



## ISLAMIC MORAL RESPONSIBILITY IN DECISION MAKING

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### ABSTRACT

This study looks at the ethical and moral responsibilities of Muslims in the area of problem solving and decision-making. This moral responsibility is based on the objectives of the *sharʿah* (*maqāṣid al-sharʿah*) and *ijtihād*. This author defines management from an Islamic perspective (MIP) as “*an effort by Muslim management experts to advise, based on evidence, two groups of Muslims. The first are legal scholars to help them derive fiqh rulings related to management. The second are practitioners, so that they manage their organisations taking ijtihād into consideration.*” A key issue is that some Muslims are appointed to management positions even though they have not been trained to solve problems. To remedy this problem, this author distinguishes between simple and complex problems and proposes nine ‘thinking-tools.’ It is argued that if Muslims do not use such tools, they are likely to fail in their moral responsibility to their firms and to the society at large.

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## 1. BACKGROUND

Management from an Islamic Perspective (MIP) is a growing field. Muslim management writers have discussed the role of Islam in relation to planning, organizing, leading and controlling (Jabnoun, 1994; Ahmad, 2006). Faridi (1997) edited a series of papers on the islamization of organizational behaviour. Ali (2005) looked at the Islamic perspective in relation to work ethics, group behaviour, decision styles, leadership and human resource processes. Areas that are often discussed are conflict resolution (Jabnoun, 1994; Ahmad, 2006) and leadership (Ahmad, 2006). Ahmad (2006) concluded that like the Islamic banking industry, the future of MIP is in persuading Muslim firms to establish a *shar'ah* advisory panel. This author specializes in problem solving and decision-making (Fontaine, 2008) and hence distinguishes between simple problems and complex problems. With complex problems, unless one has the right 'thinking-tools', it is very difficult to make good decisions. Yet, Muslims have an obligation to be ethical and moral. This author defines ethical as deciding whether something is right or wrong. A moral obligation is the best decision for the *society*. In other words, two options might both be ethical. However, Muslims should choose the one that has the best outcome for the largest number of Muslims. As Khalifa (2001) has argued, such a moral decision is in the interest of the decision-maker because he or she will be rewarded in the Hereafter. Such a choice is very difficult to make unless one has the right 'thinking-tools.' This study identifies a list of 'thinking-tools' that allows Muslims to make decisions that are both ethical and moral.

## 2. THE STRUCTURE OF ISLAMIC JURISPRUDENCE

This study is not a technical study on Islamic law (*fiqh*) or Islamic jurisprudence (*uṣūl al fiqh*). Some general information is nonetheless useful to understand how to make decisions that are ethical and moral. Kamali (1998) states that the sources of the system of Islamic jurisprudence are as follows: Qur'ān, Sunnah, Consensus (*Ijmā'*) and Analogy (*Qiyās*). Clearly, there are important issues that this paper will not address but one important consideration is personal reasoning (*ijtihad*), an important issue when discussing decision-making. Kamali (1998, p.367) observes that:

“*Ijtihad* is the most important source of Islamic law next to the Qur'ān and Sunnah. The main difference between *ijtihad* and the

revealed sources is that *ijtihād* is a continuous process of development whereas divine revelation and Prophetic legislation discontinued upon the demise of the Prophet (pbuh). Since *ijtihād* derives its validity from divine revelation, its propriety is measured by its harmony with the Qur'ān and Sunnah. The various sources of Islamic law that feature next to the Qur'ān and Sunnah are all manifestation of *ijtihād*, albeit with differences that are largely procedural. In this way, consensus, analogy, juristic preferences and public interest are all interrelated, not only under the main heading of *ijtihād*, but via it, to the Qur'ān and Sunnah”

In order to derive *ijtihād*, scholars refer to the objectives of Islamic law (*maqāṣid al-sharīah*). Kamali (1998) points out that the *maqāṣid* were initially five and then extended to six. Ibn Tamiyah argued that the *maqāṣid* could not be confined to a specific number. One of the greatest contemporary scholars, Yusuf Al Qardawi, extended this list to include human dignity, freedom and social welfare. Kamali (1998) argues that economic development should also be considered as an aim of Islamic law. To illustrate the difficulty of making an ethical and moral decision, consider the following scenario.

