



ISSN: 0975-833X

Available online at <http://www.journalcra.com>

*International Journal of Current Research*  
Vol. 11, Issue, 01, pp.526-533, January, 2019

DOI: <https://doi.org/10.24941/ijcr.34213.01.2019>

**INTERNATIONAL JOURNAL  
OF CURRENT RESEARCH**

## RESEARCH ARTICLE

### DEVELOPING AN ORGANIZATIONAL DESIGN MODEL FROM THE ISLAMIC PERSPECTIVE

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#### ARTICLE INFO

##### *Article History:*

Received 08<sup>th</sup> October, 2018  
Received in revised form  
10<sup>th</sup> November, 2018  
Accepted 29<sup>th</sup> December, 2018  
Published online 31<sup>st</sup> January, 2019

##### *Key Words:*

Organizational Design Model, Islamic Perspective, Environment, Strategy, Structure, Culture, Leadership, Performance.

#### ABSTRACT

This paper debates the Islamic perspective on the organizational design. It aims to explore the fundamental design of organization that derived from the main sources of Islam, Quran and Sunnah. The rationale of this research lies in the fact that there is a major need to develop an organizational design in light of Quran and Sunnah, and to the best of the authors' knowledge there is no previous studies dealt with this issue before. The findings of this research effort revealed a fine model contains seven phases as the basic features of organizational design as follows: (1) analyzing the external environment, (2) formulating strategy, (3) building the appropriate structure, (4) arranging and mobilizing resources in a specific culture and system with the appropriate style of leadership. Consequently (5) selecting people in some manner that helps the organization achieve the desired goals. Furthermore, (6) leadership is found to be essential to maintain values and beliefs and enforce the fairness, equity, cooperation and empowerment within the organization. Finally, (7) performance assessment is considered vital for our proposed model in order to improve and measure individuals' commitment to institutional culture and objectives. The significance of this study is that it addresses the gap in the management literature and suggests a group of features from fundamentals of Islam which can help in developing an organizational design model.

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**Citation:** Saeed Hameed AL Dulaimi and Marwan M. Abdeldayem. 2019. "Developing an organizational design model from the Islamic perspective", *International Journal of Current Research*, 1, (01), 526-533.

## INTRODUCTION

Scholars of Islam insist that this world would not be possible without an intelligent designer and everything initiated and established for certain purpose in this universe. Therefore, to achieve the purpose and objectives of organizations, there is a need to build and design them appropriately. Muslims believe that "Islam is a comprehensive approach of life and Islam is a valid way of living for all human beings in every time and place" (Aldulaimi, 2016 and Abdeldayem, 2009). Organization and structure design is the second function after planning according to the management theory, so that things are arranged and goals are achieved with the least effort, time and money. Further, organizing is the distribution of responsibilities, authorities and interpersonal relations according to the available resources, both human and material resources in order to accomplish the organizational goals. Hence, organizing has an important role in the success of the other management functions, such as planning, leading and controlling. Islam is "an uncompromisingly monotheistic religion that requires full submission to the will of Allah.

It puts great emphasis on righteousness of thoughts and actions and promises rewards in the hereafter, but not in this world, for those who believe and practice as they should. All this gave rise to the body of Muslim law, the Shari'ah" (Aldulaimi, 2016, P. 63). The history of the Islamic administrative thought is about fifteen centuries old, while Western administrative thought is due to the emergence of industrial society at the end of the second half of the nineteenth century and the beginning of the twentieth century. Nevertheless, we find that the Western administrative thought is the prevailing thought in Islamic nations (Abdeldayem and Aldulaimi, 2018). However, most nations apply their own religious, ethics and principles at work. (Aldulaimi, 2016). The most important theory in management that enforces the organization design is the bureaucracy theory developed by Max Weber (1947). It is a form of organization based on logic, order, and the legitimate use of formal authority. Bureaucratic designs include the clear-cut division of labor, strict hierarchy of authority, formal rules and procedures and promotion based on competency. Recent implications ensure that there is no specific perfect design for organization. Thus, contingency theory is an approach to the study of organizational behavior in which explanations are given as to how contingent factors such as technology, culture and the external environment can influence the design and function of organizations.

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The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system (Reid and Smith, 2000). As a result, "this is the increasing desire of the practicing Muslims to design the work environment in light of Islam, so that they can do their each and every job as per the guideline of Islam and thereby ensure maximum benefits both their life in here and here after" (Nazamul Hoque *et al*, 2013). Nonetheless this study observes the lack of clear guidelines as to organizational design from Islamic perspective and indicates it as a major need.

