

# Ethical Leadership from Islamic Perspectives: A Model for Social and Organisational Justice

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*Abstract: The Arab world had a proud tradition of providing security to its working class especially during the early Islamic period. To be relevant in the future, however, developing Arab societies will need to re-examine their currently Euro-centric premise and strive to serve global equity through a more balanced philosophy, one that acknowledges their rich cultural heritage whilst simultaneously embracing the need for modernisation and advancement. Thus, the contemporary strategist in the Arab world needs to be inspired by the humanism of the early Islamic scholars, such as Abu Hamid Muhammad Al-Ghazzali (1058-1111). The principles for good governance (knowledge, justice, wisdom and tolerance) were articulated by Al-Ghazzali a millennium ago and remain valid today. Using Dubai as a model for change, this paper proposes a paradigm shift in work ethic inspired by early Muslim practitioners for creating sustainable and moderate Arab societies in the 21st century. It further demonstrates the ability of the growing regional knowledge economy to adapt economically and socially by implementing traditional ethical guidelines to achieve sustainable growth in addition to avoiding the exploitation of a largely foreign labour class.*

Keywords: Islam, Human Resource Management, Ethics, Arab, Ghazzali

## Introduction

**A**L-GHAZZALI'S IDEAS ON social justice, one thousand years after they were written, remain a challenge for all well-meaning social scientists interested in global equity at the beginning of this new millennium. Relatively unknown in the West, the thoughts of this medieval Muslim scholar can help construct a contemporary understanding in the twenty-first century based on global equity and social justice. Al-Ghazzali devoted his life to the pursuit of knowledge, never satisfied with what he knew. This research critically analyses Al-Ghazzali's ideology and examines whether it has the potency to impact a global economy in need of reform based on social justice.

This paper investigates the consequence of applying the writings of the early Islamic scholar, Al-Ghazzali, to economic and commercial activity in contemporary Muslim societies. From a strategic management perspective, the Middle East needs to be inspired by the humanism of early Muslim thinkers and work towards the goal of integrating economics with ethics to achieve sustainable growth and avoid the exploitation of its working class.

An overview of the Islamic work ethic expounded by Al-Ghazzali's ideal state built on equity is first considered. This is followed by a discussion of the need for re-examining the work ethic of contemporary Arab society. Finally, guidelines for reconstructing global equity in contemporary Middle Eastern society were evaluated using Dubai as a model.

Though the paradigm suggested in this work may seem profound, it does not propose a revolution, but a re-think as to how cultural heritage can enrich the post-modernist vision in a global context. In fact, Al-Ghazzali himself would have rejected any revolutionary change, since he considered disorder worse than injustice. Instead, he would have favoured orderly change and reform from within. Development economics should contribute to this goal of internationalism through the examination of idealists such as Al-Ghazzali who provided a vision of the future of global governance. Al-Ghazzali believed in the force of human knowledge and reason to shape human behaviour for ethical living. Thus, true revolutionary change begins with proper education. Development economics desperately needs such a revolution to become an ethic centric economic philosophy. The application of Islamic principles of good governance articulated by Al-Ghazzali and its feasibility for contemporary Muslim societies like Dubai, is likely to have far reaching effects on various economic aspects. The ultimate aim must be sustainability, in which wealth distribution more closely approximates population distribution. In more personal terms, the development economist needs to be inspired by the humanism of great Islamic thinkers like Al-Ghazzali and work towards the goal of integrating economics with ethics.

## The Early Islamic Period

Abu Hamid Muhammad Al-Ghazzali (1058-1111), was born in the Khurassan region of Persia. His life



coincided with the Abbasid Dynasty in Baghdad when the caliphate was in decline, although Muslim civilisation and culture continued to flourish. Muslim education and knowledge, enriched by the discovery of ancient Greek rationalism, were unrivalled, and the Muslim world was the centre of world trade controlling trade routes to China, Southeast Asia and to the West. By Al-Ghazzali's time, this world of high culture had already begun to show signs of internal division, caused by religious schism and cultism, threatening political and social instability (Fisher, 1979).

Although the earlier economies were much less complex than those of contemporary Muslim society, the experiences of early Islamic economies are still relevant today. The ideal state, mapped out by Al-Ghazzali, shaped by Platonic ideals of justice and wisdom, is built on ethics. His masterpiece on political theory, 'Nasihah al-Muluk' (Counsel for Kings), constructs a state as a system of social justice. Good government is the rule of wisdom based on knowledge articulated by scholars advising a wise king "whose heart is an abode of justice" (Bagley, 1964).

The teachings of Islam have many important economic principles. Muslims are instructed to regard resources as gifts from Allah (God) which have been delivered as a trust into the hands of the human being, the trustee. Such an idea has implications of vital importance for ownership either of wealth or of the means of production. Accordingly, if a Muslim engages in economic activity, he must enact a principle of economic trusteeship based on collectivism, which is contrary to the self-interest principle which is the cornerstone of the free-market economy. Though Islam recognises private ownership, this recognition is not absolute and unconditional. Private ownership in Islam is subject to the interest of the community. If the state considers that it should reserve for itself the ownership of some specific property, then the ownership of such property cannot be acquired by the individual. This is one of the guiding principles of the Shariah (Islamic Law) which decrees that the private interest of the individual should be secondary and subsidiary to that of the community as a whole.