An investor is thinking of choosing between two businesses. Option A would be to start an import-export business in a large town. The profit is estimated at \$1 million per year. Option B is to start a medical clinic in a small town where there is no such facility at the moment. The annual profit is estimated at \$600,000. The risk involved in both investments is equal.

Both options are ethical. In terms of purely financial consideration, the first option is more profitable. However, in terms of the benefits to the society, the second option is better. However, where *ijtihād* is required is to clearly understand the direct and indirect consequences associated with both options. For example one possible way to see the above scenario is as follows:

1. An import /export business is useful to the society in the sense that it can import cheaper products or products that are of better quality. This forces local manufacturers or local retailers to offer local consumers better products. This prevents local

- monopolies. This is less glamorous than setting up a medical facility but it is useful in a different way.
2. Setting up a small medical clinic may seem like a good idea. However, small private medical facilities do not have the expertise of large government hospitals. Consider the case of complex medical cases. Instead of going to a large hospital like before, individuals might go to the small clinic (assuming that the quality of healthcare is the same) but ending up with worse healthcare services and more medical errors, some of them possibly fatal.
  3. Setting up a small medical clinic in a small town is like creating a local monopoly. By being the first person to start the medical clinic, the entrepreneur might be preventing other doctors – more experienced and more knowledgeable – from serving that community.

The observation we can make from the above scenario is that deciding which business to invest is very difficult *from a moral perspective* because we can never fully understand the direct and indirect consequences of our actions. This point will be discussed more fully later, but this author proposes first to define Management from an Islamic Perspective (MIP).

### 3. DEFINING MANAGEMENT FROM AN ISLAMIC PERSPECTIVE (MIP)

Although MIP focuses on firms and the behaviour of managers, the aim of MIP is to help create and sustain a dynamic Muslim economy to benefit Muslim societies in general. To arrive at a definition of MIP, the following points need to be considered.

#### 3.1 PREMISE 1: MANAGEMENT FALLS UNDER THE SCOPE OF THE SHARĪ'AH AND ISLAMIC LAW (FIQH):

To understand what is permissible or not, one has to look into a specific ruling (*fatĕwa*). Although Muslims generally emphasise acts of worship, all scholars agree that business transactions fall within the scope of Islamic law (Zarabozo, 1999:442). Historically, Muslim businessmen would seek a ruling (*fatĕwa*) from qualified scholars. Such rulings were easy to derive because the Prophet (pbuh) clarified the principles related to business activities and management. A ruling sometimes deals with

whether an action is permissible (*ūal/El*) or forbidden (*ūar/Em*) but sometimes, individuals are faced with options that are all permissible. The question is which option has the most benefit for Muslims. As highlighted earlier, the notion of *ijtihEd* comes into play and Muslim managers have a moral duty to choose courses of actions that are beneficial for the firm and beneficial for the society. To determine the social benefit, Muslims have to weigh the short-term and long-term benefits and harms and the unintended consequences of their decisions.

### 3.2 PREMISE 2: MUSLIMS SHOULD STAY AWAY FROM DOUBTFUL MATTERS

This second premise is an extension of the first. The Prophet (pbuh) said:

“The lawful is clear and the forbidden is clear and in between are doubtful matters about which not many people are knowledgeable. He who avoids these doubtful matters clears himself in terms of his religion and his honour” (Zarabozo, 1999: 451).

With this statement, the Prophet (pbuh) laid an important principle. First, is the recognition that there are matters over which there is doubt. Second, these are things about which “*not many people are knowledgeable.*” When faced with such situations, one is obliged to find experts who can remove that doubt by explaining the principles involved. The idea that ‘*not many people are knowledgeable*’ includes people who think that they know, even though they are really ignorant. In management, people often make decisions based on their personal experience rather than evidence. Pfeffer and Sutton (2006) have pioneered the concept of Evidence Based Management. They start by explaining the role of evidence based medicine. They write:

“Recent studies suggest that only 15% of (doctors) are evidence based. For the most part, doctors rely on obsolete knowledge gained at school, longstanding but never proven traditions, patterns gained from experience, the methods they believe in and are most skilled in applying and information from vendors with products and services to sell.”

