

**LEADERSHIP FROM THE QUR'AN
RELATIONSHIP BETWEEN TAQWA, TRUST AND
BUSINESS LEADERSHIP EFFECTIVENESS**

By

NAYAL RASHED MUKRED MOHSEN

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DEDICATION

**THIS THESIS IS DEDICATED TO
MY WIFE AND OUR LOVING CHILDREN**

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**KEPIMPINAN DARIPADA AL-QURAN:
HUBUNGAN ANTARA TAQWA, AMANAH, DAN KEBERKESANAN
KEPIMPINAN DALAM PERNIAGAAN**

ABSTRAK

Walaupun kajian yang berterusan telah diadakan, dan minat yang semakin meningkat selama beberapa dekad, penyelidikan tentang kepimpinan telah mengabaikan elemen-elemen keagamaan, terutamanya daripada al-Qur'an, sebagai sumber ilmu pengetahuan. Tujuan pertama kajian ini adalah untuk memperlihatkan konsep-konsep kepimpinan menurut al-Qur'an. Berdasarkan ciri-ciri orang *Motaqeen* menurut al-Quran, konsep Takwa telah dioperasikan sebagai mempunyai dua komponen yang berbeza, iaitu, Kerohanian dan Tanggungjawab. Kerohanian mempunyai tiga dimensi, iaitu, Iman, Ritual dan Taubat. Tanggungjawab mempunyai enam dimensi, iaitu, Kawalan Emosi, Sedekah, Kemaafan, Integriti, Kesabaran dan Keadilan. Penyelidikan ini telah mengkaji kesan Kerohanian dan Tanggungjawab pemimpin beserta pengaruh pengantaraan Amanah ke atas Keberkesanan Kepimpinan dalam Perniagaan. Kajian kerataan lintang telah dijalankan di Republik Yemen, khususnya di Sana'a dan Taiz. Takwa merupakan ukuran yang telah didirikan sendiri manakala Amanah dan Keberkesanan Kepimpinan telah didirikan berasaskan skala yang terdapat dalam kepustakaan. Hasil daripada analisis faktor dan kebolehpercayaan, empat daripada enam dimensi Tanggungjawab bergabung, iaitu, Kesabaran dengan Kawalan Emosi, dan Keadilan dengan Integriti. Teknik-teknik regresi berganda dan regresi hierarki yang menggunakan perisian SPSS versi 12 telah digunakan untuk menguji tujuh hipotesis utama, berasaskan sampel daripada 206 syarikat.

Keputusan menunjukkan bahawa tahap ketakwaan pemimpin mempengaruhi keberkesananannya, di mana satu dimensi Kerohanian, iaitu Iman, dan tiga dimensi Tanggungjawab, iaitu Sedekah, Integriti dan Kawalan Emosi, didapati menentukan (predicate) Keberkesanan Kepimpinan dalam Perniagaan, sementara Amanah

didapati mempengaruhi Keberkesanan Kepimpinan secara positif. Selain itu, Amanah didapati menjadi pengantara dalam perhubungan antara Iman dan Keberkesanan Kepimpinan sepenuhnya. Sebaliknya, Amanah didapati menjadi pengantara separa dalam perhubungan antara Tanggungjawab dan Keberkesanan Kepimpinan. Implikasi praktik kajian termasuk mereka bentuk program latihan yang bertujuan untuk meningkatkan tahap kerohanian pemimpin, serta memupuk takwa dalam budaya organisasi.

**LEADERSHIP FROM THE QUR'AN:
RELATIONSHIP BETWEEN TAQWA, TRUST AND BUSINESS
LEADERSHIP EFFECTIVENESS**

ABSTRACT

Despite decades of ongoing inquiry and increasing interest, research on leadership has ignored religious elements, especially from the Qur'an, as a source of knowledge. The first aim of the study was to reveal leadership concepts in the Qur'an. Based on the characteristics of the *Motaqeen* according to the Qur'an, the concept of Taqwa has been operationalized as having two distinct components, that is, Spirituality and Responsibility. Spirituality consists of three dimensions namely Iman (Belief), Ibadat (Rituals) and Tawbah (Repentance). Responsibility consists of six dimensions namely Emotional Control, Sadakah, Forgiveness, Integrity, Patience and Justice. This study examined the effects of leader's spirituality and responsibility together with the mediating influence of Trust on Business Leadership Effectiveness.

A cross-sectional field study was carried out in the Republic of Yemen specifically in Sana'a and Taiz. Taqwa was a self-constructed measurement while Trust and Leadership Effectiveness were constructed from existing scales in the literature. As a result of factor and reliability analysis, four of the six dimensions of Responsibility merged, that is, Patience with Emotional Control and Justice with Integrity. Multiple regression and hierarchal regression techniques using SPSS version 12 were used to test seven main hypotheses utilizing sample of 206 companies.

