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"The Vehicle for Exploring and Implementing Shari'ah Islami'iah in Accounting, Commerce & Finance

> Azaddin Salem Khalifa The Multidimensional Nature and Purpose of Business in Islam

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John Simpson, John Evans & Ashraf Mahate A Comparative Study of International Banking Risk in Open Islamic Economics

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ISLAMIC PRINCIPLES IN THE MANAGEMENT OF AN ORGANIZATION: A FOCUS ON LEADING

Muhammad A. Al-Buraey*, King Fahd University of Petroleum and Minerals, KSA

ABSTRACT

This paper discusses the fact that the fundamentals of management as well as leadership had been established in Islamic teachings and practices fourteen centuries ago. It reviews the modern literature on principles of management and leadership, which we can easily trace in the Islamic literature. The paper establishes the consideration that modern research has always been inspired by the practices and teachings of Islam on the principle of leadership. It presented different views from the modern world literature as well as from Islamic literature. In the modern literature, there are studies of the Australian Public service, studies based on the responses from the different levels of management in the Miami-Dade Police department, and the paper discussed how society affects and is being affected by different leadership styles considering the psychological aspects of leadership. In the Islamic literature, there are references from Beekun and Badawi on their study on Islamic Leadership as well as other scholars and researchers on leadership in Islam and the concepts of Religion and leadership.

The paper also focused on the lessons that can be learned from verses in Surat an-Naml of the Quran as related to leadership behaviour being as fresh today as modern research can provide. Various leadership aspects ranging from theory and practice of gradual punishment to communication. consultation and delegation of authority at time of Prophet Sulaiman was looked at and treated from the leadership side, not the Prophetic side of King Sulaiman. The relevancy of this to modern leadership studies was pinpointed. Details will follow below.

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INTRODUCTION

Islam is not just a religion; this is what distinguishes Islam from any other religion in that it is a complete code of life. It is not just the practice of the basic "**Ibadat**" that will make an individual successful in the after life, but the daily dealing should be according to the teachings of Islam. You will find guidance to everything you do in your daily life in Quran. Muslims all over the world have been practicing management for the last fourteen centuries. Leadership being the essence of management is not excluded in Islam. Islam presents the best behaviour for a leader, one of the building blocks of the management science. It was the leaders and the behaviour of the whole Islamic world that made it possible for the religion to spread so quickly. Islam has been a rich source **for the researchers to establish the** newly founded principles of management and leadership. Such principles and values are as valid today as they were when revealed some fourteen centuries ago.

According to Islamic fundamentals, an individual in an organization whether he is a subordinates or a manager will ultimately be accountable to Allah although his tasks require him to justify his actions to those superior to him in rank in the organization (Al-Fahdawi, 2001; Al-Buraey, 2003). Given this dictum, the individual, particularly a leader, needs to implement the defined codes of ethics, styles, and managing oneself and others work habits. A leader's sense of accountability to his superior may lead him to act inconsistently but the sense of accountability to the Creator will always align one to the correct (and winning) position.

Leadership, in theory and practice, has fascinated people since the beginning of recorded history. The literature is full with references to both good and bad leadership styles and examples of every age that give testimony to the search for good leaders that has been a common thread running through human civilization. Research evidence in the subject shows that effective

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leadership is associated both with better performance and more ethical performance; the search for ways to identify good leaders needs to continue (Kreitner 2001:464). This continuation of research called upon by Kreitner is one of the objectives of this paper.

METHODOLOGY

This is a study of leadership with emphasis on leadership from Islamic perspective. This paper presents an overview of the leadership concept citing briefly the most popular western models and the recent trends. Then, the paper turns to discuss the salient features of the Islamic perspective on leadership. Verses from Quran, namely Surat An-Naml, weave tactfully the fundamentals of leadership. Next, the paper discusses guidelines for effective leading in the light of the Islamic teachings. In this regard, the five-stage model of Posner and Kouzes is reviewed from an Islamic perspective.

LEADERSHIP: AN OVERVIEW

Defining Leadership

Today, leadership has different meanings for different authors. I tend to agree with the authors of *Management: a Global Perspective* in their definition of leadership as influence or the art of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals. Influencing here means not always in a coercive way but to be able to set examples for the subordinates and to be able to achieve personal goals and the goals of the organization effectively. The subordinates should be able to communicate with leader without any fear; the leader should be able to defend his actions in front of the subordinates. The leader should be a trend setter, respectful of the subordinates, an encourager and have strong character (Stogdill, 1948; Mann1959; Bennis, 1998; Wright, 1996; Weihrich and Koontz, 1993)

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Leadership as used here means the activity of influencing others to strive willingly to achieve group of organizational objectives. In the words of Hersey and Blanchards (1969:60), leadership is seen as 'interpersonal influence exercised in a situation and directed through the communication process, towards the attainment of a specialized goal or goals'. The administrative leader is the person who has strong leadership qualities and an executive position in an organization or its administrative unit. In addition, he must, as outlined by Paul C. Bartholomew (1959:87), have the ability to (a) see the organization as a whole, (b) make decisions, (c) execute decisions and delegate authority, and (d) acquire loyalty. Briefly stated, the administrative leader is the individual who has the ability to carry out the leadership task by directing and participating with the members of the organization to achieve specific goals and objectives. (Al-Buraey, 2003:346).

WESTERN MODELS OF LEADERSHIP;

A Literature Review:

Over the years, researchers and practitioners have developed a variety of views on leadership. Few models have emerged from these ongoing studies. Below is a brief discussion of such models with prime and modern references for further pursuance.

Trait models deal with the personal characteristics of leaders. It deals with the psychology of the leader. Personal characteristics establish how the leader will react to a certain situation he faces during the course of his management duties. These traits can be inborn or can be attained through experience and knowledge, as the modern research would establish. (Stogdill, 1948; Mann, 1959; Wright, 1996; Chiang and Gort, 1998; Gardner, 1989; Rosener, 1997; Bennis, 1998; Sadler, 1997).