They argue that, similarly, many management practices have never been accurately verified. Many managers rely on personal experiences,

strongly held beliefs and unproven and misleading management ideas. Pfeffer and Sutton (2006) argue that managers who rely on evidence based management rather than folklore discharge their duties better. If Muslims wish to discharge their professional duties with a clear conscience, they should presumably be duty-bound to make sure their knowledge is based on evidence, not folklore. Recently, Khurana and Nohria (2008), both professors at Harvard Business School, observed that management is the only profession where unqualified individuals regularly become managers and chief executive officers.

### 3.3 PREMISE 3: MUSLIMS ARE OBLIGED TO ADVISE ONE ANOTHER

The Prophet (pbuh) said, “*The religion is naṣiḥah*” (Zarabozo, 1999). The word *naṣiḥah* is a comprehensive word that implies helping, aiding and advising others sincerely for God’s sake. From an Islamic perspective, it would be unthinkable for a Muslim not to advise another Muslim. Due to the nature of the *sharʿah* and Islamic law, the natural advisor is the religious scholar. This scholar needs to advise for the sake of God and based upon sound knowledge. Sound knowledge often requires seeking the advice of experts in other fields. Consider the case of smoking. When tobacco was first introduced in Muslim countries, religious scholars found no reason to ban it. However, because of the foul smell and the apparent wasteful nature of smoking, they classified smoking as disliked (*makruh*). When evidence emerged showing the link between smoking and cancer, religious scholars appointed medical experts to understand the health issues related to smoking. After getting their expert medical advice, smoking was declared as forbidden (*ḥarām*). Two points are worth highlighting from this example:

1. Deciding how actions are to be classified is the realm of *fiqh* experts. Individuals who have no *fiqh* background are not qualified to make rulings. These *fiqh* scholars will delegate part of their work to experts in other fields (like experts in MIP).
2. Deciding how to classify actions depends on existing evidence. If the evidence changes as knowledge progresses, a ruling can be changed. In that case, the new ruling supersedes the old ruling.

Historically, the banking sector is the only sector that has institutionalised the role of *naṣiḥah* by creating an advisory body composed of experts

in Islamic law and banking. The role of this body is to define the parameters within which the enterprise can operate. The role of advisory bodies can however be extended to any industry.

#### 3.4 PREMISE 4: STRATEGIC AND POLICY DECISIONS ARE CRUCIAL TO THE SUCCESS OF FIRMS

This premise states the obvious, but is important. Thus far, this author has talked about ‘decisions’ without elaborating. Obviously, many decisions are routine and have little consequences on the society at large. However, some decisions – especially decisions involving strategic positioning, strategic initiatives or company-wide policies – have enormous implications. Thus, Muslims have to be extremely careful when dealing with such strategy and policy. From the premises above, the author proposes the following definition of Management from an Islamic Perspective (MIP):

“MIP is an effort by Muslim management experts to advise, based on evidence, two groups of Muslims. The first are legal scholars to help them derive *fiqh* rulings related to management. The second are practitioners so that they manage their organisations, systematically, taking the principles of *ijtihad* and *maqāṣid al-sharʿah* into consideration.”

There are four points in this definition that needs to be understood:

1. The word ‘advise’ is the approximate translation of ‘*naṣiḥah*.’ This means that advice is given for the sake of God, based on sound knowledge and ordering the recipient of the advice to stay within the limits of the *sharʿah*. Advice to do something unlawful, such as borrowing using interest-based loans, is not *naṣiḥah*.
2. Advice has to be based on clear evidence, not simply on ‘opinion.’ What Evidence Based Management argues is that much of the management literature is unreliable. MIP experts must thus filter the body of knowledge and identify principles and practices that are known to work in the cultural context of muslim organizations.
3. *Ijtihad* is a wide concept that includes consensus, analogical reasoning, juristic preference, consideration of public interest and *maqāṣid al-sharʿah*. Most managers are not qualified to

make decisions of *ijtihād* but most organizations can appoint a panel of experts to advise them when necessary.

