for their actions if necessary. The followers must withdraw their support if and when the leaders are seen deviating from the right path of Islam (Anisuzzman et al, 1996). Thus they will play the role of dynamic rather than blind followership.

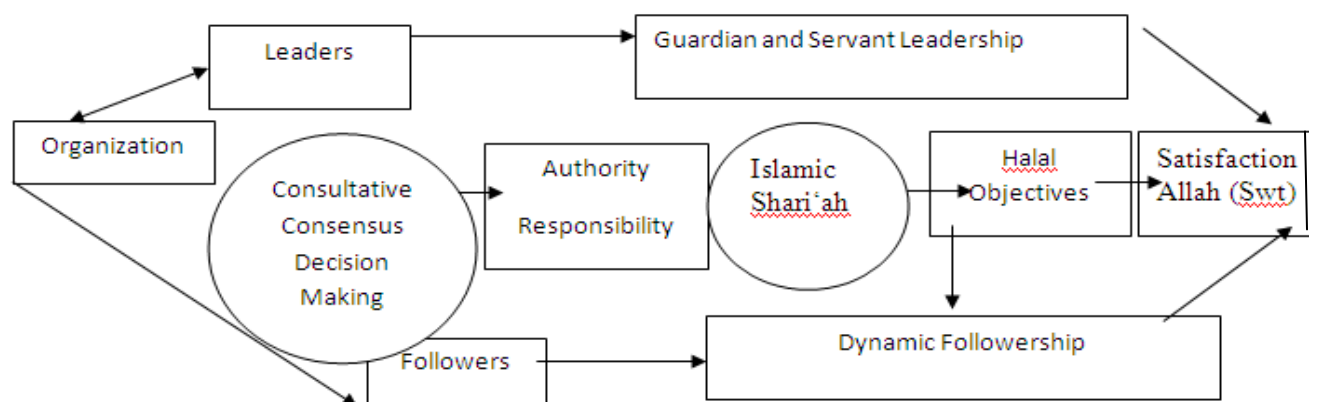


Figure: 4 . Islamic Model of Organizational Leadership

Findings of Islamic Leadership from Bangladeshi Organizations

(A) Findings from Government Officials and Private Organizations (Anisuzzaman and Majumder, 1996).

In maximum time government offices and private organizations in Bangladesh are reorganized on conventional principles and practices. This is the result of past two centuries. We are interested to know if leaders of these Bangladeshi organizations with Islamic prefixes are familiar with Islamic organizational principles and practices and the extent to which they apply them in their organizations.

First might begin by making some assumptions. As a Muslim majority country the people of Bangladesh have deep love and long connection with Islamic values and traditions. They are nursing Islamic names and nomenclatures. It is evident that only a few organizations bear Islamic names with or without expressly declaring their religious connections. It would be

hazardous to comment on their 'Islamic ness' merely on the basis of the label 'Islamic' before their names/ official titles. Some organizations may have stopped just there, while others might go a little further by attempting to organize their functions along Islamic leadership styles at least in form, if not in substance. Sometimes some organizations hold Islamic names to attract the fund from Muslim donor, like Arab countries. Whatever their objective, Islamic levels are being used in setting up some organizations. But it is a fact that whatever their objective whenever they level the name of Islam they are trying to follow the different Islamic practices, like, Five times prayer(Salat), Interest free transactions, and nursing teaching the Holy Quran and from the tradition of Prophet(saw). Once setup, these organizational leaders might feel an urge to apply Islamic principles of leadership to justify the Islamic nature of their operations.

(B) Finding from Masjid(Mosque) Management and Leadership (Mohiuddin, 2007)

1. **Attention of Imams to the Musullies :** The Prophet (SAW) always used to listen attentively to the problems and grievance of his followers. Really the prophet (SAW) was their Imam. It is a very important instance for the Imams. From the information available, it is found that the maximum number of Imams (76.74%) in the study area patiently hear the problems and grievance of the Musullies. Again 16.28% of Imams practise this Sunnah frequently but the lowest 6.98% Imams think that they need not give attention to the problems of Musullies (Devotees).

2. **Consultative Management as Practiced by Imams :** Consultative management or Shuratic management is an important aspect of Islamic management. From the data regarding consultative management of the mosques in the study area it is evident that the maximum number of Imams (52.75%) consult the devotees regarding decision making on all matters and 43.64% of Imams consult devotees on a very few matters. But 3.64% of Imams do not support the system of consultation with devotees. On the other hand in Motowalli system, there is no scope of consultation regarding matters relating to mosque management. Motowallis are the sole-authority there.

