THE PHILOSOPHICAL FOUNDATIONS OF ISLAMIC MANAGEMENT

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ABSTRACT

This study seeks to explain the philosophical foundations of Islamic management. Most of the schools of management can be traced back to philosophical ideas. Using the deconstruction approach proposed by Malik (2017), the history of Western philosophy starting with the ancient Greek sis reviewed. At each stage, the similarities and differences between Western philosophy and the teachings of Islam are summarised. The ideas of Adam Smith, Karl Marx and Karl Popper are given special attention. Some of the differences are very significant, especially when it comes to the sources of knowledge and key beliefs. Nonetheless, the philosophies of Adam Smith (in their original form) and Karl Popper are critical. This study concludes that Islamic management seeks to combine the best ideas of Islamic sciences and conventional management while minimizing the negative unintended consequences of conventional management.

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Key words: Philosophy, Epistemology, Ontology, Karl Popper, Islamic management

1. INTRODUCTION

Over the last few years, Islamic management has progressed by leaps and bounds. Recently, Malik (2017) published a work on Islamic governance. Malik (2017) starts by brilliantly deconstructing the Western notion of progress and governance by offering an Islamic perspective based on promoting the *Maqāṣid al-Sharī'ah*. Malik's (2017) approach was interesting because he started analysing Western sources, showing their inconsistencies and biases, before presenting an Islamic alternative. Malik (2017) showed that concepts like

efficiency, productivity, and competition can be linked back to 18th century philosophers. Similarly, this study links existing schools of management to their philosophical sources. This work has already been partially done by previous scholars. For example, Koontz (1980) identified 11 schools of management and identified their original discipline (see Table 1). These original disciplines can be traced backed to key philosophical trends in the 18th century.

Table 1
Schools of Management

Management School	Background
Interpersonal behaviour approach	Psychology
Group behaviour approach	Social psychology, sociology
Cooperative social systems approach	Political science
Sociotechnical systems	Industrial engineering
Systems approach	General systems theory
Rational choice approach	Decision theory, economic theory
Management science approach	Mathematics
Operational management approach	Mathematics
Managerial roles approach	Clinical experiences of practitioners
Case study approach	Clinical experiences of practitioners
Contingency or situational approach	Independent of any theory – based on experience

Source: Koontz (1980).

Although it is tempting to start with the 18th century, this study starts with the Greek philosophers. The aims of this study are therefore to : compare and contrast Western and Islamic philosophy, discuss the philosophies of Adam Smith, Karl Marx and Karl Popper, review Popper's claim that social sciences must study the unintended consequences of social interactions, discuss the unintended consequences of conventional management and discuss whether Islamic management addresses the unintended consequences of conventional management.

2. METHODOLOGY

This study uses the same approach of deconstruction proposed by Malik (2017). Two textbooks on the history of Western philosophy are reviewed (Revel, 2003; Marías, 2014). The philosophies of Adam Smith, Karl Marx and Karl Popper are explored in greater depth due to their link to conventional schools of management.

3. FINDINGS

3.1 THE ANCIENT GREEKS

In his introduction, Revel (2003, 17) warns of the danger of "modernising" the ideas of past philosophers. Scholars can write an accurate history to understand the past or they can rewrite history to justify the present.

Revel (2003) notes that at certain times, philosophy becomes synonymous with science. At other times, philosophy becomes synonymous with religion. At yet other times, philosophy becomes a specialised form of literature. Revel (2003, 29) argues that there are two fundamental trends in philosophy. The first goes from 600 BCE to 1600 CE – this is when philosophy integrates the natural sciences and religious thought. The second goes from the 1600 CE to today – where science detaches itself from philosophy and relegates philosophy to a literary genre. Philosophers occupy themselves with historical, linguistic, sociological or psychological issues. Of the Greek philosophers, a mention will be made of Thales of Miletus, Pythagoras, Socrates, Plato, Aristotle, Epicurus and Zeno.

Thales of Miletus (624 BCE – 546 BCE) lived in Ionia in Turkey. This region was one of the first Greek colonies where independent cities allowed individuals to thrive. Thales focused on explaining natural phenomena by relying on observations and without recourse to supernatural explanations (Revel 2003, 22). He was followed by Anaximander and Anaximenes who continued the scientific trend but were not interested in morality, spirituality or politics. They were interested in the material world only. Their notion of science was very different from the modern notion. It was essentially speculative as they combined scientific explanations with mythical and religious explanations (Revel, 2003, 31). At the same time, these Greek thinkers represented the intellectual elite. The majority of Greeks still held on to superstitious beliefs.