4. As highlighted in premise no 4, routine decisions are generally of little importance. The focus of *naṣūḥ* should be on shaping strategic and policy decisions.

#### 4. THE PROBLEM OF SOLVING PROBLEMS

As has been highlighted, many people become managers without having been trained as managers. This has led Khurana and Nohria (2008) to argue that managers are not professional in the real sense of the term. Accountants, lawyers and doctors can only practice their profession if they have passed professional exams. It is unlawful for an unqualified accountant, doctor or lawyer to practice. In the case of management, anybody can be a manager. From an Islamic perspective, this is problematic. This author argues that a key area in which managers need to develop competence is in solving problems. Indeed, research shows that most people fail to solve problems effectively (Nutt, 1999; Sterman, 2000). Evidence suggests that instead of solving problems, people's actions have unintended consequences that makes the problem worse (Sterman, 2000). Yet, most Muslims solve problems daily. To discharge their moral duty, Muslims need practical 'thinking-tools'. Typically, there is a difference between simple problems and complex problems.

1. Simple problems: These can be clearly defined. The formulation and solving of the problem are separate. Solutions can be tested. A simple problem has a closure.
2. Complex problems: There is no definitive formulation of the problem as different people cannot agree what the problem is. Understanding the problem corresponds to solving it. No solution is correct or false. Solutions can only be good or bad relative to one another. There is no end to a complex problem. Once a solution is proposed, the nature of the problem changes. .

A simple problem would be, for example, deciding what kind of car to buy. It's easy to define, the problem can be completely understood and, when the decision is made, the problem disappears. Most management problems unfortunately are complex. Management problems are difficult to define, some variables are not well understood and problems do not disappear. For example, if a firm introduces a new product, the



problem has not disappeared; managers need to start thinking about the next product that will replace the product that has just been launched.

## 5. STRUCTURING OUR THINKING: THE ROLE OF THINKING-TOOLS

Jones (1998) argues that when people try to solve a problem, they often fail because their thinking is unstructured. By this, he means that individuals rarely define problems. They might start with a symptom, do a quick analysis and then not consider the alternatives. Problems are often solved in groups and the dynamic of the group – in particular, what the boss believes is right – influences the way the problem is perceived. In some cases, individuals know that the ‘solution’ will backfire but they are too afraid of contradicting their superior. In this paper, a ‘thinking-tool’ is a technique that enables decision-makers to tackle a problem systematically in a structured way. They might still not be able to solve the problem, but at least they did the best they could by looking at it systematically.

### 5.1 THINKING TOOLS FOR SOLVING SIMPLE PROBLEMS

Jones (1998) proposes a number of tools for solving simple problems. These are:

#### Tool #1: Problem restatement

Jones (1998) argues that many people do not define problems well, yet the way we define a problem determines the way we analyse it. Often, the first problem definition reflects un-stated and often invalid assumptions. Jones argues that when proposing definitions, people generally make the following mistakes: the definition is too broad or too narrow, the definition is assumption-driven or is solution driven. A poorly worded problem-statement prevents solving the problem, so Jones advises people to look at different possible problem definitions before committing themselves to a specific problem definition.

#### Tool # 2: Organizing information using a matrix

Very often, people are presented with facts and discard them without a systematic analysis. Unfortunately, this discarding of facts prevents the whole picture from emerging.

TABLE 1  
An Example of a Matrix for Problem Solving

Factors	Human Factor	Material Factor	Mechanical Factor
#1			
#2			
#3			
#4			

Source: Jones (1998)

As this stage is about understanding the problem rather than choosing the best decision, there is no discussion of *ijtihad* at this stage. With this visual representation, the salient facts of a problem become clear. Without this kind of visual representation, it is difficult to form a holistic picture of the problem.

#### Tool #3: Hypothesis testing

Jones (1998) argues that people search for facts that support what they believe rather than looking for facts that contradict what they believe. Generally, people select facts and ignore others. By using null hypotheses, decision makers are forced to look at all the facts.