The results show that leaders' level of Taqwa influences the leader's effectiveness, where one dimension of Spirituality, that is Belief, and three dimensions of Responsibility, namely Sadakah, Integrity and Emotional Control were found to predicate Business Leadership Effectiveness, whereas Trust was found to positively influence Leadership Effectiveness. Besides, Trust was found to fully mediate the relationship between Iman and Leadership Effectiveness. On the other

hand, Trust was found to partially mediate the relationship between Responsibility and Leadership Effectiveness. Practical implications include designing training programs to improve the spirituality of leaders and to inculcate Taqwa within the organizational culture.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Recently, religion has become more prominent in shaping attitudes, values and behaviors, as individuals experience a religious reawakening. Al-Qaradawi, (2004) mentioned that Islamic reawakening is a real phenomena that could be recognized through three signs. Firstly the increasing number of people who pray in the Mosque specially the young people, secondly the spread of *hejab* among women and thirdly is the increase of sales for religious books. Additionally, he indicated that the reason behind the phenomena is people's desire to return to Allah by complying with the Islamic teachings thus, they want to learn more about the religion. People have shown their willingness to be governed by Islamic rules through voting for Islamic parties such as in Turkey and Morocco.

As well this phenomenon is apparent in business environments as concepts and issues of spirituality and religiosity in the workplace are being highlighted more frequently. That is reflected in the spurt of articles in scholarly outlets such the Journal of Organizational Change Management which during one year 1999 published more than 10 articles related to religion and spirituality within the workplace. Leaders as well organizations are looking for meaning and higher purpose that brought spirituality, religion and faith to the world of business (Kouzes & Posner, 2002). Kazmi (2004) observed that the management discipline is experiencing an increasing interest in spirituality and religion.

This phenomenon is clear among the Islamic nations. Some evidences are the establishment and rapid growth of many Islamic banks, schools, and other institutions around the world even in western countries. For example Pope (2005) and Shoaib (2007) indicated that the Islamic banking and finance has seen an exponential growth from a single Egyptian bank in the 1960s to a thriving industry that now has the equivalent of \$500 billion industry with annual growth rate between 15%-20%. Particularly in Saudi Arabia, where 95% of all retail banking transactions is done through Islamic banking institutions. Other markets with such as Malaysia and Indonesia are moving dynamically through a development stage. More and more conventional banks, such as Citibank, HSBC and UBS, are converting some of their services to adapt the Islamic model (Pope, 2005; Shoaib, 2007).

Islam is a comprehensive way of life as it covers and regulates all aspects of life through a complete socio-economic system (Khraim, 1999). This system is founded on the two main sources of its teachings the Qur'an and the hadith (the every day deeds and sayings of the Prophet).

According to Ushama (1998) "The Qur'an is the miraculous, inimitable, indestructible, preserved and infallible word of Allah (S.W.T), revealed to Muhammad (S.A.W), the last of the prophets and the messengers. It was revealed through the archangel Jibril, preserved in al-masahif, transmitted to us gradually; and by mutawatir, is regarded as an act of devotion (Ibadat) upon recitation, beginning with the opening entitled surat al Fatihah and concluding with surat al-Nas." (Ushama, p.18). He mentioned that "Ulama and theologians of course, have unanimously agreed to this definition of Qur'an." (p.18) The Qur'anic principles and the Prophet's prescriptions that include his sayings,

actions and acceptance, serve as a guide for Muslims in the conduct of both their business and family affairs. The Qur'an is also a major source of knowledge

وَنَزَّلْنَا عَلَيْكَ الْكِتَابَ تِبْيَانًا لِّكُلِّ شَيْءٍ وَهُدًى وَرَحْمَةً وَبُشْرَىٰ لِلْمُسْلِمِينَ

“To thee a Book explaining All things, a Guide, a Mercy, And Glad Tidings to Muslims.” (Al-Nahl, 16:89).

In natural science the fact that Qur'an is a source of knowledge has been established. Facts and explanations provided by the Qur'an some fourteen centuries ago have only been discovered in the modern times. A magnificent example relating to the evolution of the embryo inside the maternal uterus is the subject of reflections in simple words which correspond exactly to fundamental stages in its growth as it appears in Surat Al-Mu'minun

ثُمَّ خَلَقْنَا النُّطْفَةَ عَلَقَةً فَخَلَقْنَا الْعَلَقَةَ مُضْغَةً فَخَلَقْنَا الْمُضْغَةَ عِظَامًا فَكَسَوْنَا الْعِظَامَ لَحْمًا ثُمَّ أَنْشَأْنَاهُ خَلْقًا آخَرَ

"We fashioned the thing which clings into chewed flesh into bonds and We clothed the bonds with intact flesh" (Al-Mu'minun, 23:14)

Since Islam encompasses a whole way of life, the same principle is true for the other areas such as economics and commerce. Furthermore, the Qur'an contains several verses that provide guidance and rules in business such as commercial transactions, relationship toward debtors, writing of contracts, mortgaging and trading. The following verses are some examples

“except it be a trade amongst you, by mutual consent” (An-Nisa, 4:29).