Pythagoras (570 BCE – 495 BCE) introduced religion and morality in Greek philosophy. Philosophy ceased to be only about intellectual curiosity but was now concerned with wisdom, morality and spirituality (Revel, 2003, 38). Meanwhile, Xenophanes (570 BCE – 475 BCE) raised two issues that will dominate Western philosophy. The first is the difference between opinion and science. The second is the problem of the relativity of sensations. Both these issues lead to the conclusion that it is impossible to objectively know the truth (Revel, 2003, 47). The Sceptics concluded that it is impossible to know the truth while others argued that we can know certain things but only with a probability of accuracy. This problem preoccupied the Greeks because they were aware that life and nature were constantly changing. As Heraclitus said, "one cannot bathe twice in the same river."

In this debate, Parmenides (5th century BCE) used logic to argue that there is no movement. His logical deduction indicated that the sensory world around us simply gave us the illusion of movement (Revel, 2003, 63). To defend his ideas, Parmenides invented a form of argumentation – dialectics – that forced opponents to logically admit their mistakes. At that time, dialectics was used as a weapon rather than a means for establishing the truth (Revel, 2003, 69).

While some philosophers studied nature, others became interested in human affairs (Revel, 2003, 97). Although the Greek civilisation is commonly presented as progressive, it seems that it was in fact a bigoted society where philosophers were barely tolerated. Indeed, philosophers became a threat to the political and social status quo in these cities. Socrates (470 BCE – 399 BCE) in particular was seen as a troublemaker. He shifted the focus away from observing nature towards how human beings should live to become good and happy citizens of a democracy. According to Revel (2003), Socrates did not revolutionize philosophy in his time as is often claimed. He was one of many philosophers and was probably quite alone as a thinker. There is such a gap between the Socrates portrayed by Plato and the Socrates portrayed by other Greek writers of the time that Revel (2003, 100) writes, "The normal approach to history when it comes to Socrates has been turned upside down. We rely on works of fiction to eliminate historical documents."

Socrates's main student was Plato (427 BCE – 347 BCE). Plato is a complex character that Western philosophers have idealised. Revel (2003) is quite harsh in his judgment. He describes Plato as "a religious fanatic who thought that the perfect state was a theocracy" (Revel, 2003, 107). Although Plato wrote numerous dialogues

touching on many subjects, two dialogues in particular make up half of his work and both deal with politics. However, Plato's vision of politics was based on religion. This merging of philosophy, politics and religion is the crux of Revel's (2003) analysis of Plato's work. Revel (2003, 109) writes, "Plato is essentially a religious thinker". According to Revel (2003), until then, philosophy had been a tool to liberate people from religious beliefs. Plato was the first great philosopher to use philosophy as a tool to re-attach people to religion. Plato's sense of justice is not to help individuals gain their rights but to reinforce the power of the State (Revel, 2003, 111).

After Plato, Revel focuses on Aristotle (384 BCE–322 BCE). Aristotle influenced Western civilisation in two fundamental ways. First, he reintroduced the observation of nature (which was started by Parmenides and then disappeared due to the influence of Pythagoras, Socrates and Plato). Secondly, he reframed the art of speaking. First there was rhetoric (a long persuasive monologue), then there was dialectic (a shorter dialogue). Aristotle introduced and developed logic. An argument must be consistent internally and with the world around us. Both are important. Logic focuses on the internal consistency of an argument and science confirms that these arguments are consistent with the world around us. Apart from logic, Aristotle re-orientated philosophy towards science. He articulated the idea that everything is in movement and everything has a cause. One has to remember that the Greeks used to live in small cities that had political autonomy. These democracies required citizens who were interested in politics – hence Plato's interest in politics. By the time of Aristotle, Macedonia had conquered Greece and an authoritarian power was in place. There was no longer any democracy so philosophy focused on science and ideas about how to live happily. In this environment, two philosophies emerged: stoicism and Epicureanism.

Revel (2003, 180) notes that philosophy has always been interested in wisdom. Plato thought that wisdom could only be achieved collectively through politics. Aristotle thought that wisdom could be obtained through scientific research. With the death of Aristotle, philosophy distances itself from science and politics to focus on individual happiness. Epicurus (341BC–270 BCE) promoted a way of living that maximised pleasure and removed pain. To remove pain, Epicurus denied that God interfered in human life and denied life after death. Epicurus did not seek scientific truths but scientific explanations that were plausible so as to eliminate any internal discomfort in people's minds. For Epicurus, what mattered was the quality of pleasure, not the quantity (Revel, 2003, 190). This is only

possible if one has obtained an inner peace. If one is suffering from a sickness, one can remember a time when one was happy and that will help rediscover this inner peace (Revel, 2003, 195). Stoicism was founded by Zeno around 300 BCE. The main thesis is that one can develop an internal indifference to pain. Whereas Epicurus argued that external pleasures should be sought in moderation, stoicism said that external pleasures were not necessary. One has to simply set one's mind in a certain manner to experience inner peace.