#### Tool # 4: Devil's advocate

When deciding which alternative is the best, people have to analyse the pros and cons of an option. In practice, people tend to favour an option and the evaluation of pros and cons is not as rigorous as it should be. Jones (1998) proposes that the task be given to two separate and independent groups. One group will be asked to look for all the pros and the second group will look for all the cons. This minimizes the chance for bias. At this stage (decision-making), Muslims should discuss the benefit for the Muslims associated with each option.

As a conclusion to this section, it should be evident that solving a simple problem is straightforward although many people make errors of reasoning (Hammond, Keeney and Raifa, 2006). Thus, if Muslims were to discharge their duty professionally, they need to be trained to solve simple problems systematically. If not, they will not uphold their moral duty to do what is best for society.

## 5.2 THINKING TOOLS FOR SOLVING COMPLEX PROBLEMS

A complex problem exists when there are several agents, these agents are interdependent and the system is dynamic. Complexity increases when new agents are added or when the level of interdependence increases or when the dynamic behaviour becomes unpredictable. Research shows that solving complex problems is often very difficult (Checkland, 1999). Jackson (2003) writes:

“Simple solutions fail because they are not holistic enough. They are not holistic because they concentrate on the parts rather than the whole. In doing so, they miss the crucial interaction between the parts. They fail to recognize that optimising the performance of one part may have consequences elsewhere and may be damaging to the whole.”

With complex problems, you cannot do something in isolation without understanding what the impact will be on the whole. With complex problems, there is a tendency to deal with symptoms without addressing the underlying root of the problem because they cannot see the system as a whole (Senge, 1990; Sterman, 2000; Jackson 2003; Camillus, 2008). Camillus (2008) writes;

“Companies can’t develop models of the increasingly complex environment in which they operate. CEOs cannot confront these issues by merely gathering additional data, defining issues more clearly or breaking them down into small problems. (Complexity) isn’t a degree of difficulty. (Complex) issues are different because traditional processes can’t resolve them.”

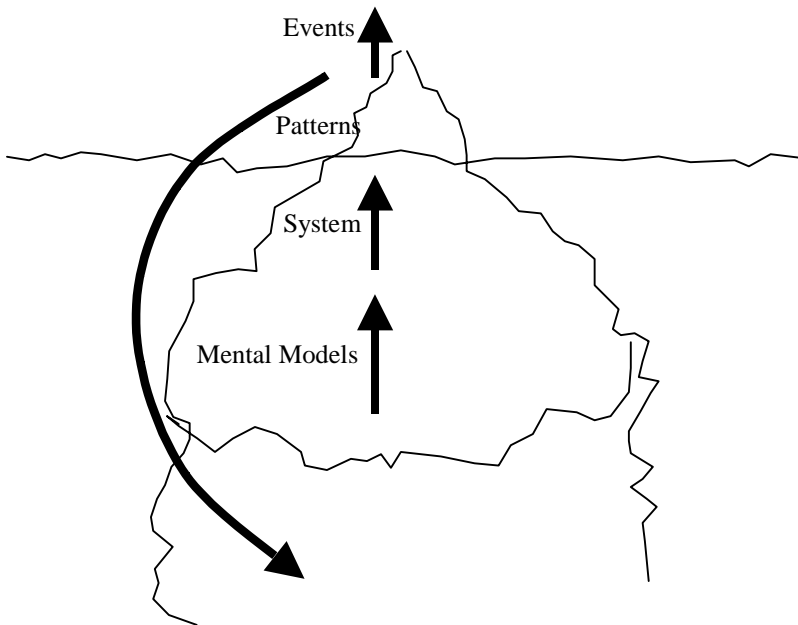
In other words, the thinking tools that are used to solve simple problems do not work for complex problems. Decision-makers need different thinking-tools specifically for complex problems.

This author will review various thinking tools developed by Senge (1990) and Herasymowych and Senko (2007). There are other techniques but – and this is the key to this author’s argument – unless Muslims start using such thinking tools, they will not be able to discharge their moral duty.