**Objectives of the study:** The authors of this study are curiously keen to explore the fundamental design of organization that derived from the main sources of Islam, Quran and Sunnah. To draw the model of organization design, there is a need to revise the literature that dealt with the structure design, then find out what is the significant components and features of a model in light of the Islamic theory of management. The rationale of this research lies in the fact that there is a major need to develop organizational design in light of Quran and Sunnah due to the fact that there are no previous studies dealt with this issue before. Accordingly, the objectives of this research are to:

- Focus on the concept of organizational design
- Focus on the concept of organizational design in light of Islamic teachings
- Draw a unique model for organizational design from of Islamic point of view

The rest of this paper is organized as follows: Section (2) presents the methodology of the study. Section (3) introduces the proposed model of organizational design and analyzes the seven phases of the proposed model and section (4) concludes and provides some recommendations.

## MATERIALS AND METHODS

This study considered as a literature review research and the methodology is anchored on two basic sources of knowledge, first is the Quran as the words of Allah revealed to His Prophet Mohamed. The "Quran" is the primary authoritative source and confirms the validity of all other sources. Allah Almighty said in Quran, "And We send down of the Quran that which is healing and mercy for the believers ..." (17:82).

The second source is the "Sunnah" which, literally, means a clear path or a beaten track, but it has also been used to imply normative practice. Allah describes Prophet Mohamed in Quran: "and indeed, you are of a great moral character" (68-4) (Aldulaimi, 2016, pp.67). Research methodology includes the deployed research philosophy (Shaker and Abdeldayem, 2018, and Lotayif, 2018). Therefore, the applicable approach to this study is the deductive approach to explain and derive what is stated in Quran and Sunnah. Deductive reasoning or logical deduction is the process of reasoning from one or more statements to reach a logically certain conclusion. Deductive reasoning goes in the same direction as that of the conditionals, and links premises with conclusions.

**The proposed model of organizational design:** Organizations as open systems deal with an ever-changing

environment and try to search for effectiveness and success using various means and tools to achieve that. To adapt to environmental variables, management use the organization's design and constant redesign of the organization for the purpose of selecting more adaptive organizational structures in line with the realities of a highly competitive environment. This is the case of open systems that interact with the environment and seek to find a balance between the conditions of stability and mobility as well as the search for efficiency and productivity through the activities of stability as well as the search for adaptation through activities which are flexible and changeable. The organization's design is certainly influenced by a range of situational variables such as size, technology, environment and strategy as well as the strategic choice of managers. On the other hand, the complementarity between the parts and divisions of the Organization, which have become highly variable and different, comes through mechanisms for effective coordination between these parts.

In the current study, according to the fundamental sources of Islam, we proposed several constructs that constitute the organization as shown in the Figure (1). Organizational design means the process of building the appropriate structure through a careful balance of the relationship between the units to achieve the mission and objectives of the organization. This means a conscious selection of the strategy and structure based on a logical study of the environment. Then, use it in such a way that the arrangement and mobilization of resources in a specific culture and system with adequate style of leadership. The fact that the organizations are exposed to different problems and before them many opportunities that push business organizations to choose the appropriate design in different times and environments and embodied in an organizational structure in line with and adapt to the environmental situation. This requires consideration of a wide range of variables, as we discuss and analyze in the following paragraphs.

### Phase One: Analysis and Monitoring of Environment:

Companies or business organizations recognize their internal and external environment through experience and collect statistical data by traditional and non-traditional means developed as a result of the tremendous developments in the world of communications technology. Environmental analysis is the review and evaluation of data and information - obtained through the internal and external environment survey - and then submitted to the strategic managers of the company, who analyze them strategically to determine the strategic factors that will determine the future of the company. The most common method of analyzing the internal and external environment is the SWOT analysis method. This technique is used to analyze the internal environment by means of strengths and weaknesses. These factors (strengths and weaknesses) may not be under the control of senior management in the short term. These include the company's culture, structure, and the available human and material resources. It is understood that the strengths within the company are the characteristics and the main factors that companies can use to get competitive advantage. An environment with little change, less mobility and less complexity may have more normative, formal and centralized organizational structures called mechanical design, and this result in a bureaucratic structure.

