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Al Maslahah Based Quality Management: A Theoretical Overview

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Abstract: Religion has a major impact on human behavior, social interactions and social relations. This paper explores the impact of the behaviour of management operating within the framework of Qur’an and draws a sketch of a socially responsible enterprise which Islam idealizes in the domain of business and trade, to achieve and realize Maslahah as one main objective of whole stakeholder establishing the organization or firm. The study suggests that endogenoising of Islamic dimensions will enhance the quality of management, efficiency level of the firm and will also increase social welfare level.

Keywords: Maslahah, Quality, Management

Introduction

Since forming aims and objectives of social organization could not accomplished as individuals and society relied continuously on group effort become large, managing become essential component to ensure the coordination of individual efforts and crucial in the way how the managers manage the complexity of organizations.

In mainstream economics, generally the theoretical model of the firm is based on the economic values and emanates profit maximization and cost minimization constructed as the primarily objective function. Social, ethical and moral components seldom include in this objective function. When they observed a higher profit, Firms will enter the market and when they observe losses in economic terms they exit the market. This is called as opportunity cost of pure economic phenomenon (Sen, 1993).

However, a firm or organization when formulating their objective function should incorporate social, cultural, moral and ethical variables as an integrated part of society besides the economic ones (Morrison, 2000). There are many studies which incorporate religion as a variable in their discussion e.g., Andersons et al. (2000) which explores the role of religion in the formation and development of the enterprise culture that it is the moral and social responsibility of the firms to care for their stakeholders while they are in the process of earning (Sen, 1993; Zaman 2005; Mannan, 1992).

In other side, Islamic civilization has reach from Latin America to China and everywhere in between in their commerce. This is the one reason in our commitment to build organizations to affirm Islamic perspective of management in today's ethical crisis (Fiorina, 2008). Basically many Muslim scholars such (Al Buraey, 1985; Jabnoun, 1994; Naim, 2003) had discussed the behaviour of firm and management and their responsibilities towards society and community. The scholars as cited by Ahmad (2007) in the general field of business also have turned to examine various streams of this field from an Islamic perspective (Kahf, 2000; Mannan, 1970). It is a well-known that the Islamic management system works on the Tawhid and no-injury principle of (Maslahah), Maslahah established that all benefits are the advantage for all, no one has right to use these benefits causing loss to the other members of society. Realizing Maslahah also intended that all physical and non-physical benefits can be felt equally and average by all firm stakeholders. However, the use and implementation of Maslahah in behavioral management should be governed by parameters and conditions put in place by the Shariah.

Management: Review of Studies

Management is the art, or science, on how to achieve goals through people. Since manager isalso supervise, literally management can be interpreted as "looking over"—i.e., making sure people do what they are supposed to do. Therefore managers, are expected to
ensure greater productivity, continuous improvement. In more broadly term, management defined as the process to design and maintain an environment in which individuals can working efficiently together in groups, to accomplish selected aims of organization (Koontz and Weirich, 1990).

In classical era there are three well-established schools on management theory, e.g., Taylor’s Theory of Scientific Management, Fayol’s Administrative Theory and Weber’s Theory of Bureaucracy. Each new school has tended to complement or coexist with previous developed theories. The first management theory in the late nineteenth and early twentieth centuries is popularly referred to as Frederick Taylor’s Scientific Management which decried the “awkward, inefficient, or ill-directed movements of men” as national loss. Basically, Taylor’s theory had four basic principles: (i) Find the one “best way” to perform each task, (ii) carefully match each worker to each task, (iii) closely supervise workers and use reward and punishment as motivators and (iv) the task of management is planning and control. Taylor was successful at improving production by analyzing each task individually. Taylor combine all factors, i.e., the best equipment and people, then scrutinizing carefully each component in the production process to increase yielded large of production. Taylor consistently believed that when management performing the science and instruction and the workers performing the labour, the workload would be evenly shared between the workers and management and each group doing “the work for which it was best suited In the realm of activity, Islam considers that the existence of management as an inevitable necessity to facilitate the implementation of Islam in private life, family and society. The implementation of Islamic values as manifested in the functioning of Islam as a rules of thinking and rules of action in life. As a rule of thinking, aqidah and sharia functioned as the principle and foundation of mindset. Meanwhile, as the rules of action, sharia functioned as benchmark (standard) deeds. Therefore, management activities that undertaken must always be in the corridors of sharia. Sharia should be a measure of management activities. In the same breath with the vision and mission implementation of Islamic values as manifested in the expansion of the management functions that the functions cannot be separated in running an organization. The expansion of the management functions that the management cannot be separated from the elements of planning, organizing, directing and direction (actuating). Management function is to run a wheel organization, social, governmental, business, commerce, industry and other groups. Basically management functions cannot be separated in running an organization.