As has been stated earlier, when dealing with simple problems, an analysis can be exact and complete. For example, if there are ten cars in the market, it is possible to survey all of them. However a complex

system can never be completely understood. In business, for example, new firms are entering the market, old firms are exiting the market, product offerings and technologies are always changing and customers' tastes are evolving. There is a degree of complexity – even for a small business – that requires some guessing. Thus, Herasymowych and Senko (2007) say that it is impossible to predict how complex systems will behave. One of the 'gurus' of solving complex problems is Senge (1990). He argues that every system can be represented through the "iceberg model" (see Figure 1).

FIGURE 1  
The Iceberg Model



Source: Senge (1990)

Although it is tempting to look at events, the iceberg model suggests that these events are driven by the system in place and its underlying mental model. Both the systemic structure and the mental model are normally hidden from people's awareness. To solve the underlying problem, you have to focus on changing the system or the mental model (Senge, 1990). In particular, Senge identified a number of systems archetypes (see Table 2) that allows one to analyse a complex problem.

TABLE 2  
Senge's Archetypes

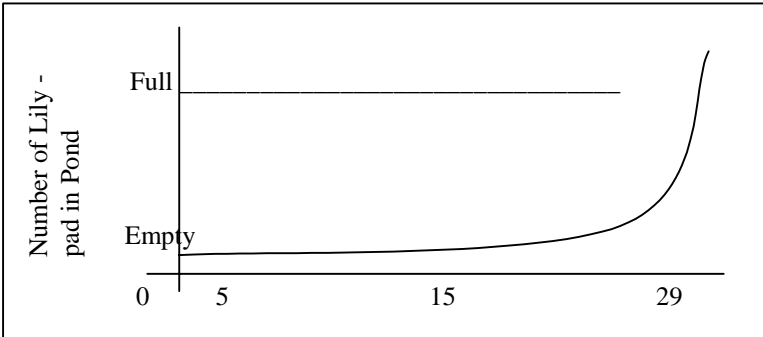
Name	Description
Balancing process with delay	A delay in the system leads to over-reaction.
Limits to growth	A period of growth that is leveling off because you have reached a constraint
Shifting the burden	A tendency with dealing with the symptoms but not the root of the problem. Tendency to blame somebody else.
Eroding goals	The problem is "solved" by letting standards drop.
Escalation	Two sides escalate in commitments beyond what either wants
Success to the successful	Two activities/departments compete for limited resource. The least successful activity/department gets deprived of resources.
Tragedy of the commons	A common resource that is abused by all parties.
Growth and under-investment	An unwillingness to invest in new capacity. People have to perform heroic efforts to go through their day.
Fixes that fail	People buy time by dealing with the symptom but no effort is put into solving the root problem.

Source: Senge (1990)

An important consideration when dealing with complex problems is the exponential nature of behaviour in systems. Using the famous lily pad metaphor (if you have a pond with one lily pad and it doubles every day, when is the pond half full knowing that the pond is full on day 30), Herasymowych and Senko (2007) argue that a key variable is to estimate whether a problem being solved is at day 5, day 25 or day 29.

If a problem is at day 25, there is still time to manage it. If the problem is at day 30, most of the energy will be focused on buying-time rather than solving the problem. Sterman (2000) and others agree that most complex problems can be represented using exponential curves.

FIGURE 2  
The Lily pad Metaphor



Source: Herasymowych & Senko (2007)

The lily pond metaphor is useful to anticipate the behaviour of complex problems and complex opportunities. When dealing with complex problems, the nature of an exponential curve is that a problem will be growing steadily without people noticing it and then the problem will appear to “explode”. When dealing with complex opportunities, people will work towards taking advantage of an opportunity without making any apparent headway. The risk is that they give up before positive results become visible to all stakeholders. With these preambles in mind, the stages in solving complex problems generally include;

1. The problem is best solved in a group. The problem is described in as much detail and everybody is invited to share their perceptions.

