

## In Search of Framework of a Socially and Ethically Responsible Organization in Islamic Perspective

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### Editor's Note

A large number of socially and ethically responsible organizations are operating in the world in general and in Muslim countries in particular. As ethics and community services are part and parcel of Islamic teachings and social sciences disciplines, it is imperative that activities of organisations working for social cause must have a clear perception and standard procedure enabling them to work effectively for welfare of the mankind. The authors of the thematic note suggest the main features of a typical socially & ethically responsible social sector organization in Islamic perspective and how to accomplish the job befittingly. The theme of the 'Note' is, "*Working effectively for welfare of human societies*". Further work could be done on preparing SOPs for such services.

**KAUJIE Classification:** H32

**JEL Classification:** L31, M14

In any society, particularly an Islamic one, there are certain jobs that could be characterized as the collective responsibilities of the society. Various institutions in the present world are playing role to do such collective jobs of addressing the social needs. Most of these institutions are Non-governmental Organizations (NGOs), Community Based Organizations (CBOs), Civil Society Organizations (CSOs) or any customized shape of afore-mentioned formations.

Amongst these, there may be a number of organizations, institutions and groups sincerely following Islamic thoughts and Divine guidance while engaged in activities to provide comfort to the needy and oppressed

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segments of the society. How successful these Islamic organizations are? This is not a question here. But how could they objectively conform to the Divine principles of Islam for their operations and functions, is the matter to be discussed here. Hence, the objective of this Thematic Note is to identify main features of a socially & ethically responsible organization (SERO) that may be beneficial in setting-out vision, describing mission and chalking out strategic activities in day to day operations and also shaping up of work attitudes and organizational traits.

Following are the main features of a typical socially & ethically responsible social sector organisation (SERO):

### **1) Allah Pleasing Behaviour**

Faith in a divine power – Allah (SWT) – to whom we all are accountable, helps us in tracking and monitoring our deeds. For any organisation, the desire to seek the pleasure of Allah (SWT) is the key element that must reflect in its entire operations. This sense and realization has to trickle down from top to bottom to be indicative of the fact that a social enterprise is realistically driven with mechanism of self-monitoring to avoid any deviation from the righteous path. ‘*Allah Pleasing*’ is an unquantifiable parameter. However, its degree of presence is indicated through: concern for human welfare, selfless efforts, sacrifices in terms of time and money, preference to others at the times of hardships (Qur’ān, 59:9), working as a team for the cause (*da’awa*) and cooperation with others in virtuous acts. This trait of firm belief plays a pivotal role in energizing the workforce and in maintaining the working pace. Thus, the entire team should be motivated to fulfill the objective of doing and spreading good ‘to please Allah (SWT).’ “Aspiring Sessions” may be arranged frequently in a structured and formal routine to achieve this goal.

### **2) Leadership Commitment**

Sincerity of leadership plays pivotal role in effective functioning of any social welfare organization by serving as role model and influencing the members to achieve its goals (Robbins, 2010)<sup>1</sup>. It is pertinent to observe that downfall and abasement capture the organizations if the leadership does not play its role effectively. Following parameters are suggested to measure the Leadership Commitment:

- a) Providing a Vision so that everybody knows where to go ultimately; and translating vision into success by:

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<sup>1</sup> Robbins, Stephen P. et al, *Management*; 10<sup>th</sup> Edition, Pearson.

- i. High Priority for organizational objectives.
  - ii. Time and Effort spent for the mission;
  - iii. Allocation of Resources for successful and timely delivery/operations;
  - iv. Involvement of Leaders at all levels in the activities and functions;
- b) Effective role of organizational leader and senior team members to accomplish the Mission with Commitment.
  - c) Quick and timely Decision making in order to channelize the activities effectively.

### **3) Credibility or Trustworthiness**

Credibility is one of the most critical factors that determine the success of any social sector organization. Being credible is simply the perception of being trustworthy and believable. So the issue is how an organization can build and maintain its credibility? A key factor is being consistent with reference to the work being done, the message being disseminated, or the concept and values being advocated. Transparency with regard to receipt and use of resources and the nature of underlying objective as others may perceive determine the level of integrity. Sharing information helps in building the intellectual base of the organization and its ability to articulate the views of the people regarding its functions. Obviously, good testimonials, honesty and transparency are powerful tools to generate trust. A number of strategies could be used by organizations to build credibility:

- a) Involving academicians, community leaders, opinion makers in the society and experts to evaluate projects and activities;
- b) Collaborating and partnering with public and private sector entities, regional associations, or forums working for the common cause;
- c) Appointing trustworthy spokespersons
- d) Competing for awards and prizes as recognition for work done helps in building credibility
- e) Writing case studies that tell compelling stories from people and communities they serve;
- f) Consistent communication with public on organization's strengths and connectivity with stakeholders through newsletters, bulletins, press releases, etc; and
- g) Keeping a significant presence online - both web, email as well as social media.