Here the organization focuses on authority and strict control and it seeks efficiency and achievement of objectives through a formal and clear planning process in an environment of little

uncertainty. If the environment becomes more dynamic and more complex, these structures are not suitable and therefore need to be changed to an organic structure where few official, less decentralization and wide supervision are existing and therefore the organizational structure is an adaptive structure and responsive to the variables of a rapidly changing environment.

### Phase Two: Formulating Strategy

Organizations need to specify the approaches of choosing the strategic management. The word "strategy" derives from the word "strategus", a Greek word in origin, which means the art of leadership. The use of the concept of "strategy" has been confined to war operations for centuries. Then, it has been moved to business in the second half of the 20th century, where it was widely applied in the United States of America, and quickly moved to Europe, and some other developing countries. The guidance of the verses of the Holy Quran, God Almighty said: "and prepared for them what you can of strength and the bond of horses" (Anfal, verse 65). In this verse, the wise leadership is called upon to work, plan and prepare for a future event. Among the verses that highlighted the importance of future planning, the Almighty said: "For each of us made a Charter and a platform" (Al-Maida, verse 48), i.e. a way and a year and a clear and easy way to reach the ends. Allah created everything and worships Him (Quran 51:56-17:44), therefore to satisfy this every economic and social activity must maintain the principles of Islam.

Furthermore, Pearce and Robinson concluded nine key strategic management tasks for an organization:

- To formulate a mission or mission of the organization, which includes general terms that reflect its main purpose, philosophy and objectives?
- Developing an image of the organization that shows its conditions, capabilities and internal resources.
- Evaluation of the external environment of the Organization, including the forces and variables prevailing in the general environment, or those that prevail in their competitive environment.
- Analysis of strategic alternatives by trying to harmonize their resources, and the conditions prevailing in the external environment.
- Identification of the most attractive strategic alternatives in the light of the organization's message, resources and environmental conditions.
- Choose a set of long-term goals and general strategies that can help achieve the most attractive opportunities.
- Define annual targets and short-term strategies, consistent with the long-term goals and the overall strategies.
- Implementation of strategic options through resource allocation, taking into account the dimensions of tasks and individuals, structures, technology, and incentive systems.
- Evaluate the success of the strategic process and make use of information generated in increasing the effectiveness of future strategic decisions. Further, the term strategy refers to the specific objectives, identifies the alternatives available, and selects them based on comparing the costs and benefits associated with each alternative, evaluating all the alternatives,

and then choosing the best alternative, called the strategic alternative, and then describing it in a timeline before implementation.

The long-term strategies and directions have an important impact on the design of its structure. It has been already noted that the organizational structure is the one that puts the strategy into effective implementation. Studies on the relationship between strategy and structure have been launched since the 1960s. Alfred Chandler points out that the organizational structure follows the strategy in the sense that the structure's vocabulary and nature must take into account and support the nature of the strategic directions of the organization. Stability and stable strategies may not require major changes and are important in existing organizational structures if the working environment is relatively stable. The organization's plans and programs may be reproducible and implementation methods accumulate and the characteristics of the bureaucratic structure become reliable to implement such strategic directions. The opposite is the case if the Organization's strategies towards growth and expansion are in response to the requirements of a rapidly changing competitive environment and thus the need for flexibility and creativity is high. Hence, changes in design are characterized by continuity and within close time periods. This means that an adaptive organizational structure must be adopted to meet the requirements of the organization's work and achieve its objectives.

### Phase Three: Building Structure

Miller (1987, P.9) defines organizational structure as "the permanent distribution of work roles and administrative mechanisms to enable an organization to perform, coordinate and control its business activities and resource flow. Organizational structure can be thought of in terms of two core factors: centralization and formalization" (Kalay and Lynn, 2016). Qur'an says, "verily the most honorable of you with God are the most pious among you." [Qur'an 49:13]. Centralization is to retain all powers in the hands of a particular person or a high administrative level so that other persons or levels are not allowed to act except on the instructions of that level or after approval. While, decentralization is a situation in which the scope of delegation is extended to the other managerial levels in the organization. Hence, original authorities are granted to lower levels as permitted by the top management of the organization. Centralization therefore means the tendency to focus power and to return to senior management in making all decisions governing the work. Decentralization means the opposite: the distribution of powers and the freedom to make decisions where the actual work takes place. In practice, Islamic administrative theory belief that the rule of God is reflected in the application of jurists to him (Enalhukmuellallah) there is no absolute centrality or absolute decentralization, but there is a correlation between the centralization of effective control over the safety of work and the decentralization achieved by ease, flow and start-up. The fact that a business organization consists of subsystems, each with appropriate working methods, environment and management, can create many problems for the organization's management to make these subsystems integrated in their work and are in constant coordination.