The Understanding Concept of Maslahah

In presenting one of the core subject matters of Masqashid al-Shariah, Maslahah must always be discussed and understood within its framework and parameters. The comprehension meaning of good and evil requires addressing the issue within the ambit and framework of the purposes of Shariah law. The purposes of Shariah law govern the use of legitimate interests in making ijtihad.

Linguistically, Maslahah is the antonym of mafsadah (evil) and ‘harmful’ (Al-Rafi, 1985). The terms encompass benefit (manfa’ah) and interest used to indicate when a thing becomes good or a person becomes just and honest. In the rational sense, Maslahah means a cause or a goal which brings benefit and prosperity. As a technical term, jurists have discussed and defined the concept of Maslahah in a broader sense. Al-Khawarizmy defines Maslahah as the preservation of the objectives of Islamic law by removing evil from creation, by which he means humanity. Al-Ghazaly states that Maslahah is the consideration which secures a benefit or prevents harm and is, at the same time, harmonious with the aims and objectives of the Shariah which consist of protecting the five essential values, religion, life, intellect, lineage and property. According to him, any measure which secures these values falls within the scope of Maslahah and anything which contravenes them is mafsadah (evil) and preventing the latter is also Maslahah (Al-Ghazali, 1998).

Al-Shatibi (1997) defines Maslahah as a principle that concerns the subsistence of human life, the completion of livelihood and the acquisition of what a person’s emotional and intellectual qualities require of him/her in an absolute sense. Al-Shatibi (1997) then classifies Maslahah into three categories: Dharruiyyat (essentials), hajjyyat (needs) and talismiyyat (embellishments). The essential (dharruiyyat) is what
indispensable in sustaining and preserving the five objectives of Shariah and in the sense that if they are disrupted the stability of the society will be at stake. The complementary Maslahah are so called because they are needed in order to remove hardship and impediments and hence complement the essential interest. However the disruption of hajiyyat not disruptive the normal order of life. Finally, tahsiniyyat (the embellishments) is interest to realise that leads to refinement and perfection in the customs and conduct of people at all level of achievement.

Ashur (2006) claims that Maslahah means utmost righteousness and goodness. He further states that it is an attribute of an act realizing righteousness and goodness; i.e., utility and benefit are always or usually realized for the public or individuals. Conversely, mafsadah is an attribute of an act which always or usually results in corruption or harm to the public or individuals (Ashur, 2006). Hamid (1991) states that the definition of Maslahah by Muslim jurists indicates the following:

- Maslahah has to be in line with the Shariah, with the interest of religion taking precedence
- Determining the goodness or evil of an act is based upon both the nature of the act and its outcome, which highlights the need for consistency between the process and the end. It also calls for comprehensive historic scrutiny of human acts and the consequences they had for human welfare
- Identifying a Maslahah, whether public or private, requires cooperative effort between experts in specific fields and Muslim jurists, for thorough research must be performed in both aspects in order to conclude that something is a valid Maslahah in line with the Shariah

On the whole, the implication of Maslahah reflects to how Islam stresses the importance of social interest rather than merely individual interests. Surely, this is the basic framework for management mechanism in adapting the environmental further contributes in desalinating the role of business activities. It offers guideline for managers and all stakeholders, particularly in solving conflict that may arise when pursuing business and management activities based on moral judgement. To clear out the application of Maslahah in management, the Maslahah illustrated in a pyramid form, as in Fig. 1.

The pyramid of Maslahah as depicted in Fig. 1 as the framework and general guideline is mechanism of ethical filter by providing three levels used by management while engaging in various business initiatives to realize and achieve the objective. The three levels in terms of fulfilment of responsibility reflect the different degrees of importance.