One of the tools to assess credibility of a SERO is determining how successful it is in achieving its stated objectives? Visible advancement towards attainment of organizational objectives helps enhancing credibility in the eyes of community, public and donors. Ultimately, attaining impressive credibility enhances trust and confidence of the public - which not only strengthens staff morale, but also enables social sector organizations to garner resources to be more effective in their programs and projects. Transparency in operations and accounts which adds to the credibility is further discussed below.

#### 4) Transparency

Since organizations are not infallible, therefore, the availability of timely and reliable information is essential for the effective functioning and monitoring of social sector organizations by beneficiaries, donors and the State functionaries. Burger and Owens (2010)<sup>2</sup> in their paper on promoting transparency in the NGO sector quoted famous Nobel Laureate Joseph Stiglitz saying, “To pretend that any institution is infallible, or that there is perfect confidence in the actions being undertaken, is to fly in the face of reality” and that transparency is largely based on an acknowledgement and recognition of the fact the human is fallible. They reiterate Stiglitz saying, “Society has checks and balances so that the blunders, oversights and missteps of individuals and organizations can be identified and rectified. Transparency can be viewed as a precondition for the effective functioning of such checks and balances. Without timely and accurate information, stakeholders are unable to hold decision makers accountable.” On a question posed by Pakistan Centre for Philanthropy (PCP), for identifying reasons for not supporting the government’s *zakāh* collection and distribution system<sup>3</sup>, 33% of the respondents said the official system was not transparent enough<sup>4</sup>.

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<sup>2</sup> ‘Promoting transparency in the NGO sector: Examining the Availability and Reliability of Self-reported Data; World Development; Volume 38, Issue 9, September, 2010.

<sup>3</sup> *Zakāh*, the third out of five pillars of Islam, is a religious charge on Muslims having wealth over and above an exemption limit (*niṣāb*) at a rate fixed by the Sharī‘ah. This system has to be implemented by the State and accordingly, the Government of Pakistan devised and implemented a comprehensive system of *zakāh* and ‘*ushr* in early 1980s. But that system could not work efficiently due to lack of credibility of the State functionaries [Janjua, M. Ashraf, History of the State Bank of Pakistan, Islamization of the Economy – Measures Taken up to 1988]. For main features of *zakāh* system, see JIBM, Vol.2 No.2, 2012 p.181.

<sup>4</sup> Pakistan Centre for Philanthropy, Individual Philanthropy in the Punjab, 2010. PCP is a certification and registration body for NGOs/CSO. It is governed by eminent citizens,

There has been an interesting on-going debate about what kind of transparency should be expected from a social sector organization with regard to projects for which they receive funding from the public. Lessons learnt from this discussion are:

- a) People want access to this information for many valid reasons; not want only the information packaged for them by organizations, but with complete transparency.
- b) Information is more useful when it is comparable.
- c) Transparency is cheaper than secrecy.
- d) The burden of proof is shifting to those who would keep information secret.

Thus social sector organizations are required to operate open information policies and making information easily accessible to collaborators, regulators and general public. This refers to the need for the following actions:

- a) To conduct frequent internal, external or third party audits,
- b) To focus on assessment of 'tangible change' in society;
- c) To give special attention to hiring, training, placing and promoting the workforce and the personnel;
- d) To comply with all regulatory requirements; and
- e) To uphold professional and moral integrity at each and every level of operation.

## **5) Contribution for Growth or Development**

The key role of a social sector organization should be to help the community to develop itself both in terms of means and human dignity as a whole. The development so introduced should be self-sustaining and self-arising by setting out some distinctively incorporated academic functions. A social sector organization's performance would be gauged as to how well it contributes to other people's efforts to improve their lives and societies.

The NGOs / SEROs can make people's own efforts for their betterment more effective and sustainable. It could be possible only if the coordination efforts are grounded on religious, ethical and moral norms and values, especially in Muslim societies like Pakistan.

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renowned businessmen and technocrats carrying the mission to increase the volume and effectiveness of indigenous philanthropy for social development in Pakistan.