Business organizations face different environments, which are reflected in the nature of their work and the design of their structure. This is what most administrative and organizational studies have created.



**Figure 1. Organizational design from Islamic perspective**

This includes the organization as one integrated system. However, some studies indicate that within this integrated system there are subsystems that adopt different structures and designs based on the nature of the problems they face, the nature of opportunities available to them and the extent to which these subsystems are associated with the external environment. Therefore, the success of the organization depends on the understanding of these subsystems of the nature of the problems faced by the adoption of mechanical or organic design accordingly. This requires a balance between the level of coordination and the degree of variation and difference in these subsystems, in the sense that each system carries a difference and differentiation and needs coordination and integration with other systems. Moreover, the observation of certain sub-systems in a business organization such as R & D, manufacturing, sales or public relations helps to know that they are faced with uncertainties of different degrees and are therefore designed in light of this differentiation and difference. Differentiation is the degree of variation between the constituent systems of the organization. It can be said that this difference comes from four basic sources:

- A differentiation based on the sub-trend of the subsystem and whether it is a short-term or a long-term trend. While the manufacturing subsystem is short-term, the R & D subsystem is otherwise. This divergence of orientation makes it difficult for workers in both subsystems to work together without diverging or dividing ideas and visions.
- The difference in objectives. For example, the interest of production managers in costs and quality may intersect with the direction of marketing managers by focusing on increasing production volumes to cover a large market with a growing demand. This complicates the administrative work of the two and requires high coordination between them.
- Differentiation based on interpersonal relationships within subsystems, this is reflected on communication models, decision-making process and social interaction. It is therefore not easy for individuals belonging to different subsystems to work with one another.
- Differentiation in the formal degree of structure. This differentiation affects behaviors in these subsystems, some of which work organically and flexibly to solve problems and they will be frustrated when working with managers and workers in units with mechanical design and rules and stability in the work procedures..

In addition, integration refers to the level of coordination between the departments and the organization's internal components for the purpose of achieving the objectives.

It is noticeable that the organizational structure, where the degree of differentiation and difference is greater, is more in need of integration. This is reflected in the problematic nature of the contradiction between integration and differentiation in organizational design. On the other hand, it is difficult to achieve effective integration as the degree of differentiation and variation in subsystems and components increases. Therefore, the management of the organization must find the appropriate combination of these two dimensions in order to achieve the best performance and achievement of the goals. In fact, there are many ways and means to achieve such integration. Coordination methods through power relations and exchange of reports can contribute to increased vertical integration and operate with little differentiation in the organization. The use of business rules, team norms and planning mechanisms helps to create horizontal integration as it improves lateral relationships and is better in organizations with high horizontal differentiation. Modern structures therefore require direct contact between managers to identify roles, and task forces. It should be also noted that the workflow between departments, groups and individuals helps to achieve and create desirable results, but at the same time it is not the easy task of creating a smooth flow of work from one point to another throughout the flow of work. What contributes to improving the flow of work is the need to view it as a coherent system in which work and activities are integrated and are clearly interconnected.

Therefore, practical application is done by finding a working group that works in harmony rather than just a group of isolated individuals. This is better when the group shares common objectives and focuses on the results, not just on the activities leading to them. This will certainly add value to the customer requesting the goods or services, and the organizations are constantly observing and following these aspects to modify and develop them through so-called Process Reengineering Which means a systematic analysis of the flow of work to a new design which works better than the current situation. Process Value Analysis is an organized and systematic approach for the purpose of diagnosing and evaluating the basic processes required to produce a specific product in order to eliminate excess processes or improve what can be improved without compromising the function or performance of the product for which it was designed and thereby reducing its production costs. Perhaps the clearest illustration of this is the replacement of some parts of the product with a plastic example, or the integration of two pieces in one piece or other simplification or change. The overlap of relationships in the flow of work in business organizations and the interdependence of jobs, activities and individuals is not the same. Interference means the extent to which sections and parts of the organization depend on each other, both in terms of resources or the completion of various tasks. This may be little or no overlap between the sub-units and is called Pooled Interdependence, as is the case in banks or some large restaurants where units work to do business to customers without a smooth flow of work between them, but work is done in one unit. This does not mean that these units do not have a shared resources or information, but only lack of flow work. The units in which the flow of work is sequential so that the input of one of the units outputs to another unit in a series sequentially so that the performance of the first unit affects the performance of the second unit is called this type of interference or interrelations Sequential Interdependence and finally, when the overlap is reciprocal and multiple directions

where the inputs of unit A are outputs to unit B and then return again as inputs to B and so with the other units, this means that there is reciprocal interference such as in hospital services where patients' services and coordination must be coordinated between service units interactively. Four main principles of organization explain these patterns of overlap and some effective coordination methods between them: i.e. principle of division of labor, authority and responsibility, hierarchy of power, and delegation of authority.