However, while exceptional leaders share certain qualities like a strong personal ethic and a compelling vision of the future, Allio (2003) states that

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research has failed to uncover any statistically significant correlation between a leader's effectiveness and his personal characteristics

Behavioural models deal with how the leader behaves. It has been established through research that a leader can be job-centred, more inclined to the task and the work procedure involved in that task, and employee-centred, more inclined to the employee satisfaction and well being. (Conger, and Rabindra, 1987; Blake and Mouton, 1964; Blake and Mouton, 1978; Wright, 1996; McGregor, 1960; Sadler, 1997; Bennis, 1998; Blake and Mouton, 1978; Covey, 1989)

Contingency or Situational models deal not with universal applicability but with leadership in the context of specific situations. It deals with the analysis of how the leader reacts to a certain situation. The leader should be able to predict what is going to happen as the result of a certain decision, and then make a plan to handle that effectively. Learning from the experience, the leader should have a plan of action for the problem that he might face. (Fiedler and Garcia, 1987; Fiedler, 1997; Reddin, 1970; Reddin, 1987; Hersey and Blanchard, 1977; Heresy, 1984; Bolman and Deal, 1997).

Current Trends in Leadership

Contemporary researchers continue to conduct studies that expand and revise the trait, behavioural, and contingency models of leadership. In addition, researchers are looking more closely at the role of managerial leadership in today's increasingly complex and dynamic organizational environment. In the literature of leadership, there have been many approaches theories and styles. They attempt to explain how certain leaders are able to achieve extraordinary levels of follower's motivation, admiration, respect, trust, commitment, dedication, loyalty, and performance. Gomez-Mejia and Balkin (2002: 294-299) summarize these leadership styles and theories as following in answering the question why a person becomes a leader? A contemporary explanation:

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Attribution Theory; The idea that the major function of the leader is to be blamed or given credit for a bad or a good situation, even if the leader has little or no control over the factors that led to the results, (Charan, and Calvin, 1999; Pfeffer and Viega, 1999; Heider, 1958; Kelley, 1967).

Leadership Substitute view; The leadership theory that contends that people overestimate the effect of leaders even when leader behaviour is irrelevant. so organizations need to develop mechanisms to replace or substitute the influence role assigned to leaders. A good example is from the field of marketing: A no supervisory source of direction, guidance, support, and encouragement for sales people, leadership substitute include closely-knit, cohesive work groups; advisory and staff personnel; formalized and detailed job descriptions; quotas; sales force compensation plans; and expenses plans. Use of leadership substitutes can provide direction and guidance to sales personnel in the absence of sales manager and may afford a sales manager additional time to attend to particularly important supervisory duties (Marketing Power, 2003; Kerr and Jermier, 1978; Manz and Sims, 1987; Gomez-Mejia and Balkin, 2002)

Charismatic Leader; A leader who can engender a strong emotional attachment from followers; charisma is associated with admiration, trust, and a willingness to believe what the leader says. Charisma is, literally, a gift of grace or of God (Wright 1996:194; House, 1977; Conger, and Rabindra, 1987; Evans, 1970; Wright, 1996; Gerth and Mills, 1991)

Transactional Leaders; Leaders who use legitimate, coercive, or reward powers to elicit obedience and attempt to instil in followers the ability to question standard modes of operation. (Bernard, 1995; Burns, 1978)

Transformational Leaders; *Leaders* who revitalize organizations by instilling in followers the ability to question standard modes of operation. (Bass, Avolio, and Goodheim, 1987; Bass, and Avolio, 1990; Bernard, 1995;

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Bolman and Deal, 1997; Wright, 1996; Burns, 1978; Nanus, 1992; Van Maurik, 2001)

Post heroic Leadership Perspective; The view that most top executives, no matter how good they are, are limited in what they can do to solve problems, so that leadership responsibilities are spread through out the firm. (Bradford and Cohen, 1984)

Self-leadership; Leadership that stresses the individual responsibility of employees to develop their own work priorities aligned with organizational goals; the manager is a facilitator who enhances the self-leadership capabilities of subordinates, encouraging them to develop self-control skills. (Manz, 1986; Manz and Neck, 1990)

Power and Leadership

As stated earlier, leadership is the ability to motivate and to influence others to achieve organizational goals. Leaders influence people to achieve performance through power, which is the capacity to affect the decisions, attitudes, and behaviour of others. Power can be of six types. Four types are drawn from the manager's position in the organization structure: legitimate, reward, coercive, and informational power. Legitimate power is the authority vested in a particular position; reward power is the capacity to offer valued rewards; coercive power is the ability to penalize people or to withhold rewards; and informational power is the ability to control access to data. Expert and referent power are two types of power drawn from the individual rather than from the position. Expert power is the manager's own skills, knowledge, and experience; referent power is the manager's ability to inspire respect, admiration, and loyalty. (Heifetz, 1994)

The importance of leadership transcends the academic and applied research to hundreds of courses on graduate level in most western universities. To

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take only two examples, the Reims School of Management (2003) offers an International Management and Leadership course in which the emphasis is on the leader who should have the ability to recognize, appreciate and articulate his own cultural values along with the awareness of cultural differences in a multi cultural global work environment. He should develop an understanding of how management practices affect and are being affected by the cultural environment and should be able to recognize and analyze the cultural components of the organization problems. (Reims School of Management, 2003)

The other course clearly indicates the importance of the leader to gain perspective of various religions during modern and post-modern era so that he can understand the implications for leadership and religion for organizations and society and provide leadership in a religious context. The course instructor lists some 70 references on the subject for his students. (Gonzaga University, 2003)

On the research field side, Hunt reports the results of an investigation into the perceived level of necessity of 91 management and leadership competency items across three nations: Australia, United States and Germany. The similarities and differences between the management styles of managers in three different countries are discussed. (Hunt, 2002)

The universality of leader behaviour is documented in the work of Hamlin who states: "A critical review of the literature by House and Aditya (1997) on the study of management and leadership and latest discussions on the existence of generic criteria of managerial and leadership effectiveness, provide a compelling logic suggesting the universality of manager/leader behaviours". (Hamlin, 2002:3)

A latest study by Gonzales at Nova South-eastern University in 2001, depicts the leadership qualities of a leader in law enforcement arena as Honest (89%),

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Competent (68%), Fair-Minded (59%), and Dependable (44%) the data is cumulative over all ranks in the police department. (Gonzales, 2001) The study shows that the major trait of a leader should be Honesty as is the case in Islam where verse 26 of Surat Al-Qasas clearly reflects "O My Father! Hire him! For the best man that you can hire is the strong, the trustworthy (Quran 28: 26)"

Leadership in Islam is a trust. It is the mutual understanding among the subordinates and the leader that whatever the leader will do, ultimately will be beneficial for the subordinates as well as the organization goals and objectives (Beekun & Badawi, 2002).