**Maslahah Compliance Model for Management Entities**

In the modern world collaboration and networking between people, nations, as well as business entities is a big part of management entities and becomes important for the human resources development. For this reason, the management entities even in the differences of values and fundamental rules on the essence of management behaviour or activities should open it-self to collaborate with other management entities to give more benefits to the society and mankind with of course still respect to the differences between those culture, values and religion.

The definition of maslahah as refer to the Encyclopedia of Islamic law, is from the Arabic structure, maslahat are masdar form of madli sholaha and singular form of the jama’ ‘masholeh, which means the same with the benefits. Therefore, everything that has benefit value can be said as maslahah. While the understanding of maslahah according to Imam al-Ghazali that maslahah are taking advantage and refuse the badness in order to maintain the syarak objectives. He considers that a maslahah must be consistent with the goals of syarak, despite being contrary to human purposes. Syarak goal is to be maintained the religion, life, intellect, lineage and wealth. So, according to al-Ghazali that each person’s action, is a deed which basically aims to maintain at the fifth aspect of syarak goal, then his actions named maslahah. Thus, it can be concluded that the maslahah are the benefits to be achieved by human beings in all aspects of life. So, if we look at the both definitions above, magashid Shari‘ah with maslahah is something interrelated and interdependent relationship between one another (Dahlan, 1996).

*Al Maslahah in management could be defined as ensuring that people are aware of their rights and that*
they receive their maximum entitlements. *Al Maslahah* is how to organize all organization efforts of to achieve the well-being of its members. Health, happiness, comfort, prosperity, growth and general well-being come under this umbrella. Based on this concept of *Maslahah*, management, additionally, could also be classified into five categories. These five categories are related to the protection, improvement and amelioration of human’s basic elements; religion, life, mind, offspring and wealth (Al-Masri, 1999). However, these five elements are not equal in importance. Some are more important than others, but each of them is essential. The elements, in order of priority according to the *Malikiyyah* and the *Shafiiyyah*, are Religion (*Din*), Life (*Nafs*), Mind (*Aql*), Offspring (*Nasab*), Wealth (*Mal*). Thus, in realizing *Maslahah* the model of management at least should focus on five aspects of management entities in business circle: The functions of management, the process of business, corporate culture, corporate governance and corporate social responsibility (Al Zuhaily, 2005)

Based on that, there are five dimensions of *Al Maslahah* in management system of organization in Islam, *Al Maslahah* of shareholders, employees, customers, environment and society compared to mainstream management as shown in Fig. 2-4.

**Al Maslahah of Stakeholders**

Stakeholders in Islam, are various parties who have the right with the risk as a result of the company’s actions either voluntarily or not. The stakeholders do not just those related explicitly stated in the contract or transaction, but also those who implicitly have relevance to the activities of the company. Furthermore, Islam requires every company to honour the unwritten codes of conduct for any stakeholders that may have relevance to the activities of the company. In essence, this implicit contract that is the core of the Islamic Sharia. When the man appointed as caliph in the earth, then automatically every man himself has an implicit contract with the Lord in every activity performed. There are obligations and responsibilities assumed by each human being to realize his obedience to God. The failure in the achievement meant that he had defected and will get the consequences in this world and hereafter.

When people move pilgrims (together) then all sorts of conflicts can be minimized because all united in a single entity. Thus, people no longer fight each other and compete unfairly, but would create the cooperation with each other and work together, as his word “Allah loves those who fight in His way in orderly rows as they were a solid cemented structure (QS.61:4).” Also in a hadith narrated that one of the companions of the Prophet passed by a ravine where there are freshwater springs. He liked the ravine and said, “I wanted to isolate myself from another one as my worship to God! I will not do it before asking permission from the Prophet (saw).”

"The man expressed his desire to the Prophet and the Prophet said, "Do not do it. Fight in the way of Allah is better than the (silent) prayer at home for seventy years” (Narrated by Turmudzi and Hakim).