The following verse is a portion of the procedure of documenting and writing commercial contract and it is the longest verse in the whole Qur’an:

“O you who believe! When you contract a debt for a fixed period, write it down. Let a scribe write it down in justice between you. Let not the scribe refuse to write, as Allah has taught him, so let him write. Let him (the debtor) who incurs the liability dictate, and he must have Taqwa of Allah, his Lord, and diminish not anything of what he owes.” (Al-Baqarah, 2:282)

Conditions of today’s business world have become extremely competitive and ever-changing. For business organizations to cope with the challenges that such conditions present, requires much more effective leadership than in the past. The organization’s success depends on its leadership effectiveness. It takes strong and effective leaders to produce the changes required for survival and to direct people and organizations through the uncertainty and confusion of rapid changes (Daft, 2002).

1.2 Problem Statement

Even though a tremendous amount of research has been conducted to study leadership and leadership effectiveness (Bass, 1999; Yukl, 2002; Fiedler, 1967; Stogdill, 1974), they were primarily focused on the Western business environment. Yukl (2002) stated that research on leadership during the past half century has been predominantly conducted in the United States, Canada,

and Western Europe and minimal research has been conducted in non-western cultures.

However, it should be noted that these non-western cultures are very rich cultures which hold perceptions about leadership that may be different or similar with western concepts. In fact other than the Judeo-Christians, other religious groups such the Santri Muslims in Java have achieved success and remarkable economic growth at some point in history, but this fact has been largely disregarded in management writings (Ali, 1987).

Furthermore, the literature on leadership is lacking research from the Islamic perspective. Ali (2005) noting this dearth in research from an Islamic perspective emphasised that much of the current research on the issue from an Islamic perspective lacked depth and at state of immaturity. In contrast, Shirazi (1980) stressed that the principles of the management as espoused by the Prophet Muhammad and the methods of his leadership should not be disregarded in the pursuit to adopt Western principles of management and leadership. Kazmi (2004) echoed the same view by acknowledging the lack of research into Islamic perspectives in management study and calling for an Islamic approach to investigating management issues which could offer new perspectives.

Thus far, these Western researches have produced different and conflicting results regarding leadership. While some research results show that it is the leader's traits that contribute to effectiveness, others declare it is the leader's behavior which matters. Even among researchers who subscribe to the traits approach, there is no agreement on traits. For instance, Blank (2001) mentioned 108 traits, while others (Digman, 1990; Hough, 1992) mentioned that

there are only five personality traits. In contrast Fiedler (1967) found that the situation in which the leader and his subordinates operate in will determine the leader's effectiveness. While, Horner (1997) was uncertain as what were the qualities of an effective leader.

These writings indicate a theoretical gap in the literature regarding the use of an Islamic framework to investigate leadership issues in the business world. Besides that there is a need for a holistic approach to examine the concept of leadership, such an approach should encompass the physical, cognitive, emotional and spiritual aspects (Fry, 2003). In this context, as Islam is a comprehensive way of life that integrates both the spiritual and physical selves, it is pertinent that the leadership issue tackled from an Islamic perspective. Therefore, studying a non-western culture would add value to the current understanding of leadership effectiveness.

The Qur'an is a source of knowledge, but empirical data on Islamic leadership dimensions have not been researched. Referring to the Qur'an as a source of knowledge represents a non-western model that might reveal and shed light on these conflicting results. Therefore this study intends to explore and reveal the leadership concepts in the Qur'an and Sunnah as main sources of values for the Muslims. Taqwa is an important Islamic concept that encompasses essential parts of Islamic fundamentals. As cited in Hassan (1992) Rahman (1980) asserted that Taqwa is the most significant concept in the Qur'an that encompasses essential parts of Islamic fundamentals.

Values are the core concepts and main independent variable in the study of social attitudes and behaviors. As explained by Rokeach, (1973, p.5), "a value is an enduring belief that a specific mode of conduct or end-state of

existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence" (p. 5). The values systems function as general plans employed to resolve conflicts and to make decisions. Thus, values serve as standards to rationalize, compare, evaluate and influence and become a motivational mean (Rokeach, 1973). For that values play a role in determining effectiveness.

In order to understand a person's behavior, his values should first be understood. There are many sources of values such as culture, society and personal experience. Religion is a fundamental element that shapes the culture and influences all components of the Islamic society.