**Principle of division of labor:** It is one of the principles of organization, and at the same time is one of the fourteen principles of management, developed by Henry Fayol, the leader of the School of Management Theory, where the work is divided and distributed to a group of individuals; each group is assigned a specific part of the work according to its abilities and qualifications, A clear example is the case of fine industries, such as electronic industry and the automotive industry. Scientists believe that this principle is the beginning of the history of management; where began with Adam - peace be upon him - when he first divided and distributed work between him and his wife; to take over the affairs of the house, Bring the sustenance, as this term is called A principle of specialization which known by economists as the optimal use of the labor force.

**Authority and Responsibility:** In modern administration, power is defined as "the legitimate capacity of a person, or a function, which is accepted not only by the practitioner of power, but by the individuals affected by it". Authority can be taken to mean "the ability or the right to make a decision and issue orders." Administrative organization requires a higher authority in which the authority extends from top to bottom, and the authority in the Islamic organization does not mean domination and tyranny, (Al-Baqarah: 229), and the ruler or president must judge by the command of God and the responsibility of preserving the dignity of the subordinate, bearing in mind the right, justice and fear of God. Islam warned against injustice, tyranny and domination. In the Hadith, Abdullah bin Omar - may Allah be pleased with him - that he heard the Messenger of Allah peace be upon him says: "You are all a shepherd and responsible for his flock "The imam is a shepherd and is responsible for his flock, and the man in his family is a shepherd and he is responsible for his flock. The woman in her husband's house is a shepherd and she is responsible for her flock. The servant in the money of his master is a shepherd and he is responsible for his flock. The Prophet (peace and blessings of Allah be upon him) said: "the man in the money of his father is a shepherd, and he is responsible for his flock".

The responsibility is accountability for the performance of the duties emanating from the authority. In order for the subordinate to perform these duties, the appropriate authorities must be given. Therefore, the responsibility must be met with sufficient authority. Responsibility and accountability are included in the Holy Qur'an. Allah says (interpretation of the meaning): "[Al-An'am: 164], and from the saheehahaadeeth, the Messenger of Allah (peace and blessings of Allah be upon him) said: -: "You are all a shepherd, and you are all responsible And for his flock". The Muslims also insisted on the principle of merit and competence in the Islamic organization. For example, one of the Companions of the Prophet (peace and blessings of Allah be upon him) asked him to use it and give him a mandate. He said:

"We do not do our work for those who want it." [15] (Peace and blessings of Allah be upon him) said: "O Messenger of Allah, do not you use me?" Then he said, "Abu Dhar, you are weak, in it ".It is clear from this that responsibility is linked to power. Despite the necessity of power, responsibility is required to perform it properly and efficiently. Otherwise, the owner will suffer remorse and shame on the Day of Judgment. Examples of equal power and responsibility in Islamic administration are evident when Osama bin Zeid was led by the army in war The Roman by the Caliph Abu Bakr - may Allah be pleased with him - where he gave him wide powers in the leadership of the army, and when Abu Bakr wanted to retain Omar bin Al - Khattab - may Allah be pleased with him - ask permission of Osama bin Zaid in that; to use; Muslim soldiers in the army, Abu Bakr said: "If I saw that Tainni age, please do" [17], what it was Osama but met the request of the caliph.