Particularly, the organizations with religious and social welfare manifesto need to be more responsible and accountable to the society with regard to the funds received, implementing the vision and mission for bringing socio-economic change. Following policy actions are suggested for sustainable developments:

- a) Define change and value of change in terms of socio-economic contribution to the society.
- b) Identify change agents, focal persons, community social heads (*lumberdar*, *teshsildar*, *imām-masjid*, etc.) at various level of implementation.
- c) Integrated approach that covers various sectors like functional literacy, health and medical care, poverty alleviation, micro-financing, *qard al-ḥasan*<sup>5</sup>, water supply and like to support the overall community would be more advisable. In this regard, different SEROs operating in a region may collaborate and strengthen one another.
- d) Disaster management system to rescue, relief and rehabilitate should be operated as a separate component along with improved communication by use of technology, local training to deal with disasters, initiate and supervise disaster preventive measures. Special and defined measures should be adopted in order to transform these efforts and activities into sustainable reforms and rehabilitation.
- e) A tangible work in a sizeable area will form a benchmark and motivate other people and groups to replicate the idea behind the change. Adoption of any regional structure (village, Union council town, tehsil etc.) with the liaison of business community is the most effective method provided there is no other political agenda behind the support.
- f) Specialized workforce is desired for each task in every sector of social work to carry out the mission in an efficient and effective manner. For a sustainable change, therefore, SEROs should consider building the capacity of volunteers at local level primarily for continuous internal mobilization of physical and financial resources and route these resources towards the accomplishment of desired goals.

## 6) Team Work

Teamwork is essential for the success of any organization. A team refers

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<sup>5</sup> *Qard al-ḥasan*: A benevolent/virtuous loan; a term used by some; otherwise, every *qard* as per Islamic law has to be *qard al-ḥasan*. It means a loan with the stipulation to return the principal sum in the future without any increase. So it is an interest-free loan; JIBM Vol.2 No.2, 2012 p.170.

to two or more persons with a high degree of interdependence geared towards the achievement of a goal or the completion of a task. Teams make decisions, solve problems, provide support, accomplish missions, and plan their work. In any organization, a set of persons align through effective process of identification and selection for which a criterion based on Islamic values needs to be in place.

In good teams, members develop synergies, meaning that their cooperation leads to add value for the team which is greater than the combined individual output. The synergy so developed would help organization in achieving its goals much more efficiently and smoothly. Working in such a team leads to creative solutions, effective problem-solving and results that matters for the team and its members.

Teams embody a collective action arising out of task interdependency. Members of the team agree on the goal and to work together to achieve that goal. Each member is viewed as having one or more important roles to play to successfully achieve the goal. To be part of such a working environment is much more satisfying and even enjoyable, than working with people who only look after their own interests, and do not care for others. Stressful situations often arise if team members have conflicting agendas, lack of mutual trust or are in competition with each other. Following factors are crucial for effective teamwork:

- a) Respect for team members;
- b) Mutual trust, integrity and appreciation of the team decisions;
- c) Shared vision and openness to feedback;
- d) Consideration on group processes and mutual interests; and
- e) Resource sharing and sacrificing for team objectives

In contemporary organizational model, the above factors are considered as essential tools for developing effective team work. It is also pertinent to note that in spite of having divine guidance, the Prophet Muhammad (PBUH) did not underrate the importance of teamwork to bring about desired change. He successfully brought drastic change in society through an effective teamwork mechanism. As the workforce of a social sector organization is expected to serve diligently and sometimes work even beyond their scope and defined job description, there is a need to build strong bonding amongst the team members to avoid stereotype working attitude. The concept of 'Role Balancing' is to be realized for team members to play their roles effectively.

Generally, social sector organizations do not take proper care for their

organizational development. They take care for the people they serve and strive for their rights. Doing all this, they often forget to take care of their own organizations. Members of any team need recognition for their work and desire a congenial working environment. An effective internal communication, team spirit and creative thinking are some key ingredients to the best team works.

## **7) Effective Communication System**

An effective communication system has to be in place for better communication with partners and donors, communities and beneficiaries, and most importantly, between management and the operational team and field workers. More effective the communication, better and wider would be its impact. Such communication from the top leadership to the staff and the community to be served may alleviate some of the fears, suspicions and mistrusts. In addition to the intelligent use of technology i.e. video conferencing, e-mailing, instant messaging, etc. community meetings, face to face conversations with staff and visits to field offices or branches and contacts with clients need to be intensified.

