SEMINAR ON
ISLAM AND CONTINUOUS LEARNING: A PERTINENT CULTURE FOR MANAGING ORGANISATIONS

VENUE
GRAND HALL
INSTITUTE OF ISLAMIC UNDERSTANDING MALAYSIA (IKIM)

26 MARCH 1996

ORGANISED BY
INSTITUTE OF ISLAMIC UNDERSTANDING MALAYSIA (IKIM)

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KNOWLEDGE-BASED ORGANISATION: THE WAY TOWARDS THE FUTURE MILLENNIUM[1]

by

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INTRODUCTION

Organisations constitute groups of people endowed with diverse capabilities and interest, working towards achieving a common vision through a set of goals. The common vision is very pertinent for successful organisations. It dictates not only the strategies in the form of clear goals but also defines the most effective process which takes account of the structures, systems, strengths, weaknesses, challenges and opportunities that the organisation has.

Organisations are essential to achieve definite visions set by their founders. They become the vehicles that undertake the required tasks which are being meticulously planned and subsequently implemented in a systematic and orderly fashion. Without an organisation, the founders may not be able to achieve the vision they set out to accomplish. The appropriate size of the organisations depends upon the degree of complexity and difficulty in achieving the vision. When the organisation is too large for its vision, it becomes too cumbersome, costly and ineffective. On the other hand, when it is too small it will be too weak and hence incapable of completely

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[1]Paper presented at a Seminar on Islam and Continuous Learning: A Pertinent Culture For Managing Organisations", organised by IKIM, on 26 March, 1996, Kuala Lumpur.

elaboration of the vision, mission and goals, their nature and interrelationships in the third section. The fourth section will outline the anticipated challenges and trends of the next millennium. Finally, the fifth section will expound the importance of knowledge in managing organisations of the future.

KNOWLEDGE: *Concept, Nature, Purpose and Scope*

Knowledge is certainty that emanates from ultimate or absolute truth which must be permanent in man and perceived by the spiritual heart (*al-qalb*). This concept of knowledge is derived from the word *"yaqin"*[2] that clearly has the connotation of truth and simultaneously nurtures peace, security and tranquillity of the heart. Knowledge therefore cannot be simply an intelligent guess or conjecture that can have some elements of doubt which will change over time and space. The moment doubt exists, it is no longer the ultimate truth, it is no longer permanent, it is no longer comforting to the heart and hence it cannot be knowledge.

Islam maintains that all knowledge comes from God. However, it is men whose psychology and constitution may cause them to receive and understand knowledge with varying degrees of certainty. There is the probability or certainty resulting from the application of man's power of judgement and his appraisement of evidence. This is *'ilmu-ul-yaqin*, certainty by reasoning or inference which is mentioned in *Surah Takathur* (102 , verse 5. Then there is the certainty of seeing something with our own eyes which is mentioned in the same *Surah Takathur* (102), verse 7. This is *'ainul-yaqin*. Finally there is the absolute Truth, with no possibility of error of judgement or error of the eye which is referred to as *haqq-ul-yaqin*.

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[2]As in verse 51 of *Surah Haqqa* (69) which means "But verily it is Truth of assured certainty".

From the above disposition, we can discern that knowledge can be classified into two kinds to suit the dual nature of man consisting of both soul and body. The first kind of knowledge is revealed by God to man; and this refers to the Holy Qur'an. Being the final Revelation to mankind, it is knowledge *par excellence* which is sufficient for man's guidance and salvation. There is no other knowledge except based on it and pointing to it that can guide and save man.

> The Holy Prophet, who may God Bless and give Peace! - who received the Revelation and brought to man the Holy Qur'an as it was revealed to him, who thus brought to man the knowledge, whose own life is the most excellent and perfect interpretation of the Holy Qur'an so that his life becomes for man the focus of emulation and true guiding spirit - is knowledge of that first knowledge on account of his nature and mission ordained by God. Hence his *sunnah*, which is his manner of interpreting God's Law (*shari'ah)* in daily life and practice, is also part of that knowledge. The *shari'ah* is God's Law embodied in the Holy Qur'an and manifested in word (*qawl*), model action (*fi'il*), and silent confirmation (*taqrir*) in the *sunnah* which includes spiritual knowledge and wisdom. So then, the Holy Qur'an, the *sunnah*, the *shari'ah*, *'ilm al-ladunniyy* and *hikmah* are the essential elements of the first kind of knowledge."[3]

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[3]Syed Muhammad Al-Naquib Al-Attas, *Islam and Secularism*, Muslim Youth Movement of Malaysia (ABIM), Kuala Lumpur, 1978.

This spiritual knowledge and wisdom can only be obtained by man through his acts of worship and devotion and hence is considered to be food and life for his soul.

The second kind of knowledge refers to knowledge of the sciences (*'ulum*), and is acquired through experience and observation and research. This knowledge of the second kind, obtained through speculation and rational effort of enquiry, refers to objects of pragmatical value, which are useful to man with which man might equip himself in the world in his pursuit of pragmatic ends, and hence is considered to the food and life for the body.

Knowledge therefore serves the purpose of making man obedient to God and attain goodness to establish justice on the face of this earth. For this purpose, man requires both kinds of knowledge, but makes the quest for it obligatory on every Muslim as far as those fundamentals, called *fard 'ain* that are necessary to function as an obedient servant of God, whilst the rest obligatory to some Muslims only (*fard kifayah*) in accordance with the individual capacity and needs. There is therefore a limit for man even for the first and highest knowledge whereas there is no limit for the second kind.

Since there is no limit set for man for the second kind of knowledge, he can continue to pursue it as long as it is in line with the principles and parameters of knowledge of the first kind in order that the very purpose of pursuing knowledge to establish justice is not jeopardised. This is very essential because justice itself is a harmonious condition or state of affairs whereby everything or being is in its right and proper place - such as the cosmos: or similarly, a state of equilibrium, whether it refers to things or living things. This is the profound criterion in the quest for knowledge which should continuously be adhered to. Man of knowledge who applies them in his deeds and actions for the benefit of his community has been repeatedly

referred to in the Holy Qur'an. They are the people who have been ascribed the highest status, after the Prophets. The Qur'an describes them as the rightful heirs to this world.

> Abu Umama al-Bahili (may Allah be pleased with him) reported that two men were mentioned before the Messenger of Allah (peace and blessings of Allah be upon him): One of them was a worshipper and the other was a learned man. Upon this the Messenger of Allah (peace and blessings of Allah be upon him) said: "The learned is superior to the worshipper similar to my superiority to a person of the lowest rank amongst you". The Messenger of Allah (peace and blessings of Allah be upon him) said: "Verily Allah, His angels, heavenly and earthly creatures even ants in their holes and fish all bless the teacher who taught the people goodness and virtue." (Tirmidhi).

The above hadith surely reveals the profound significance of knowledge, the status men of knowledge is ascribed and the strong encouragement to pursue knowledge.

With the rapid advancement of technology, particularly in the information field, the quantity of information and knowledge that is being churned out in this era and beyond will be so much that it will be impossible for anyone to even keep abreast with everything, what more to process all those information into meaningful ideas and knowledge. Learning and educating oneself has to continue forever if at all we want to be abreast with what is happening.

VISION, MISSION AND GOALS: *Their Nature and Interrelationships*

Before we establish any organisation or institution, we should entertain certain ideas about the organisation itself. We must crystallise our ideas to determine the kind of organisation we wish to establish, the aspirations that we have for the future and finally the destinations that we are heading for. All these components taken together make up what is called as vision.

The kind of organisation we wish to establish is determined by what we stand for or what we believe in. In other words we are committed to certain values that we live by. This is the first component of a vision. These values will set the framework within which we behave, take actions, make decisions.

The aspirations we have for the organisation determine the broad picture we wish to obtain in the future. It gives us the various features of the organisation in terms of parameters such as size, strengths and niche that we wish to finally obtain, or simply, our mission. This is the second component of our vision.

The third component is the various destinations or goals that we must arrive at in order to achieve our mission. We must know exactly what we are or what it is today and where we are heading for, stage by stage, so that we know that we are going in the right direction.

The vision therefore indicates a very clear understanding of where we are today and offers us a road map for our future with shared values as the most paramount foundation.

Since values act as our compass, our navigational device, which will provide us with the right direction, we have to identify the most profound of them that would help us put everything in its rightful and proper place. This is where knowledge that is beneficial to the organisation plays the most important role. It is knowledge that will be able to guide us to truth, justice and benevolence. It is knowledge that distinguishes truth from falsehood, virtues from vices, right from wrong and good from bad.

ANTICIPATED CHALLENGES AND TRENDS OF THE NEXT MILLENNIUM

The Post Cold War world has demonstrated a remarkable convergence of political and economic institutions. In the past, deep ideological cleavages divided world's societies where monarchy, fascism, liberal democracy and communism were bitterly competing for political supremacy, and many countries took divergent economic paths of protectionism, corporatism, the free market, and socialist centralised planning. Today almost all advanced countries have adopted, or are trying to adopt, liberal democratic political institutions, and a considerable number have opted for market-oriented economies and integration into the global capitalist division of labour.

As modern technology unfolds, national economies are gradually transformed into a vast and coherent global economy. The increasing complexity and information intensity of modern life renders centralised economic planning out of date. The enormous prosperity created by technology-driven capitalism, in turn, serves as an incubator for a liberal regime of universal and equal rights, in which the struggle for human dignity culminates. Since many countries have had trouble creating the institutions of democracy and free markets, and others, especially in parts of the former communist world, have slid backward into fascism or anarchy, the advanced countries are left with no alternative but to stick to democratic capitalism.

The convergence of institutions around democratic capitalism has not made social engineering a readily accepted approach towards improving postindustrial societies. On the contrary, the liberal political and economic institutions increasingly depend on a healthy and dynamic civil society for their vitality. Civil society, a complex welter of intermediate institutions, builds on the family as the primary unit by which people internalise their customs, traditions and culture and learn the skills that allow them to live in broader society and through which the values and knowledge of that society are transmitted across generations.

It is not possible to produce strong and stable family structure and durable social institutions through legislation as governments do to create a ministry or an army. A thriving civil society depends on a people's habits, customs, and ethics - attributes that can be inculcated only indirectly through conscious political action and further nourished or reinforced by an increased awareness and respect for culture.

Perhaps the most crucial aspect of modern life in which culture exercises a direct influence on domestic well-being and international order is the economy. However, there seems to be a mistaken belief that economy is a facet of life with its own laws, separate from the rest of society. So much so, individuals and organisations partake in economic activities simply to satisfy their selfish needs and desires and later retreat into their "real" social lives. But in any modern society, economy remains one of the most fundamental and dynamic arenas of human sociability. There is almost no economic activity that does not require the social collaboration of human beings. And yet, while people work in organisations to satisfy their own needs, the workplace simultaneously draws people out of their private lives and connects them to a wider social world. The truth is that people feel an acute sense of unease - what Emile Durkheim called *anomie* - the absence of norms and values that bind people together. This is the crux of the matter. This is the underlying reason for the failure of most

organisations around the world to remain strong and competitive.

The absence of norms and values does not start within the organisation but rather within the family units, as alluded above. This is the biggest challenge in the next millennium. The question is how do we get back to be on the right track of internalising the values that we sincerely believe in. In the context of this paper, we argue for the value of knowledge. It is only when we sincerely value knowledge that we would give due regard to it as well to those who impart the knowledge. Only when we do so that we would understand the significance of all the other values that bind human beings together for the common good.

The second major challenge that we are going to face is the process of transforming all kinds of information into coherent ideas and knowledge. We shall be faced with an immense quantity of information that are intermingled with data that will not be relevant to us. Indeed some of these information will be detrimental to our own values. The challenge will be to make meaningful inferences of what we receive within the shortest possible time and to ward off what is not necessary while at the same time remain unaffected by other information that could easily influence us in the negative way.

The third major challenge, is the tremendous difficulty in obtaining people who are sincerely committed to the right set of values to run and man organisations. By and large, individuals in our society are very much affected by the rapidly changing modern life which tend to produce selfish, individualistic, greedy and irresponsible people.

THE IMPORTANCE OF KNOWLEDGE IN MANAGING ORGANISATIONS OF THE FUTURE

The major challenges listed above will be increasingly confronted by organisations in the future. They tend to be related to the question of *anomie*, i.e. the absence of norms and values and the rapid advancement of information technology.

The absence of norms and values must be replaced by civil society which can most effectively begin with the families as the primary units of societies. Within the family itself we have a miniature organisation that is represented by the different family members. It is therefore important for every family to believe and internalise a set of values that will create the most conducive environment for the development of a harmonious and stable relationship among family members. The role the right knowledge here is of course imperative if not pertinent.

Values pertaining to good leadership and followership, love, trust, respect, care, concern, support, cooperate, etc. are definitely pertinent. They need to be learnt through discussion, reminders, practice and emulation. Similarly values that would bring negative influence should not only be avoided but should also be understood in order to avoid.