Marias's (2014) presentation of early Greek philosophy mirrors Revel. Popper (2002) looks at early philosophy through the lens of the theory of knowledge. The main contribution of Greek philosophers was to not simply accept philosophical ideas but to discuss them and try to improve on them. They can do so by observing the world around them or by reasoning. They critiqued their tradition and improved it. What matters is how they reached their conclusions and how the refutation of false theories led to progress. Table 2 contrasts Greek philosophy and Islamic teachings.

TABLE 2
Greek Philosophy and the Teachings of Islam

	Greek Philosophy	Teaching of Islam
Thales	Scientific enquiry eliminates reliance on God	Knowledge of the purpose of life, truth, politics, the correct understanding of predestination (*al qadar*) requires revelation. Without revelation, people can only guess. The belief in the Hereafter is critical to develop ethical individuals.
Heraclitus	Man is subjective and cannot objectively know the truth	
Plato	Vision of the world dominated by religion and politics. Individuals should be subjugated to the City.	
Aristotle	Scientific enquiry is the main preoccupation of the philosopher	
Epicurus	Seek individual pleasure by interacting with the outside worldModeration is the key. No afterlife.	
Zeno	Seek individual pleasure by controlling your inner thoughts.	

Many on the themes that dominate modern management – the use of science in management, the use of rewards to motivate people, the debate between whether management activities can be objective or subjective – originate in Greek philosophy. Based on Malik's (2017) methodology, one can derive Table 3.

TABLE 3
Greek Philosophy, Conventional Management and Islamic
Management

	Conventional management	Islamic management
Description	Existing practices of management	Existing practices of management but they must not contradict the *Qurʾān* and the Sunnah
Source of knowledge	Science Personal reflections No reliance on revelation	Revelation first, followed by science and personal reflections. Science and personal reflections cannot contradict revelation
Key beliefs	No life after death	Life after death

3.2 MEDIEVAL PHILOSOPHY

Revel (2003) is very critical of this period between 600 and 1500. He says that philosophy in the Middle Ages is not philosophy at all. Philosophical ideas were borrowed from the Greeks to serve Christian theology. He covers 900 years of medieval philosophy in six pages! Marias (2014) looks at medieval philosophy in more detail. Much of medieval philosophy centres on proving the existence of God and attaining God's truth (Marias, 2014, 144). The first version of the proof of God's existence is St. Anselm's ontological proof. This proof is not based on revealed texts but on the "doctrine of intimacy", the idea that the truth is inside us (Marias, 2014, 146). The most famous philosopher of that time was St. Thomas Aquinas. He argued that revelation is the criterion for truth. If there is a contradiction between revelation and logic, the error must be with logic (Marias, 2014, 169). St. Thomas rejected the ontological proof and offered five proofs for the existence of God.

During this period, British philosophers developed some independence and concentrated on rediscovering science. By the 14th century, God gradually disappears from the scientific discourse (Marias, 2014, 180). Gradually, Europe moves into the Renaissance.

For Muslims, the proof for the existence of God is the biography of the Prophet (peace be upon him) and the revelation of the *Qurʾān*. How can a man who did not know how to read or write recite the *Qurʾān*, a text that was so perfect that the poets of the time were left speechless? Allah says, "Then do they not reflect upon the *Qurʾān*? If it had been from [any] other than Allah, they would have

found within it much contradiction." *(Qurʾān,* 4:82*).* The *Qurʾān* does not expect Muslims to blindly believe. The *Qurʾān* expects Muslims to think deeply about revelation and come to the conclusion that only God could reveal such a perfect text. Table 4 summarises the differences between medieval philosophy and the teachings of Islam.

TABLE 4
Medieval Philosophy and the Teachings of Islam

Medieval Philosophy	Islamic Teachings
Many issues were discussed. But the key concern was merging Greek philosophy and Christian faith. This leads to the need to prove the existence of God.	Muslims did not focus on proving the existence of God. They concentrated on proving that Muhammad (ṣal-Allāhu ʿalayhi wa sallam) was a real prophet. If this premise was accepted, theh God's existence can automatically be established.