**Hierarchy of Power:** This is a hierarchy of positions and powers from the top to the bottom in the form of a series of administrative ranks, Islam has known the managerial hierarchy, and has been mentioned in many verses of the Quran, including saying - the Almighty -: "which made you the remnants of the earth and raise some of you above some degrees of Leblokm in what you)"[Al-An'am: 165], as well as saying - the Almighty -:) and raised some of them on some degrees to take each other secretly [Decoration: 32], and another verse:) God raises those who believe you and those who gave the flag stair God what you do expert [argument: 11].There is no doubt that this gradation in the Islamic administrative organization does not mean that there is class distinction because it is incompatible with the Islamic principles based on the principle of equality and justice, and that the people are honored by Allah and made them aware of the difference between men and women in business. (Yusuf: 76), says: "God raises those who believe in you and those who have given the science degrees, and God is what you do expert [arguing: 11], And Al-Mutairi's belt explained that the disparity between men and women in the creation of God, by testing the Creator by taking care of how they do their work and performing it in a way that pleases God and His Messenger. Some of the commentators have pointed to this. He said: In the creation of the survival of this universe and its system to contradict each other until the hour, and raise some of them above some degrees in power (power), money (pay), and science (knowledge and experience), divided among them living in this life, 18].As for the hadeeth, the Messenger of Allah (peace and blessings of Allah be upon him) said: "It is not permissible for the three to be slaves of the earth, unless they are commanded by one of them." [19] Therefore, it is clear that Islam has defined the terms and conditions of the managerial hierarchy and its purpose, and the duty of obedience to the subordinate to the president. He said: "O ye who believe! Obey Allah and obey the messenger and those who command you." [Women: 59] (20), and in another hadeeth: "(Hearing and obedience is a right unless it is ordered to disobey, so there is no sin.)" The Prophet (peace and blessings of Allah be upon him) said: Heard and not obedience)) [21].

**Delegation of Authority:** Delegation of authority means giving authority from one person to another, which means giving him the right to act and make decisions within a specific scope, and to the extent necessary to accomplish certain tasks, so that the administrative president entrusts some of his powers

to his assistants and agents who trust them. He does all the work entrusted to him; this should be alleviated by delegating authority to his subordinates. In the Islamic tradition, Al-Mawardi has spoken of the delegation of authority in his book "The Royal Rulings". He stated that this is permissible in the imamate, citing the verse: \* e Aaron my brother \* I emphasize his Azri \* and involve him in my case [Taha: 29 - 32]. He also stressed the importance of delegating authority from the commander to his subordinates. He said: "Because what the imam of the nation is capable of doing is not able to direct all of them to the imam, and on behalf of the minister involved in the matter, "The Messenger of Allah (peace and blessings of Allah be upon him) was the best example of leadership and delegation of authority. He delegated powers to his companions when they were sent in the missions of da'wah, and taught the people the matters of religion. An example of this great companion is "Moaz bin Jabal" when he sent him to Yemen, and follow the caliphs approach of the Prophet in the delegation, said Mohammed as a response to the example of the way of Abu Bakr and accompanied by: the launch of the freedom to factor in positional affairs (local), and restrained in public matters, and monitor the observance and Gelute [23].

The Caliph in the Islamic State delegated his authority to the governors and workers in the Islamic Emirates, and it is clear from the delegation of power what happened during the reign of Omar - may Allah be pleased with him - when some people said to the Caliph Omar - may Allah be pleased with him: - Ayad bin Ghneim - A senior official in his government - is greatly expanding in the provision of funds, so that it is not less in this sense than Khaled bin Al-Walid, he said to them: "This is the case of Abu Ubaida" [24], which means that Abu Ubaida bin Jarrah is the competent control of the behavior and that he has the power to ascertain and verify the conduct of Ayad bin Ghneim in those funds. The princes of the Muslims and the governors of the armies are delegated by the caliphs to make agreements and treaties with the enemies and polytheists without reference to the caliph, as happened in the treaty Amr ibn al-Aas with (Almqoqs), and Khalid ibn al-Walid with the Persians, as the caliphs were delegating authority to the governors and princes and leaders, At the same time they are directing, controlling and holding accountable those who misuse power from them.

**Phase Four: People:** Fundamentally Organization design is dedicated to illustrate the role and responsibilities of people. These people inhabit the roles that are defined in the organization design process. Based on the organization structure, people are selected in some manner that helps the organization achieve the desired goal. Articulating the leadership, middle management and executive staff is very important task to ensure they have the necessary skills and qualifications that enable the organization to implement strategy. In Musa story, the Quran states "O my father: engage him on wages: truly the best of men to employ is the (man) who is strong and trusty" [28:22]. Empowering employees is designed to make the organization more responsive to the changing environment and more critical innovation has enabled it to become more capable in innovation. In addition, creating and lift career engagement and helping employees to contribute and participate in decision-making, effectively can improve their work, and help workers solve the problems they face in work. Empowerment is the state of mind needs time to apply, takes several forms and is realized in several ways. Empowerment can motivate employees to design jobs in a way that they are able to innovate. Empowerment also focuses on

relationships rather than foundations, and is based on self-employment, internal commitment of workers, which contributes to the generation of human energy. Empowerment is linked to the mutual trust between superiors and subordinates, and achieves greater influence. Organization can effectively empowering individuals and teams by giving them greater freedom to perform their tasks and focusing on the actual capabilities of individuals in solving problems. Fairness and equity are important indicators to moderate the employee's status to become loyal as well as the follow-up of events in the organization. Therefore, in order to select the right people, organizations need to answer the most two important questions: what talent is needed? And how do we make the best use of talent and resources?