The values that are conducive for a healthy and harmonious home environment could easily be transferred to the organisation so that the same sort of environment could be created in the work place. This provides consistency in the internalisation of values between the homes and work places.

The second biggest challenge is directly related to knowledge itself. Knowledge which refers to certainty brings about truth and justice. Anything that contains some

elements of doubt would not be considered knowledge but information only. They need to be appraised for certainty before they can be admitted as knowledge. At the information stage, they could not be utilised for making important decisions because such decisions based on information that may not be true will not bring about justice. It is in this regard that knowledge of knowledge is very important for managing organisations.

With the immense amount of data or information that are continuously being produced through the information media, knowledge about processing data or information into knowledge itself is very pertinent indeed. Otherwise, it would not be possible to be at the leading edge. The future will certainly be dependent on the kind of knowledge that we have and how we manage knowledge; hence, the role of knowledge itself in managing future organisations.

CONCLUSION

The two greatest challenges that organisations will face will be the absence or erosion of values and norms in societies as well as the immense increase in information. In both cases, it is knowledge in the sense of certainty that is simultaneously bringing comfort to the heart (conscience) that would be the strongest barrier to the negative carnal desires. *God knows best.*

BUILDING A LEARNING ORGANISATION - AN ISLAMIC APPROACH

By
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(Paper presented at IKIM Seminar on Islam and Continuous Learning
Institute of Islamic Understanding, Malaysia, 26 March, 1996)

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INTRODUCTION

An organisation, irrespective whether it is an individually or family-owned company, a professionally managed business corporation, a non-profit non-government organisation - NGO, a political party or a government agency or department, is essentially a human group, composed of people getting together to perform specialised tasks to achieve a common objective. A business organisation, for example, is often identified by the nature of its business and is measured in terms of the value of its assets and assessed according to its financial track record. Nonetheless, the business organisation is definitely not just an aggregate of statistics published in its annual reports. Neither is it the sum total of factories, plants and machineries; towering sky-scrapers and gleaming office buildings, nor the sprawling lands and properties it owns.

What gives identity and character to a business organisation definitely extend beyond its products and brand names; the number of subsidiaries and associates and the volume of stocks and shares it possesses. It is also definitely more than the value of

its capitalisation in the stock market if it is listed.

All organisations are fundamentally **human institutions**. Whether established for business purposes or otherwise, they are in the final analysis defined in terms of their human dimension - the people who man and run them, those who initiate every action, and who move and direct their activities. Organisations are their people.

At its core, the business organisation comprises a group of human beings who provide the fundamental human energy and intelligence that drive the organisation, initiate action and introduce changes, effect transformation and nurture growth. Albeit that most organisations are created as legal creatures, it is finally the human factor that defines the organisation as an 'organic' entity.

Organisations are fundamentally therefore creatures of man, which take form through the combined energies and coordinated action of their human members and are built and transformed by their dreams, visions, imagination and aspirations. They are shaped, driven or otherwise constrained by man's values and beliefs, will and energy, skills and knowledge as well as by his desires and wants; sensitivities, emotions and fears.

ORGANISATION AS A HUMAN INSTITUTION

Defined as a human institution **a business organisation has therefore to place man at**

centre stage in the organisational scheme of things. Historically, however, this has not always been the case .

There was a time, especially in the early history of the development of the business organisation, when the human dimension was not regarded as important. Or to describe it more succintly, there was a time when the only humans that mattered to an organisation were an elite few who were the owners and their agents at the top of the organisational hierarchy.

This elite comprised the fortunate few regarded as **'entrepreneurs'** (traditionally defined as those with outstanding organisational skills and enterprising attributes **who also provide risk capital and hence 'own' the enterprises involved).** To this elite was granted the all-powerful, often absolute and unquestionable right to the stewardship of the organisation, and hence to the use of all the other 'factors of production' for the owners' pursuit of profit.

Among the lot of these 'factors of production' were thrown other human members of the organisation. These other less fortunate members were categorised as 'labour' - a mere 'factor of production', often not even regarded as of equal importance as other factors such as land and capital (being more valuable perhaps on account of their relative scarcity and for other reasons).

It came as no surprise therefore, **for a long period in the history of industrial**

development, that man as 'labour' was regarded as nothing more than mere 'pairs of hands'. There were also instances, as mass production techniques were introduced, when a worker was perceived and tolerated as a 'source of error' relative to machinery, in the efficient and effective functioning of the production process!

When mass production machines and techniques were introduced the then management code recommended a very high degree of specialisation that deliberately avoided the need for individual assembly line workers to demonstrate initiative, judgement, or even skill. Worker efficiency was based on a strict carrot-and-stick approach: productive workers were paid a higher piece rate than less productive workers.

Corporate organisations today, however, are generally more enlightened. As a concept, the organisation had therefore undergone a very long learning and transformation process, continuously responding to changes taking place around them, including those imposed by legislation, and shaped further by advances in knowledge and changes in public perception and opinion. Hence, many are already taking the attitude that their human resources are the most valuable of their assets.

As a human resource, man is therefore looked at not only from his physical abilities per se. To many, people are not mere 'pairs of hands' any more. (It is interesting to note though that workers especially in the public sector in Malaysia are to this day still referred to as 'kakitangan' or 'hands and legs', a term reminiscent perhaps of times past).

Today people are regarded as valued assets, with their status raised to the level of 'associates' and 'partners in the productive process', with management and organisations taking the view that they 'share the same sense of fate' with their people. The human dimension is so vital such that corporations today generally recognise that their full organisational potential is only limited by their peoples' willingness to work hard and the constrain placed on their capacity to acquire knowledge and to learn.

Organisational learning therefore becomes imperative, with rapid technological change making it a greater challenge: how to ensure that new knowledge enters the organisation and that people have skills not only for today's work but also tomorrow's.

SOCIETY OF ORGANISATIONS

We are today living in a society described as a 'society of organisations' in which most, if not all, social tasks are being performed through and by organisations. Peter F Drucker takes the view that organisations have over time converted modern societies into a phenomenon, 'for which we have neither political nor social theory'.[1]

According to Drucker the society of organisations is the product of 'management' -

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1 See Peter F Drucker, 1993, 'Post-Capitalist Society', Chapter 2 and again, 1985, 'Innovation and Entreneurship', pp 28

which he termed as one of the most outstanding innovations of the twentieth century. Management 'is the 'useful knowledge' that enables man for the first time to render productive people of different skills and knowledge working together in an organisation'.

In this paper our discussion on the building of a learning organisation will focus particularly on the commercial or profit-oriented type of organisation, i.e. the business and corporate organisation. This focus on the business organisation is deliberate.

THE DOMINANT ROLE OF BUSINESS AND CORPORATE ORGANISATIONS

Firstly, there is an urgent need for all of us today to fully come to terms with the realities of the world we are in. With the end of the cold war, economic and particularly business affairs are set to dominate national and global agendas for some time in the foreseeable future.

Furthermore, governments all over the world are stepping back from directly managing their national economies. Country after country finds that freeing markets and encouraging private enterprise is now the most effective way of improving a nation's economic position and sustaining a high standard of living for its people.

Centralised government bureaucracies everywhere are consequently being dismantled or downsized. Under such a system business and corporate organisations will be

taking centre stage and will inevitably play a more dominant and pervasive role.

The company as a business organisation will therefore be the single most important economic institutional form that will have a dominant role in Malaysia in its march towards developed country status by 2020. The country had indeed undergone and will continue to undergo massive social and economic transformation, largely as a result of activities of companies and corporate organisations.

Malaysia is in fact already on the fast-track towards becoming a 'society of organisations', with business and corporate organisations of all shapes and stripes (domestic or foreign-owned; private or public; entrepreneurially-driven, family-led, state-owned or professionally-managed companies; multi-national as well as transnational) dominating its economic life.

MULTI-DIMENSIONAL IMPACT OF CORPORATE ORGANISATIONS

With such a dominant role, the business or corporate organisation will therefore have an impact on Malaysian society far exceeding its originally designated economic or business functions.

The **corporate organisation will become less of a uni-dimensional institution** as it was traditionally perceived. In its new role, it will also **have a tremendous impact on the social, cultural and political dimensions of life in** Malaysia, just as it will have

on all nations and societies in the global shift towards market-driven economic systems.

This is already being witnessed today. Corporations are not only movers and shakers of corporate resources for purely business ends. Singlehandedly, especially if they are large in size, or combined, they also leave a tremendous national and social impact.

Firms themselves are taking more seriously their social responsibilities as corporate citizens, not only towards their own employees but also outwards, towards the larger community. This is further encouraged when governments everywhere involve more and more of them into massive social programs and activities.

On the other hand, in Malaysia, the active implementation of the Privatisation and the Malaysia Incorporated policies will place a greater burden on business organisations and corporations. Paramount would be **the lead role that the private sector, and hence the business or corporate organisation, is expected to play in complementing or in specific areas, even replacing the government in spearheading the country's developmental efforts.**

Companies and corporate organisations will therefore be in the forefront, aided and abetted further by the 'techno-economic revolution' taking place globally. These organisations will not only be spearheading investments and actively managing the national economy. They will also be changing and transforming Malaysian society in that process.

Corporate culture and how organisations behave will also impact on national culture. Aggregated, the sum total of corporate peoples' attitudes, beliefs, behavior patterns and world-views will have a dominant influence on national behaviour and a nation's very character, identity and outlook.

Business and corporate organisations will be so all-embracing, such that they will impact on the country's political life as well. Society's approach in managing its economic affairs and organising its wealth-creating and wealth-distributing functions will therefore have politically sensitive consequences.

In many countries, imbalances in the distribution of wealth and economic opportunities had resulted in instability and even social unrest and political disruptions. For many of these countries the cummulative process of wealth concentration in the hands of a few politically influential families had been allowed to happen over too long a period. Hence, it had become a very complex problem with serious repercussions on social harmony and political stability.

In plural Malaysia, the concentration of wealth in private corporate groups and its spread and distribution between domestic and foreign owners (including MNCs and TNCs) as well as among differing ethnic groups domestically, will also have serious and far-ranging political repercussions that similarly need addressing.

At the same time, corporations all over the world today are cumulating tremendous

economic power and influence, with some of the larger ones exceeding even those of many nation-states. It has been observed that concentration of ever-expanding corporate power will in the long run even put to question the status and role of nation-states themselves! [2]

IMPACT OF BUSINESS ORGANISATION ON MUSLIM SOCIETY

Muslim societies in particular will need to come fully to terms with this contemporary phenomenon. They cannot pretend that the global business and techno-economic (hence material and this-worldly) challenges do not exist. Nor can they try to just wish them away.

It is the contention of this paper that Muslim societies had for too long ignored the powerful role that autonomous organisations, especially business organisations, can play in boosting dynamism that is so lacking in their societies. In doing so, they have therefore also taken for granted the vast body of knowledge associated with the running of such organisations, i.e. management knowledge. The fact that management skills and expertise are the key elements in efficiently and effectively meeting with the complex needs of a modern society on an organised basis is therefore simply overlooked.

[2] Mathew Horsman & Andrew Marshall, 1994: After the nation-states: Citizens, Tribalism and the New World disorder

Some in Muslim societies may have ignored the role of organisations out of outright mistrust and would treat these organisations with misplaced suspicion borne out of ignorance. Others, on the other hand, would outrightly dismiss them perhaps out of these organisations' apparently 'this-worldly' character.

Many perhaps prefer the status quo, out of indifference; or disliking or fearing change out of deep vested interests. Others perhaps with the false conviction that social systems should by definition be dominated by a centralised, monolithic concept or form of governance.

This last perception of the form of social organisation, inherited perhaps from the historical past, is often inflexible and too rigid to allow for institutional reform and innovations. It especially does not have room for contending organisations, even indigenous ones, to operate autonomous of the central monolith.

At the same time **Muslim societies had failed to transform and adapt their own traditional institutions, or to innovate and invent new indigenous ones to meet with the demands of a modern, fast-changing polity. Their societies therefore are not societies of organisations**, at least not to the extent of their industrial counterparts.

An historian once observed that in the mid-nineteenth century, the Ottoman Empire then seemed to be in a better position than the Japanese to cope with the commercial and military expansion of European power. '...the fatal defect of the Ottomans was

their inability to see or believe how the world had changed around them...' The refinement of mercantilist trading techniques '...helped European trading companies and the states that protected them to achieve a high level of commercial organisation and a concentration of economic energies unknown and unparallelled in the East.'[3]

Hence, **Muslim societies had missed the opportunity to mobilise organisations' tremendous capabilities to release entrepreneurial energies, create enterprises, generate resources and means and deploy the economic power to enable them to transform and elevate their communities.**

This inability to establish the foundations for economic strength and resilience had also resulted in a failure to forge greater social cohesion and sustain stable and long-lasting political leadership within many Muslim nations.