Baker addresses the issue of commitment. The commitment of leaders in the organization is of utmost importance, their role in effectively disseminating this belief and a sense of mission to the subordinates throughout the organization, and their role in creating an environment in the organization where people can give their best effort to achieving the organizational goal, is critical to organizational effectiveness (Baker, 1989).

A leader must be capable of performing his duties. He should have the knowledge and understanding, and awareness of the tasks he is supposed to perform. This is a basic requirement, as good performance is prelude to success (Fakir, 2003).

Another study concludes: "Leadership in this cultural environment is difficult at best, impossible at worst. It stretches our collective imagination to suggest that one person can, by dint of individual personality or capacity, bring together a group of diverse individuals and groups to produce anything. The need is for leadership to focus and direct individual action; even though the individuals in the organization try to maintain their diverse cultural features. The leader should be able to gain the trust of the individuals, who are working under him" (Fairholm, 1994:1).

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Finally, the ethical perspective is highlighted in the work of Burns, who concludes that, "the more defective our leaders are, the greater our longing to have highly ethical leaders. The ethical issues of leadership are found not only in public debates, they also lie embedded below the surface of the existing leadership literature" (Burns, 1998:3).

The above citations from world literature review on leadership show, with no doubt the dire need for a thorough study of the subject from various points of view and different perspective. Below I will attempt to present an Islamic perspective not necessarily to contradict or support the above conclusions and findings, but to add to them a unique and different perspective.

ISLAMIC PERSPECTIVE OF LEADERSHIP

Islam looks at the idea of leadership in a positive way that makes it not only desirable, but also necessary in any social order. The Quran (4:59, 18:28, 22:41) outlines the concise definition and meaning of leadership in Islam. Leadership is neither arbitrary nor capricious authority. Rather, it is authority that is exercised by an individual who closely follows the principles outlined in the Quran and the Traditions of the Prophet. (Al-Buraey, 2003: 346-347)

The fundamental principle of leadership is this: "Since people tend to follow those who, in their view, offer them a means of satisfying their own personal goals, the more managers understand what motivates their subordinates and how these motivations operate, and the more they reflect this understanding in carrying out their managerial actions, the more effective they are likely to be as leaders." The definition of leadership from an Islamic perspective can be found in the Holy Quran: "And by the Mercy of Allah, you dealt with them gently. And had you been severe and harsh-hearted, they would have broken away from you; so pass over (their faults), and ask (Allah's) forgiveness for them; and consult them in affairs. Then when you have

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taken a decision, put your trust in Allah. Certainly, Allah loves those who put their trust (in Him)"(3:159). Other verses also point to this function (for example, see 16:125; 5:8 and 20:42-44) (Al-Mutairy, 1997; Abul-Ainain, 2002).

The greatest leader to ever walk the earth and is an undying example for the human race not just the Muslims, is our Prophet Muhammad (peace be upon him). The examples in the following for each of the leader's quality are from his life:

goal-oriented; "Sulahul Hudaibiah" the major goal was the spreading of Islam, *objectives-driven*; can be correlated with the goal-oriented, *comprehensive*; he (pbuh) was complete in all his actions, *moderate*, *practical*; "laying of stones to the Masjid An-Nabawi by the Prophet (may peace be upon him)", *evolving*; "the three major Ghazwas (Khandaq, Badr, Uhd)", *spiritual*; "the visits to the Hira cave", *behavioural*; "setting the example for the humans to follow", *ethical*; "doing good to the people, who do bad to you (the example of the old lady who used to throw trash on Prophet (pbuh))", *social*; "Five times prayer in the Masjid", and *economic*; "the implementation of Zakat"(Abu-Sinn, 1997, Al-Ghufaili, 1983). The basic elements of leadership from an Islamic point of view are (Al-Mutairy, 1997):

- 1. The leader should be able to coordinate a group of people.
- 2. A group of people who understand the Islamic approach to conduct the affairs.
- 3. The leader should be able to influence the behaviour of the group in Islamic manner to achieve the goals.

Hence, the essence of leadership is the ability to influence the people, managing and leading them properly to achieve the desired goals. The leader capitalizes on the motivation of the people emanating from their conviction to achieve the specified goals.

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Islamic values act as an umbrella for the activities of all organization members. An organization exists to serve Allah; all of its activities should be directed toward that sole purpose as expressed by its vision and mission statements. The organization should be one in which learning and *tazkiyyah (purification)* are an integral part of its culture. Within the parameters of Islam, the employees are encouraged to engage in planned, self-initiated activities. A combination of both will give them a sense of direction and challenge as they try their best *fi sabil Illah* (for Allah's sake).

In Islam, incentives can broadly be classified as two (Abul-Ainain, 2002; Al-Mutairy, 1997): One is positive and the other is negative as modern classification admits. Jannah or Paradise is for the one who follows the commands of Allah and abstains from the forbidden. Hell fire for the one who disobey.

Also, there are extrinsic and intrinsic incentives: Surat (65) Talaq (verses 2-3) and Surat (71) Nuh (verses 10-13) are only two examples of extrinsic or material incentives. As for the intrinsic or inherent, non-material incentives, the Quran and Sunnah are full of examples that include, tranquillity and peace of mind, high Islamic spirit, the change of sins to virtues by the grace of Allah, just to mention only a few. The ability to offer incentives is one of the most important authorities that a leader can use to achieve his goals.

In western writings, some classifications of leadership exist that places them on the basis of how leaders use their authority. Leaders in this model were seen as applying three basic styles. The autocratic leader commands and expects compliance, he is dogmatic and positive, and leads by the ability to give or withhold rewards and punishment. The democratic or participative leader consults with subordinates on proposed actions and decisions and encourages participation and opinions from them. The free-rein leader uses

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his very little, if at all, giving followers a high degree of freedom in their operations.

Shura, the consultation with the colleagues and subordinates, is the name of the game in Islamic leadership. Democratic leadership is the closest one to Shura; but Shura is more of the consultative nature that strives for consensus and group decision than merely obtaining the votes of the majority over the minority.