2. The problem is mapped using systems archetypes
3. This process of ‘telling the story’ and then describing the story using archetypes allows the problem to be understood. The problem is then defined.
4. Leverage points are identified
5. Side-effects are anticipated and neutralized
6. Action plans are established

With complex problems, the following tools can be used:

#### Tool # 5: Story Telling

An immediate difference between a simple problem and a complex problem is the difficulty in defining the problem. Often, different people in the organization see the problem in different ways. According to Herasymowych and Senko (2007), different people in the organization tell different stories about the same problem. As such, one has to start by listening to the various stories and then try to combine these stories into a story that everybody involved can agree with. Notice that Herasymowych and Senko (2007) propose certain rules (called ‘deep listening’) so that listeners do not interrupt the story-telling of each participant. Camillus (2008) agrees and writes:

“Companies can manage strategic wickedness by using social-planning processes. They should organize brainstorming sessions, hold retreats to encourage people to share their perspectives, involve stakeholders in developing scenarios. The aim should be to create a shared understanding of the problem”

#### Tool #6: Mapping using systems archetypes

In a complex problem, individuals have generally tried to solve problems in the past. Often, these attempts have not been effective (“fixes that fail”) and have created side effects. It is crucial to map this link between root causes, fixes that fail, side effects and the current situation. To illustrate this mapping process, consider a company (company X) that decided to not invest in research and development (R&D).

As Table 3 shows, there are numerous issues for Company X. Firing the marketing manager is a knee-jerk reaction that does not address the underlying cause of the problem. Management could have

chosen a long-term strategy (for example, investing more in R&D) that would have had a short-term negative impact on profitability. Instead, it chose a short-term strategy that dealt with the symptom (decreasing R&D investment leads to higher profit margins) but not the underlying cause. Using systems archetypes is necessary to understand complex problems. Once the problem has been understood at a systems level, a complex problem be better defined and leverage points sought.

TABLE 3  
Mapping Using Systems Archetypes

Root cause	Fixes
Company X is under pressure to deliver higher profit margins to their shareholders. They were successful in the past but their earning growths had slowed down lately.	The CEO decides to limit future investment in R&D.
(Limits to growth)	(Fixes that fail)
Side effect	Current situation
Marketing is not able to bring new products to the market fast enough.	Company X is losing market share and its long-term survival is compromised. The top management fires the marketing manager.
(Growth and Under-investment)	(Shifting the burden)

### Tool # 7: Leverage points

Once the problem has been defined at a systems level, each archetype has its own leverage points (Senge, 1990). A leverage point is “*the easiest action that can be taken to modify the dynamics of the system.*” If decision makers try to change a system without resorting to leverage points, the inertia of the system will neutralize that change effort (Senge, 1990). Certain leverage points have immediate effect and are easy to implement while others are more difficult and take a long time before having an effect. If the problem is urgent, decision makers need to buy time with a leverage that has an immediate effect (Herasymowych and Senko, 2007). If the problem is not urgent, the



focus could be finding leverages that take longer to have an effect but resolve the problem immediately. Before choosing the leverage point, it is understood that the system will behave in a new and unpredictable way. Decision makers have to anticipate and neutralize side effects before deciding on the action plan.

#### Tool #8: Anticipating side effects

In Table 3, there is a column entitled “side effect.” As a general rule, every complex problem has a side effect and the greater the degree of complexity, the greater the possible side effect. However, rather than simply accepting these side effects as inevitable, decision-makers can identify options to minimize these side effects.

#### Tool # 9: Action Plan matrix

Having identified the systems archetypes, identified the leverage points and anticipating the side effects, it is now crucial to identify an action plan. The matrix below (see Table 4) was popularised by General Electric. Some actions are easy to implement while others are more difficult. Some actions have a high impact while others have a low impact. The most desirable actions are those that are easy and with a high impact (GE’s famous “hanging fruits”).