To make it worse, in business this void was quickly filled by foreign-owned corporate organisations. These were initially led by trading houses, supported by the so-called gun-boat diplomacy of the colonial era, followed subsequently after independence by MNCs and TNCs. All together they outperformed traditional Muslim traders and quickly dominated most Muslim economies, subjugating their peoples to almost total submission. They left Muslim societies wounded and scarred, not only economically but also politically, culturally and psychologically.

[3] Quoted from Islamic historian Benard Lewis in James Fallows 1995, 'Looking at the Sun', pp 452

It is still never too late. Muslim societies, however, need the will and courage to choose. In revitalising their economies they actually have little choice but to take this challenge and successfully manage what may appear on the surface to many to be a paradox.

It is a paradox because on the one hand, the only option available is to jump into the deep end of the pool and master the business and corporate methods and win in the global economic competition.

To take the plunge, however, means they also have to participate in the economic race, to singlemindedly pursue profits and to champion wealth creation, risking materialistic and individualistic tendencies that may diminish many aspects of their Islamic sense of values.

The alternative, on the other hand, is also no less palatable. Not to take the plunge is to be condemned to abject poverty and lingering powerlessness and to ultimately be globally marginalised into a role that does not befit the status of 'the best of ummahs'.

Another possible outcome in not taking the plunge would be for the Muslim community to totally lose direction and become instead the most confused and confounded of all ummahs. This will predictably equally lead to other dire political, social and cultural consequences.

This state of confusion is perhaps being witnessed today when Muslims everywhere stand virtually helpless as their traditions, social institutions, and lifestyles are being threatened to the core. Many Muslim states suffer from poverty, ignorance, economic atrophy and social disruptions, anarchy, lawlessness and political upheavels on a scale and magnitude which appears to be beyond their own capabilities to overcome.

It has reached such a low that when Muslim communities were being dismembered with impunity, other Muslim nations could only stand and watch helplessly and in almost total powerlessness. This state of confusion and stupor is also apparent as Muslims everywhere appear to be unconcerned when the very fundamentals of their intellectual heritage, cultural traditions, values framework, system of meanings and the whole Islamic worldview are being challenged or progressively being eroded even from within, from among their own.

THE BUSINESS APPROACH IN REVITALISING MUSLIM CONOMIES - USING CORPORATE ORGANISATIONS AS INSTRUMENTS

The global **'Muslim dilemma'** obviously need to be addressed on all fronts.
In terms of economic revitalisation, however, Muslims cannot escape having to reassess their current form of social organisation. In this effort they cannot ignore the need for the ummah to create and generate wealth. They therefore need to quickly adopt and adapt whatever system of social and economic organisation that has

proven to be most efficient in generating and creating wealth, as they have over past centuries failed in introducing an alternative indigenerous system suitable for their own needs.

There is therefore an urgent need for Muslims generally, and Malaysian Muslims in particular, **to fully recognise the tremendous impact that a dynamic business sector can have on efforts to revitalise and energise Muslim societies.** Consequently they have also to give due recognition to the critical institutional role that business organisations play in this effort.

Islam, trade and business actually shared deep historical roots. The religion itself was founded in an 'urban' environment and had actually established itself and for a long time flourished along with trade and vice-versa.

Trade and business in Muslim societies had, however, generally not been 'institutionalised', the most dynamic among them being to this day undertaken largely by Muslim individuals and families or through companies controlled by individuals and families.

On the other hand co-operative societies and state-owned enterprises - long-established institutions supposedly representing broader community interests - in most Muslim countries are also generally endemic, suffering from their own peculiar organisational problems. A serious gap in managerial and organisational

capabilities therefore took place. Consequently, there is until today no really Muslim-led MNC or sizeable internationally operating company to speak about.

No corporation, however dynamic, can develop into a global corporate leader, an MNC or TNC, if they choose to structurally remain individually-owned, family-dominated and simply managed. **Individually- and family-owned businesses suffer from one serious universal handicap: it is difficult if not impossible to establish economic 'empires'** (for the lack of a better term) **lasting across several generations.**

They do not readily avail themselves to the competitive advantage of economies of scale and size, as entrepreneurial capabilities are limited to within family circles. In fact they often suffer from the vagaries of a business being run based on whims and fancies of individuals involved.

They also miss out on the economic clout built over long periods of growth and consolidation derived from persistent, sustained efforts at wealth creation and asset accumulation (as they are easily split into smaller components or result in ugly family feuds upon transition from one generation to another).

Finally, individually and family-owned businesses do not have the advantage of developing skills and expertise or retaining those with the expertise in managing economic resources on a professional and highly organised basis as there often tend

to be conflicts between immediate family needs and long-term corporate interests. They cannot therefore fully capitalise on information, knowhow, reach, and network built over tens or hundreds of years that are easier vested in institutionalised enterprises.

ROLE OF MUSLIM ENTREPRENEURS AND MANAGERS

Successful Muslim entrepreneurs having access to valuable productive assets and economic resources therefore need to decouple the rigid association of such assets to narrow family interests. They need to ensure their early 'institutionalisation' by reviewing their ownership status and by empowering and vesting management responsibilities in the hands of the most capable professional managers from among the community.

The same applies to other forms of Muslim-led business organisations, including government-owned companies, public enterprises as well as corporatised and privatised entities. All together they need to critically bridge the managerial gap that has long existed.

The Islamic concept of *'amanah'* and the vesting of wealth and strategic assets to professional managers as trustees in the interest of the community at large still requires expression in many Muslim societies. These trustees, however, must be

trained to be equally skilled and competent in the art and science of management other than also possessing the intuition and courage of the entrepreneur.

Towards this end it is in fact **incumbent upon Muslim-led business and corporate organisations to institute a program to quickly develop the best in business from among them to form teams and groups of highly capable, competent and professional entrepreneur-managers** who should be guided by the same principle of selflessly dedicating themselves and the assets entrusted upon them to the cause of the ummah.

This deliberate singling out of the best had actually been enjoined upon them, when the Qur'an (as well as hadith) had commanded Muslims to adhere to the principle of merit in awarding trusts, including the trust of the office of command and leadership, only unto those most qualified and deserving: *'God doth command you to render back your Trusts to those to whom they are due..'*. (See Al Qur'an, 4:58).

Muslim managers and Muslim-led organisations also have the heavy duty and additional burden of re-writing many of the corporate rules and transforming business practices that are found to be contrary to their Islamic core values.

For them to play the corporate game by the same rules and principles that currently dominate global business and ignore any inherent contradictions that these may have vis-a-vis Islamic values and ethics would in the long run have equally disasterous

achievements of the Johor Corporation. [4]

BUILDING AN ISLAMIC SOCIETY OF ORGANISATIONS

Hence the Muslim community will need to have a fresh look at the vital role that organisations, particularly business organisations, can play in their societies.

They will need to create a climate that is suitable for organisational growth. Through these organisations they will have the opportunity to train and develop professional managers in various fields as well as corporate leaders who can sustain further growth and expansion of these organisations for benefit to society.

In this undertaking it is critical as a precondition that these managers and leaders quickly master all the relevant skills and disciplines of knowledge essential to ensure corporate success as well as to manage and develop their respective corporate organisations into world-class business organisations. The mastery over such industrial disciplines and management skills is, however, only the first step.

More importantly, they need to fathom the depth of knowledge, develop profound wisdom and seek guidance to succeed in integrating and internalising all Islamic fundamental beliefs and core values into their business mission and objectives. They

[4] See Mohd Ali Hashim, 1995: 'Membujur Lalu - Satu Pengalaman Orang Melayu Dalam Pengurusan'.

need also to incorporate the fundamental elements of the Islamic percepts into the corporate culture and management practice of their organisations.

In short, with them rests the main responsibility for **planting the seeds for the formation of a vibrant Islamic society of organisations.** In this process, however, the Muslim corporate leaders, on the other hand, have a lot to learn, as well as unlearn.

This new **industrial Islamic society has therefore to be both a knowledge society and a society of organisations.** It cannot, however, be set apart as a seperate system and has to network and be fully integrated with the existing mainstream global industrial society.

In such a knowledge society and society of organisations the manager or entrepreneur will have to be prepared to live and work simultaneously in two cultures - that of the 'intellectual', who focuses on concepts and ideas, and that of the 'manager', who focuses on people and work.

THE LEARNING ORGANISATION

Hence, **the Muslim-led corporate organisation cannot therefore be other than an organisation which institutionalises learning as an unending pursuit.** In this effort, it is also important for Muslim managers to develop an approach that is most

appropriate for the Islamic corporate organisation.

The following are elements taken into account by the Johor Corporation in its attempt at institutionalising its corporate learning program which are perhaps worth considering:-

i) Firstly, **learning has to be deliberately 'built into' every aspect of corporate life.**

In the Johor Corporation it started with fundamentals, by **defining meanings to the Corporation's organisational role and identifying the purpose of organisational existence** (within the context of the broader meaning to social life generally and the perceived needs of contemporary Muslim social life in particular).

This was then followed by getting organisational members' collective subscription to these ideas and concepts, and as individuals, for them to believe in, uphold and live by.

Particular emphasis was given by the Johor Corporation towards **reconciling its pursuit for profits and the material and 'this-worldly' objective of business with the Islamic pursuit for God's Mercy and the achievement of 'good in this world and good in the Hereafter'**. (See Al Qur'an, 2:201). In the

Corporation's view, profits, assets and wealth created had therefore to be totally dedicated to the service of the cause of the community, and of Islam.

In the Johor case, this pursuit for the **'Islamisation of business'** had therefore involved redefining the concept of entrepreneurship and **distinguishing between entrepreneurs who are enterprisers owning shares in the businesses they run and 'intrapreneurs' who are enterprisers who own the *'amanah'* and responsibility for results and performance of their organisational actions.** The latter was adopted by the Johor Corporation within the context of 'team entrepreneurship' concept to drive the Corporation and its group of companies.

The Johor Corporation is therefore an outstanding example of an **innovative organisational strategy adopted to institutionslise ownership without compromising on performance and corporate dynamism.**

This distinction between conventional 'entrepreneurs' and 'intrapreneurs' was perceived as necessary in order to succeed in managing the paradox of unavoidably using the highly efficient wealth-creating capitalistic machine without suffering from its ugly and harsh materialistic and 'this-worldly' consequences.

At the same time the distinction is thought necessary in the Johor case to address the generally negative impact that the capitalist system of wealth creation would have on social equality and justice.

The Johor approach should, however, not be misconstrued as 'socialistic' or 'communistic'. The Corporation subscribes fully to market disciplines and operates within the framework of the market system. Conceptually, it is actually patterned after a very traditional Islamic institutional practice - that of the institution of *'waqf'*, hence vesting ownership rights in God for the benefit of the ummah.

In this pursuit the Johor Corporation has therefore avoided privatisation to a select few, including to its management (MBO), and would rather retain the 'community-based' ownership concept. Hence it had opted to privatise its companies through listing on the KLSE and subsequently injecting them into the Amanah Saham Johor and Dana Johor unit trust schemes.

These unit trust schemes were, in the case of the Johor Corporation, deliberately structured to be a part of the Corporation itself and is not detached from it as in other cases. It was deliberately done in this manner for the schemes to serve as the Corporation's 'distribution' arm, to complement the profit-maximising, wealth-creating business arm of the Corporation.

Executives of the Johor Corporation are generally of the conviction that decoupling ownership of wealth and assets from stewardship of the enterprise and institutionalising them in a 'community-owned' Corporation can both uphold the spirit of enterprise as well as sustain the spirit of Islam, hence expounding its core values.

In their experience, this strong conviction in fact provides a **very strong motivational force for those Muslim managers who aspire to excel in corporate fields, 'to command work from others' and champion the pursuit for profits without selfishly enriching themselves.**

This approach meets fully with the need of entrepreneurially capable Muslim managers and executives who aspire to lead business organisations for the single purpose of strengthening the ummah and at the same time fulfilling another Islamic advocation for seeking God's Mercy: *'And We raise some of them above others in ranks, so that some may command work from others. But the Mercy of thy Lord is better than the <wealth> which they amass'*. (See: Al Qur'an, 43:32).

Such a framework which incorporates a distributive institutional component, also fully meets with the strong Muslim sense of social justice as it does not result in excessive concentration of wealth in a few hands. This again **can be a strong driving force to motivate many Muslim managers and executives to give their best to the organisation that provides them with the opportunity to serve such a most noble mission.** [5]

ii) Secondly, **the 'knowledge and educational value' of every action and decision has to be fully exploited and every experience has to be turned into a**

[5] See: JSEDC, 1993: 'JSEDC As A Successful Corporate Organisations And An Islamic Business Institution'.

the organisation's corporate mission and objectives, expressing them in rules and guidelines, as well as to clearly, openly and continuously uphold them in daily practice.