Websites, media, social media, political and social lobbying through representation at public forums are ways to communicate externally. Writing policy papers and columns in national and local press communicates organization's performance vis-à-vis the prevailing situation.

Feedback, field logs and staff notes are the best tool for top management for getting actual feel of the situation at grass roots levels. During internal meeting and informal meetings management can receive the flavors of team issues, differences and personal problems. Following may be kept in view in the communication process:

- a) Conducting informal interactive sessions for every level of workforce;
- b) Unnecessary self-praising may stop learning and continuous improvement;
- c) Communicate as actual and never exaggerate in propagating - avoid promotional techniques based on false information, deceit and eye-wash; and
- d) Persistent progress is better and wiser to promote.

## **8) Consultation (*al- Shūrah* System)**

The importance of consultation is crucial even in divinity. Guidance for practicing consultation in daily affairs and community decisions is given



in Holy Qur'ān (3:159). Nobody could claim perfection, and experience has no endings. Consultation not only provides chance of engaging a second opinion by an expert over an issue, but also adds to the experience of an organization as what to do and how to behave in unprecedented circumstances.

Consultation could be from within the organization, especially when the issues to decide are more of internal in nature. Discussing and including staff in consultation brings out innovative solutions to many of the problems. Similarly, individuals and experts from outside the organization could play consultative role and organizations could get advantage of their exposures of managing in similar circumstances. However, extreme care should be exercised in identifying sincere individuals for consultation as a 'right suggestion with wrong intention is a mess'. Companion Tamim al-Dari (ra) reported: "The Prophet (PBUH) said, (three times), "The Religion is *naṣīḥah* (sincerity and sincere advice)." We said, "To whom?" He said, "To Allah, His Book, His Messenger, and to the leaders of the Muslims and the general people" (*Ṣaḥīḥ Muslim* No.55). The *ḥadīth* implies that the whole Islam (*dīn* /religion) is full of sincere advices – right approach to Allah's orders, well-wishing to His creation and correct opinion to the leaders / managers.

There must be no question in the understanding that the presenter of "sincere advice" would be the true well-wisher to whom the 'advice' is being given. Following is suggested for better consultative process:

- a) Cultivate the culture where advice and suggestions prevail;
- b) Open forums to be arranged where any person could share innovative ideas;
- c) Appreciate every new idea and encourage the idea holder; and
- d) Understand the pulse of lower level staff who communicates with the community.

## 9) Monitoring and Evaluation System

Social sector organizations play a crucial role of providing social and welfare services to the communities where the government may not reach or may not be effective. Such operations and services need effective monitoring. Currently, the scientific tools are used to monitor the performance and gauge the effectiveness of entities and their operations / projects. Effective monitoring and evaluation provides means of accountability and transparency to the stakeholders, and adds to organizational learning for benefit of future projects. Following is

important in putting in place an effective monitoring and evaluation system:

- a) Monitoring formats and checklists are effective tools to keep the team on track if conducted properly; however, the rationale and purpose of monitoring should not overlook.
- b) Monitoring should not mean just to identify the mistakes, continuous coaching is also required for team members to avoid future errors.
- c) Repeated errors should not be tolerated at any cost.
- d) Activities and efforts should not be evaluated by their apparent features, but judgment should be made with respect to the spirit, desires and pre-determined outcomes.

## Conclusion

Serving the humanity and members of Muslim communities is complete '*Dīn*' in itself as indicated in a *ḥadīth* reported in the Note. Different social sector organizations having pledge for different set of objectives which indeed, should be welfare oriented deserve support by the public in general and the State institutions in particular. The main features presented above for a proposed framework of a socially and ethically responsible social sector organization are expected to be helpful in achieving the objective of serving the humanity and thereby pleasing Allah (SWT). The identified strategy and steps would also bring socio-economic development by better understanding, arranging, providing and sustaining means to bring positive change amongst the deprived communities and the humanity at large.

It needs to be verified scientifically that by applying the proposed model, the organizational sustainability would remain unthreatened. Instead, it is argued here, that alongside some physical and tangible benefits in the operations and delivery, much of immeasurable and metaphysical remuneration could be sensed in terms of mental satisfaction and *barakah* (blessings of Almighty). *Barakah* could be realized and gauged in wealth (funds), time, resources, outputs, protection from natural calamities, community brotherhood, team and collegial ship, sincerity in objective, reduction in selfishness, general avoidance of commercialism/profitteering and other uncountable benefits.

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