PRINCIPLES OF LEADERSHIP: The Islamic Perspective

The verses of Surat An-Naml (27) are just one example of the many functions, roles, processes, and procedures of management mentioned in the Quran. Of course these can be referred to either directly or indirectly. Also, the Sunnah of the prophet Muhammad (peace and blessings be upon him) has great lessons in the field of management.

Below, we are going to have verse-by-verse accounts of Surat An-Naml (27) in relation to the management and leadership starting from verse 15 to 44. A trait of a leader will be given, followed by the reference to the translation of the verse that withholds that trait in a leader according to Quran. The explanation and translation of the verses are deduced with assistance from Al-Saadi (1996) and Ali (1997).

Knowledge

It will be extraordinary for a leader to set an example without the knowledge. A leader is most equipped when he stays in touch with what is going on in the whole world, which can enable him to predict accurately and make effective decisions. *In verse 15, Allah says that Dawood (David) and Sulaiman (Solomon) were given knowledge.* Knowledge means such knowledge as leads to the higher things in life, the wisdom that was shown in their decisions and judgments, and the understanding that enabled them

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to fulfil their mission in life. This can be knowledge in religion, in languages, in ruling, in law, or even in management. These sciences are important to managers, leaders, rulers, and kings, too. Sometimes, lack of knowledge in one of these fields deprives the person from his position. A manager may be demoted if he does not have basic management skills.

In the same verse, both Dawood and Sulaiman (peace be upon them) thank Allah for his blessings on both of them. One important quality of managers is to be thankful, and to acknowledge the source of goodness without trying to deny it. This quality in the leader would teach the subordinates to follow the same manners and be thankful to Allah.

Maintaining the Organizational Structure

It is very important to maintain the organizational structure. A leader should know the capabilities and skills of the subordinates, so that he can effectively assign tasks to them. He should also maintain a structural delegation of authority among the subordinates and should make sure that the subordinates should be aware of there duties.

Verse 17 reads: "And before Sulaiman were marshaled his hosts of jinns, men and birds, and they were all kept in order and ranks."

Again a lesson can be learnt from the process of gathering all Sulaiman's followers in front of him. This enables the leader to see the availability of all of them, check their conditions, and also to establish eye contact with them. Another lesson is learnt from keeping the followers in order and aligning them by rank. Thus he keeps the ladder of management intact to be able to consult with senior staff, if necessary. This will enable cooperation and coordination to give the best possible results.

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Controlling

It refers to the ability of the leader to be able to have check on all his subordinates. He should be aware of all the problems, the characteristics and the skills of his subordinates. Verse 20 translates: And he (Sulaiman) took a muster of the birds; and he said: "why is it I see not the Hoopoe? Or is he among the absentees?" This signifies that a constant check on subordinates is important. In verse 21, "I will certainly punish him with a severe penalty, or execute him, unless he brings me a clear reason (for absence)," shows the supplication of the corrective action of penalizing unacceptable behaviour. This is part of the controlling function of a manager. as well as motivation and incentives.

Research & Development

It is one of the most important traits of the leader. It is never enough, should be the attitude of the leader and he should encourage this in his subordinates. In verse 22, "But the Hoopoe tarried not far: he (came up and) said: "I have compassed (territory) you have not compassed, and I have come to you from Saba (Sheba) with true tidings."

This gives a lesson in specifying a subordinate or a group of subordinates for the task of searching out and looking for news and new techniques and procedures to be up-to-date in all fields. This may be represented nowadays by Research & Development (R&D). This can be part of the planning function of a manager and a leader.

Communication

It is very important and essential for the leader to be able to communicate with his subordinates. Effective communication is most of the time the most important step to achieving the goals effectively. The leader should encourage the subordinates to communicate to him any suggestions or comments that

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the subordinate might have. An open working environment which is characterized with candid and transparency is a must for a successful leader. In the following Verses the bird is communicating with Prophet Sulaiman in the most effective way:

In verse 23, "I found (there) a woman ruling over them and provided with every requisite; and she has a magnificent throne."

This is part of the oral report given by the bird. This signifies the importance of oral communication.

In verse 24, "I found her and her people worshipping the sun besides Allah: Satan has made their deeds seem pleasing in their eyes, and has kept them away from the Path, so they receive no guidance."

This signals that the bird has been very keen in getting the kind of information that Sulaiman wants. He took care of getting all the important details and added ante them from his own thoughts. This signifies the importance of choosing the right person for the right job, which corresponds to another function of managers called staffing. In verse 25, "(kept them away from the Path), that they should not worship Allah, Who brings to light what is hidden in the heavens and the earth, and knows what you hide and what you reveal."

This is continued elaboration from the bird.

In verse 26, "Allah! There is no Allah but He! Lord of the Supreme Throne!". This ends the bird's speech. It shows how Sulaiman was listening to the plea of the bird without interrupting until he finished and gave an excuse for his absence. In verse 27, Sulaiman said: "Soon shall we see whether you told the truth or lied."

Apparently, Sulaiman does not doubt his messenger's plea that he has scouted a new country, but wants to test whether he has loosened the rein of his imagination in describing its splendors or its worship. A manager should

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always be careful to ensure that all the information given is true before judging or making decisions.

In verse 28, "Go with this letter of mine and deliver it to them then draw back from them and (wait to) see what answer they return." This signals another method of communication, which is writing letters. Also, it shows delegation of authority by making the bird as a messenger and deputy. In verse 29, (The Queen Balqis) said: "Chiefs! Here is delivered to me a letter worthy of respect."

This shows that the Queen is even reading the letter to her council and asked for their opinion, a form of consulting. In verse 30, "It is from Sulaiman, and is (as follows): 'In the name of Allah, Most Gracious, Most Merciful." She mentions the source of the letter then she reads it to her people. In verse 31, "Be not arrogant against me, but come to me in submission (to the true religion)." This shows how short, concise, and to the point Sulaiman's letter was, marking an excellent example of efficiency. In verse 32, she said: "You Chiefs! Advise me in this matter: no matter have I decided except in your presence (and after hearing your opinions)."

This signifies the importance of consulting (Shura). The Queen was consulting her people that were concerned with areas of the military and politics. This is a lesson for leaders and managers to consult various experts in various fields. In verse 33, they (the chiefs) said: "we are endued with strength given to vehement war: but the command is with you, so consider what you will command".