Other fundamental Islamic principles should also be adopted and practised. Most outstanding would be the Islamic regard for man as *'insan'* - God's most noble creature - by far exceeding the current corporate elevation of him to the (still utilitarian) status of being an 'asset', however invaluable!

In the Johor Corporation's case, this is symbolised by the dropping of the label *'kakitangan'* to describe its people. It is also reflected in its corporate philosophy which stipulates that all its assets, resources, reach and network are to be totally dedicated towards ensuring the successful development of outstanding managers and intrapreneurs from among its most competent and talented executives and staff.

It is from among this pool of talent that the best were entrusted with the responsibility to lead their companies and business units, and ultimately the whole Corporation, to greater heights. Clearly, it is an organisation-building approach which is focused on its human resource dimension without being distracted by issues related to capital ownership.

The principle of *'syura'* (consensual and collective process in decisionmaking)

can and should also be built into the structure and system; together with upholding of *'amar maaruf'* (encouraging the doing of good) and *'nahi munkar'*(admonishing acts that are forbidden and unseemly); strict adherence to the basic principles of the *'syariat'*- the religious ethical codes including those of the permissible - *'halal'* - and the forbidden - *'haram'* - in every-day operations; and managing by the principle of fairness and justice to all - employees, customers, the public; including the care for nature and the environment and the longer-term interest of future generations, to name but a few.

iv) **Top leadership in the organisation must lead by clear personal examples** in the drive to build a learning organisation. They all should take the attitude that no organisation can transform itself without their leaders first changing themselves to suit the new organisational environment.

This would include initiating the process of conceptualisation; as well as in defining meanings and identifying roles for the organisation; in articulating visions and missions; and in providing the energy and drive to mobilise acceptance critical to their institutionslisation.

Early learning programs should emphasise more on developing self-motivation and inculcate a strong sense of purpose and mission, to be built into the foundations of a distinct corporate culture.

The organisation's own leaders at all levels must firstly display **intellectual honesty and integrity, personify open-minded enthusiasm about ideas and concepts, exude confidence and courage and provide highly-motivating style of leadership** before organisation-wide willingness to change and absorb new knowledge and learning can take roots.

Experience-sharing sessions with other successful entrepreneurs serving as live role models and case-study evaluation of other outstanding corporate organisations would also be one of the most effective ways in changing attitudes and building self-motivation among the rank and file.

After all, Islamic teachings had always encouraged learning through appreciating the knowledge value of lessons from past experience as well as from history and from examples set by others.

v) **The most effective learning program is to be developed through the cultural process and have a social and not elitist, individualistic or isolationist, 'ivory tower' approach.**

There has to be developed a structured and organised 'corporate' learning approach, taking full advantage of the specialisations of members involved and yet purposefully coordinated and directed towards the achievement of common corporate goals.

purposefully coordinated and directed towards the achievement of common corporate goals.

This can be undertaken, as in the Johor Corporation's experience, through an elaborate annual corporate planning excercise involving as many people in the organisation as practicable.[6]

The organisation must also purposefully create a climate conducive to members to 'strive together (as in a race) towards all that is good'. (See Al Qur'an: 2:148, and 5:51). Structure, systems, culture and practice must support the realisation of this principle which should also be translated into the organisation's scheme of reward and punishment.

At the same time the popular elitist approach of 'getting the most from the best' should also be complemented with 'getting the best out of the average'. No one individual should be deprived of the opportunity for participating in the learning process and contributing to organisational improvement.

Having a mixture of formal and informal (though not arbitrary) standards and learning programs that are complemented with mechanisms to challenge, test and

[6] Interestingly, Royal Dutch Shell also "think of planning as learning and of corporate planning as institutional learning". See quotation from Harvard Business Review (March/April 1958: pp 7 - 74) in Peter M Senge, "The Fifth Discipline", pp 9

grade candidates for selection and further grooming into managerial and leadership positions are vital for success. There must also be seen clear examples of those who have made it after going through the learning system from among those who started their careers at the lowest levels in the hierarchy;

vi) **Learning should therefore not be limited to a purely formal approach.** Over-emphasis on formal training can also be elitist.

An open and transparent, work-centred and on-the-job continuous learning process should be an important component in the program, more so for developing entrepreneur-managers.

One effective informal way of introducing new ideas and initiate a major transformation process adopted by the Johor Corporation is through encouraging senior executives to lead in **book review sessions** involving as many people at such regularly-held sessions. This is a quick way of getting organisation-wide acceptance of change, particularly if it involves a review of the experience of other proven methods adopted by successful enterprises and world-renown companies.

In the Johor Corporation's experience, the informal approach has been found most effective due also to the fact that **a Muslim corporate organisation would have inherent bias for continuous learning and unending quest for knowledge.** What is required is to provide the opportunity for their expression and to facilitate the

learning process through creation of the necessary conducive organisational climate.

MAXIMISING FROM MUSLIM SOCIETY'S INHERENT 'SOCIAL CAPITAL'

Clearly, to be effective, organisational learning in the Islamic context has to be structured upon a social learning approach. Internally within organisations, **team learning** should be encouraged with rewards and recognition given to teams and groups, and only rarely individually.

Resort to the **social and cultural approach and methods** would be more effective for a Muslim corporate organisation as they are **in line with the normal social practice being taught by Islam which is very much a 'social' religion.**

It would also be greatly facilitated by Islam's strong bonding on its followers (see, for example, Al Qur'an, 8:63) which is an invaluable **'social capital'** often taken for granted by Muslims themselves.

'Social capital' has been defined as the ability of people to work together for common purposes in groups or organisations. It depends substantially on people's ability to associate with each other and to **the degree to which communities share norms and values and are able to subordinate individual interests to those of larger groups.**[7]

[7] Francis Fukuyama, 1995, 'Trust', pp 10

This inherent bonding would indeed be **a powerful force to be organisationally mobilised for effective achievement of organisational goals as well as for getting wide acceptance of change and new ideas.**

Such a social approach is forceful because a learning corporate organisation has also been defined as an organisation 'where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together'.[8]

Furthermore, one essential component of the **success in building a learning organisation depends fundamentally on the degree of trust developed within the organisation.**

It also cannot succeed if the organisation feels that to train and develop a worker to his full potential is only to lose him to the next competitor. Or when an experienced executive feels that his trained junior colleague will soon be a threat to his own position.

This would require a revolutionary shift in employer attitudes towards their people. It cannot succeed if the corporate organisation were to renege on its unwritten 'social

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[8] Peter M Senge, 1990. 'The Fifth Discipline - The Art and Practice of the Learning Organisations', Chapter 1

contract' to honour its obligations to all its people, particularly in the promise of a sustainable productive and meaningful career. To honour this social contract would require a revolutionary shift in employer attitudes towards their people. It would also be dependent upon the successful execution of entrepreneurial programs to grow the organisation and expand its business prospects in order to develop and widen career opportunities for members involved.

Finally, learning obviously cannot succeed without **organisation-wide feeling of a common sharing of interests** in all these efforts. And this is where a truly Islamic approach will have a distinct advantage.

An Islamic corporate organisation will in the first place regard skills and knowledge as God-given, with everyone involved being duty-bound to share in God's gift of knowledge to man.

Furthermore, when corporate missions and objectives are defined within the Islamic context of being of service to God and to the good of those involved; as well as to be of service to mankind both for this world and the hereafter; and towards selfless dedication to the common cause of revitalising the Muslim ummah for global good; a lot of trust and faith will be generated among those involved that will lead to the development of a keen sense of common sharing of interests all round.

CONCLUSION

In this paper we have strongly argued the point that one of the ways out of the contemporary 'Muslim dilemma' is for Muslim societies to rediscover their dynamism through deliberately using corporate and business organisations as principal instruments to compete, win and excel in the open market system.

The corporate approach is also urgently required to integrate Muslim societies fully into the contemporary global economic, social and political mainstream, and is surely one important approach in realising fully the aspiration to turn Muslims into the 'best of all ummahs'. There is therefore an urgent need to plant the seeds for an Islamic society of organisations.

It is, however, incumbent upon Muslim corporate leaders and managers to build and develop learning and knowledge-based corporate organisations that are capable of absorbing relevant managerial knowledge and mastering business and entrepreneurial skills. No less important would be their responsibility to facilitate the integration of Islamic values into all aspects of their corporate lives.

An Islamic corporate way is both possible and feasible. It is in fact one of the necessary ways out for Muslim societies to escape from centuries of lethargy and powerlessness.

One of the most vital steps as highlighted in this paper involves the transformation of Muslim-led corporate organisations into learning organisations, to Islamise business practices, and to transform Muslim society into knowledge society.

In this effort, Muslim corporate leaders and managers have a lot to both learn as well as unlearn, to adapt as well as innovate. Some attempts made by the Johor Corporation to integrate core Islamic values and percepts into its organisational form and corporate practice were highlighted in this paper.

The responsibility therefore rests upon Muslim managers to adopt a suitable organisational framework, establish correct structure and system and encourage and nurture the development of an Islamic corporate culture and style that will facilitate this continuous learning and transforming process without losing the business dynamism and vitality required of a successful corporate entity.

The Johor model should, however, not be misinterpreted as a suggestion that such 'community-owned' corporate organisations should replace other forms of business organisations such as the individually- or family-owned ones. It is proposed that this institutional form should complement conventional organisations.

Its ultimate appeal, however, rests on the assumption that, insya Allah, it can perhaps be developed into the Malay-Muslim version of the large global corporation needed to compete and win in the international market place. It is only through a proven and

sustainable track record of success in global competition that such corporations can in the final analysis be depended upon to prevent total domination of Muslim societies, and for that matter of the global economic order of the 21st century, by the powerful Chaebols, Shoga Shoshas, MNCs and TNCs of the world.

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DMAHH,

16 March, 1996.

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Islamic Perspectives on R&D in Organisations

An organisation evolves and in the process develops characteristics that makes it very much different from the creature it was initially. In such instance, the organisation metamorphoses into something better, possibly bigger, but always maintaining a relevance to its environment. Else, the organisation can be stagnant, oblivious to changes within and around it, in which case it would slowly suffocates and gets choked off by the environment that supported it in the first place.

It is essential that the organisation not only maintain a sense of relevance but continue to be relevant. To be otherwise is to invite disaster that spells eventual doom. The *raison d'etre* for the organisation provides continuous support for the continued existence of the organisation. The challenge for any organisation is thus to maintain a relationship with its environment and to ensure that internally it has the resources and the resilience to withstand whatever challenges thrown at it.

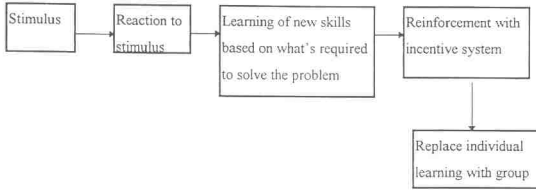
This paper seeks to explore ideas relating to the place of research and development (R&D) in the context of a learning organisation, and highlighting in the process, an Islamically-rationalised approach. The western concept of a a learning organisation is anchored in their philosophies of pragmatism, rationalism, holism and humanism.

A learning organisation

A learning organisation is one where the ordering is based on knowledge and not on a hierarchy that stratifies people according to the bureaucracy. The latter has been the hallmark of modern organisation and this is characterised by matching of individual capabilities with organisationally defined task requirements. People in the organisation are stratified according to functions and job descriptions. Organisational members may also be stratified according to orders of complexity of the task that depends on the level of abstractions. Such hierachical stratification rooted in authority by rank seeks only to provide structure but not the solution to problems.

A learning organisation calls for continual learning on the part of workers as individuals within the organisation, targeted at realising the goals of the organisation. In this, phrases like 'shared values', 'shared visions', 'team-effort', or 'systemic-learning' are much-used. The concept of a

learning organisation owes much to the work of Reg Revans through his propagation of what he called Action Learning. The processes involved in Action Learning can be identified as follows:



Implementation of Action Learning requires the alignment of individual objectives with corporate organisational objectives, which are then translated into measurable targets.

Four key parameters in evaluating progress of action learning programmes:

- adapting systems and procedures to stimuli
- united organisation --- help from within
- actualisation of self to organisational actualisation
- individual pursuit of learning but with social support from fellow workers

In a learning organisation, the rate of learning must be greater than the rate of change. Inability to learn to keep up with the changing environment would cause one to struggle and be stragglers. Critical to the learning organisation is that not only is the system and the organisation changed, but the person himself must also change in the process. The essence of action learning fits in well with the objectives of organisational learning as it places total emphasis on the ability, willingness and the capability of individuals within the organisation to identify and come up with solutions to the problems. The function of the advisor or the consultant is to point the way but never to provide the solution. People within the team learn, the team itself learns, and the organisation develops in the process.