3. **Political Participation of Imams:** A lot of surprising information regarding political participation of Imams has been collected. The highest 98.18% Imam of the study area think that it is necessary for them to participate in political activities for the sake of Din (Islam). Only 1.82% Imams think that it is not necessary to participate in politics for Din (Islam). But the interesting fact is that in reply to the question whether they personally participate in politics,

61.82% of Imams have replied in the affirmative and 38.18% of Imams have replied in the negative. It may be assumed that there are some problems. They give their opinion in favor of the necessity of participation in politics but personally many of them are not related to politics. The reason of this situation may be that the present Islamic parties do not follow Islam properly. Or they are afraid of losing their popularity and respect. It will be difficult to call the general people to Islam if they are once involved in a particular political party. That is why, most of them are not willing to participate in politics.

4. Activities of Mosques and Implementation of Plan: As the mosques are religious and social institutions it has different dimensional impacts on the locality. If the activities of the mosques are managed as per plan, the society will enjoy much benefit. From the data it is clear that maximum 76.67% of mosques have been managing their activities as per plan and 23.37% of mosques go without plan. Managing the mosques without plan means that all activities are not proceeding systematically and timely.

5. Job Satisfaction of Respondents: From the facts regarding job satisfaction of Imams it is evident that most of the Imams (35.19%) are somewhat satisfied with their present job. On the other hand same number of respondents (35.19%) is not satisfied with their present job (working place) due to lot of problems faced by them. From the study, it is also observed that not a single Imam is willing to leave their present tasks in the mosques in spite of different oppressions imposed on them. It is because they want to get satisfaction of Almighty Allah by their sacrifice.

6. Number of Employees in Mosque and Other Programmes: The mosque is a social and religious institution. Centering the mosque various programmes are conducted and hundreds of people get benefit from these programmes. To manage these programmes of the mosques many persons like Moazzin, Khadem, Cleaner are needed except Imams. From the information received, it is clear that in 30.91% of the mosques of the study area 1 to 2 persons are employed on the average. In maximum mosques (43.64%) of the study area 4 to 5 persons work for the execution of different programmes of the mosques. Only in 18.18% of the mosques 5 to 6 persons are engaged in the execution of the programmes of the mosques.

7. Problems of Mosque Management: In the highest number of mosques (50.91%), financial problem is acute where as in 27.27% of mosques lack of accommodation is the main problem. Also in 14.55% of mosques, lack of initiative is the principal obstacle and in 16.36% of mosques, frequent interventions of Motowallies hamper the normal activities of Imams. Again in 10.91% of mosques, religious friction and grouping is obvious and at the same time in

18.18% of mosques there are many other problems, such as lack of bathroom, lack of infrastructure development and lack of co-operation between the committee members /Motowallies and the devotes. Only in 10.91% of mosques, no remarkable problem is observed.

C) Activities of Islamic Bank Bangladesh Limited and its Management

An Islamic bank is a financial institution that operates with the objective to implement and materialize the economic and financial principles of Islam in the banking arena. In August 1974, Bangladesh signed the charter of Islamic Development Bank and committed itself to reorganize its economic and financial system as per Islamic Shariah. At last, the long drawn struggle to establish an Islamic bank in Bangladesh came into reality and Islami Bank Bangladesh Limited was established in March 1983 in which 19 Bangladeshi nationals, 4 Bangladeshi institutions and 11 Banks, financial institutions and government bodies of the Middle East and Europe including IDB and two eminent personalities of the Kingdom of Saudi Arabia joined hands to make the dream into reality. Later other 6 Islamic banks were established in the country. This bank is established as well flourished by some Islamic organizations and due to their effective leadership this institution is now established. The following discussion will be a picture of organizational set up of this organization where we have observed a successful leadership.

Aims and objectives of IBBL (*annual report of IBBL*)

1. To conduct interest free banking.
2. To establish participatory banking instead of banking on debtor-creditor relationship.
3. To invest through different modes permitted under Islamic Shariah.
4. To accept deposits on profit-loss sharing basis.
5. To establish a welfare-oriented banking system.
6. To extend co-operation to the poor, the helpless and the low-income group for their economic upliftment.
7. To play a vital role in human development and employment generation.
8. To contribute to balanced growth and development of the country through investment operations particularly in the less developed areas.
9. To contribute in achieving the ultimate goal of Islamic economic system.