Compared to Greek philosophy, medieval philosophy contributes little to the understanding of conventional management and Islamic management. It is however important to note that the issue of the "proof for the existence of God" still seems to be an issue for some atheists. The Islamic position is to ignore that question and place the discussion on the life of the Prophet (ṣal-Allāhu ʿalayhi wa sallam) and the internal consistency of the *Qurʾān*.

3.3 MODERN PHILOSOPHY

By the 16th century, nature and human beings become new areas of research. Although this period saw few great philosophers, the foundation was laid for the scientific discoveries of the 16th century. Then, many European philosophers were entering into direct conflict with the Christian Church. These philosophers were still Christians but their philosophy often contradicted the official position of the Church. Revel (2003) summarizes this trend by saying that philosophers were trying to build a theology that was rational.

One of the discoveries of the humanists of the Renaissance was the notion that humanity is evolving, progressing (Revel, 2003, 306). There is an interest in studying people as they are, with all their complexities and their swings in moods, not what they ought to be (Revel, 2003, 318). There is an increasing interest in political theory. Montaigne notes for example that bad laws can lead to injustice

(Revel, 2003, 328). Revel (2003) notes that these philosophical discussions had an enormous impact on European societies in a manner that is difficult to understand. People were so comfortable with the religious order that any conceptual change seemed frightening. However, the works of Copernicus, Galileo, and Francis Bacon could not be ignored. Their works are more ideological than practical. They argue that science is not the privilege of a few great thinkers but the responsibility of thousands of individuals. It must be a collective and progressive work (Revel, 2003, 354). This necessitates that scientific knowledge be communicated with everybody, across national borders.

This progress is slow and sometimes frustrating. Revel, for example, analyses the work of Descartes. Often hailed as a "great philosopher", Revel (2003, 359) tries to correct this "inaccurate historical image". Descartes's philosophical ambitions are very similar to classical philosophers. His approach – based on discovering universal principles – is at odds with the scientific progress developed by scientists in his time. Descartes isolates himself in Amsterdam and writes alone (Revel, 2003, 365). Inspired by three dreams that he believes come from God, he develops certain general principles but refuses to submit these principles to scientific experiments (Revel, 2003, 366) as Descartes links his philosophy with his religious beliefs. He tentatively explores this in his Discourse on the Method in 1637 but he elaborates them more fully in his Meditations on First Philosophy in 1641 in which he tries to prove the existence of God (Revel, 2003, 374-377). He concludes that Descartes is closer to the medieval philosophers than the scientists of the 17th century (Revel, 2003, 393). He insists on a metaphysical foundation and looked for empirical data that fitted with his religious ideas. By the 18th century, Descartes's philosophy became irrelevant but he was "rediscovered" in the 19th century for political and ideological reasons; and re-framed as a "great philosopher" (Revel, 2003, 395-397). After Descartes, the separation between science and philosophy increases and philosophy becomes a "specialised" subject that can no longer compete with science (Revel, 2003, 399). Philosophers focused their attention on metaphysics, politics and ethics in the 18th century. By the 19th century, Revel (2003, 519) argues that philosophy had completed its historical mission – which is to give birth to a variety of disciplines (psychology, physics, biology, mathematics, and so forth) that no longer need philosophy.

Revel (2003) deals with the last three centuries of Western philosophy rather summarily. Marias (2014) explores these centuries

in greater detail. Marias's (2014) analysis of Descartes is more sympathetic but nonetheless critical. Marias (2014, 215-217) says that Descartes's philosophy is idealistic, his "great discovery and great error". Descartes says that ideas are reality. Marias (2014, 223) concludes that Descartes's philosophy is based on both rationalism and idealism. Most philosophers will combine these two tendencies. It is only in the 20th century that philosophers went beyond these two trends. The next big movement in philosophy is British empiricism. From a purely philosophical point of view, empiricism is not very rigorous but, from a practical point of view, it completely changed European society. It leads to a more liberal, tolerant world, utilitarian ethics and pragmatism (Marias, 2014, 248). This movement starts with a re-evaluation of religion. Religion is separated from revelation and becomes a "natural religion". This is referred to as deism as opposed to theism (which depends on revelation). This leads to thinkers like Locke, Berkeley and Hume.