Shifts in Management of Organisations

The idea of a learning organisation is most important within the context of modern economic development. Over the last two centuries, the world economy has evolved into what it is today, - from one marked by strong protectionism and selfish conduct of affairs of trade to one that is open and allows for free flow across national borders. Even though free trade is something that is yet to be realised in its entirety, countries are gearing up for the day when tariffs and barriers are anachronisms of the past. At the micro level, we are able to discern three major shifts in the management of organisations. We see organisational management moving:

- from one that is personal and entrepreneurial-based to one that is professionally and managerially-organised
- from one that is built on business activities to one that is centred on information
- from one that emphasises dependence on financial considerations to one that places greater dependence on human resources.

These are important trends which we need to take cognizant of. The classical economics idea of factors of production being land, labour, capital and entrepreneurship is now being slowly replaced by knowledge which is embedded in the human resources. Organisations would be committing folly to ignore this development and react accordingly. Organisations that are professionally and managerially organised calls for different operating paradigms than that operating in one based on personal entrepreneurship. Maximising organisational welfare would be different from maximising personal welfare of the entrepreneurs. The idea of the entrepreneur as the driver of economic activities, while at the same time maintaining control through ownership of the equity of the entity is now being seriously questioned. Personal equity holding without capable managerial skills appear to be among the major factors leading to the collapse of most modern, closely-held organisations. There is no sustainability, as heirs to the family inheritance are not able to sustain the same leadership over the business organisation. Entrepreneurs who at times appear to be dealers in corporate papers may be successful up to a point, but beyond that point, no amount of control procedures would help. There need to be focus and professionalisation of management.

Organisations that are information centred places greater emphasis on systems within the organisations rather than on business activities. This is not to deny the importance of business activities. However, an organisation with a system that is efficient in collecting, and freely

disseminating information would create managerial competency that places it above its competitors. Knowledge used to be the source of power as knowledge is controlled and restricted. The person who has access to knowledge and knows how to manipulate that control and access is able to further his own ends. However, with an open organisation where knowledge is freely accessible, and people are trained to analyse and exploit that knowledge, the organisation benefits from the synergy generated by the fusion of ideas of those having access to the knowledge. Information becomes the key operating variable, and business opportunities are created by free access to knowledge.

The realisation that the workers (and not financial consideration) are the organisation's greatest assets re-emphasised the growing importance of proper human resources development, and the need thus to move from the realm of fads to effective implementation. Organisations used to say that their greatest assets are their human resources---but this has been pure lip service as the asset has never been properly accounted for in the financial reports.

These major developments in environment and approach to doing business coupled with growing globalisation and the freeing of borders would further enhance the free flow of resources (human) across national borders. There is no longer the loyalty to nations or organisations as workers are guided by purely material objectives. Just as in the case of the traditional entrepreneur, workers move across borders, locating to where they feel they can get the most returns. This again poses threat to the continued sustainability of the organisation. In this Islam has a moderating influence which we shall highlight in the next section.

Compatibility of the Learning Organisation with Islam

Islam enjoins Muslims among others to read, to seek knowledge, to be responsible (as the *khalifah*), or to use *ijma* (make decison after mutual consultation). Sardar (1987) has summarised the epistemology of Islam as follows:

a) based on Quran and Hadith

b) epistemology is active and not passive

c) views objectivity as a public and not a private matter

d) largely deductive

e) integrates knowledge with the values of Islam

f) views knowledge as inclusive of human experience

g) systematises subjective experience

h) incorporates concepts of level of consciousness

i) allows a humane, unified and holistic view of human understanding.

Blind acceptance, *taqlid* is soundly rejected and given the right prerequisites, *ijtihad* is encouraged.

Islamic epistemology, reflecting the Islamic *weltanchauung* provides the framework and the impetus for a learning organisation. The organisation and its workers must continue to learn to learn, and it is through such approach that the base for a learning organisation can be established. Islam, with its emphasis on openness, on a *shura*-style of decision making, with its emphasis on the deductive approach, allows the individuals to grow with the organisation. Decision-making in an environment where Islamic values prevail and permeate would be one where there is accountability and responsibility for decisions made. Integration of Islamic values with systems and procedures characteristic of learning organisations would help evolve a work culture that is positive and endearing to its workers. Reflective of such a culture is the sense of togetherness and team-spirit, which organisations not guided by Islamic values would find difficult to replicate. We see from the literature on organisational development (OD), the inability of organisations not based on Islamic value systems to establish a culture and organisational climate conducive to excellent performance. Even if they are able to initially establish the positive culture through intensive OD efforts, they are not able to sustain the culture. Human greed and the corruption of personal values would cause the base culture to be eroded. And the same could be said of organisation that initially adopt Islamic values, but later forget to continue observing the same values. Human greed is not the monopoly of non-Muslims only.

Integration of organisational structure with the Islamic value system would give the organisation a value system that guides its corporate behaviours and actions. We have in our history, a number of organisations that could be exemplars for the world in general. Our institutions of *bayt-mal*, *waqf*, and indeed even of the mosque, are organised as to benefit the community and the *ummah*. We find that issues relating to growth and distribution have not been managed too successfully by other countries. We find social injustices or substantial income disparities within the population as indicative of the lack of a focussed methodology to overcome the problems raised by such. The concept of moderation espoused by Islam as applied to organisations would give to the humility

needed for it to be a caring organisation. In this our efforts at R&D must be geared towards understanding our own organisations first. We have much to offer, but we ourselves have been relapse in not understanding and exploiting to the full the potentials of our own Islamic institutions. We go to great lengths to learn and emulate examples from the non-Muslims, and we forget that we ourselves have much to learn from our own heritage, and thus subsequently, much to offer.

R&D in Organisations

R&D in Islam is again guided by the above framework and as such R&D efforts must not simply be planned and carried out without paying due regards to the framework. In particular R&D in the Islamic tradition needs to observe the following:

Based on Quran and Hadith and a holistic approach to R&D

R&D efforts should be governed by Quranic injunctions and the Hadith. In this we are guided by what is permitted (*halal)* and prohibited (*haram).* R&D efforts carried out under the assumption that the efforts are value-free is not the appropriate position to be taken by Muslim R&D workers or by organisations in setting up the R&D agenda or priorities. R&D especially in the area of science and technology carried out by non-Muslims have ignored the value dimension based on the understanding that R&D in science and technology is value-free. Nothing could be far from the truth. R&D efforts that lead to products which are antithetical to Islam is certainly not complying within the Islamic R&D framework. Being holistic, Islamic epistemology does not separate or segment the R&D effort into considerations of value and utility.

Both must be integrated and R&D efforts should reflect the balance. Here again it is pertinent to emphasise that Islam is governed by a world-view that is diametrically opposed to that held by the non-Muslims. The difference in paradigm should alert Muslim workers not to be carried away by worldly successes on achievements of R&D efforts defined by non-Muslim standards.

Islam provides certain definite standards of what is allowed and prohibited, and the standards are transparent.

Integrates knowledge with the values of Islam, inclusive of human experience

Muslim R&D workers have not really exploited the strength of the value orientation of Islam in their R&D work. Guided by Quranic injunctions and with strongly entrenched

Islamic value system, Muslim R&D workers should be able to successfully carry out R&D work in systems, organisations, management, and behavioural sciences. Such R&D efforts could easily lead to new models of systems, organisations, management, or behavioural sciences. The failure of the western economies, the decay and decline in western civilisation, or the inability of western societies to survive the onslaught of modernity is a strong indictment of the failure of the non-Islamic system. An economy that is exploitative because of its dependence on the *riba*-based financial system, a civilisation that is crumbling because it hold on to values that are non-Islamic, or the march of modernity that engulfs human dignity are but mere reflections of systems that do not work. Islam has the solutions but these have not been properly modelled and presented in the form that the non-Muslim could understand.

The Islamic model of holistic development for example is development with *tazkiyah*, aimed at achieving *falah*. Consistent with this is the injunction to make *zakat* contributions as it purifies. The Islamic model of financial system, which rejects the exploitation possible under the *riba*-based system, is an achievement that we need to model and package. Indeed in this, substantive R&D work is needed to translate Quranic injunctions and create new and original products for the financial sector that are within the Islamic guidelines, but which the non-Muslims cannot offer. Other areas in the humanities and social sciences also merit greater attention by Islamic R&D workers. The success of business organisations run on value-system based on Islam are among other examples of important R&D work that we Muslims need to carry out. In the area of education for example, Muslim R&D workers need to come up with integrated alternatives which the public can consider. Given its importance, education should not be left to bureaucrats and so called professionals in education. Islamic workers need to come up with solid proposals which ought to be based on competent R&D work.

Even within the *Ummah* itself we are yet to carry out R&D work or to disseminate information on the success of existing Islamic institutions, to be emulated by our fellow Islamic countries.

It would appear that the task before us is a big one, for we have been misdirected in our efforts in the past. Again, reviewing the literature on organisational development, we find ourselves sadly negligent.

Conclusion:

The paper outlined briefly relationship between the Islamic value system and structures of organisations. Islam has a lot to offer to the corporate world, to the disciplines related to management and organisations, and to the related disciplines in humanities and social sciences. Unfortunately we have not done our part. There is an urgent need for us to initiate R&D in organisational and management theories whose body of knowledge would lead to fresh applications by both the Islamic and non-Islamic world.

INFORMATION TECHNOLOGY AND THE KNOWLEDGE REVOLUTION

Tengku Mohd Azzman Shariffadeen
Malaysian Institute Of Microelectronic Systems
(MIMOS)

Seminar on Islam and Continuous Learning:
A Pertinent Culture for Managing Organisations

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4. The Digital Economy
5. Internet Development
6. Responses to Internet - Three Alternative Scenarios
7. Key Issues Confronting the Muslim World
8. Conclusions

The Paradigm Shift

- land, labour and capital become less important

- rising dominance of information and knowledge

  . qualitative transformation of societies
  . value system
  . beliefs
  . behaviour
  . culture

- invalidates old model
- everybody goes to zero: level playing field
- involves all members of community
- IT becomes vehicle for knowledge work par excellence

The Knowledge Society

- knowledge or information?
- knowledge as basis of development and progress
  - acquisition
  - assimilation
  - application
  - exploitation
- open access: borderless world
- democratisation
- empowerment
- flat organisations
- network-centric societies
- electronic communities

The Twelve Themes of The New Economy

- Knowledge
- Digitisation
- Virtualisation
- Molecularisation
- Integration / Internetworking
- Disintermediation
- Convergence
- Innovation
- Prosumption
- Immediacy
- Globalisation
- Discordance

Source: Don Tapscott, The Digital Economy

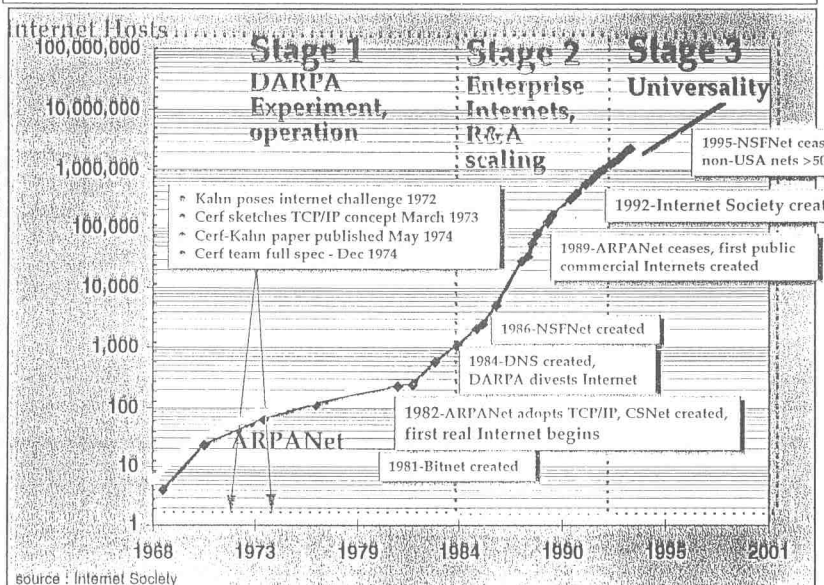
Information Technology Convergence - The Three C's

- conduit
  - global telecommunications
  - copper, fibre, satellite, microwave
  - fixed and mobile

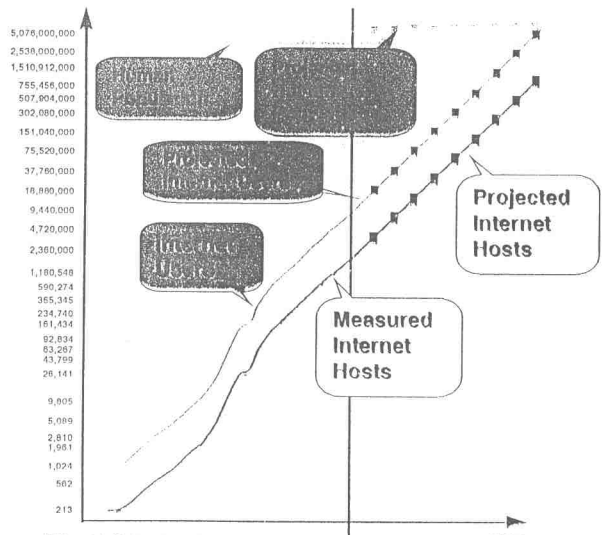
- computing
  - pc ubiquity
  - network is the computer

- content
  - multimedia: voice, data, text, graphics, video
  - information and communication: education, publishing, broadcasting,...