Consequently where the interest of the individual conflicts with that of the state, which represents the community as a whole, the individual must give way to the interest of the state. Nobody can therefore be a legitimate owner of anything earned through conducting business in activities which are derogatory to the community as a whole (Kuran, 1995). Thus, "co-operative forces" and not "opposites" should be used in achieving equilibrium in different fields. Co-operation in Islam is the proper spirit for satisfactory transaction of goods or services. This may be possible either through co-operative organisation of enterprise, co-operative buying and selling or even or-

dinary private buying and selling with the principle of co-operation guiding the buyer and the seller. Such a spirit of co-operation justifies profit only within reasonable limits and high prices of necessities resulting solely from scarcity without a shift in cost conditions is alien to such a principle. However, one difficulty is that it is difficult to define "reasonable" or "fair" profit.

Islam combats the accumulation of wealth and its concentration in the hands of the few. Though it may be argued that this may have an adverse effect on the incentive to work and save, while the free-market economies of the West are dominated by private monopolistic industries, even in areas of great significance to common benefit, Islam ensures public ownership and management of all utilities in the broadest sense. The spirit of the Prophet Mohammed's principle demands that all extractive industries relating to production of water, mining and even food should be treated as state enterprises. Also, all kinds of fuels, domestic and industrial, cannot justifiably be left in the hands of private entrepreneurs. This may result in a large public sector as is currently the case in all Arabian Gulf states.

Al-Ghazzali's humanism and his theory of state based on social justice made him a highly respected political and moral economist. A central objective of Al-Ghazzali's, in all his writings, was the importance of both knowledge and reason. This is remarkably similar to Kant, who lived some seven centuries after Al-Ghazzali, for whom reason was the categorical imperative of freedom and free will. In view of these similarities, it has been argued that "what Al-Ghazzali was to Islamic epistemology, Immanuel Kant was to occidental epistemology" (Choudhury, 1997).

Al-Ghazzali's concept of a unified knowledge is the source of his political theory. The core of this theory is humanism derived from an holistic, harmonious, well-ordered cosmos, created by Allah for the purpose of good government. Good government is thus seen as a divine gift, entrusted to a wise ruler, a monarch accountable to Allah, "... to bring development and prosperity to the world through justice and equitable rule" (Bagley, 1964). The opposite of this good government is a state of chaos and insecurity, similar to Hobbes's natural state.

At the centre of Al-Ghazzali's ideal state is the individual with a spiritual as well as a social personality. Spirituality gave the individual inner strength through solitude and contemplation, often in mystical experience, as exemplified in Al-Ghazzali's own life. The individual's social and material needs enabled complete living. As a social being in this temporal life the individual had basic needs, but their satisfaction demanded moderation and avoidance of excess. Respect for, and tolerance of others were

essential requisites of virtuous living. Thus, the individual was like a pilgrim on a journey, seeking, although never quite achieving, perfection through virtuous living. In pre-Islamic Arabia, virtue meant courage in defending honour, as for example the tribe's honour (Umaruddin, 1977). The Islamic civilisation introduced the concept of "individual-in-community" based on a synthesis of ethics and economics.

Al-Ghazzali goes furthest among early Muslim thinkers in specifying the qualities of a good individual (Umaruddin, 1977). He contrasts virtues and vices, knowledge and ignorance, and details moral guidelines for ethical living. Al-Ghazzali's economic policy is based on private property and ownership, but economic relations are subject to voluntary rules of moderation, honesty and integrity. In neoclassical economics, the only binding constraint on the consumer is the consumer's budget. In Al-Ghazzali's Muslim state, "the individual-in-community" is subject to binding constraints of two kinds. First, he must sacrifice part of his income for charity to acquire virtue. Second, he must internalise community preferences as a responsible member of society. Thus, conspicuous consumption as well as luxurious and extravagant lifestyles, are to be avoided through self-restraint, checked by individual intelligence. Similarly, producers and traders, as "individuals-in-community" are enjoined to produce community-approved goods and avoid profiteering and other unfair trade practices. Of central importance in Al-Ghazzali's political discourse is the idea of just rule as an enabler for good government.

Excess accumulation of assets, savings, hoarding or stockpiling are to be avoided. Life in Al-Ghazzali's state is not lonely, nasty, brutish and short as in Hobbes'. Nor is his individual anything like Rousseau's "noble savage" without civilisation. Like these Western philosophers, Al-Ghazzali lived and wrote in a time of great political and civil unrest. Unlike them, however, he did not lose his confidence in the perfectibility of the individual through knowledge and wisdom guided by faith.

The paramount duty of good government is to promote social justice, "to bring development and prosperity to the world through justice and equitable rule". The duty of wise rulers is "to develop the world ... because the greater the prosperity, the longer would be their rule and the more numerous would be their subjects ...." Conversely, there is a direct correlation between injustice and under-development, for "just as the world is made prosperous through justice, so is it made desolate through injustice" (Bagley, 1964).