As indicated by Kazmi (2004) there is a need in Middle Eastern countries to evaluate the suitability of current management practices to identify the strengths and weaknesses. Al-Tareq (1997) indicated that Yemen suffers from a low level of performance in all managerial levels in private and public sectors. The Economist Intelligence Unit (2004) highlighted the problem of corruption within the Yemeni systems. Lack of research regarding leadership effectiveness in the Yemeni context creates another practical gap. The present study is conducted in order to bridge this gap and enhance leadership skills of Yemeni leaders in facing future challenges.

Therefore, the problems to be addressed are, "What are the leadership concepts in the Qur'an? What is the relationship between leaders' level of Taqwa and Leadership Effectiveness? Does Trust affect the relationship between Taqwa and Leadership Effectiveness?"

1.3 Research Questions

Based on the problems specified, the study formulates four questions as follows:

Q1: What is the relationship between leaders' level of Taqwa and leaders' effectiveness?

Q2: What is the relationship between leaders' level of Taqwa and the subordinates' trust in leaders?

Q3: What is the relationship between subordinates' trust in leaders and the leaders' effectiveness?

Q4: Does the trust of the subordinates mediate the relationship between leaders' level of Taqwa and leaders' effectiveness?

1.4 Research Objectives

This study aims to accomplish the following four objectives in order to address the above research questions:

Firstly, it aims to explore the relationship between leaders' level of Taqwa and their effectiveness.

Secondly, it seeks to examine the relationship between subordinates' trust in the leaders and leaders' effectiveness.

Thirdly, it purports to examine the relationship between leaders' level of Taqwa and the subordinates' trust in the leaders.

The fourth objective is to investigate whether followers' trust on leaders mediates the relationship between leaders' level of Taqwa and leaders' effectiveness.

1.5 Scope of The Study

The study is limited to the Qur'an as the first and main source of knowledge on Islamic leadership. The other source used is the Hadith compilations, whenever they are intimately related.

For the empirical part, the study concentrates on the Republic of Yemen. The reason for choosing the Republic of Yemen is that Yemen is considered as one of the few Islamic countries where the constitution is formulated according to the Islamic Shariat, because least 99% of the population are Muslims and consequently, Islam governs peoples' attitudes and behavior.

1.6 Significance Of The Study

This study may be considered to be the first attempt to examine business leadership effectiveness from a Qur'anic perspective using an empirical approach. Thus this study is significant at least for the following four reasons.

The first reason is the utilization of the Qur'an. This study is significant because it employs the revealed knowledge (Qur'an) which is an uncommonly used source within the management discipline. Furthermore it applies an empirical approach (field study) to examine the hypotheses generated. This study is looking into the Islamic heritage to develop a construct that is more appropriate to our values and beliefs. In addition it is important because it is timely, as Muslims experiencing religious reawakening.

The second reason is related to the country of the study, the Republic of Yemen. To the best of the author's knowledge no previous research has been conducted to explore empirically the business leadership effectiveness within the Yemeni setting. Therefore this study is a pioneering research effort. In

addition Yemen is part of the Muslim and Arab countries. These countries particularly the Arab countries, share the same religion and language, meaning similar values and customs. Therefore, this study's results could be applicable not only to Yemen but to other countries as well.

The third reason is, this study is expected to contribute to the existing literature on leadership by highlighting the characteristics of effective leaders from the Qur'an and examining the relationship between Taqwa which is a new concept for the management discipline, and leadership effectiveness in a managerial setting. This could enhance academicians' understanding of the role of Taqwa in improving leadership effectiveness, thus hopefully stimulating further research in this area from the Islamic perspective.

For practitioners, this study may provide valuable information regarding the role of Taqwa and spirituality within their organizations. That would enable them to design better training programs to develop their managers as well to advance selection, promotion and recruitment processes by including the spiritual aspect of the manager's personality in order to enhance organizational effectiveness. For the society at large improving leadership effectiveness means better economic growth, goods and services, and for the employees, better well being. At the end the success of an organization would depend on the satisfaction of the customers who represent the society.

The fourth significant aspect of this study is the investigation of the effects of Taqwa beyond the individual level by examining the relationship between the leader's level of Taqwa and followers' trust in the leader. To the best of the author's knowledge this is the first study trying to explore such relationship particularly from the Islamic perspective. For academicians it may bring some

insights to the role of Taqwa in building trust.

A trusting relationship between managers and subordinates is an essential element to organizational performance. Revealing new insights would lead to better understanding of trust as a concept and help practitioners to build better environments of trust within organizations.

1.7 Definitions and Terminologies

Allah: Allah is the Name of the Lord, the Exalted, (Ibn-kather, 2000).

Surat: (chapter) means collection of Ayat, (Ibn-kather, 2000).

Ayat: (verses) is the plural for the word Ayah which means sign or pause that separates the speech before and after, meaning that the Ayah is separate from its preceding and following sentence, (Ibn-kather, 2000).

Tawakool: Depending and relying on Allah for each and everything, (Ibn-kather, 2000).