Functions of IBBL:

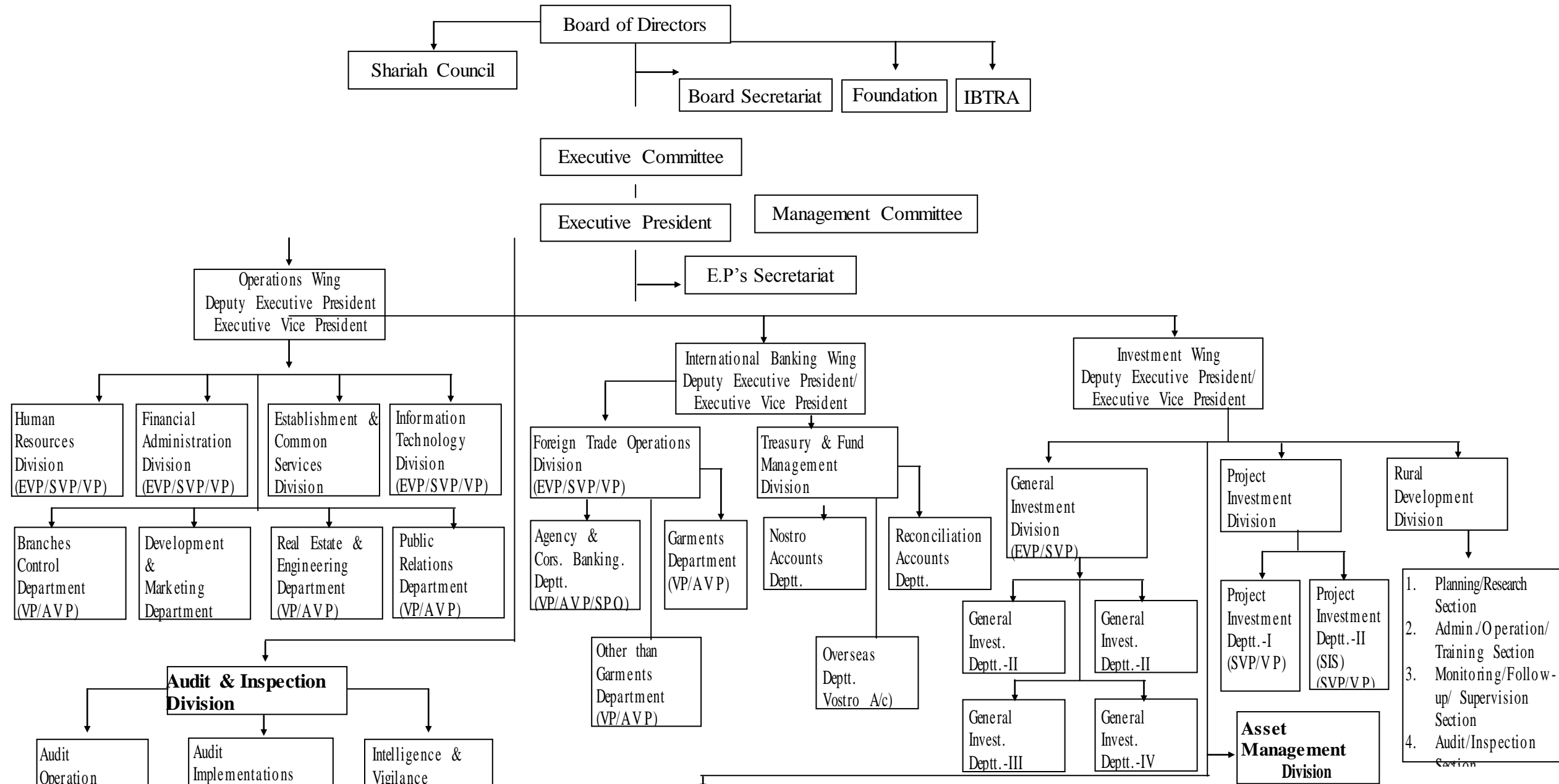
- (a) To maintain all types of deposit accounts. To make investment.
- (b) To conduct foreign exchange business.
- (c) To extend other banking services.

(d) To conduct social welfare activities through Islami Bank foundation.

