



Spirituality in Management from Islamic Perspectives

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CHAPTER 7

Lean Management and Islamic Perspective: Convergence in Diversity

NoorHazelah Abd Manaf and Ibrahim Mohamed Zein

Abstract

The lean philosophy is not an alien concept in Islam, although lean management is often attributed to the Toyota Production System (TPS). Central to the lean philosophy is the elimination of all form of waste or muda, in all work activities throughout the supply chain. Although the lean philosophy emerged out of the incapacity of Toyota to afford the waste inherent in mass production, nevertheless convergence in Islamic teachings is evident from the Qur'an and Sunnah. Muslims are constantly reminded against committing any acts of 'israf' (waste). Thus, wasteful acts are seen as a disvalue in Islam from both the level of ethics of intent as well as the level of ethics of action. In addressing lean from an Islamic perspective, the stand is to establish relevancy along the line of mutual exchange and cultural meanings, with meaningful contribution of Muslim scholars towards human civilisation.

Introduction

Lean developed into a sound management philosophy following the highly acclaimed research on the Toyota Production System (TPS) carried out by the International Motor Vehicle Programme (IMVP) of the Massachusetts Institute of Technology. The unstoppable rise of Toyota into global prominence overshadowing heavyweights General Motors and Ford was the main motivation behind the extensive research which was documented in the best-selling book "The Machine that Changed the World" by Womack, Jones and Roos. In comprehending the completely dissimilar manufacturing concept of

Toyota, the IMVP researchers have coined the term 'lean' to describe Toyota's manufacturing approach which uses less of everything in comparison to the more familiar mass production of Ford and GM.

History of Lean Management

It is not an exaggeration to say that lean management is synonymous with the Toyota Production System (Dahlggaard & Dahlggaard-Park, 2006; Emiliani, 2006; Liker, 2004; Womack, Jones & Roos, 2007), and that it was borne out of the need of Japanese car manufacturers to not adhere to American manufacturing practices. After the Second World War, Eiji Toyoda spent three months at Ford's Rough Plant in Detroit, which was then the world's largest and most efficient manufacturing plant. At that time, Ford's Rough Plant was producing 7,000 cars per day; while Toyota had only produced a measly 2,685 cars over a period of 13 years by 1950. (Dahlggaard & Dahlggaard-Park, 2006). Thus, it was not surprising that Eiji Toyoda was full of anticipation to learn from the Americans of their manufacturing prowess. However, to his astonishment, what he saw was how the manufacturers which had used mass production were actually exposed to practices which were rife with muda or waste. He saw expensive equipment and machineries which were producing large volume of products that were stored in inventory and wait. The preoccupation was to keep the expensive machines running and to produce large volume in order to bring the cost per piece down. Thus, workers were kept busy by keeping the equipment busy, oblivious to hidden waste and inefficiencies in the system in the form of overproduction and uneven flow; and defects in large batches that went unnoticed until inspection of finished products, or worse, passed to the consumers. In short, what he saw was disorganised workplaces with waste and inefficiencies built into the system and work processes, and, more importantly, an opportunity to actually catch up. (Liker, 2004). And it was in Taiichi Ohno, who was then Toyota's plant manager that the task of catching up with Ford's productivity was entrusted by Eiji Toyoda upon his return. Ohno's subsequent visits to US manufacturing plants affirmed Eiji Toyoda's observation that Toyota could not afford the waste and inefficiencies which was inherent in mass production. Thus, together

with colleagues such as Shigeo Shingo, they persistently worked on refining the Toyota Production System into its embodiment of lean management of today.

As with other quality management concepts which originated from the industries, lean management also found its way into the service sector, and today, organisations as diverse as UPS and McDonalds have also embraced the lean philosophy. From the literature, Kollberg, Dahlggaard and Brehmer (2007) documented the applicability of lean management in healthcare setting through the use of the 'flow model'. This was followed by Cima, Brown, Hebl, Moore, Rogers, Kollengode, ... & Deschamps (2011) who demonstrated the successful use of lean methodologies in improving operating room efficiency in a high-volume tertiary care medical centre. Laureani and Antony (2010) illustrated the application of lean practices into the human resource function of a service industry corporation with the objective of reducing voluntary staff turnover; while Piercy and Rich (2009) researched on the successful use of lean approaches in financial service call centres. Bowen and Youngdahl (1998) also described how service organisations such as Taco Bell and Southwest Airlines have mastered lean manufacturing principles in their service operations.

Elimination of Waste

At the heart of the lean philosophy is the elimination of waste throughout the whole supply chain right from the design stage to the suppliers, manufacturers or service providers; to the customers and thereon to all the stakeholders. In essence from A to Z; from design until end of consumption or service rendered. Toyota specified the following types of waste that must be removed at all cost (Goetsch & Davis, 2010; Liker, 2004):

Over Production

Producing more than is required. Therefore in manufacturing, products are only manufactured when there is a trigger from an order, and only the required amount is produced. In services, pumping 20 gallons of petrol is overproduction when only 15 is required by the customer.

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Rodrigue Fontaine is British. He worked in a number of multinationals in Great Britain and France throughout the 1990s. He immigrated to Malaysia in 1999 and started teaching management in a private university. He completed his PhD in cross-cultural management in 2004 and continued working in private universities until 2009. In 2010, he joined the International Islamic University Malaysia. His specialization is Management from an Islamic perspective (MIP), which

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Spirituality in Management from Islamic Perspectives

Organisations are continually searching for methods to improve work environments and workplace relationships. Both academic scholars and employers have recognized that employees are now looking for soul enriching fulfillment at work. Management scholars are taking urgent steps to include spirituality studies in responding to this trend, particularly after the recent episodes of ethical and moral violations through many financial scandals in the corporate world. Spirituality in workplace is now gaining prevalence as a mainstream topic in management theory. Although Spirituality has been studied from several religious perspectives, very little research has been done from Islamic perspectives, and no book or major publication is available that covered the Islamic religious issues which are closely related to spirituality studies. This book, *Spirituality in Management from Islamic Perspective* attempts to fill this gap, and presents the functions, roles, and purposes of spirituality studies based on the learning from the Islamic religious scripture (Holy Qur'an), and teachings of the prophet (Ahadiths). The book covered several major areas of organizational management (e.g., Human Resource Management, Organisational Behavior, Quality Management, Entrepreneurship, Business Ethics, Leadership, Human Capital Development), and discussed the implications of spirituality from Islamic perspectives on these areas. The various chapters of the book presented several conceptual models, which were developed based on extensive reviews of relevant literature. Those conceptual frameworks would help future researchers in designing new research agenda for studying the effects of several independent variables on relevant dependent variables of individual and organizational performance. The conceptual frameworks may also help managers and policy makers to understand the potential impacts that spirituality might have on employee performance, and thereby management could be inspired to nurture and develop employees' spirituality at workplace for enhancing ethical standards, integrity, and commitment to work. Hopefully this book will trigger substantial research interests among the readers for conducting empirical research in future, results from which would provide significant contributions to the contemporary Management literature.

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