Trust: “the extent to which a person is confident in and willing to act on the basis of, the words, actions, and decisions of another”, (McAllister, 1995, p.5).

Leader: The leadership designation could be CEO, Managing Director, General Manager, Deputy General Manager or Division Manager of an organization.

Subordinate: is the employee or follower who reports directly to the leader in the organization. He or she could be a department manager or section head.

Taqwa: All-encompassing, inner consciousness of one’s duty toward Him and the awareness of one’s accountability toward Him which results in right conduct. This behaviour could be observed by the characteristics of Motaqeen as outlined in the Qur’an.

Iman: the leader’s realization of Tawhid, belief in Allah’s attributes that lead the

leader to depend on Him, trust Him, seek His help and observe His commands in relation his work.

Salat: is the leader's frequency and punctuality of performing the regular and voluntary prayers. Regular prayers stand for the five daily prayers.

Fasting: is the leader's frequency of performing fasting as per Islamic teachings.

Haj: is to go or help others to go to Makkah and perform the rituals as Prophet Muhammad did on certain days of the month of the Thi Al-hajah (month in the Islamic calendar).

Emotional Control: is the leader's ability to control his anger, welcome criticism and not act on impulse.

Sadakah: the leader helping and sparing no efforts to help needy employees. .

Forgiveness: is the leader's ability to forgive and to not punish his subordinates for injuries, mistakes, insults and persecution committed by subordinates.

Justice: the leader's ability to give everything its right by knowing the truth and acting according to the truth.

Patience: is the leader's ability to hold and control himself from anger and panic in dealing with people and hardship in the course of carrying out his responsibilities.

Leader's Effectiveness: The leader's ability to achieve organizational goals through the commitment and satisfaction of his subordinates (Yukl, 2002).

1.8 Organization of the Thesis

This thesis consists of five chapters. Chapter One provides a general overview of the subject discussed and outlines the problem statement, scope, and

objectives.

Chapter Two provides an overview of the literature on leadership, starting by highlighting leadership concepts inherent in the Qur'an. It also presents the conceptualization of the study's variables and discusses the links between these variables.

Chapter Three includes the framework and hypotheses of the study. A full description of the research approach adopted along with the research design and questionnaire development is outlined. Subsequently the statistical techniques used in the data analysis are presented.

Chapter Four presents results of the study. It commences with an explication of starting with the respondents' profiles, and followed by the psychometric properties of the measurements used. Next, the results of hypotheses testing are reported. The chapter concludes with a brief summary of the findings.

Chapter Five comprises the discussion component of the study. The research's limitations and recommendations for future research are outlined together with the study's implications. The chapter concludes with highlights of the major findings.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Qur'anic Perspective of Leadership

The Qur'an defines the specific status of humans as twofold, one as a servant of Allah and another as His vicegerent.

وَمَا خَلَقْتُ الْجِنَّ وَالْإِنْسَ إِلَّا لِيَعْبُدُونِ

I have only created Jinns and men, that they may serve Me.

(Al-Dhariyat, 51:56)

وَإِذْ قَالَ رَبُّكَ لِلْمَلَائِكَةِ إِنِّي جَاعِلٌ فِي الْأَرْضِ خَلِيفَةً

Behold, thy Lord said to the angels: I will create a vicegerent on earth (Al-

Baqarah, 2:30)

To be a servant to Allah is to worship Him but not like the angels whom Allah has created without human needs so they do not need to eat or drink etc. Humans have their needs and they should earn their own living so they can live and worship Allah. In accordance with the status of human beings in the opening lines of this chapter, the Qur'an also indicates the leadership concept in several verses such as

أَلَمْ يَفْسِمُونَ رَحْمَةَ رَبِّكَ نَحْنُ قَسَمْنَا بَيْنَهُمْ مَعِيشَتَهُمْ فِي الْحَيَاةِ الدُّنْيَا وَرَفَعْنَا بَعْضَهُمْ فَوْقَ بَعْضٍ دَرَجَاتٍ لِيَتَّخِذَ

بَعْضُهُمْ بَعْضًا سُلْخِيًّا وَرَحِمْتَ رَبُّكَ خَيْرٌ مِّمَّا يَجْمَعُونَ

Is it they who would portion out the Mercy of thy Lord? It is We Who portion out between them their livelihood in the life of this world: 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. (Zukhruf, 43:32)

In this verse Qur'an describes leadership as an appointment from Allah. In another verse it is requested by the believers in their supplication to Allah:

وَاجْعَلْنَا لِلْمُتَّقِينَ إِمَامًا

Give us (the grace) to lead the righteous (Al-Furqan, 25:74)

Qur'an describes Prophets as leaders such as in the following verses:

إِنَّ أَوْلَى النَّاسِ بِإِبْرَاهِيمَ الَّذِينَ اتَّبَعُوهُ

The Qur'anic perspective of leadership is modelled by Prophet Muhammad. As described by the Qur'an he is the great model for all Muslim leaders:

لَقَدْ كَانَ لَكُمْ فِي رَسُولِ اللَّهِ أُسْوَةٌ حَسَنَةٌ

Ye have indeed in the Apostle of God a beautiful pattern (of conduct)

(Al-Ahzab, 33:21)

Leadership in the Qur'an shares common characteristics with other Islamic concepts such as economics. Four main characteristics define Qur'anic leadership: godliness, ethics, humaneness and balance. It is godly because it derives its authority from Allah and its end is Allah. It is based on the Islamic creed. It is ethical because it places ethics at the core of its system and never gives priority of economic gains over values. Its main focus is conducting good deeds to gain Allah's acceptance (Beekun & Badawi, 1999). It is humane because it recognizes the reality of human nature and deals with it as it is. It is constructed to appreciate the strengths and weaknesses of human qualities. It

is balanced because it acknowledges the body and soul, the mind and the heart, this life and the hereafter.

Leadership in Islam is a trust (*amanah*). According to Beekun and Badawi (1999) it represents a psychological contract between two parties, namely, a leader, and his followers, whereby the leader undertakes the guidance, protection and just treatment of the follower. Ali's perception (2005) is that the realization of an ideal Islamic society rests on leadership as the most significant instrument.

Islam views leadership as a responsibility which is shared by all adults in a Muslim society. As pointed out clearly by Prophet Muhammad in one of the hadiths, "Every one of you is a shepherd and everyone is responsible for what he is shepherd of" (Bukhari and Muslim). The Prophet explained that everyone is responsible within his or her domain. Just as a father is responsible for his household and a mother for taking care of children and domestic affairs, the imam is responsible in his organization for the accomplishment of organizational goals and the provision of advice to the needy. Accordingly, each one shall demonstrate the leadership role within his or her limits and scope of responsibilities.

Leadership as a position of authority is considered as a test for the leader as indicated by Prophet Sulaiman who was also a king.

قَالَ هَذَا مِنْ فَضْلِ رَبِّي لِيَبْلُوَنِي أَأَشْكُرُ أَمْ أَكْفُرُ

This is by the grace of my Lord! To test me whether I am grateful or ungrateful!(Al-Naml, 27:40)

هُوَ الَّذِي جَعَلَكُمْ خَلَائِفَ الْأَرْضِ وَرَفَعَ بَعْضَكُمْ فَوْقَ بَعْضٍ

دَرَجَاتٍ لِّيُبْلُوَكُمْ فِي مَا آتَاكُمْ

He made you dwell on earth generation after generation, century after century and offspring after forefathers. And He has raised you in ranks, some above others. That He may try you in that which He has bestowed on you

(Al-Anam, 6:165)

Ibn-kather (2002) clarified that this verse explains the purpose of leadership in the Qur'an. It is to test and examine the leaders to see which of them will be best in deeds and does more good deeds.

Islam has transformed the badwins of Arabia into great leaders through Islamic principles, which have been proven by modern researchers, (Al-Buraey 2003). Islamic principles are rooted in the Qur'an.

With regard to the extraction of data, the whole Qur'an was searched by reading it through several times, looking for verses and concepts relating to leadership. Besides, the word index of the Qur'an was utilized. In the index the roots of words are mentioned along with full reference of the page and chapter numbers in the Qur'an. In addition, famous Tafseer such as those of Ibn-Kather were read and referred to.

Subsequently, three concepts were identified as related to leadership namely, consultation, competency and Taqwa. The rationale for this is as follows. First, these three concepts are the most recurring concepts in the Qur'an associated with Prophets. For example, Taqwa is mentioned 257 times. Second, they are frequently linked to leadership concepts such as in the story of Prophet Mosa, Yusuf, and Talut and in the verses revealed after the battle of

Ohood. Third, they encompass numerous leadership concepts such as integrity, patience, forgiveness and role model. A brief discussion on each of the three concepts is provided in the following pages.

2.1.1 Consultation

Allah ordered Prophet Muhammad to consult his followers after the battle of Ohood in which Prophet Muhammad and the Muslims were defeated and seventy of the companions were killed. Although it was the followers' idea to leave Madinah whereas Prophet Muhammad wanted to stay on, he followed their suggestion and left Madinah for Ohood.