Management of IBBL

Islami Bank Bangladesh Limited is managed by a board consisting of 13 members”(Directors). Of the directors, 3 are foreigners and 10 are local. 7 members Executive Committee is formed by the Board of Directors for efficient operation of the Bank. Beside this, a managing committee looks after the affairs of the Bank. ¹⁰

Figure: 10.2.2-ISLAMI BANK BANGLADESHI LIMITED
 ORGANOGRAM



Shariah Council:

Shariah Council of the Bank has been playing a vital role in guiding and supervising the implementation and compliance of Islamic Shariah principles in all business activities of the bank since its very inception. The council, which enjoys a high status in the structure of the bank, consists of prominent Islamic scholars, reputed bankers, renowned lawyers and eminent economists. Members of the Shariah council meet frequently and give decisions on different issues confronting the Bank on Shariah matters. They also conduct Shariah inspection of branches regularly so as to ensure that the Shariah principles are implemented and complied with meticulously by the branches of the Bank(Annual report of IBBL,2010).

Development of Manpower, Research, Training and Motivation:

The principles and working procedures of Islamic Banks are completely new and different from the conventional banks. There is an inevitable need for training of the employees of the banks. To cater to this need Islami Bank Training and Research Academy (IBTRA) was established in 1984, soon after the inception of the Bank. The activities of IBTRA cover both training and research on various aspects of Islamic banking. The Academy developed a rich library of its own with a treasure of valuable books on different subjects including Islamic economics, banking, comparative philosophies and journals of home and abroad and research articles and documents. Employees of the Bank, learners and researchers have been taking full advantage of the library.

Keeping in view the existing and future training requirement of the bank and also to cater such needs of different Islamic banking & financial institutions of the region, the management of Islami Bank Training and Research Academy has been placed at the disposal of an Academic Council consisting of 3 directors of the Board .Management executive of the bank, shariah scholar, renowned academicians and representatives of reputed institutions engaged in the training of bank officials of the country(Annual Report, IBBL,2011).

The Academy conducts training courses, and workshops. Apart from this, an “Executive Development Programme” has been introduced at the Head office of the bank in Dhaka since 1988 for enriching knowledge and thought and developing professional skill of the executives. This programme has proved to be effective and now being extended outside Dhaka. The academy conducts internship courses for the students of different departments of various universities of the country. The bank has introduced annual award for the best three students of the Department of

Banking and Finance of Dhaka University who secure the positions 1st class 1st, 2nd and 3rd with ‘Islami Banking’ as special subject from the year 1994.

The bank is also providing financial assistance for publication of a text book on “Islamic economics and banking” for the university students.

Beside this, a motivational programme has been introduced since 1987 for the clients of the bank. Client-orientation programmes are arranged in different branches for disseminating the concept of Islamic economics and banking and to acquaint the clients with the operations of Islamic banking system (annual report of IBBL).

Management and execution problems of Islami Bank Bangladesh Limited:

Islami Bank has attained a good success in Bangladesh but we find some problems. such as

- (1) Lack of efficient, religious, trained manpower.
- (2) In Bangladesh there is no separate banking law for Islami Bank.
- (3) Though several Islami Banks have been established in the mean time, but no Islamic money market has grown till today.
- (4) Islami Banks have built up their own Shariah Council but there is no Shariah Supervisory Board in Bangladesh Bank.
- (5) There is no financial instrument approved by Shariah for the money market of Bangladesh.
- (6) Different types of Complexity and problems are found in buying & selling of shares.
- (7) Lack of adequate instruments in international banking.
- (8) Shariah council did not take any initiative for research in the development of rules and procedures of Shariah Council for smooth functioning of the Bank.
- (9) Due to the lack of branch network in entire Bangladesh the activities of Islami Bank are urban-centered.
- (10) Existing laws, trade and industrial policy, income tax policy and education system are not in favour of Islamic Banking System. As a result Islami Bank cannot maintain properly Musharaka, Mudaraba investment systems as per Shariah Board decision.
- (11) Islami Bank cannot attract the non-Muslim clients- to a great extend(annual report of IBBL).

Concluding Remarks

Nowadays, leadership is being considered as a key factor for the success of any organization. The Muslim managers of global business world must possess Islamic leadership skills to survive in the competitive market. In today's demanding and dynamic leadership requirement, managers who are incompetent in an organization must be willing to constantly upgrade their skills. There is no doubt that continuous efforts to acquire skills will lead a manager to become a successful leader. Teamwork under an effective leader is recognized as a vital force in achieving organizational goals and objectives. The success of a team is dependent on the group efforts under a team leader. Some very talented individuals are not good team members by nature in teamwork. A team member in an Islamic organization must be willing to sacrifice his opinion if needed for the greater interest of the team. For effective results, members of the team must be trained about Islamic values, ways of communicating within the team, behavior & attitudes, and consensus formation. A manager having leadership qualities as laid down in Islam, is expected to combat any managerial challenges and complexities of the centuries ahead.

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