TABLE 4  
Action Plan Matrix

	Very Difficult	Average Difficulty	Easy
High-impact			
Average- impact			
Low-impact			

## 6. DISCUSSION: THE MORAL RESPONSIBILITY OF MUSLIM DECISION-MAKERS

In the first draft of this paper, this author had not considered a number of points. The reviewers highlighted these weaknesses. However, the true breakthrough came from reading Khurana and Nohria (2008). The fact that Muslims in management positions are not always qualified

to be managers is, quite simply, amazing. It also raises a discussion this author has been having with MIP scholars. How can we make MIP move forward? What can we do to get practitioners *really* involved in MIP? In particular, how can we develop an association of Muslim practitioners that apply the principles of MIP? One solution that this paper discussed was the proposal by Ahmad (2006) to have a similar system that is found in the Islamic financial industry (however, as one of the reviewers pointed out, the independence of such Islamic auditors has to be resolved). However, for this author, the issue revolves around two interrelated points:

1. Muslims need to understand their moral responsibility when they manage people and resources. This means that they need to understand the objectives of the *shar'ah* (*maqāṣid al-shar'ah*) and have an understanding of the issues of *ijtihād* related to management.
2. Muslims involved in management positions need to demonstrate competency in relation to their positions. This study has focused on problem solving because it is such an important skill. Clearly there are other skills in which Muslims need to demonstrate competency before they can discharge their moral obligation.

The emphasis on 'tools' does point to a possible future for MIP and an association of practitioners: corporate training. The first module, for example, can introduce MIP, issues of 'aqidah (such as the position of the *shar'ah* over man-made laws) and discuss the moral obligations of Muslims by relating to the *maqāṣid al-shar'ah* and the role of *ijtihād*. The second module could focus on solving simple problems. Practitioners would have to develop competency in this area before moving to the third module, that would focus on solving complex problems. Other modules related to other aspects of management could be devised.

Lastly, based on the comments of one of the reviewers, it has to be assumed that MIP practitioners are interested in MIP because they are righteous (i.e. they have *taqwā*). By providing them with practical thinking tools, we can move the discipline forward. However, it is important that MIP should be based on evidence and fact rather than simple 'experience.' One of the problems that MIP scholars will have

to tackle is that a lot of knowledge in this discipline called “Management” is not ‘knowledge’ but simply folklore. Many tools are still commonly used even though they have ceased to be useful. For example, the SWOT analysis was developed in the late 1950s. As a tool, it worked reasonably well when firms were facing the stable business environment of the 1960s. With the market turbulence that characterized the 1970s, 1980s, 1990s and 2000s, many firms have abandoned the SWOT analysis because it has ceased to be a useful tool. MIP scholars cannot simply use tools, techniques and principles found in Western management. There is a need for MIP experts to filter what is useful for Muslims and what is not before developing training modules. Consider the following observations from Ackoff (1999, pp. 174-179):

“the focus on problem solving is responsible for a great deal of the learning and unlearning students must engage in after they leave school. Throughout their formal education, students are evaluated by their ability to solve problems that are given to them. Outside of school, problems are seldom given. They usually have to be extracted from complex situations. Students are not taught how to do that. Most of what teachers consider to be problems are not problems at all. They are exercises.... A partial answer to a whole system of problems is better than whole solutions of each of its parts taken separately. Nevertheless, students are taught to treat problems as separable, self-contained units”

Ackoff’s observations about the difficulty of teaching individuals how to solve complex problems have more recently been explored by Hsueh, Dogan and Sterman (2006). The moral of the story is that if Muslim managers have a moral obligation to be qualified and competent in problem-solving, MIP scholars have the same moral obligation to be equally qualified and competent in teaching Muslim managers what they need to know.

## 7. CONCLUSION

This study discussed the ethical and moral responsibility of Muslim decision-makers. This moral responsibility requires Muslims to understand the objectives of the *shar‘ah* and understand the implication of *ijtihad*. In particular, the fact that Muslims can be appointed to management positions even though they are not qualified, is of great

concern. Having argued that Muslims need to solve problems by taking into account the objectives of the *shar'ah*, this author distinguished between simple problems and complex problems and then proposed 9 thinking-tools. Ultimately, being 'moral' is not an abstract concept but requires training. If one has to solve complex problems, then one has to be trained how to do so. Another possibility is to create an advisory body as part of the firm's corporate governance system to ensure that decisions are *shar'ah* compliant.

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