فَاعْفُ عَنْهُمْ وَاسْتَغْفِرْ لَهُمْ وَشَاوِرْهُمْ فِي الْأَمْرِ

“So pass over (Their fault), and ask For (Allah’s) forgiveness for them; and consult them in affairs (of moment).” (Al-Imran, 3:159)

In this verse Allah gave Prophet Muhammad three orders. These orders were supposed to be executed in sequence. The first order was to forgive his followers for whatever matters related to the Prophet Muhammad himself. After they reached this stage they were eligible for the second stage, which was asking Allah’s forgiveness for them. After reaching this stage they were eligible to be consulted. This verse shows that consultation is one of the principles of Islam. Some Muslim scholars have declared that if a leader does not practice consultation he shall not continue to lead and that consultation is an essential part of leadership. This may be supported by other verses from the Qur’an where Allah praises Muslims who consult with others

وَأْمُرُهُمْ شُورَىٰ بَيْنَهُمْ

“Who (conduct) their affairs by mutual consultation” (Al-Shura, 42:38)

The Qur’an also describes how the Yemeni Queen of Sheeba used to consult her staff

قَالَتْ يَا أَيُّهَا الْمَلَأُ أَفْتُونِي فِي أَمْرِي مَا كُنْتُ قَاطِعَةً أَمْرًا حَتَّىٰ تَشْهَدُون

“She said:”Ye chiefs! Advise me in (this) my affair: no affair have I decided except in your presence.”(Al-Naml, 27:32)

Consultation is called Alshura in the Qur’an. Muslim writers stress that the consultation process should be applied in all affairs. For example Al-Buraey, as cited in Beekum and Badawi (1999), points out, that a critical role is played by shura in administration and management, particularly with regard to decision-making a leader’s administrative power and authority is restrained by shura. As it was mentioned in the tafseer of these verses, consultation brings a number of benefits to the whole organization: it makes the followers feel good, important, and increases their self-esteem and commitment. Prophet Muhammad practiced Alshura all his life. For example, he consulted his followers before going to the battles of Bader, Ohood, and Al-kandak.

Hassan (1992) and Abu-Alainain (1984) declared that consultation is essential for Muslim leaders to resume their duties. Prophet Muhammad used to ask his companions for their suggestions in most of the issues even including personal matters as long as he did not receive wahy.

Consultation is very similar to the style of participative leadership which

has been adequately researched (Al-Tareq 1997; Zin 2004). Therefore it will not be studied further in this research.

2.1.2 Competency

Competency includes all sorts of requirements, depending upon the situation. It could mean knowledge, experience, technical or physical strength. The main parameter in choosing leaders or hiring an employee is his or her competency. Qur'an states this fact in three different verses. The first verse concerns state matters, in which Nabi Yusuf asked Egypt's king to allow him to handle the resources of the Egyptian kingdom.

قَالَ اجْعَلْنِي عَلَى خَزَائِنِ الْأَرْضِ إِنِّي حَفِيظٌ عَلِيمٌ

“Joseph said: “*Set me over the storehouses of the land: I will indeed guard them, as one that knows (Their importance).*” (Yusuf, 12:55)

In this verse Qur'an mentions that Prophet Yusuf claimed having two characteristics, alim and hafiz which qualified him for the position. Ibn-kather (2000) explained that “knows” in this verse stands for having full knowledge and understanding regarding the responsibility he is about to take, in requesting the king to appoint him in charge of the country resources. The second characteristic is hafiz which means an honest guard.

The second verse on competency is in Surat Al-Baqarah. Knowledge and bodily strength are mentioned as superior qualities of Talut, who was to be appointed as king.

وَقَالَ لَهُمْ نَبِيُّهُمْ إِنَّ اللَّهَ قَدْ بَعَثَ لَكُمْ طَالُوتَ مَلِكًا قَالُوا أَنَّى يَكُونُ لَهُ الْمُلْكُ عَلَيْنَا وَنَحْنُ أَحَقُّ بِالْمُلْكِ مِنْهُ وَلَمْ يُؤْتَ سَعَةً
مِنَ الْمَالِ قَالَ إِنَّ اللَّهَ اصْطَفَاهُ عَلَيْكُمْ وَزَادَهُ بَسْطَةً فِي الْعِلْمِ وَالْجِسْمِ

“Their prophet said to them:” Allah hath appointed Talut as King over you.” They said:” How can he Exercise authority over us when we are better, fitter Than he to exercise authority, And he is not gifted, with wealth in abundance?” He said:” Allah hath chosen him above you, And hath gifted him Abundantly with knowledge And bodily prowess.”(Al-Baqarah, 2:247)

In the above verse Qur’an declares two characteristics which qualified Talut, who was an ordinary man and was not an offspring of the kings: he had knowledge, and physical strength. As Ibn-kather (2002) explained, Talut is more knowledgeable and stronger during combat. At that time Talut’s nation was about to start a war, and therefore the required characteristics of the leader should accommodate the situation. This verse also illustrates that leadership in Islam is not inherited, and not limited to specific class or family. In other words, it is not true that leaders are always born leaders.

In the third instance, a verse Qur’an tells of the story of Prophet Moses after he left Egypt for the city of Madian.

قَالَتْ إِحْدَاهُمَا يَا أَبَتِ اسْتَأْجِرْهُ إِنَّ خَيْرَ مَنِ اسْتَأْجَرْتَ الْقَوِيُّ الْأَمِينُ

“Said one the (damsels):”O my (dear) father! Engage Him on wages: truly the best Of men for thee to employ is The (man) who is strong and trusty.”