This indicates the duties of experts in such circumstances. They should give their opinions in the case raised honestly and frankly. After that, the decision-making is the duty of the manager (decision-making can be correlated to the manager's function of planning in all management functions). *In verse 34, she said: "kings, when they enter a country, despoil it, and make the noblest of its people its meanest; thus do they behave."*

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Furthermore, she said In verse 35, "But I am going to send him a present and (wait) to see with what (answer) return (my) ambassadors."

This is to test the water as they say. These two verses show that it is best to start with the soft approach. Usually, it gives the best results. Also, this gives an idea regarding how smart and intuitive Balqis was. That may be the reason why she inherited her father's throne. She considered the dangers behind the entrance of Sulaiman and his army to her country supposing her army was defeated. This would have caused her people and their whole civilization to collapse. She imagined all might be destroyed, and she was right about it. In verse 36, "Now when (the messenger) came to Sulaiman, he said: will you give me abundance in wealth? But that which Allah has given me is better than that which He has given you! No it is you who rejoice in your gift!"

This indicates how strict Sulaiman can be. A leader and/or a manager must be strict sometimes to give the idea that he is not easy going. This can work very well with certain types of subordinates who can yield easily to bribes.

Also, Balqis did what she thought as an arrangement with womanly tact to conciliate Sulaiman and at the same time pacify her warlike subjects! However, the effect of the messenger with presents produced the opposite effect and Balqis committed miscommunication. Sulaiman took it as an insult that she should send her presents and gifts (in a bribery form) instead of her submission to the true religion. Always expect the unexpected.

In verse 37, "Go back to them, and be sure we shall come to them with such hosts as they will never be able to meet: we shall expel them from there in disgrace, and they will feel humbled (indeed)."

This shows that Balqis was right when she was consulting her chiefs; she imagined the same thing Sulaiman was threatening. An exercise of conflict management was being played here whether they know it or not. It is a very effective way in dealing with the enemy when a frightening accent and

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threat are used, and at the same time having the power and being able to validate the threat. Moreover, trust in oneself is an important characteristic of managers, which Sulaiman clearly demonstrates.

Staffing through Self-Evaluation

It is essential most of the time to have the knowledge about what a subordinate thinks about himself. A leader can make assessments about a subordinate through this self evaluation.

In verse 38, he said (to his own men): "Chiefs! Which of you can bring me her throne before they come to me in submission?"

This is a question Sulaiman asks his council to be able to assign the task to the right person who will best fulfil it. He does this to be most efficient and reliable. Again, this demonstrates the function of staffing in a manager's role. Of course the objective of the task of just bringing the throne is bigger than bringing it. Sulaiman is planning to convince them to submit to the true religion by using the throne. Also, this demonstrates planning, which is another function of managers.

In verse 39, said an Ifrit of the Jinns: "I will bring the throne to you before you rise from your council: indeed I have full strength for the purpose, and may be trusted". The Ifrit nominated himself for the job and told Sulaiman what he was capable of (specified period of time for the task) and tried to justify his selection. This shows that specifying a deadline for a task is important specially in attaining objectives. In verse 40, said one who had knowledge of the Book: "I will bring it to you within the twinkling of an eye!" Then when Sulaiman saw it placed firmly before him, he said: "this is by the grace of my Lord! To test me whether I am grateful or ungrateful! And if any is grateful, truly his gratitude is (a gain) for his own soul; but if any is ungrateful, truly my Lord is Free of all needs, supreme in honour!" Of course, when the task could be done in a better and more efficient way,

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Sulaiman did not choose the first offer from Ifrit (strong one). Indeed, the job is done and the throne is placed in front of Sulaiman. Another lesson, tasks should be done in the most efficient way possible. Again, Sulaiman is being thankful to his Lord for giving him all that he has got which implies that a Muslim manager should be thankful to Allah whenever he committed any successful deal or action.

Delegation

This is another important skill of a leader to be able to delegate authority to the right person. A leader should be aware of the skills of the subordinates and there capabilities and then delegate and assign tasks accordingly. *In verse 41, he said: "Transform her throne out of all recognition by her: let us see whether she is guided (to the truth) or is one of those who receive no guidance."*

As Sulaiman was planning, he used the throne to test her and to convince her to submit to the true religion. Also, besides planning, this shows how testing people can be beneficial as an important step in staffing. *In verse 42, "So when she arrived, she was asked, "is this your throne?" she said, "It was just like this; and knowledge was bestowed on us in advance of this, and we have submitted to Allah (in Islam)."*

The test done by Sulaiman on the queen of Saba proves her intelligence. When she was asked if the throne was hers, she neither denied nor confirmed it. If she denied it, they might ask her how she did not recognize her own throne. If she confirmed it, they might ask how this would be possible while the distance from Yemen to Sham is about two month's ride on camel or horse. So she realizes the trick and answered smartly. Sulaiman was delighted by her cleverness and said: "and knowledge was bestowed on us in advance of this, and we have submitted to Allah". *In the next verse (43, Sulaiman continued. And he diverted her from the worship of others besides*

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Allah: for she was (sprung) of a people that had no faith." Here, Sulaiman is making statements of justification why she was diverting from the worship of others besides Allah. The ability to analyze is an important quality of managers. Finally in verse 44, she was asked to enter the lofty palace; but when she saw it, she thought it was a lake of water; and she (tucked up her skirts), uncovering her legs. He said: "This is but a place paved smooth with slabs of glass." She said: "O my Lord! I have indeed wronged my soul: I do (now) submit (in Islam), with Sulaiman, to the Lord of the worlds."

Asking Balqis to enter the palace was another test. She thought it was a lake and uncovered her legs, which was not a dignified position for a woman, especially for a queen. Sulaiman immediately undeceived her, and told her the real facts. She felt grateful and joined herself with Sulaiman in praising Allah. So again this points out the benefits of testing people to know the level of their aptitude. Another point is to innovate not to imitate. Also, Sulaiman's immediate action of undeceiving the queen was the right thing to do at the right time. This signifies the importance of decision making in a timely manner. Finally, this points to the virtue of having a good example or role model, which is shown by Balqis following Sulaiman.