**Phase Five: Culture:** The term "culture" has its theoretical roots within social anthropology and was first used in a holistic way to describe the qualities of a human group that are passed from one generation to the next". Generally as Schein (1991) stated that organizational culture considered to be the shared values, beliefs and assumptions that exist among employees within a company that help guide and coordinate behavior (Aldulaimi, 2015). Further, according to Hofstede (2001) "culture is the collective programming of the mind which distinguishes the members of one group or category of people from another". Culture is learned not inherited; it derived from one's social environment not from ones genes. Culture should be distinguished from human nature one side (the universal human being have in common or inherit), and from an individual personality on the other side (the unique personal set of mental programs which not share with the others)" (P. 18). Schein (1992) produced a greatly simplified definition of culture. He defined culture as, "A set of shared, taken-for-granted implicit assumptions that a group holds and that determines how it perceives, thinks about, and reacts to its various environments" (p. 7). Organizational culture is a distinctive feature of the organization, a source of pride for its employees, especially if it emphasizes certain values, innovation, excellence, leadership and overcoming competitors. Strong organizational culture is an effective and supportive factor in achieving its goals and ambitions. This is when the organizational culture is strong and accepted by the majority of workers, and they are satisfied with their values, and rules, and follow all this in their behavior and relationships. Strong organizational culture facilitates the task of management do not resort to formal or strict procedures to confirm the behavior required. Organizational culture is useful if it emphasizes creative behavior as it is dedicated to work and serving others, but it may become harmful if it emphasizes routine behaviors such as obedience and strict adherence to formalities. The culture of the organization is an important factor in attracting the right employees. Leading organizations attract aspiring employees, organizations that build values of innovation and excellence, attract innovators and reward development and excellence. Organizational culture is a radical element affecting the organization's ability to change and its ability to keep up with current developments around it. The more the organization's values are flexible and forward looking the better the organization is able to change and be keen to benefit from it. On the contrary, Stability, care and discretion have reduced the organization's ability and willingness to develop.

**Phase Six: Leadership:** Sociologist Herbert Spencer (1896) suggested that the leaders were products of the

society in which they lived" (Retrieved from Aldulaimi, 2018). The principles of great leadership are timeless but the challenges orientation such as globalization, technological advancement, and generational gap are renewed. The challenges become more complex as leaders have to adjust their leadership approach to suit with the diverse workforce coordination (Aldulaimi, 2018). Leadership in Islam is great responsibility and Allah will ask every leader about his duty in next life as Quran State "those Muslim rulers who, if we give them power in the land, they enjoin to perform the five compulsory, congregational prayers, enjoin Al-Ma'ruf and forbidden Al-Munkar" [22: 41]. Furthermore, Prophet Muhammad accentuated the importance of leadership by his saying "if three Muslim travel together, they should choose one to be leader" [Abo Daod: 2708]. Leadership in Islam is a trust (amanah). "It is a psychological contract between a leader and his followers in which the former will try his best to guide, protect, and to treat the latter with justice. Al-mawardi mentioned in his book *Alahkam Al-sultaneyah* that Amanah is the most important trait to leaders and people who chaired for the public positions. He explained the meaning of Amanah as not cheating in what the leader has been trusted and not betray" (Almawardi, 1989, p.57). Islamic thoughts set the main preferable traits and characteristics for the leaders such as Role Model (Qodwah Hasanah), Consultation (Shura), Conceptual and Powerful Leadership (Aldulaimi, 2019).