## Dubai as a Potential Model for Regional Reform

The United Arab Emirates (UAE) is a loose but supportive federation of seven emirates with each of the seven emirates retaining considerable autonomy over political, economic and financial affairs. This has enabled a variety of different economic policies to be pursued by individual states. Hence whilst Abu Dhabi has focused on developing its extensive energy resources, holding over 90% of the UAE's oil reserves, the other emirates have sought other economic drivers as their oil reserves are relatively limited.

Trade has become Dubai's staple, with the emirate re-exporting over \$US 10 Billion annually. Successful strategies are copied in the other emirates and the resulting increase in competition deepens the market and allows for the spread of best practice.

Expatriate labour accounts for nearly 80% of the workforce in Dubai, with over 50% being Indian men (Madar Research Group, 2003). The local laws and regulations give Gulf employers extensive powers over their expatriate employees, often to the detriment of the rights of their employees. While everyone is exposed to such practices, illiterate and unskilled workers from South Asia and the Far East, with poor understanding of their statutory rights, are the most likely victims.

This process has been supported by the UAE's heavy investment in infrastructure, principally in Dubai, where world class airports and naval ports have been built. Dubai is undergoing a \$US 1.4 Billion airport expansion and has an open skies policy which has led to over 100 airlines connecting through Dubai International Airport. However, it has been the establishment of 'free zones' that has led to the UAE, and in particular Dubai, to be used increasingly as a business hub for the region. These zones grant 100% foreign ownership and exemption from taxes, tariffs and local regulations. Jebel Ali Free Zone (JAFZ) part of the emirate of Dubai, is itself home to over 2200 companies from over 100 countries, including many European and American blue chip companies. Dubai has been at the forefront of this policy and has moved into creating dedicated industrial or service zones in an effort to attract clusters of leading companies within targeted sectors. Dubai's most recent ambitious project, the Dubai International Financial Centre is the latest and it is hoped that it will support the development of a regional capital market.

In a region that is amongst the most expensive and time consuming to start a business, the UAE's free zones are attractive propositions. As a result over the last twenty years Dubai has become the leading business and trading hub in the Middle East. In other areas, too, Dubai is excelling. Although construction and real estate investment have picked up across the

Middle East over the last two years, Dubai has seen the most activity, with investment in Dubai's real estate sector accounting for over 20% of the emirate's GDP.

However, in the context of this research, though the advancement in economic terms in Dubai has been outstanding, the consideration for the working class expatriate needs analysis. The Asian construction worker for example, often has limited or no material possessions in his native land and is often desperate for work, frequently because he is compelled to settle the debts in his homeland.

A qualitative survey carried out as part of a broader research on this topic has uncovered a serious lack of job satisfaction. Workers cite an absence of job security, physical surroundings where work is often hazardous without adequate safety precautions, most of their work is under extreme weather conditions, they complain of no prospects for promotion, senior management handling of their workers is considered inhumane, pay for work done is seldom received on time and is insufficient to live an average lifestyle in the city and the accommodation that is offered lacks "compassion" with often a dozen or more workers to one room and the absence of healthcare and recreational facilities. Furthermore, there is a lack of organisational commitment with workers having no sense of loyalty towards their employers. Workers feel their psychological contracts have been violated by their employers and a large proportion of the workers who come from developing countries take up loans to pay manpower supply agencies for finding them work in the Gulf.

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These are issues which would require a much broader analysis than the remit of this work to resolve. However, from the perspective of equity alone, Al-Ghazzali does indicate approaches to arriving at a resolution. He states, "the ruler should not disregard the attendance of petitioners at his court", indicating that those in authority should entertain grievances raised by the working class and afford them an opportunity to have these concerns heard and resolved (Bagley, 1964).

## Conclusion

Western capitalist economics works as an instrument of global inequity. The fundamental problem is that Western economics concentrates attention on efficiency and market relations irrespective of the issue of social justice. Polanyi (1944), among others, long ago pointed out the inherent imbalance of such an economic model. The existing capitalist system functions as a mercantilist system, promoting wealth concentration in the West at the expense of local/indigenous people.

The development economist in Dubai needs to transcend the limitations of this model and be inspired by the humanism of Al-Ghazzali and work towards the goal of integrating economics with ethics to achieve sustainable growth and avoid exploitation of the labour class. Thus, Dubai as a torch bearer for the Middle East can effectively demonstrate the partnership of social justice with post modern economic development.

## **About the Author**

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Dr. Kasim Randeree is Programme Director and Lecturer for the MSc in Project Management programme at The British University in Dubai in the United Arab Emirates. Dr. Randeree has an academic career spanning the past 15 years, with experience both in the United Kingdom and the Middle East. He is dedicated to the development of contemporary Middle Eastern society and has worked in the past at the United Arab Emirates University in Al Ain, The American University in Dubai as well as conducting research across parts of the Arabian Gulf and North Africa. He has a broad portfolio of research with related current interests in the legacy of early Muslim practitioners to contemporary management and the advancement of Arab women in the Middle East. A number of postgraduate research students are active in these areas under Dr. Randeree's supervision. He has numerous supporting publications both internationally and across the region.