Leadership Aspect in the Verses:

Therefore, in brief, verses 15-44 of Surat An-Naml (27) provide a detailed analysis of leader's action and behaviour. Without too much details and discussions, and in addition to what was said before in the previous few pages, following topics are addressed in these verses:

- a) Looking after and observing the absences of a follower by the leader
- b) Theory and practice of gradual punishment:
 - hard punishment
 - _____ severe punishment
 - accepted excuse
- c) Communication (oral)

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- d) Verification of communication (truth or lie)
- e) Written communication (letter to Balqis)
- f) Observation by the messenger
- g) Shura and consultation (the Queen and her chieftains)
- h) Advise of the chieftains to the leader (Queen)
- i) Gifts and their use in management and administration
- j) Refusal of gifts if it looks like a bribe
- k) Employing talented individuals
- 1) Delegation of authority

EFFECTIVE LEADERSHIP IN ISLAM

Abul-Ainain (2002) and Al-Mutairy (1997) propose ten basic characteristics of an effective leader/manager from an Islamic perspective. These characteristics are:

- Strength of character: A leader needs to abstain from actions prohibited by Islam and keep away from evil company. Because of the need for him to be an excellent role model for other Muslims and to persevere and inspire both in good and bad situations, he cannot allow himself to succumb to worldly temptations. In other words, strength of character is a must for a leader, especially during hard times. After the Prophet's death, it was Abu Bakr's (ra) strength of character that enabled him to weather dissent from apostates. The Quran recites: "And Verily, you (O Muhammad, PBUH) are on an exalted (standard of) character" (68:4). (Quran, 68: 4)
- *Role model*: Continuing from the above a leader must be the first to act on task guidelines. *The Quran recites: "O you who believe! Why do you say that which you do not do? Most hateful it is with Allah that you say that which you do not do" (61: 2-3). Also, it says: "Indeed in the Messenger of Allah (Mohammad PBUH) you have a good example*

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to follow for him who hopes for (the Meeting with) Allah and the Last Day, and remembers Allah much" 33:21). (Quran, 33: 21)

- *Equality and impartiality*: A key attribute of an Islamic leader is equality and impartiality. In dealing with others, the leader must be impartial to all, whether they are Muslims or not. A leader should not discriminate among them on the basis of gender, colour, or relationship. The Quran recites: "And come not near to the orphan's property, except to improve it, until he (or she) attains the age of full strength; and give full measure and full weight with justice. We burden not any person, but that which he can bear. And whenever you give your word (i.e.., judge between men or give evidence), say the truth even if a near relative is concerned, and fulfil the Covenant of Allah. This He commands you, that you may remember" (6:152). (Quran, 6:152)
- *Kindness and magnanimity*: A leader's role is not one of a policeman wielding a big stick. Show forgiveness; enjoin what is good, and turn away from the foolish (i.e., don't punish them) (Quran, 7:199). The Prophet Muhammad (saw) said: "Avert the infliction of prescribed penalties on Muslims as much as you can, and if there is any way, let a man go, for it is better for a leader to make a mistake in forgiving than to make a mistake in punishing".
- *Integrity*: A leader should be chaste and transparent so that his subordinates would trust and follow him. Muslim leaders should be honest not only because it makes them better leaders, but also because they are accountable for their deeds to Allah both in this world and in the hereafter.
- *Guidance*: The leader should provide guidance and advice as and when needed by the subordinates. *Narrates the Quran: "Indeed in the Messenger of Allah (Mohammad PBUH) you have a good example to*

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follow for him who hopes for (the Meeting with) Allah and the Last Day, and remembers Allah much" (33:21). (Quran, 33:21)

- *Consultation*: Depending on their leadership style, leaders may find it easy or difficult to consult others. Islam, however, stresses consultation in all affairs. Through the Quranic phrase *amruhum shura baynahum* (who conduct their affairs through mutual consultation) (Quran, 42:38) and the Prophet's (saw) habit of seeking and accepting advice, the limits on the exercise of power have been set forth by the Quran and the Sunnah. As Al-Buraey (Al-Buraey, 2003:86) points out, *shura* plays a critical role in administration and management, specifically with respect to decision-making; it provides a restraint on administrative power and authority coaching: the leader must advise and guide his subordinates to improve performance and reduce errors among them. *The Quran says: "so pass over (their faults), and ask (Allah's) Forgiveness for them; and consult them in the affairs"* (3:159). (Quran, 3:159).
- Unselfishness: the leader should not seek personal gains through opinions and suggestions of his subordinates because it is demotivating. The leader should acknowledge others' favours and deeds. Allah says in Holy Quran: Think not that those who rejoice in what they have done (or brought about), and love to be praised for what they not done, think not you that they are rescued from the torment, and for them is a painful torment (3:188). (Quran, 3:188)
- *Competence*: People are more likely to follow a leader's directives if they believe that this person knows what he or she is doing. If followers doubt the capabilities of their leader, they will be less enthusiastic in accepting directions from him. Competency does not relate only to the current technical skills of the directives if they believe that this person knows what he or she is doing. If followers doubt the capabilities of their leader, they will be less that this person knows what he or she is doing. If followers doubt the capabilities of their leader, they will be less enthusiastic in accepting

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directions from him. Competency does not relate only to the current technical skills of the leader; his past record of accomplishment as a leader affects others' perception of his competence. Says the Quran: "Is one who is obedient to Allah, prostrating himself or standing (in prayer) during the hours of the night, fearing the Hereafter and hoping for the Mercy of his Lord (like one who disbelieves)? Say: "Are those who know equal to those who know not?" It is only men of understanding who will remember (i.e., get a lessen from Allah's Signs and Verses)" (39:9). (Quran, 39:9)

• *Intelligence and wisdom*: the followers trust leaders who demonstrate intelligence and wisdom. The Holy Quran recites: "He grants *Hikmah* to whom He pleases, and he, to whom *Hikmah* is granted, is indeed granted abundant good. But none remember (will receive admonition) except men of understanding" (2:269) (Quran, 2: 269)

The purpose of this paper is to review the modern practices of leadership in light of Islamic teachings and as mentioned in the Quran as explained above. To conclude this paper, and in the context of this objective we will review a five-stage model for leadership from an Islamic perspective. The reason I chose this particular model and not other ones is that there is a renewed interest in leader traits. James M. Kouzes and Barry Z. Posner have stirred recently this approach. They surveyed 2500 managers from across the United States during the 1980s to determine the traits they value and admire in superior leaders. Honesty was selected by (87%) of the respondents, easily outdistancing competent (74%), forward-looking (67%), inspiring (61%) and intelligent (46%). This sequence could be a positive sign from the point of view of business ethics (Kreitner, 2001: 466-467)

POSNER AND KOUZES MODEL

Barry Z. Posner and James M. Kouzes (2001), continued their interest and

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research in leadership and developed a five stage model. This model first published in *Executive Excellence Magazine* consists of five basic steps, and is reviewed below from an Islamic perspective in some detail. The reader will have no difficulty to relate these traits and characteristics to the Islamic point of view as well as to the verses of Surat An-Naml discussed earlier.