Therefore, all human actions in daily life is strongly influenced by his relationship with God, inspired by the values of honesty, wisdom, justice, respect for the law, kindness, patience, tolerance and morality and instead of cunning, vanity, position status oriented, show off, disobedience, envy, jealousy, or stabbed from behind (treason). Thus, the good governance is more meaningful when compared to the financial achievement merely.
However, that does not mean Islam anti against profit-making businesses. A company may have a desire to improve their well-being or remain in an effort to maximize the wealth of shareholders, provided that in the process, every activity undertaken does not create any problem or misuse of the surrounding environment. Because at the contrary, the neoclassical economic theory with the doctrine of self-interest reveals otherwise, that justifies any means to achieve personal goals regardless of the impact on the surrounding environment.

The Western scientists generally expressed the settlement of conflict with the trade-off between the desire of the shareholders and stakeholders in a company. To meet the interest goal, it may be, some stakeholders benefited while others must suffer losses. In Islam, all stakeholders must be protected their rights and obligations of all the risks that may arise as a result of the company's activities. The stakeholders are treated as a single group. Therefore, Islam has a concept that facilitates the fulfillment of human needs based on the priority of human endeavor. This concept is called maslahah.

Al Maslahah of Customer

Sales and profitability depend on keeping customers happy:

“Give measure and weight with (full) justice.”
(QS.6:152)

Daryabadi (1998) explains that this verse means being away from fraud and deceiving, so that no one could deprive others of their rights. In this terse Gospel, there are all dimensions of trading ethics. Beside excellence in personal ethics, purity in trading ethics is necessary in management:

“So establish weight with justice and fall not short in the balance.” (QS.55:9)

This verse explains that nature of this Universe doesn’t accept injustice, brutality and savagery. It is not allowed being unjust with others in any case; even if someone arrogates a little right of purchaser during weighting, he disrupts the balance of Universe.

Al Maslahah of Business

“O ye who believe! Eat not up your property among yourselves in vanities: But let there be amongst you traffic and trade by mutual good-will: Nor kill (or destroy) yourselves: For verily Allah hath been to you Most Merciful!”
(QS.4:29)

Al Maslahah of Business

Spiritual character in business is important because business reductionism be for the example just money oriented or making money alone obviously will go unbalance and eventually towards a crisis and then collapse. Thus, the understandings of Maslahah based business is as follows:

- That the business is the ecosystem; not only the competition field
- That the company is a community; not only cash machines
- That the management is services; not only the controlling
- That the manager is the coach; not supervisor level only
- That the employees are peers; not only the maid
- That the motivation comes from a vision; not wages
- That the change is growth; not suffering alone

Included in the business activities that a parameter of the enactment of al-ashlu fil mua’amalat al-ibahah principle, which includes seven precepts as follows:

- **Maysir**: All forms of gambling speculation, which cut off the real sector and raising the non-productive sector
- **Immoral**: Business practices in violation of decency and social norms
- **Gharar**: All the transactions that are not transparent and unclear, which have the potential harm either party
- **Haram**: The object of transactions and business projects that forbidden by sharia
- **Ribā**: All forms of distortion of currency into commodities by imposing an additional (interest) on the credit or loan transaction and the exchange or barter more between similar usury commodities. This prompted the prohibition of ribā-based business partnership which is mutually beneficial and business normality (sunnatullah), in addition is to avoiding the practice of extortion, exploitation and persecution by those who have a high bargaining power against whose only have a low bargaining
- **Ihtikar**: The hoarding and monopoly of goods and services, to playing the price
- **Dangerous**: All forms of business and transactions that harm individuals and society as well as contrary to the maslahah in maqashid shariah

Al Maslahah of Society

Islam prioritizes the welfare of different segments of society, as explained in following verses:

“Alms are for the poor and the needy and those employed to administer the (funds); for
those whose hearts have been (recently) reconciled (to the truth); for those in bondage and in debt; in the cause of Allah; and for the wayfarer: (thus is it) ordained by Allah and Allah is full of knowledge and wisdom” (QS.5:60)

“They ask thee what they should spend (in charity). Say: Whatever ye spend that is good is for parents and kindred and orphans and those in want and for wayfarers and whatever ye do that is good, Allah knoweth it well.” (QS.2:215)

