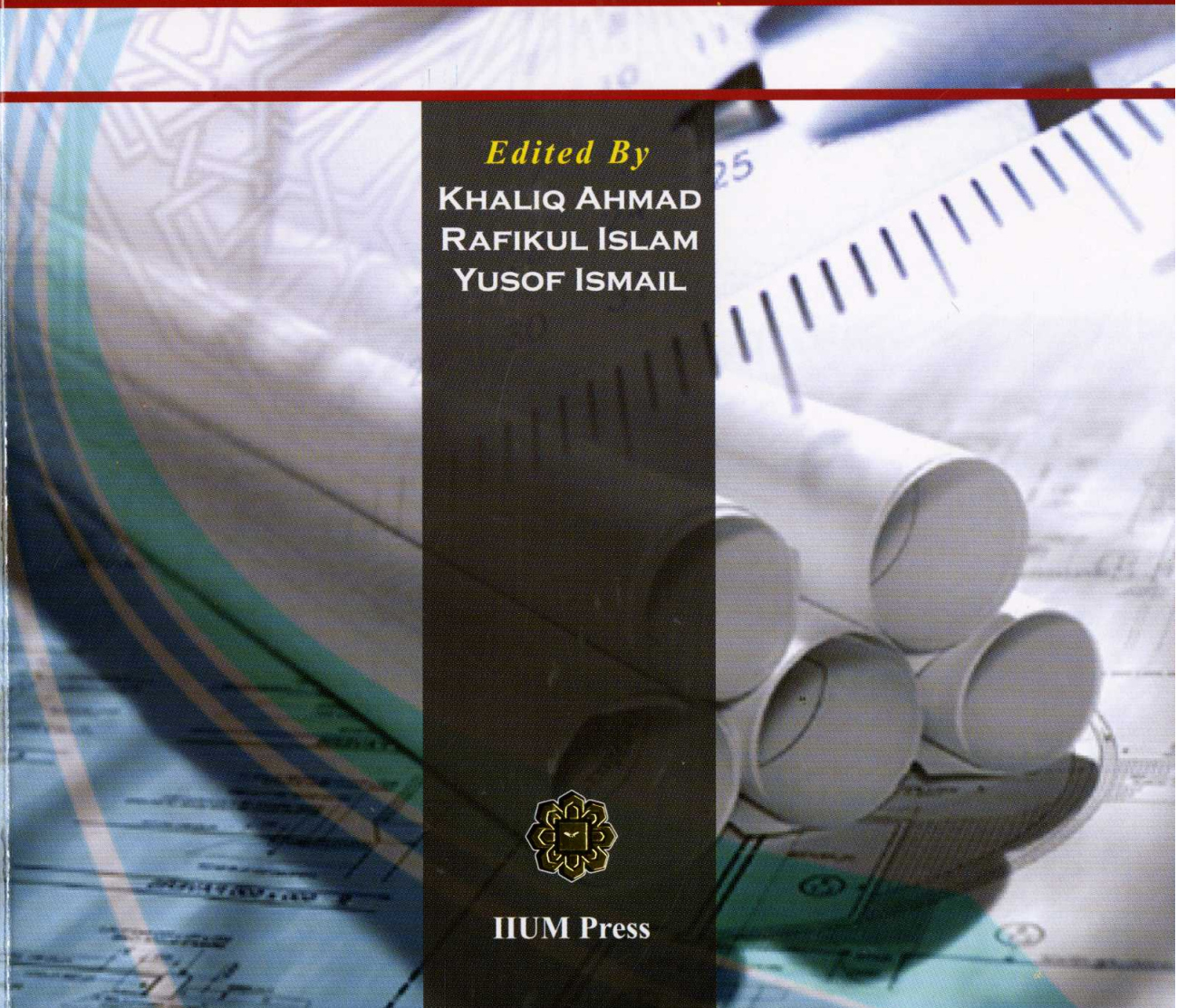




ISSUES IN ISLAMIC MANAGEMENT

Theories and Practices



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IIUM Press

Published by:
IIUM Press
International Islamic University Malaysia

First Edition, 2011
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Perpustakaan Negara Malaysia

Cataloguing-in-Publication Data

Issues in Islamic management : theories and practices / edited by Khaliq Ahmad, Rafikul Islam and Yusof Ismail.

Include Index

ISBN 978-967-5272-81-3

ISBN: 978-967-5272-81-3

Member of Majlis Penerbitan Ilmiah Malaysia - MAPIM
(Malaysian Scholarly Publishing Company)

Printed in Malaysia by :

IIUM Printing Sdn. Bhd.

No. 1, Jalan Industri Batu Caves 1/3

Taman Prindustrian Batu Caves

68100 Batu Caves, Selangor Darul Ehsan

Tel : +603 6188 1542/1544/1545

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CHAPTER 23

LEADERSHIP PREROGATIVES AND THE ROLE OF ADVISORS IN ORGANIZATIONAL DECISION MAKING

Yusof Ismail

Badruddin Bin Hj Ibrahim

1. Introduction

What do managers do best if not making decisions? Managers in all types of organizations, governmental, business, and not-for-profit make decisions. They make decisions under conditions of certainty or uncertainty. There is an added dimension to decision making by Muslim managers, i.e. the managers have to make the decisions that comply with the requirements of their faith - Islam. More specifically, they have to make their decisions that comply with or do not contradict the provisions of the *Shari'ah*. Of all the Islamic principles directly applicable to management of organizations like justice, and co-operation, *Shūrā* receives a special attention. Books have been written on *Shūrā*, yet those based on empirical studies, real life organizational setting or experiments appear to be rare. This paper will present a review on leadership, decision making, and *Shūrā*; state the research objective; describe research design; present data analysis and findings; declare limitations of research, and suggest direction of future research, and conclude.

2. Research Objective

The objective of the paper is to ascertain whether Muslims think *Shūrā* is binding on the leader.

3. Literature Review

Under bounded rationality, the managers insure themselves against making suboptimal decisions by obtaining the views of peers, subordinates, and internal and external experts (*Shūrā*). The literature suggests two possible statuses of *Shūrā*, i.e., as a council of advisers whose decision could be binding or non-binding on the leader.

3.1 Leadership and Decision-making

In this paper, the authors treat leadership and management, or leader and manager as synonyms, although it may be argued that the two are different. According to Bennis (1989),