Step 1. Challenging the Process

Leadership is an active, not a passive process. Those who lead others to greatness seek and accept challenge. They take risks, innovate, and experiment to find new and better ways of doing things.

In challenging the process, leaders search for opportunities both internally and externally. They look for ways to change or improve the status quo. These opportunities may include an innovative new service or activity, reorganization, or a realignment of the mission of the organization. To help them in their search process, leaders need to use *shura* and consult with people both inside and outside the organization. Employees use many of the services the organization provides, and can provide critical insights since they are closest to problem areas or to external constituents.

Leaders also experiment and take risks while challenging the process. They do so with the understanding that their efforts may not always succeed. Each failure, however, can be viewed as a learning opportunity. For example, let us assume that you are learning how to play soccer. If you stand behind the ball, but do not try to kick the ball, what have you learned? How can you improve your soccer skills without making an initial effort?

During the early days of the Ikhwan al Muslimin, its leader Hassan Al-

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Banna did not wait for people to join the movement; he went out and actively sought them (Faridi, 1988). While ineffectual leaders sit around. waiting for Allah to help, successful Muslim leaders challenge the status quo, articulate an impelling vision and mission, and then ask Allah for help. In challenging the process, leaders have to be innovative. They often need to redefine the process in a way that tears down the physical and mental barriers imposed by others on the Muslim community. For example, dynamic Muslim leadership in India is refusing to allow Muslims to be labelled and classified as untouchables. Similarly, in the United States, the US Postal Service issued a stamp commemorating Islam. This idea sprang to life when a Muslim child from elementary school suggested the idea to his mother, and the suggestion was eventually championed by the International Union of Muslim Women. Recently, an American college professor publicly defamed Muslims in one of his classes. After the Council on American Islamic Relations (CAIR) intervened and demanded that the college impose disciplinary procedures, the educational institution did. This professor is no longer working there (Faridi, 1988).

Step 2. Inspiring a Shared Vision

In challenging the status quo, a leader needs to have a vision of what the organization needs to accomplish. This is his or her main task. A vision is critical because it is the source of the mission statement and long-term strategy of the organization. The vision of the leader does not need to be detailed. In developing a vision, the leader needs to answer the following question: What is our organization seeking to do and to become? For example, the vision of the leader of an Islamic community association may be to help Muslims in the community act as one body.

A vision can be extremely motivating. Muslims need to believe in the future envisioned for this Ummah by the Prophet (saw). Their leaders

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must keep them focused on this vision, whether in triumph or in defeat, in times of munificence or in times of scarcity. Wherever they are, in whatever condition they may be, Muslim leaders must keep the Ummah moving toward this vision.

Step 3. Enabling Others to Act

between the leader and the followers. Consequently, a leader must actively foster collaboration. It is the joint effort of leader and followers that make things happen. To build collaboration among employees, the leader needs to promote interaction among them as frequently as possible. Hold a membership meeting every two weeks. If you cannot hold such a meeting, still try to arrange for some form of regular group activity such as a Friday get-together to promote group bonding and cohesiveness. Posner and Kouzes (2001) point out that some organizations with superior leaders even hold a staff meeting every morning. Do not put a "prestige curtain" between you and your employees. Emphasize the long-term goals and benefits over short-run objectives and gains. Ensure that the goals of your organization require teamwork over individualistic efforts. Finally, nurturing a trusting relationship between yourself and your employees can also foster collaboration.

When a leader trusts his employees to take charge of a problem, as Sulaiman did with the Ifrit (Quran, 27: 29-40) this fact will energize them, and will lead them to come up with solutions that the leader may never have imagined. Employees must be able to see their work as meaningful and significant, and must be encouraged to take ownership of a task or responsibility.

Besides fostering collaboration, the leader must strengthen others. The key to strengthening others is through empowerment and delegation. Both concepts share the same idea: power is an expandable resource.

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The more power the leader gives to his followers, the more influence he has, and the more he has strengthened his followers. Consequently, any demand he makes of them is a demand that he makes of the whole group or organization.

Thus, the example of Prophet Muhammad (saw) is of a leader who did what he had told others to do. The following hadith narrated by Abu-Talhah demonstrates how the Prophet strengthened others when the Quraish imposed a ban on the Muslims:

When we complained to Allah's Messenger (saw) of hunger and raised our clothes to show we were each carrying a stone over our bellies, Allah's Messenger (peace be upon him) raised his clothes and showed that he had two stones on his belly. (Al-Tirmizi, Zuhud: 39)

While strengthening his employees, the leader will also need to raise their level of commitment to the cause. The more employees feel that they are personally responsible for a course of action, the more committed they feel. Some leaders use a "signing up" ritual whereby a person agrees to do his best for the project to succeed. In the *sirah* of the Prophet *(saw)*, the first pledge of Aqaba can be viewed as an example of this commitment process.

Another way of building up the commitment level of your employees is by making choices visible to others. Have the employee commit to performing a task in front of the group or committee. The more visible the choice, the more committed people are to that course of action. Simultaneously, guard against escalation to a previous course of action. Employees who have committed themselves to a previous task may continue in that task even if the project is not working out and they keep receiving negative feedback. If an employee becomes too attached to a project that is continuously under performing, rotate him out of the project, and assign somebody else to it. Simultaneously, the leader

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may assign the employee who was experiencing escalation to a project that fits him better. The story of Umar ibn al-Khattab, the 2nd khalifah and the military genieous Khalid ibn al-Waleed fits this situation very well at least from the point of view of the former.