Internet Evolution



2001: Users = Human Population ?



Source: MIDS, Austin TX, based on historical data

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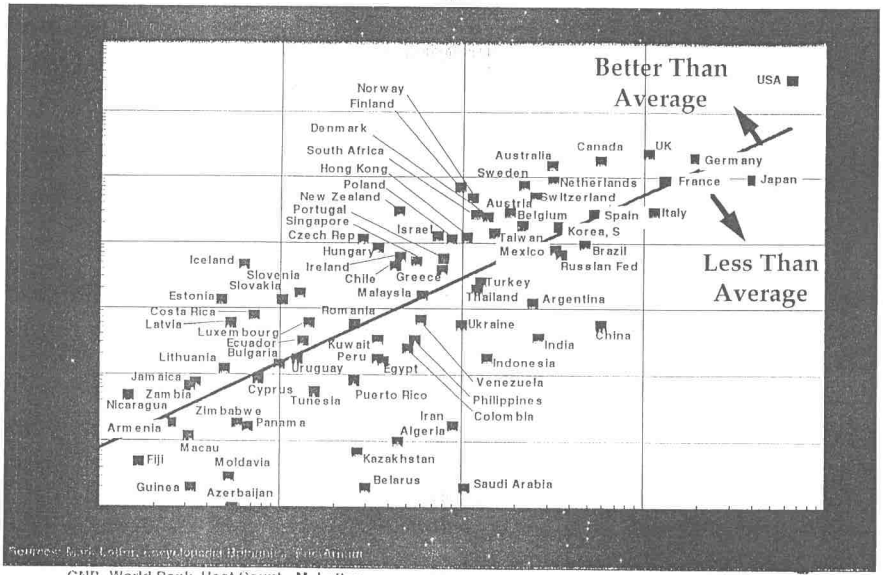
Internet Global Infrastructure Diffusion



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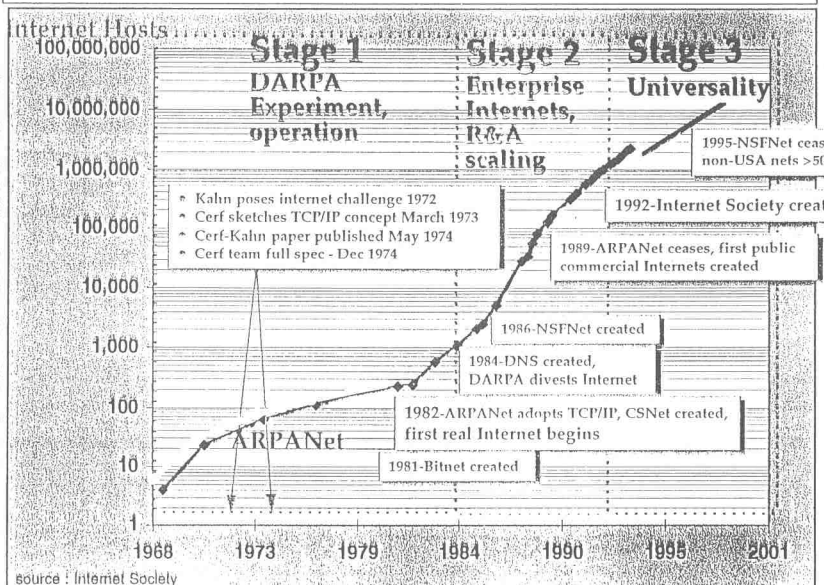

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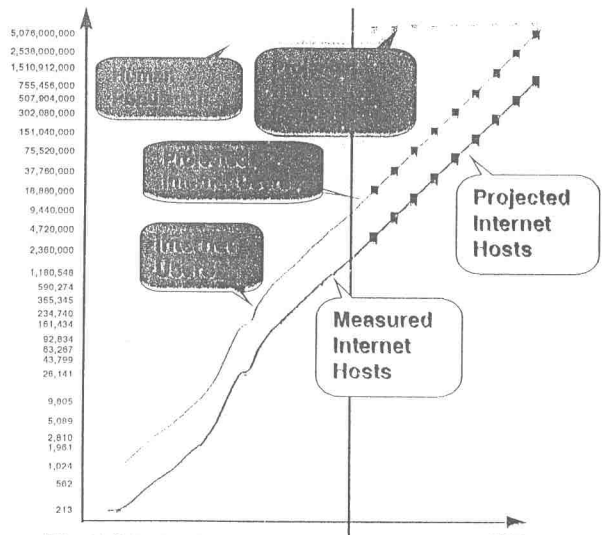

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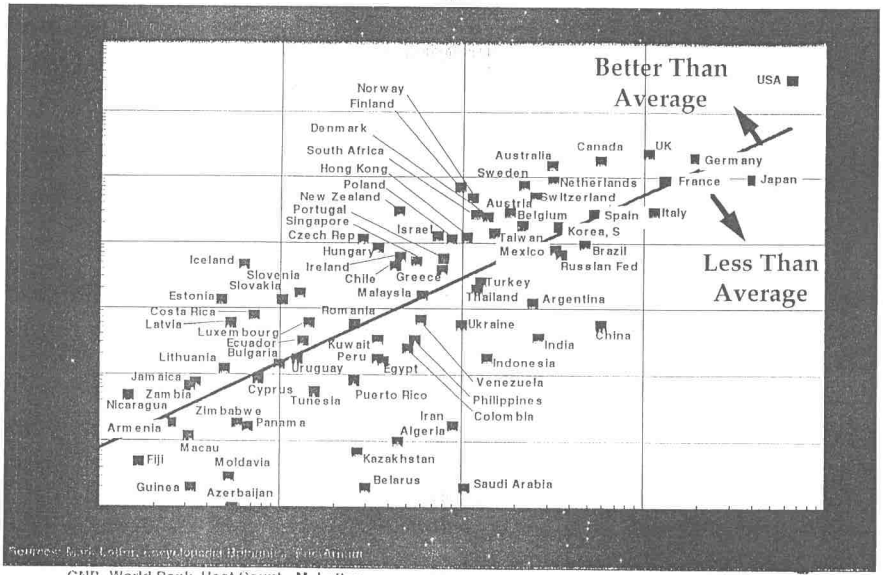

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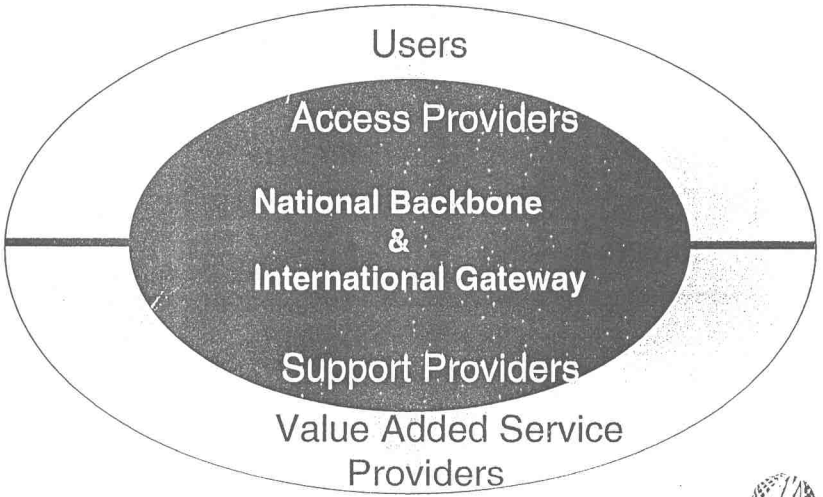
Jaring Operational Model



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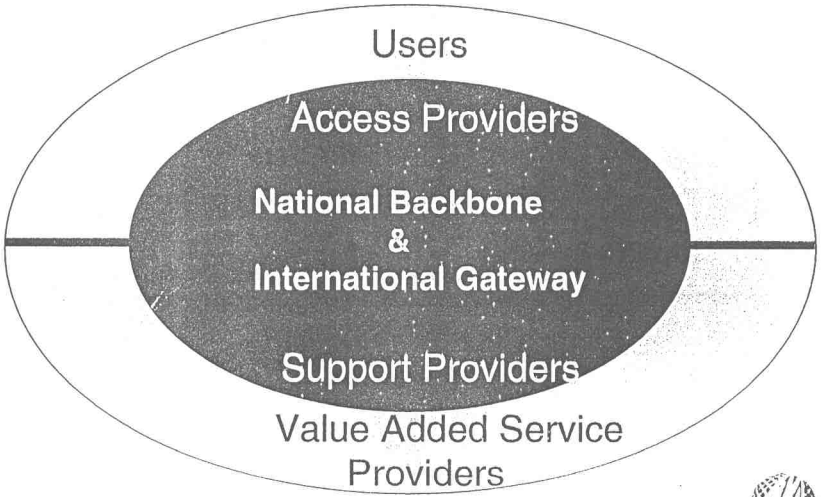
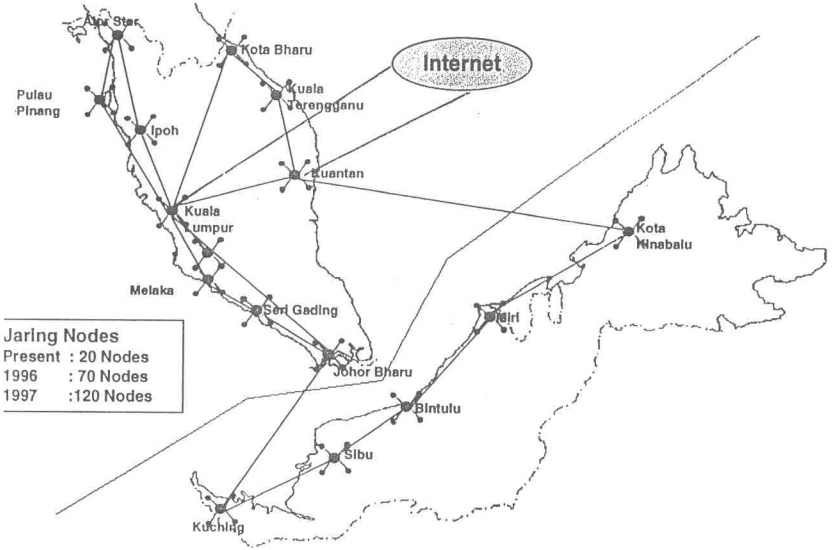
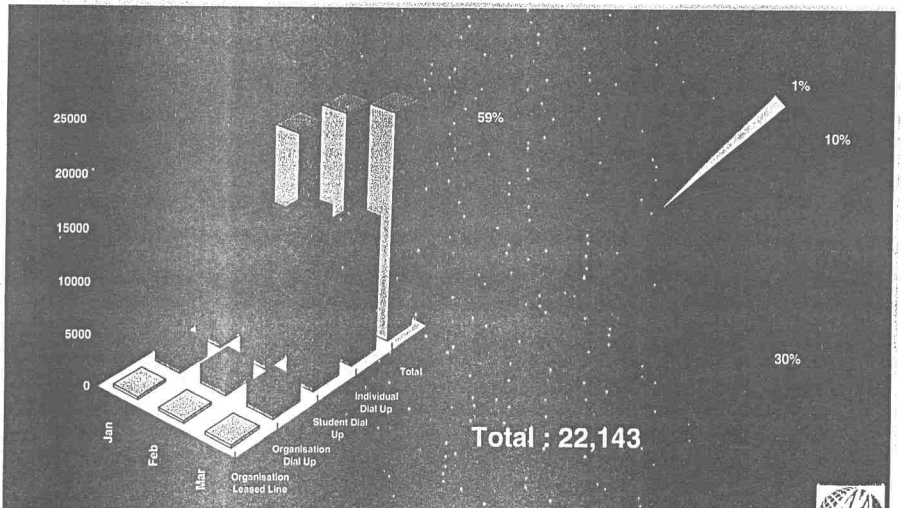


Topology for Jaring Backbone



Membership - by Category (15 Mar 1996)



Responses to Internet: 3 Alternative Scenarios

- Scenario #1: Do Nothing
- Scenario #2: Follow the Crowd
- Scenario #3: Managed Development based on Islamic Principles

Scenario #1: Do Nothing (let the market decide)

- features
  - laissez - faire approach
  - market forces based on demand - supply balance
  - private-sector driven: business focus
  - completely open access to global Internet

- outcome - positive
  - rapid economic development
  - pockets of advanced IT applications

- outcome - negative
  - widening gap between haves and have-nots
  - inrush of foreign products and technology
  - low local content
  - some people disenfranchised

Scenario #2: Follow the crowd

- features
  - positive government support plus private - sector driven initiatives
  - focus on economic development
  - market forces determine location and level of service

- impacts -positive
  - rapid growth
  - economic development

- impacts - negative
  - widening gap between haves and have-nots
  - low local content

Scnerio #3: Managed Development
According to Islamic Vision and Goals

- features
  - based on Islamic conception of knowledge
  - balance between social and economic development
  - equitable access for total population
  - IT promoted as instrument for empowerment and democratisation

- impacts - positive
  - Knowledge Society in Islamic mould
  - globalisation of Islamic ideals
  - much local content
  - indigenous products and services

- impacts - negative
  - higher financial cost to governments

Key Issues confronting Muslim World

- philosophical and epistemological
  - secularism and value-neutrality
  - materialism, determinism, technocentrism, evolutionism
  - "divide and conquer"
  - loss of hierarchy of knowledge

- social and cultural
  - cultural change: who is responsible?
  - self-governance or anarchy?
  - growth with equity in question
  - information explosion causes waste of resources
  - education and training lagging behind
  - dominant position of certain countries and cultures

- infrastructural
  - who pays for it?
  - poor infrastructure widens economic/social gaps

- economic
  - information economy separates classes of people and countries
  - intellectual property protection

- technological and industrial
  - technology ownership by industrialised countries
  - high cost of R&D
  - production limited to certain countries

- political
  - two extremes: anarchy and concentration of power
  - changing notion of national sovereignty
  - instability and fragmentation.