There are differences in the company's main objectives in the perspective of conventional and Islamic. In the conventional perspective, the main goal of company is to maximize the shareholder wealth (Brigham and Ehrhard, 2005; Brigham and Houston, 2006) although sometimes the social, ethical and moral aspects include into that purpose. Alhabshi and Ghazali (1994; Abod and Ghazali, 1992) consider that in the Islamic business not only about the profits, but the goal should be to maximize al-falah. Filter moral and business conduct Islamic way is reasonable, in the sense that the realization of profits, in order to maximize shareholder wealth, performed at a reasonable and satisfactory level, thus avoiding excessive profits. This action is the norm of Sharia Company because its preference is for a moral and ethical value is not solely due to economic reasons (money). Even some experts recommend to induce other aspects such as social, ethical and moral, in formulating corporate goals (Azid et al., 2008). That is why the Islamic business’s objectives called maslahah. Basic human maslahah constituted by the need to achieve individual and social wellbeing. Social wellbeing is a basic Islamic values (Ahmad, 1997), so the Islamic business must lay down the social wellbeing as a foundation for the business to stand firmly and can operate in a sustainable manner.

Al Maslahah of Environment

It is about the protection of environment, Islamic teachings are quite explicit. Relating to the nature in which it operates, then in accordance with the principle of maslahah, Muslims are not allowed to carry out activities that are prohibited (haram) as damaging to the environment both in the present and for the next generation. Thus, Muslims as individuals and social have the obligation to protect the nature. The way to do is to maintain the trees, breed animals, do not do the activities that cause pollution and implement social responsibility to the community. To realize these things need to develop the awareness for using the Shariah law as a cornerstone in the treatment of ethical conduct towards the environment, resulting in a balance for the company as an entity and its environment. As the Qur'an says:

“For Allah loves those who turn to Him constantly and He loves those who keep themselves pure and clean.” (QS.2:222)

Daryabadi (1998) explains that cleanliness here means purity from physically and spiritually dirt. “Cleanliness is half the Faith” as the Prophet Muhammad (PBUH) has said, “If the last hour strikes and finds you carrying a nursling tree to the grove for planting, go ahead and plant it”. Al-Maslahah Compliant model management comparing to modern approach provides a balanced and comprehensive basis for welfare as it synchronizes the crucial components of management system and embeds the concept of ‘welfare protection’. Because combining ‘welfare’ with ‘protection’ as a results of contemporary transformation of from mere rules to practicable values. Al-Maslahah Compliant model management as proposed in this study, not only offers the welfare, but also the protection of the business, employees, customers, environment and society at large. Therefore, Islamic value system of management surely stands at a higher pedestal compared to the contemporary management theories, welfare and protection model.

The understanding of quality management concept has resulted in the using of the achievements quality management method in the different ways. Among the methods used were statistical methods, customer satisfaction, auditing quality and process improvement. Basically, the achievement of quality management focused on the customer satisfaction, the progress, ‘performance and cycle time’. Attention to workers involved in the whole process is so scarce. The Critics of TQM have used this issue and now positioned TQM in the ‘back seat’. Clarence Burns is TQM practitioner has tried to introduce the concept of ‘The Unified Total Quality Model’. His model is as follows.

If we combine and blend each other so merge into the Maslahah concept it will be as below Fig. 5.

Fig. 5. Maslahah quality model
Through this Maslahah based management expected that any conflict that exists in the level of philosophy, theory and rules in management can be deducted through this model, where Burns defines TQM as “A business management approach with an unflattering focus on the outcomes of customer satisfaction, continuous improvement and growth potential”.

Conclusion

Management is a specialized activity involving the leadership, direction, development, personnel, planning and works supervision. While sharia management is a management to attain optimal results that sourced from Allah’s pleasure searching (mardhotillah). There are four principles (axioms) in the concept of Islamic economic that must be applied in the business of Sharia, namely: Tawhid (Unity), balance or alignment (Equilibrium), free will and Responsibilities. The differences between Islamic business and modern ethics business in economic studies perspective lies in the foundation of Tawhid and long-term orientation (hereafter). Certainly this principle has more binding and unequivocal sanctions. Sharia business ethics has two scopes. Firstly, the internal coverage, which means that the company has an internal management that takes into account the aspects of.

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Abdul Hadi Sirat: Designed the research plan, organized the study, create discussion and contributed to the writing of the article.
Nurul Hilmiyah: Develop the methodology used in this study, correcting references and article review.
Muhammad Hakimi: Develop the literature and article review.

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