British empiricism arrived at a time when European countries cease to become the property of kings and start to become states with a national identity (Marias, 2014, 273). The state started entering the lives of ordinary people in a manner that had never happened before. This new development forced philosophers to concern themselves with matters of politics and justice. By the 19th century, this leads to German idealism with the philosophy of Kant and Hegel. The ultimate aim of philosophy is that man should know himself (Marias, 2014, 305). After Kant, Hegel develops a dialectical approach, which culminated with a theory of history and the state (Marias, 2014, 326). After the death of Hegel, philosophers switched directions and came back to trying to understanding reality. Whereas in the 17th and 18th century philosophers got reality confused with ideas, 19th century philosophers got reality confused with facts and created positivism (Marias, 2014, 342). From this movement, several sub-movements emerged:

a. Some philosophers focused on ethics and political theory. Bentham and Mill, for example, developed the idea of utilitarianism.
b. Some philosophers focused on evolution and the struggle for life. This idea of struggle would influence the thinking of Karl Marx.
c. Some philosophers, like Kierkegaard, Nietzsche and Heidegger, focused on the meaning of life, man's suffering, man's will to live and the problem of being.

d. Some philosophers, like Peirce, focused on the practical consequences of objects and ideas.
e. Some philosophers, especially in the United States, tried to understand how reality is understood from the perspective of an individual. Their focus is personal freedom and the existence of a personal God.

Table 5 summarizes the main ideas of modern Western philosophy and compare them with the teachings of Islam.

TABLE 5
Modern Philosophy and the Teachings of Islam

Main Idea	Islamic Teachings
Empiricism – truth can be achieved only by observation and data collection.	The issues raised by Western philosophers are important but they do not rely on revelation. As such, they are confused about the purpose of existence – which is to worship God.
Utilitarianism – the greatest amount of happiness to the greatest number of people – social activism.	
Idealism and positivism – people trying to make sense of the world around them.	
Sympathy and self-interest. Justice, rights and morality must spread in the society. People complement one another.	
Struggle of classes, structural and functional explanations. History has an end.	

It should be noted that many theories of conventional management embrace an empirical methodology but ignores some critical issues. Hume (1711-1776) for example showed that empirical data can only explain historical relationships. However, Hume said that these relationships cannot tell us anything about the future because the future is unlikely to resemble the past. This point is generally overlooked and experts rely on historical data to make projections into the future. Marias (2014) ignores three important philosophers whose ideas are related to management: Adam Smith, Karl Marx, and Karl Popper; so their ideas will be briefly examined.

3.4 ADAM SMITH

Adam Smith (1723-1790) wrote the "Theory of Moral Sentiment" (TMS) and "An Inquiry into the Nature and Causes of the Wealth of Nations" (WN). Smith was influenced by the philosophy of the Stoics who believed in acting ethically and that good can come out of evil,

which will eventually lead to Smith's famous metaphor, the invisible hand (Weinstein, 2001, 18). Smith was also influenced by Hume's theory of sympathy, which is a feeling of altruism that motivates human action (Weinstein, 2001, 19). For Smith, what is important is shared sympathy. Smith adds the notion of the "impartial spectator", the person who can step away from his sentiments and properly evaluate a moral situation. In economics, this impartiality will be found in "natural price" (Weinstein, 2001, 24).

In TMS, Smith proposes that man is not selfish but – potentially – altruistic. He wants shared sympathy. Smith emphasises the community, not the individual (Weinstein, 2001, 40). From his understanding of shared sympathy, Smith derives three virtues. Prudence is the care for oneself, benevolence is the care for others and justice is the care for the community (Weinstein, 2001, 53). There is an evident tension between caring for oneself and caring for others. With the doctrine of the invisible hand, Smith argues that persons in a society are complementary and that one should not see society in terms of conflict (Weinstein, 2001, 54). In many ways, TMS was incomplete and he had to write WN to complete some of his ideas. He ended up writing a treatise that would change the world (Weinstein, 2001, 56).

WN is a sophisticated book that is often referred to but rarely read (Weinstein, 2001, 57). The central claim is that political and economic liberty are necessary conditions for each other. He was concerned that political and economic arrangements did not inhibit justice or liberty or interfere with individual or collective liberty (Weinstein, 2001, 59). For Smith, a key concept was the division of labour. This not only increases productivity but also increases intellectual advancement as people become more specialised (Weinstein, 2001, 60). This leads to increase in wealth, innovation and higher wages. However it is based on the notion from TMS that life is complementary, that people need to work together. Thus Adam is concerned with efficiency, social and intellectual progress. Being very concerned with the possible negative effective of the division of labour, he proposed solutions to remedy these negative effects (Weinstein, 2001, 61). Smith was concerned with the economic outcome of the poorest in the society. People, he argued, cannot be happy when others are miserable. Justice requires that workers have a tolerable life (Weinstein, 2001, 63). Smith was aware of the limitations of the free market. It must be therefore understood that his theory of human motivation was based on sympathy. When it came to specific economic transactions, his theory of economic motivation was based on self-interest. However, "the market is only acceptable to

Smith when society is structured to promote justice, rights and morality" (Weinstein, 2001, 69).