(Al-Qasas, 28:26)

In this verse, the Qur’an describes Prophet Moses as strong and

trustworthy. These two characteristics were the reasons the woman recommended Prophet Moses to be hired by her father. Moses' duty was to take care of the old man's flocks that required physical strength as well as trustworthiness since the man was old and unable to exercise any sort of monitoring over Moses.

Competency is referred by Beekun and Badawi (1999) as the capabilities of the leader in a situation or event. Abu-Alainain (1984) and Al-Madee (1989) considered competency as an important factor influencing leadership in Islamic thinking. The importance of competency is apparently a prime characteristic of leadership in Islam. For example, the first characteristic in choosing the Imam (leader) who leads the salat (prayers), which is the second pillar of Islam, is knowledge. The imam should be the most knowledgeable person among those present. In Islamic teachings this refers specifically to knowledge of Qur'an because to perform the prayers Qur'an should be recited. In real life too, people are willing to follow a leader whom they consider competent and knows what to do. Thus they will follow him based on his capabilities.

Therefore, competency in Islamic thinking is an essential element in leadership effectiveness. However, it is not a fixed set of specific requirements, but rather a situational matter depending on the task needed to be accomplished.

2.2 Taqwa

Qur'an was revealed in the Arabic language, therefore to conceptualize a Qur'an term the Arabic root word of the concept should be the base. In the Arabic language, the root of the word Taqwa is (*waka*) which means to protect or avoid

or reserve (Al-Asfahani, 1997). The concept of Taqwa has been interpreted in various ways by scholars. According to Ibn-kather (2000) the root meaning of Taqwa is to avoid what one dislikes. On the other hand, Al-Sharawi (2004) states that Taqwa means to avoid Allah's punishment by doing what He commands, and to keep away from doing what He forbids. Ali (1997) described Taqwa as the fear of defying the will of Allah, and likens it to the love of Him. This is natural because when we love someone, we fear to offend him. Thus, right conduct is a direct result of Taqwa. Besides, Beekun and Badawi (1999, p.22) defined Taqwa as ““all-encompassing, inner consciousness of one’s duty toward Him and the awareness of one’s accountability toward Him.”

Al-Atrash conceptualized Taqwa as a state of complete maturity in which mind, heart and body are joined in complete harmony and it is knowledge and behaviour (Al-Atrash 2002). Whoever believes and observes Allah’s rules in his private life as in his public life is a person with Taqwa (Al-Atrash, 2002). Taqwa could refer to the state of the heart or to the behaviour resulting from awareness of it. The place of Taqwa’s is in the heart, although its manifestations appear in behaviour (Al-Atrash 2002).

Hawa (2004) described Taqwa as a state of the heart which leads to behaviour that complies with Allah’s rules. According to the hadith narrated by Muslim (1599) “there is a piece in the human body; if it is in good condition, the whole body will be well and if it is corrupted the whole body will be corrupted as well, this piece is the heart”.

Taqwa makes the heart in state of consciousness of Allah’s presence, hoping for His acceptance, fearing His punishment, and hesitating to commit any wrongdoing that might bring Allah’s wrath (Qutob 1986). Taqwa is a

sentiment that influences the soul and prevents man from wrongdoing (Qutob 1986).

Based on the above, in this study, Taqwa is defined as an all-encompassing, inner consciousness of one's duty toward Allah and the awareness of one's accountability toward Allah it results in right conduct. This right conduct is measured by the characteristics of the Motaqeen as outlined in the Qur'an. In this regard, Al-Sharawi (2004) indicated that the verses 2:3-4 and 2:177 explain the characteristics of people who have Taqwa (Motaqeen). Qur'an defines Taqwa through describing the characteristics of Motaqeen as in verses 2:1-4, 2:177 and 3:133-136 (Al-Atrash, 2002).

Taqwa includes all aspects of the soul and body, manifested in human behaviour (Ibrahim, 1997). Taqwa encompasses all good deeds and it is Allah's recommendation for all Prophets and human beings in general (Al-Qurtobi, 2000). In the managerial context Taqwa is conceptualized as state or feeling of the leader based on belief in Allah which results in right conducts toward Allah and subordinates of the leader.

In this study Taqwa is operationalized as the trait which encompasses the characteristics of the Motaqeen as described by the Qur'an in verses 3: 133-135, 2:3-4, 2:183, 22:23, 2:177 and 5:8. Below is a brief discussion of the characteristics of Motaqeen along with the corresponding verses.

2.3 Characteristics of Motaqeen

Motaqeen are the people who hold Taqwa. Qur'an defines their characteristics in six places in five chapters. Some of these characteristics have been repeated four times, which indicates the importance of those particular