**Phase Seven: Performance:** Discovering the appropriate performance metrics and indicators is the significant mission in today's business by providing exact results that guide each employee in achieving their roles that contribute to the organizational success. Numerous researchers have attempted to apply the Maqasid Al-Shari'ah framework to develop firm performance measurement. Allah says in Quran "work (righteousness): soon will Allah observe your work, and His Messenger, and the Believers: Soon will ye be brought back to the knower of what is hidden and what is open: then will He show you the truth of all that ye did." [9:105]. Further, halal business and commerce as part of halal economy require the insertion of Maqasid Al-Shari'ah in business organization. It should be underlined that halal business and commerce disseminate a new paradigm for the stakeholders, where maximum profit is not the sole objective in business. It must also be followed by the initiatives ensuring spiritual achievements. As a business organization, Shari'ah-compliant firms are expected to promote Islamic values in their operation (Faried Kurnia Rahman *et al*, 2017).

It is important to emphasize the assessment of individuals' commitment to institutional culture (principles - institutional values) because they are considered to be factors that guarantee the sustainability of the institution, regardless of tasks. Individuals can perform tasks and neglect institutional culture and thus lead to heterogeneity within the organization. As well as compliance with divine control over all actions. Allah says "O mankind reverence your Guardian-Lord, who created you from a single person, created, of like nature, His mate, and from them twain scattered (like seeds) countless men and women;- reverence Allah, through whom ye demand your mutual (rights), and (reverence) the wombs (That bore you): for Allah ever watches over you" [4:1]. Drucker Peter emphasizes that organizations cannot manage their resources unless they can measure their performance. The process of performance management is an integrated strategic process, because it means more comprehensive and longer-term

considerations in the performance of the organization (as a result of the performance of its units) interacting with its environment (customers, competitors, suppliers, government organizations, etc.) to achieve its objectives. By aligning the objectives of the organization, the team and the individual with the essential performance capabilities, as well as the horizontal integration of the functions of the departments within the organizational structure and the diverse task forces. The process of performance is a record of the results achieved, reflecting practical behavior that leads to the degree to which the individual or team achieves the planned goals - the degree of achievement - efficiently and effectively.

## Conclusion

Creating theoretical model to draw a pathway of processing business work in organization is a huge mission, and if this task is intended to be stemmed from literature of specific society, hence, it would be a more complicated task due to the overlapping of concepts and findings across the globe. This study aimed to explore the fundamental design of organization that derived from the main sources of Islam, Quran and Sunnah. In order to develop the model of organization design, there was a need to revise the literature that dealt with the structure design to find out what are the significant components and features of the organization model according to the Islamic theory of management. The rationale of this research lies in the fact that there is a major need to develop organizational design in light of Quran and Sunnah due to the fact that there is no previous studies dealt with this issue before.

This research effort revealed a fine model contains seven phases as the basic features of organizational design. Starting with analyzing the external environment which include the economic, political, social and technological issues that the company intends to pursue tasks and achieve goals. Organizational design means the process of building the appropriate structure through a careful balance of the relationship between the units to achieve the mission and objectives of the organization. This means a conscious selection of the strategy and structure based on a logical study of the environment. Then, we used it in a way that the arrangement and mobilization of resources in a specific culture and system along with an appropriate style of leadership. The fact that all organizations are exposed to different problems and opportunities that push business organizations to choose the appropriate design in different times and environments and embodied in the organizational structure in line with the environmental situation. This requires consideration of a wide range of variables. Consequently, selecting people in some manner that helps the organization achieve the desired goals. Further, empowering employees is designed to make the organization more responsive to the changing environment and more sensitive to innovation has enabled it to become more capable in innovation. Fairness and equity are also important indicators to moderate the employee's status to become loyal as well as the follow-up of events in the organization.

Organizational culture emphasizes certain values, innovation, excellence, and overcoming competitors. Organizational culture is useful if it emphasizes creative behavior as it is dedicated to work and serving others. Furthermore, leadership is a great responsibility to maintain values and beliefs and enforce the fairness, equity, cooperation and empowerment.

Leadership is the art of influence and enable people to transform sources to a great achievements. Finally, performance assessment is important to measure individuals' commitment to institutional culture (principles - institutional values) because they are considered to be factors that guarantee the sustainability of the institution. Individuals can perform tasks and neglect institutional culture and thus lead to heterogeneity within the organization. Alignment of these features of organizational design ensures the consistency of work inside the organization and compliance with the external factors which properly changing repeatedly. This model work as it connected together as units of unified entity. Culture and leadership always work as glue and spins that linking the factors integrally to bring the principles of Islam and illustrate it as main values to ensure all behavior are well-matched with those values. Eventually, if organizations in Islamic world work according to the guideline Islamic principles with full commitment and absolute sincerity, it is predictable to lead to the success of organization in the form of better productivity and enjoying constant development.

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## Further reading

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