3.5 KARL MARX

Marx (1818-1883) wrote an estimated 30,000 pages of which 1,000 were published in book form. The rest were letters, pamphlets or unpublished manuscripts. This makes it very difficult to ascertain what Marx actually believed (Elster, 1986, 2). In many of the details, history has shown that Marx was clearly wrong. In some of the broader concepts – such as the dialectal method, the theory of alienation, exploitation and class struggle – his ideas are still relevant today (Elster, 1986, 4). Elster (1986, 21) observes that when it comes to his methodology, most of his assumptions are flawed. Marx was interested in collective rather than individual behaviour, functional explanations and dialectical thinking. Mankind needs to "alienate itself from itself in order to regain itself in an enriched form. Exactly how this is mediated by the actions of individuals, motivated by the goals of their own, is never made clear*" (Elster, 1986, 24). Elster (1986) argues that human behaviour in society can be explained in multiple ways. These include;

a. The rational-choice theory that says that individuals make decisions which are good for them.
b. Game theory that looks at rational choice but recognises that there are interdependencies that need to be acknowledged and taken into consideration.
c. The sociological view that says that individuals are governed by social norms, habits and traditions.
d. Structural explanations say that individuals are not free but their behaviour depends on where they are in the structure of the capitalistic system. Workers are forced to sell their labour. Capitalists are forced by competition to act as they do (Elster, 1986, 30).

For Elster (1986, 31), the biggest problem with Marxism is its reliance on functional explanations. In causal explanations, there is a clear cause and effect. In intentional explanations, the intention leads to a behaviour. With functional explanations, agents behave in a certain way because it is better for them even though they have not chosen that behaviour. Apart from structural and functional explanations, Marx believed in dialectics – the necessary conflict between classes – so that societies progress. He was fascinated with world history and he believed that Communism would be the end goal.

He believed that capitalism leads to inefficiency, exploitation and alienation (Elster, 1986, 41).

3.6 KARL POPPER

On the face of it, Popper has little to do with management. However, Popper's ideas about unintended consequences is critical to understanding modern management. Popper (2002) deals primarily with the theory of knowledge. He argues that there are two possible views. An optimistic epistemology assumes that everybody can know. This makes people tolerant and free. A pessimistic epistemology assumes that not everybody can know. Only an elite can know and this creates a totalitarian and fanatical worldview. Popper believed that scientific progress is not simply achieved by accumulating more observations; progress is achieved through the refutation of false theories. Real wisdom is to realise that everyone is fallible. This leads to a tolerant worldview (Popper, 2002, 22). This tolerance requires individuals to help one another by helping them correct their false beliefs "as severely as you can" (Popper, 2002, 35).

He distinguishes science from pseudo-science. Many theories have impressive explanatory power but they cannot be refuted and are therefore not scientific. Pseudo-scientific theories contain truths and are useful. However, they are pre-scientific. They are formulated in a manner that does not allow for refutation. These theories need to be improved upon until they reach a stage where they can be refuted. Repeatedly, Popper (2002) notes that science started with myths. Myths are not to be dismissed or ignored. But they need to be recognised as myths.

With regard to philosophical problems, Popper (2002, 88) notes that subject-matters (like philosophy) are necessary for administrative purposes. However, philosophers are not students of philosophy, philosophers are students of problems. Problems often cut across multiple disciplines and often start outside of philosophy. He calls this the "problem-situation." With regard to social science, Popper (2002) observes that there are two approaches. First, a critical theory of tradition – where traditions are recognised, accepted, rejected or modified. This requires a sociological approach. Second, a conspiracy theory of society – where it is assumed that powerful men are in control and there is a conflict between these powerful men and the rest of society. Typically, social theories fail because they are

unable to identify the unintended consequences of social interactions (Popper, 2002, 167).

Popper (2002, 424) contrasts the dialectical approach with his theory of conjecture and refutation. Although there are similarities, there are important differences. In particular, Hegel's and Marx's dialectics accept contradictions. Table 6 clarifies the differences between dialectics and falsification. In Hegel's dialectics, synthesis is often the combination of the best ideas in two contradictory theories, which is illogical.