- religious and spiritual

  . loss of value and meaning in information/knowledge
  . lack of modern Islamic model of Knowledge Society

ENRICHING KNOWLEDGE CULTURE TOWARDS DEVELOPING A CIVIL SOCIETY

[Nik Mustapha Hj. Nik Hassan]

1. THE SCENARIO OF OUR PRESENT SOCIETY

A great concern emerging from our country's economic success is the loss in the sense of direction among many people. From our observations, we note that some people in our society are becoming more materialistic and individualistic. They display their wealth in the form of comfort and luxury livings. Their views about the universe and man are becoming very mechanical. To them matter is considered the fundamental constituent of the universe. It is not governed by religious values. Religious practices if considered relevance are for personal ritual only.

However, despite all these luxuries and comforts, many among them are unable to have a stable and good family. Their preoccupation with commercial activities give them little time with their families.

The economic success also contribute to the growth of the middle class. The upper middle class are striving very hard to cross the barrier in order to join the elites. The lower middle class on the other hand has just been promoted from the lower class. Everybody is interested to be promoted to the higher social class.

This social strata has its own social problems. The most glaring is that everybody is becoming more materialistic. They are ambitious and want to climb the social ladder at the quickest pace possible. This is done at the expense of other responsibilities, particularly family upbringing. In order to keep up with the 'Joneses', both the father and mother have to work for long hours. This gives them less time to spend with their children.

The poor, on the other hand find it difficult to make ends meet. They also have to work long hours to get their basic needs. Without having good educations, they do not command high wages. The high costs of living in the urban areas, particularly expenses on housing, uses up most of their small incomes. Poor living conditions for a big family can also be a source of social problems.

As our society becomes more affluent, we also tend to be more liberal. Ethics and morality are on most occasions not given the proper consideration by modern parents. They are more concerned with their children performance in the school. This imbalance in lifestyle contribute significantly to social disequilibrium.

In the midst of this social condition, our social problems are on the rise, particularly among the youths. They come form both, well-to-do and less fortunate families. The number of youths involved in drugs, *lepak* and *bohsia* problems are very frightening. The issue of drugs which has been with us for quite some time has yet to be tackled. It is not getting better. Instead it is deteriorating.

Social health and stability are very much inter-related with nation's economic performance. Social disequilibrium will have a negative impact on our economic performance and productivity. The problem will get worse, if a good proportion of our productive labour force is unable to participate in the economic activities due to her involvement in unproductive practices. At the same time, it is a financial burden for government. The amount allocated to tackle social ills is becoming sizable. A remedy has to be worked out quickly. It requires the authorities to look into the root of the problem .

The youths are our future flag carriers. They are our strength and can determine the sustainability of our future economic performance. A proper approach, adopting a long term strategy has to be drawn up. The solution cannot be *ad hoc* and it should not be just provide alternative opportunities for the youths to spend their

times. The root of the problem from all perspectives and angles have to be identified and analysed. A holistic approach for solutions can then be formulated. There is no short cut to minimise social ills.

The country's fast pace of development should not be considered a major factor that contributes to these social ills. Economic advancement is necessary to develop the society. In the process, our social structure has been modified. Economic development through industrialisation is a natural choice to improve the living quality of our expanded population.

Under this circumstance rural-urban migration becomes a natural phenomenon. High urban density creates a different kind of social atmosphere and a proper social arrangement is required to cope with the changes. An urbanised society has a different lifestyle. Everything has to move at a faster pace compared to rural life. This change in our life-style require a change in our thinking, expectation and preparation. Our inability to adjust ourselves can result in adverse effect on family life and society's cohesiveness.

In our effort to develop our country, we would not like our social culture be influenced by a hedonistic world view and lifestyle of the Western society. If our social culture is based on this principle, the future decline of our social order would be inevitable. In fact, the West is grappling with this problem. Their civilisation is at stake. Even their economic performance is not very encouraging.

Hedonism teaches people to devote their entire life in seeking pleasure. Accordingly it considers wealth, bodily satisfactions, and sensuous pleasures as the fundamental or the greatest values one could seek or attain. It considers the maximising of earnings and desire satisfaction as the highest virtue. If this is taking place and regarded as a way of thinking among the rich in our society, it can eventually contribute to a serious moral decline and a lost of a sense of direction.

Nearly eighteen years ago a famous Soviet thinker who migrated to the United States (and has since returned to Russia), Alexander Solzhenitsyn made known his observation of the American society in his famous Harvard address of 1978. He said: "Two hundred or even fifty years ago, it would have seemed quite impossible, in America, that an individual could be granted boundless freedom with no purpose ..... simply for the satisfaction of his whims. Subsequently, however, all such limitations were eroded everywhere in the west; a total emancipation occurred from the moral heritage of Christian centuries with their great reserves of mercy and sacrifice".[1]

The loss of human purpose as we continue to progress should not be allowed to happen in our society. Change, development and progress, according to the Islamic viewpoint, refer to the return of the genuine Islam enunciated and practised by the Holy Prophet (Pbuh). Syed Naquib Al-Attas precisely provides a clear understanding on the subject of change, development and progress in the following words: "For Islam, the process of movement towards genuine Islam by Muslims who have strayed away from it, is development; and such development is the only one that can truly be termed as progress. Progress is neither 'becoming' or 'coming-into-being', nor movement towards that which is 'coming-into-being' and never becomes 'being' for the notion of 'something aimed at', or the 'goal' inherent in the concept 'progress' can only contain real meaning when it refers to that which is already being. Hence, what is already clear and established, already in the state of being, cannot suffer change, nor is it subject to constant slipping from the grasp of achievement, nor constantly receding beyond attainment".[2]

Al-Attas reinterated, "The term 'progress' reflects a *definite direction* that is aligned to *a final purpose* that is meant to be achieved in life; if the direction sought

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1 Solzhenitsyn, Alexander, **A World Split Apart**, Harper and Row, New York, 1978.

2 Syed Muhammad Al-Naquib Al-Attas, **Islam and Secularism**, ABIM, 1978, p82-83.

is still vague, still coming-into-being, as it were, and the purpose aligned to it is not final, then how can involvement in it truly mean progress?. Those who grope in the dark cannot be referred to as progressing, and they who say such people are progressing have merely uttered a lie against the true meaning and purpose of progress".[3]

In order for us to plan for our future, we must be definite about our goal, direction and how we should undertake our mission. We cannot grope in the dark using only our mental capability to determine the truth. Human mental ability has his limitation. The rational mind has to be harmonised with the Divine instructions.

2. PLAN WELL BEFORE WE LEAP AHEAD

What is going to take place in the future is beyond of our ability to predict. The future is the field of uncertainty. To Islam only Allah knows about the future. But the future is also an area over which we can take initiative to plan and try to shape future events for further human progress. In the final analysis we would like to develop a noble human civilisation.

In contemporary societies the rate of change is itself unpredictable. It is becoming very rapid and more uncertain. In the present globalised society, any event that take place in other parts of the globe can trigger the event in our country. Climatic condition is one of the glaring examples. Similarly, the behavioral pattern of certain society can easily influence our society, particularly our youths.

Unfortunately we are easily influenced by the negative social elements. These negative influences have an impact on our society, particularly through electronic and

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[3] Ibid

print media. To put a stop to outside influence in this age of information super-highway may not be possible. What is possible is to prepare our society's mind with proper knowledge so that they can distinguish between what is good and what is not productive.

Under this circumstance, Muslim societies must actively participate in planning and designing their destinies. They must be able to prepare themselves to meet the future, respond to the challenges of time and develop an appropriate framework of thought and action based on true knowledge. They cannot be indifferent or even reactive. They have to be proactive and be able to chart their future. They should not be emotional but instead, should handle it with proper vision and mission to lead rather than being led by others.

One of the safeguarding principles for future planning is to look at change as an opportunity rather than as a threat. This will enable us to be continuously ready and excited to learn for future betterment. Positive thinking about future events is essential for a great society. Change that is going to take place must be guided by our present plan and initiative based on Divine Guidance. Those who do not plan for change will become obsolete sooner rather than later.

The knowledge of the contemporary social development is important. Similarly with the knowledge of past development. Historical facts are useful only as much as they affect our judgements concerning our current and future decisions. Guided by Divine knowledge and based on the past and present social scenario, we can try to interpret the future.

Muslims are taught that as long as the world exists and before it ends, every single plan and action of an individual and society has to be for continuous human betterment. Quality human living in all perspectives has to be continuously refined and the move towards this end is very challenging. This is a religious struggle.

3. WHY A CIVIL SOCIETY?

At a time when our economy is performing well, we are glad that the government has not lost sight of a more fundamental goal, that is to develop Malaysians into a civil society. The enhancement of human dignity, the establishment of liberty, the eradication of society's ills, the revitalisation of our heritage and cultural empowerment which reflects intellectual and artistic achievements are some of the quoted goals to be achieved by our government in its recent policy pronouncement. This is very much in line with a kind of society as envisaged in Quran, *"... a land fair and happy, and a Lord Oft-Forgiving"*,[4] a prosperous and blessed nation, just and caring, and living by humanitarian ideals.

The recent budget was a clear testimony that its entire perspective is based on the overall objective of achieving holistic development which tried to attain social justice, as well as the enhancement of knowledge, intellect, character and the effort towards enrichment of our culture. This reflects that we are translating human ideals in our economic policy formulation.

In all our effort to modernise our society, our path to economic prosperity should always be in line with the holistic and multi-dimensional approach to development. We should be committed that the strength of our society lies in its ability to safeguard human dignity and nobility. No society in the past and the present can continuously be economically prosperous if there is a decline in human nobility. Humanitarian ideals should be the guiding principles in developing our society in all spheres of our endeavours, including economic activities. In fact for a nation to sustain its economic performance, social strength plays a very determinant part.

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[4] Quran 34:15

Ibn al-Qayyim, a great Muslim scholar was right when he commented that the basis of the *shariah* is the wisdom and welfare of the people in this world as well as the hereafter.[5] This welfare lies in complete justice, mercy, well-being and wisdom. Anything that departs from justice to oppression, from mercy to harshness, from welfare to misery and from wisdom to folly, has nothing to do with the *shariah*.

This view is shared by another great scholar, al-Ghazali. He was of the opinion that the very objective of the *shariah* was to promote the welfare of the people which lies in safeguarding their faith, their life, their intellect, their posterity and their property.[6] Whatever ensures the safeguard of these five serves public interest and is desirable.

In our move towards a civil society, we must be committed that our society competitiveness and development capability can be realised in a more convincing manner through this holistic achievement. Our ability to develop a civil society can be an effective prerequisite for us to be a successful nation in the coming century.

In line with the views of al-Ghazali as quoted earlier, a number of priorities should be given great attention in our policy formulations, be they economic, education, culture and others. These priorities are as follows:

Firstly, our education system should be able to develop Malaysians who have great attachment to religion and moral requirements. In Islam, the purpose of education is to create a good individual - an individual who possess a holistic world view based on divine guidance, good and productive character, very participative in social development and, above all, the willingness to uphold the truth, justice and very

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[5] Ibn Qayyim al-Jawziyyah, **A'lam al-Muwaqqi in, Vol.3.** Cairo 1955 (As Quoted by M Umer Chapra in **Towards a Just Monetary System**, The Islamic Foundation, 1985 p33)

[6] Ibid.

co-operative with others. This requires our curricula at all levels of education to be conducted along the integrated approach for all subjects. From the Islamic point of view, all subjects have to relate to *tawhidic* perspective i.e. to relate to the supremacy of God and the noble values of truth, justice and benevolent.