Step 4. Modelling the Way

Titles are granted, but leadership is earned. Your behaviour earns you respect. Leaders don't ask others to do things they are unwilling to do first. Leaders go first. They set an example and build commitment through simple, daily acts that create progress and build momentum. The Prophet Muhammad (saw) sira reflects so many examples where he always went first in all occasions.

Leaders must not remain static after developing a shared vision and empowering others. They must model the way. First, they must be clear about their beliefs. By practicing what they preach, they make clear to their followers what core values and behaviour should be emulated. The following hadith from *Sahih Bukhari* makes this clear:

Usama ibn Zaid (ra) heard Allah's Messenger (pbuh) saying, A man will be brought and put in Hell (Fire) and he will circumambulate (go around and round) in Hell (Fire) like the donkey of a (flour) grinding mill. All the people of Hell (Fire) will gather around him and will say to him, O so-and-so! Didn't you use to order others for good and forbid them from evil? That man will say, I used to order others to do good but I myself never used to do it and I used to forbid others from evil while I myself used to do evil. (sahih Al-Bukhari, Fitun:17)

Most importantly, the Prophet Muhammad (saw) modelled the way for his companions and is still the example all current Muslim leaders and followers should follow. Allah says the following about Muhammad (saw) in the Quran "And lo! You are of an exalted character" (68:4).

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While modelling the way, the leader must remember that the level of maturity of his followers will affect the degree and speed at which they follow his example. Because of differing levels of employee maturity and the nature of the task, a leader must break down the goal into small, manageable chunks. As a result, he will be aiming for small wins' Small wins are important because they provide the employees a sense of accomplishment, give them self-confidence and thereby have a multiplier effect.

Step 5. Encouraging the Heart

It is part of the leader's job to show people that they can win. Encouragement can come from dramatic gestures or simple actions, individual recognition or group celebration. Encouragement is serious business. It is how leaders link rewards with performance. When striving to raise quality, recover from disaster, start a new service, or make a change, leaders make sure people benefit when behaviour is aligned with cherished values. Caring is at the heart of leadership.

Succeeding in the path of Allah is difficult and Muslims will be continuously tested. Sometimes, employees may become discouraged. An appropriate ayat or hadith at a tough time will help refocus them and strengthen their resolve. The example of the Prophet Ya'qub (a.s) is an excellent reminder during trying times:

"O my sons! Go and enquire about Joseph and his brother and never give up hope of Allah's soothing mercy: truly no one despairs of Allah's soothing mercy except those who have no faith" (12:87).

Another aya that is equally inspiring is: "So lose not heart, nor fall into despair: For you must gain mastery if you are true in faith" (3:139). Leaders should not wait until their projects are completely finished before encouraging their employees. One of the most important tenets of motivation is the Law of Effect: behaviour that is rewarded will be

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repeated while behaviour that is not rewarded will not. Accordingly, leaders should establish targets along the path to long-term objectives. Whenever their employees reach a target, they should celebrate their accomplishment so that they are encouraged to continue making progress.

Followers expect their leaders to remain positive about the future no matter how bad the situation may be. A leader must never give up or lose hope. During the battles of Badr, Uhud and Hunain, Prophet Muhammad (saw) neither flinched in front of larger hostile forces nor panicked even when Muslim forces were retreating in disarray. A dinner or some other form of recognition to thank everybody is also a very good way to thank the organizational members (and others) who have helped. People do not work for Allah's cause with a desire to gain recognition or earn material rewards, but a pat on the back can energize them for the road ahead. It is the leader's job to demonstrate that they can win with the help of Allah, *subhanahu wa ta'ala*. That is a part and parcel of the leader's ethics and value, which is the subject of a future paper.

CONCLUSION

In this paper, I examined the Islamic perspective as related to the principles of leadership in modern theory and practice. The paper presented, with illustrations from Quranic verses and sayings and practices of the Prophet Muhammad (saw) and his true followers, what constitutes Islamic leadership. The paper has also reflected on the means and methods of effective leadership.

In reviewing the modern theories and models of leadership, I have discussed the Trait model, Behavioural model and the Contingency or Situational model. I also reviewed the modern trends that include Attribution Theory. Leadership Substitute View, Charismatic Leaders, Transactional Leaders,

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Transformational Leaders, Post heroic Leadership Perspective, and Selfleadership. The five-stage model for leadership developed by Posner & Kouzes (2001) was discussed in some detail. The importance of the influencing powers of the leader is undeniable, how different leaders use different powers to influence their subordinates to achieve the organizational goals, cannot be underestimated.

In the later stages of the paper, I analyzed how these present day theories and models were practically implemented in early Islam and even before that, in the lives of the previous Prophets. Through excerpts from the Quran, which is considered the constitution of all Muslims and their **way** of life, and code of conduct, ethics and behaviour, verses of Surat An-Naml related to leadership are discussed. I have established that Islam has produced great leaders and that leadership principles in Islam have been guiding the modern researchers in establishing their theories. This paper should bring to light the trueness of the religion of Islam and its most important essence, its practicality in modern times. During the course of the paper I have discussed a serial group of verses (15-44) from Surat An-Naml (Quran:27), which emphasized the leadership skills of Prophet Sulaiman (a.s).

It is evident from studying the human history that Islam has always produced great leaders in all life styles. All the prophets are great examples of leadership, the way they gained the respect of their followers through their deeds and the believers of the Prophets followed the footsteps to become great leaders themselves. It is a great myth throughout the western world that Islam spread because of the sword, off course the sword did open the doors in some situations but it was the behaviour of the whole society and specifically Islamic scholars and leaders that ruled the hearts of the people they ruled over and eventually converting them to Islam. The rule of Spain for more than 700 years and of a Sub-Continent for more then 800 years were indeed excellent examples and clear proof of the dynamic leadership of Islam.

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A lesson for Muslims to be learned here is that to be able to attain the power and superiority that early Muslims once had we have to curb our behaviour in line with the teachings of Islam, where the leader was a part of the society and not above it. To attain the ultimate levels of motivation, admiration, respect, trust, commitment, dedication, loyalty, and performance from their followers the modern leaders in the Muslim world have to follow the teachings of Islam in its clear and simple form.

Once they become a life example, others will admire them and will follow them and their beliefs. Nothing is better than a good example. The history of Islam in Indonesia attests to that.

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