TABLE 6
Dialectics versus Falsification

Philosopher	Concept	Description
Socrates	Dialectics	Prior to Socrates, philosophers used rhetoric. These were long monologues. Socrates relied on short dialogues to counter these monologues. He focused on defining key concepts and showing the contradictions in other people's thoughts, forcing them to reformulate them.
Kant	Refuting dialectics	Kant refuted dialectics by showing that it enables one to hold two contradictory rational ideas (i.e. ideas based on reason alone and not tested empirically) at the same time. Using the law of contradiction, this is illogical.
Hegel	Dialectics	Hegel wanted to build upon the work of Kant. He argued that Kant's philosophy was "static" whereas dialectics was "movement". Ideas are always evolving and they generally go through three phases: thesis, antithesis and synthesis. As Kant's argument is based on the law of contradiction, Hegel had to admit that contradictions were possible.
Marx	Dialectics	Marx builds on Hegel but focuses on materialism. He argued that everything in history is based on economics.
Popper	Falsification	Falsification requires eliminating false ideas. Contradictions are unacceptable because they are illogical. Theories that cannot be falsified are useful but they are not scientific.

Many philosophers developed a philosophy of history which led them to make "historical prophecies" (Popper, 2002, 452). Popper identified two kinds of historical predictions. Conditional predictions have some validity. But unconditional predictions are impossible because it assumes a world that does not change. When the world changes, unconditional predictions become impossible (Popper, 2002, 457). This applies for man but also for evolution. He writes, "There exists no law of evolution, only the historical fact that plants and animals have changed. The idea of law which determines the direction and character of evolution is a typical 19th century mistake that ascribed to "Natural laws" the functions traditionally ascribed to God." (Popper, 2002, 458).

Popper (2002) critiques two naïve theories of history. The first is that social sciences should study large groups of people (groups, nations, classes and so forth) as if they are empirical objects. Groups do not make decisions, individuals do. The second assumes that there is a conspiracy where a powerful group oppresses a less powerful group. Rather, social sciences should trace the "unintended social consequences of intentional human action" (Popper, 2002, 460). Marx understood this and said that capitalists are caught in social nets. But this sophisticated view of Marx has been abandoned in favour of an over-simplified Marxist conspiracy theory. If one accepts that social sciences should focus on understanding unintended social consequences, then one comes close to experimental natural sciences. In particular, one gains insights by identifying what "one cannot do" (Popper, 2002, 461).

4. DISCUSSION

Trying to discuss the evolution of philosophy since the 17th century, the following observations seem important.

Although conventional management seems to be inspired by Adam Smith's "Wealth of Nations*"*, this is not accurate. Smith emphasized the community, not the individual. He emphasized altruism, not concerns for the self. His most famous metaphor – the invisible hand – is rarely properly understood (Weinstein, 2001, 54). It would be more accurate to say that today's management is a curious combination of a distorted version of Adam Smith, some selected ideas borrowed from Hume, and a distorted version of Marxism. The belief that competition leads to economic progress and that economic progress equals social progress is very Marxist.

As far as Muslims are concerned, the original ideas of Adam Smith seem to be aligned with the higher objectives of Islamic law (Malik, 2017). The emphasis on community, altruism, the ideas that persons in a society are complementary and that one should not see a society in terms of conflicting classes, seem consistent with the importance of social justice. However, Popper's emphasis on unintended consequences is very important.

As Table 1 highlights, there are multiple schools of thought in management. One school – the systems school – recognises that organisations are becoming more and more complex. With increasing complexity comes increasing unintended consequences. This can be seen both at the macro-level and at the micro-level.

At the macro-level, there is concern about the long-term sustainability of our planet. Historically, managers had to contend with the social and political realities of the Great Depression in the 1930s. The mindset of the time was "surviving, not maximising profits" (Pearson, 2009, 123). By the 1960s, Keynes was out and Friedman was in. Friedman's views not only shaped public policy but shaped a new approach to management. Friedman said that the only responsibility of managers is to maximise profits. On no account should managers be concerned with social responsibility (Pearson, 2009, 206). The unintended consequences of Friedman ideas were not apparent at the time. However under Friedman's influence, management not only sought to maximise profits, their focus was mostly on benefiting shareholders. Other stakeholders were of "no concern" (Pearson, 2009, 208). This emphasis on profit maximisation has led to the over-exploitation of the earth's natural resources and the current environmental crisis.

Senge, Smith, Kruschwitz, Laur, and Schley (2010) have shown that we have the technology to create a sustainable economic system. It does require a new way of thinking and a shift away from profit maximisation. At the micro-level, there is a growing concern about the deterioration of the quality of life in modern organisations. For example, one in four show sign of burnout and two in three report high levels of stress and fatigue (Robbins and Judge, 2017, 61). An estimated 30% of employees experience workplace bullying (Lutgen-Sandvik, Namie, and Namie, 2009).