The present state of education in the Muslim World is not in the right footing. There is a lack of vision to translate the Islamic spirit and world view in organising the present reality.

Secondly, Malaysian society should be a thinking society. In the present modern society, the concern of many education programmes are more on the ability to acquire the skills which can enable an individual to command more commercial rewards. The acquisition of professional qualifications and skills should be promoted. These professionals should be individuals who can also appreciate and understand the social development and cultural practices of the society. The inability to follow the social development can make them less effective in their contributions towards social progress. In a developing society like ours, we must be able to mobilise every individual to be participative and contributive at his optimum level to the social welfare of the entire society.

In the present materialistic society, the move towards a mechanistic society is becoming very apparent. The school and university curricula are giving great emphasis on the technical aspect of knowledge. In economic discipline for example, we are producing technical economists who are very concerned only with technical tools in analysing economic phenomena. Most of the curricula do not give enough consideration to subjects which develop critical thinking among graduates on social requirements.

Thirdly, continuous effort must always be focused to ensure that there is social harmony in our multi-racial society. The strategy for our social development should be along the spirit of mutual co-operation. We are very proud that we are able to practise tolerance and have mutual respect for each other. We must also consider our heterogenous nature of our society is indeed a strength for our nation. Every positive element in the culture of every race should be adopted in our national policies as it can foster better relationship. In order for us to move forward towards modernisation, social stability is very fundamental. Co-operation based on the spirit of justice should be the rule of the game. Through social harmony, we can ensure that there is a guarantee for every individual right and security in our society. This ability to achieve unity among Malaysians can definitely safeguard our lives and ensure a brighter prospect for our future generations.

Fourthly, we must ensure that the economic prosperity should be continued to benefit our future generations. In this regard, our present ability to manage our economy can be a good reason for us to continue to have confidence in our future. We are glad to learn that the authorities are interested in continuing its efforts at reforming, deregulating and liberalising the economy. The sincerity and willingness by the authorities to improve our economic condition is the starting point for our economic advancement. With this commitment, we can concentrate our energies to improve our social condition. There is a lot of room for improvement and every individual should continue to refine his contribution for the future.

Fifthly, safeguarding our posterity. If we are sincere and serious about the welfare of our present generation, we must be more serious about the future generation. Almost everyone wants to see that their children should be better off than themselves. This requires us to give urgent and special attention to strengthening family institution. Quality family institution is the beginning of a civil society.

The above considerations should be given serious attention by all of us if we are interested to develop our society into a civil society. This goal can succeed if every dimension of the individual's development is looked at, in a holistic manner.

At the moment of our history, we are proud and convinced of our commitment. This commitment by the authorities to develop Malaysians into a civil society reflects a serious and noble intention. The road to this success is not an easy but there is no other alternative if we want a real success in our achievement in life - that is to create a noble civilisation.

4. THE IMPORTANCE OF KNOWLEDGE CULTURE

Peter Drucker is very correct in his analysis that the key to the future strength of a society is knowledge. He reiterated that the learning society will lead the future generation. He considers that knowledge is the new source of wealth. Drucker explains that knowledge is functional to two critical aspects of competitive advantage, productivity and innovation: When knowledge is applied to what we already know, we call it productivity and when it is applied to new and different things, we call it innovation. Both require application of knowledge to work.

One of the great tasks is facing by our country at the moment is to provide a sufficient number and relevant kinds of professionals. It has been reported recently that by the year 2000 alone, Malaysia needs at least 75,000 engineers. The big demand for other professionals are equally critical. They are becoming more relevant as our economic structure and society's standard of living are more sophisticated. We need them in numbers and with quality.

In his analysis, knowledgeable professionals will be playing significant roles. They are individuals who will make knowledge work. This national demand for more

professionals has to be planned with proper vision and appropriate strategies. Being an important productive group in our society, professionals should possess all-rounded qualities.

They should be equipped with the ability to appreciate our national aspiration and cultural aspect. They should be relevant to our comprehensive social development as envisaged in our Vision 2020. Their roles should not be limited as economic agents. They should be able to understand the social conditions and problems of our society. If possible, they should be catalyst for our social betterment.

Professionals should not be like robots who only know how to perform their routine duties. Instead, they should take the initiative to discover new approaches and techniques in performing their jobs. The rooms for further improvement in their professions are not restricted. Changes for further improvement in the professional tasks require the right frame of mind that is, a right attitude. They must have great interest to further improve their in-depth understandings in their areas of specialisation. They need to follow up with the latest academic developments in their areas. Serious readings of journal writings and books should be a habit. This habit should not be considered as a requirement only for academician in the university.

A sophisticated society in the making, like Malaysia, requires a serious thinking, highly trained working force. The noble interest to follow-up with new findings and ideas of others can generate interests among our professionals to undertake initiatives to explore and discover their own new findings. In order to be internationally competitive, our love for knowledge must be a culture among our professionals. The knowledge acquired must be converted into performance for the benefit of the entire society.

Failure to do so will make available knowledge remain information and will be less beneficial to the society. To the Muslim professionals, the effort to improve the

knowledge of their professions are religious responsibilities. The noble ideal of quality living in Islam insists that the standard of living has to be continuously improved for all, without exception. Towards this end, high level technical knowledge is required to enhance our social organisation and performance.

Quality living encompasses all aspects of human dimensions. The roles of professionals towards this end cannot be denied. They are effective executors and implementors. Through their skilled talents, they are able to make the religious vision in upgrading quality living performing more effectively.

The industrialised nations, at present, worry about their inability to sustain their economic performances. Their professionals who are the backbone of their working force are behaving solely as economic agents. They are materialistic, individualistic and technical in their world view. They are using their expertise to benefit themselves most of the time. They consider themselves as a privilege and exclusive group within the society. They charge exorbitant fee for consultations. A clear example is in medical services in the United States.

The development of proper world view, character refinement, and social responsibility of professionals in advanced countries are considered less important and relevant. Sometimes, courses that can develop towards these understandings are absent in their educational requirements. They are not considered as contributing factors for their nation's total development. The absence of these knowledge can contribute towards negative impact even on their economic expansions.

Instead, they must regard themselves as part of the entire society that are working together in the high spirit for continuous social improvement for all.

Despite this realistic analysis of the importance of knowledge to the future strength of a society, it will equally be important to appreciate the understanding of

knowledge in its comprehensive sense. Knowledge should not be understood in its limited scope or only within the realm of economic production. Instead, it should be understood as an instrument to build a noble human society which touches on all aspects of human requirements at individual and societal levels. The true knowledge will also guide humanity towards recognising the supremacy of God.

The Quran in a number of verses place those who are knowledgeable in a very noticeable position. The Quran says: *"Only scholars will be able to reason it out",*[7]. *"Those who know and those who don't will they ever be equal?"*[8],. *"Allah grants wisdom to whom He pleases, and whosoever is so granted has been given a great good indeed. For only those with sharp minds will be able to grasp"*[9],. *"Of men, it is the scholars who will achieve the virtue of fearing God"*[10].

5. QUALITY LEADERSHIP THE WAY TOWARDS CIVIL SOCIETY

A nation's ability to inculcate the love for knowledge and ultimately producing a knowledgeable society will not be sufficient to produce a civil and competitive society. It requires an extra achievement. In our quest to develop a quality society in line with our national vision for the coming 21st Century, it is an important and urgent agenda that we need to pay a very serious effort to produce quality leaders at all levels of our organisation. Quality leaders can translate the ideal principles of knowledge in building individuals of good character and formulating workable systems and mechanisms in organising the society. This task of translating ideals into realities for social arrangement is the biggest task and normally it requires quality leaders to do so.

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[7] Quran 29:43

[8] Quran 39:9

[9] Quran 2:269

[10] Quran 35:28

Leadership is about the ability to lead and organise the society to move towards the ideals. It is not sufficient to appreciate the 'what' but also the 'how' to achieve the noble goals. In the present globalised and competitive society, without quality leadership, it will not be possible for the society concerned to determine its own destiny and what more to play a leading role in the international arena.

More than that, our present society is very materialistic and individualistic in its outlook. It is a tall order to reform into a civil society. It requires a serious commitment and full scale effort on the part of the leadership. It has to begin with our conviction that in order for us to be competitive and be a leader in the coming century, our social arrangement has to be based on humanistic principles and values of religion. We should not lead our society based on confused ideologies. It has being proven beyond doubt the present secular society is in unstable situation. The glorification of absolute human freedom practised in the West is the starting point of moral decay. Every society, in order to develop, has to subscribe to noble principles based on truth, justice *(al'adl)* and co-operation. This requires every individual to adhere to religious codes of behaviour.

At the organisational level, leadership is about developing and reforming the organisational systems in order to satisfy new conditions. A successful organisation begins with an able leader who has vision and the ability to formulate strategies to realise the goals and objectives of the organisation.

An able leader will take advantage of change in the social environment and turn it into an opportunity for his organisation. He possesses a great sense of urgency to make his a leading organisation. He is willing to put all his efforts together with his team to march the organisation forward. According to John P. Kotter - eighty per cent of a change effort is derived from leadership and the rest from management (Management is a process of running existing system efficiently to produce results). He believed that we must lead change and we cannot manage change. Thus we need

to be continuously proactive with right vision in all our efforts for continuous improvement.

To Stephen R. Covey, leadership differs significantly from management.[11] He is right when argues that it is fundamental to put first things first - leadership before management - in an organisation. Good leadership determines the doing of the right things and good management is to do the things right.

Islam provides a very clear teaching on this aspect of being proactive in all aspects of our work. The Quran says, *"Allah will not change the fate of a people until they change what is in themselves"*[12]. This Islamic teaching requires Muslim to take stock of his situation, learning from the past, and planning to direct change to desired ends. This is a natural law of an absolute necessity of survival and success in every human endeavour.

In the Islamic understanding, everybody is a leader in his own right. Ibn 'Umar reported, *"I heard the Messenger of Allah says: Every one of you is a leader and every one of you shall be questioned about those under your leadership; the king is a ruler and he shall be questioned about his subjects; and the man is a leader in his family and he shall be questioned about those under his care; and the woman is a leader in the house of her husband, and she shall be questioned about those under her care; and the servant is a leader so far as the property of his master is concerned, and he shall be questioned about that which is entrusted to him".*

This perception of Islam on the concept of leadership is very important for every individual to play an effective role in whatever capacity that he holds. Islam

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[11] Covey R.Stephen, Merrill A.Roger and Merrill A.Rebeca, **First Things First**, Simon and Schuster. New York, 1994.

[12] Quran 13:11

considers the leadership role as a religious responsibility. If every individual understands this religious requirement, he has to be a very responsible and contributive person to his assignment. Islam believes that having this right attitude is the core for his productive behaviour.

Islam insists that leaders must be people of integrity. Their words and actions must be consistent and they must be people who can be trusted. We are very correct to adopt an important principle - *"Kepimpinan Melalui Tauladan"* (Leadership by example) for all levels of our leadership. This guideline is very much in line with Islam and it has to be fully manifested in our practices in all organisations, both in public and private sectors. This principle is very relevant in our quest to be a competitive nation. The phrase of *"Cakap tidak seperti bikin"* (Talks not in tandem with deeds) should not be allowed to be our culture. If this is becoming a culture of ours, it is the beginning of our decline.

The great leaders of Islam in the past were individuals of high integrity and possessed great ability. They had the courage to do the right things even when their actions sometimes were in conflict with the wishes of the majority. Our society will commit a big mistake if we are influenced into accepting a populist approach to leadership. Don Shula, a great American coach is right when he prefers to be respected rather than to be popular in his career as a great football coach of the Miami Dolphins. He believes the only way one can get respect is to earn it.[13]

In our present effort to develop our society, a serious effort has to be taken to produce quality leadership at all levels in both public and private sectors. It is agreeable to all that the right appointment of a leader is the major factor that contribute to a success for an organisation. The Prophet of Islam (p.b.u.h) and his

[13] Shula, don and Blanchard, Ken, **Everyone's A Coach**, Harper Business, New York, 1995.

rightly - guided Caliphs were very careful and decisive in appointing a leader. Meritocracy and piety of a person were the very essential criteria adopted by them in making appointments. The success of our country in the future will definitely depend on our ability to produce good leaders and also the ability of the authority to place them in the right positions.

6. CONCLUSION

In the present modern environment, the way forward towards sustainable prosperity and nobility for our society is to enhance our human values through creating a knowledge based society. This requirement for values also applies to all the processes required in our organisational arrangement. Failing to do so can contribute to spiritual vacuum in society and finally can retard society's progress and development.