Having attempted to review Western philosophy and the teachings of Islam, a number of observations and conclusions were drawn. Table 7 summarises the key points.

Both at the macro-level and micro-level, the principles of Islamic management – with its emphasis on community and social

justice rather than individualism and profit maximisation - would minimise the unintended consequences of conventional management. To illustrate this point, consider the following example.

TABLE 7
Conventional Management and Islamic Management

	Conventional management	Islamic management
Practices of management	Emphasis on profit maximisation	Emphasis on justice for all stakeholders (Malik, 2017). Profit is necessary to make organisations sustainable but good management cannot simply be equated with higher profitability.
Source of knowledge	Empiricism Positivism Rationalism	Islamic sources combined with any secondary source of knowledge that does not contradict Islamic sources. Falsification is a useful strategy to eliminate false theories.
Key beliefs	No life after death. Dialectical worldview. Competition leads to economic progress. Economic progress is social progress.	Life after death. People's purpose in life is to worship God and be good to others. This means promoting the *Maqāṣid al-Sharī'ah* in organisations.

In September 2017, the principles of Islamic management were presented to a group of 24 PhD students. They were asked to think of themselves as investors. They could invest in one of three businesses. The first business focused on importing luxury cars and would generate a profit of USD1 million every year. The second focused on providing wealth individuals with advanced medical services in an urban area in which there are already plenty of medical facilities. This would generate a profit of USD1.5 million every year. The last option would be to set up a basic medical facility in a poor rural area. If it is set up, in would be the only medical facility in the area and it would serve half-a-dozen villages. The profit would be about USD500,000 a year. They all agreed that the third option was the most Islamic one because the social benefits are the highest. This example illustrates an important point. Islamic management has rarely

anything to do with Islamic law per se. It has much more to do with decency and morality. In an organisation that is managed according to Islamic principles, there will still be problems, miscommunication and human error. However, providing all employees share the same basic understanding of Islam, it is assumed that there would be fewer problems compared to organisations managed on the basis of profit maximisation. Further research would be needed to confirm this.

5. CONCLUSIONS

This study started by looking at the different schools of management (Koontz, 1980). These different schools can be traced back to early Greek philosophy. For the last two thousand years, thinkers have been wrestling with the ideas of objectivity, subjectivity and adapting to change. They have wondered whether the focus should be on the individual or the community, whether to believe in God and the Hereafter. By and large, Western philosophy has separated itself from the belief of life after death and relying on revelation as a source of knowledge. Muslim philosophers hold to these principles while combining them with other principles of science and logic. This combination of classical and modern ideas has led to the current interest in Islamic management.

The greatest influence comes from philosophies that arose in the 18th and 19th centuries. The ideas of Smith, Marx and Popper were reviewed. Popper's ideas concerning the need to understand the unintended consequences seems particularly relevant to the economic and social challenges of the 21st century. One can argue that Islamic management is an attempt by Muslim scholars to present an alternative style of management that combines the best ideas of conventional management without its negative unintended consequences (Fontaine, Ahmad and Oziev, 2017). Systems theory in particular has developed tools that make it possible to predict unintended consequences and minimize their impact (Fontaine et al., 2017).

The philosophy of Islam is an inclusive one. Malik (2017) documents numerous examples in which the Prophet (ṣal-Allāhu ʿalayhi wa sallam) borrowed beneficial practices from non-Muslims and instructed his followers to adopt them. The same attitude prevailed during the Umayyad caliphate and the Abbasid caliphate. The Umayyad borrowed the administrative practices of the Romans and the Abbasid borrowed the administrative principles from the Persians. The caliphate of Córdoba was successful for several centuries because

of its fusion of Islamic, Christian and Jewish culture. This should be the attitude of any Muslims interested in Islamic management.

There are three limitations to this study. The first is that the teachings of Islam have been presented in a somewhat stereotyped fashion. In fact, Muslim scholars have debated exactly how social justice can be achieved through economic progress. For example, Assad (2008), Javaid and Hassan (2013), Zaman (2013), Gattoo and Gattoo (2017) have explored the philosophical assumptions underlying the Islamic perspective to economics. In the area of Islamic management though, the best discussion so far has been provided by Malik (2017). Second, only a brief sketch of Western philosophy has been presented. A detailed analysis of each philosopher would yield further insights. Lastly, due to space limitation, some of the most recent articles on Islamic management have not been reviewed.

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