Role of Islamic Leadership in Value Based Corporate Management

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NATIONAL UNIVERSITY OF MODERN LANGUAGES
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ABSTRACT

Dissertation Title: Role of Islamic Leadership in Value Based Corporate Management.

Value crisis in corporate world around the globe significantly increased the need to find new management paradigm to deal with existing ethical dilemma. Study investigates inherent flaws of the contemporary corporate management in general and value based corporate management in particular. Study identifies that weaknesses of current corporate management stem from two main factors first lack of values and ethics and second loss of leadership integrity. A questionnaire containing 50 items was developed and validated. Study was carried out by taking a sample of 302 managers from manufacturing and service sectors of Pakistan. Data was processed and analyzed in SPSS and VPLS. Results of the study indicate that there is significant and positive relationship among values and ethics, managerial performance and welfare and protection of all stakeholders of organization. Findings suggest that management by example is a better management paradigm to curb many ethical ailments of modern enterprise. The current study developed ‘Islamic VBM Score’ to assess VBM practices in an organization from Islamic perspective. Furthermore, results suggest that Islamic leadership tries to take the organization towards total value based management through ensuring welfare and protection for all stakeholders of organization including shareholders, employees, customers and society at large. This study concludes that Islamic leadership in value based corporate management theory ensures satisfaction of all stakeholders of organization.
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Acronyms

A

AS  \textsuperscript{c}Alaihi-s-Salam

APTMA  All Pakistan Textile Mills Association

CEO  Chief Executive Officer

DNA  Deoxyribonucleic acid

FILP  Faith, Integrity, Life and Property

FDI  Foreign Direct Investment

HRD  Human Resource Development

ILS  Islamic Leadership System

IVS  Islamic Value System

IGFW  Inviting for Good and Forbidding from Wrong

MBE  Management by Example

MNC  Multinational Company

MP  Managerial Performance

NAB  National Accountability Bureau

NACS  National Anti-corruption Strategy

SEM  Structural Equation Modeling

PBUH  Peace be Upon Him

PTA  Pakistan Telecommunication Authority

Q&S  Quran & Sunnah

RAA  Razi Allah hu Ta’ala \textsuperscript{c}Anhu

SWT  Subhanahu Wa Ta’ala

SAW  Sallallah ho Alaihe Wassalam
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Dedication

I dedicate my thesis to my Father, Muhammad Dilber Abbasi, whose thirst for knowledge enabled me to reach this level; and my Mother, Begum Zarina Abbasi, whose perseverance taught me to get ahead in life.
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Chapter No. 1

INTRODUCTION

Background of Study

If one peeps into the progression of business world over several millennia, one cannot but marvel at the innumerable improvisations it has consumed. From crude barter system to contemporary plastic money, from meager farm houses to giant MNC’s, from trading grain to sharing information technology – the propensity of progress in the business world is indeed awe-inspiring. But, corporate world must hasten to flip the coin, lest our vision is eclipsed by the blinding glitter of the brighter side of the picture.

Studies show that from 70% of organizations that have formulated strategies failed to execute them. A Fortune Magazine study has shown that 7 out of 10 CEO’s who fail, do so not because of bad strategy, but because of bad execution. In another study of Times-1000-Companies, 80% of directors said that they had the right strategies but only 14% thought they were implementing them well. Only 1 in 3 companies, in their own assessment, were achieving significant strategic success (Strategy, 2005).

After perusing the aforementioned lines, even a lay-man would exclaim, “All that glitters is not gold.” While hardly anyone will dispute the fact that effective strategy realization is the key for achieving strategic success, there is wide-ranging debate on how an enterprise can ensure effective realization of strategies. Often management procedures
are quite visibly suffering from the ethical dilemma. Since it is too early to delve into a discourse on solutions, let us first contemplate some implications of the subject at hand.

Ethical behavior of employees is a challenge for today’s organizations and they are facing significant problems to manage ethical issues. Beekun (1997) has cited a survey of 300 companies across the world. According to the survey, over 85% of senior executives indicated that following issues were among their top ethical concerns: employee conflict of interest, inappropriate gifts, sexual harassment and unauthorized payments.

The reason for such deficiencies in human behavior is lack of moral development. In Islam values and ethics govern all aspects of life. The conditions for everlasting success (falāh) in Islam are the same (Beekun, 1997) whether conducting business affairs or carrying out daily activities. To get best out of human potential, it is necessary that every one gets an environment characterized by moral and professional responsibilities.

“When you are struggling with a deadline or dealing with delicate decisions, the last thing you want to deal with is “people”’” (Blair, 2005). Organizations spend a significant amount on training and development of people for proper execution, because gap between planning and execution is the main cause of depletion of resources.

Therefore now the time is to find out effective and efficient management paradigm to execute well and to ensure optimum results. It is true that man has developed many procedures of management on the basis of experience, observation and knowledge of human psychology; but, still there is a gap in desired and actual outcome.

Keeping people focused to the mission of organization has always been the challenge. Dedicated and cohesive team has always been the desire of any organization.
According to the website of ‘apollolibrary’ cohesiveness refers to how attractive the team is to its team members, how motivated members are to remain in the team, and the degree to which team members influence one another. In general, it refers to how tightly knit the team is.

There is a continuous search for new paradigms, new approaches, and new techniques of management that could create the much needed competitive edge or niche in order to excel in this rapidly changing management environment. Human resource constitutes the focal point of these new paradigms. Ironically, however, the greater the significance of this constituent; the less is its recognition. Susan Gross (1998) has observed that managing people is hard because “there's no operating manual to tell you how to deal with human beings effectively.” It is notions such as these that mystify the actualization of human resource. If only the likes of Susan Gross look into the Islamic value system (IVS) disinterestedly, they (and by they I mean all those who are sincerely concerned about the well-being of the corporate management), will find solutions to most contemporary management dilemmas.

What has been merely hinted at hitherto is the purpose of this study. The researcher ascertains that contemporary corporate management is suffering from ethical dilemma. The researcher upholds that the prevalent value crisis accounts for such an acute want of ethics, and the Islamic value system is the panacea of this crisis.

Islamic value system comprises sincerity, proficiency, truthfulness, patience, continuous self evaluation, promise keeping and moderation. In this research the researcher will try to see the impact of Islamic value system on value based corporate management. The study will indicate that IVS can help individuals to exhibit the best
personal and professional characteristics by providing them with working environment which develops an atmosphere of self respect, confidence, and cohesiveness; thereby inculcating values and ethics that will ensure a strong determination to achieve organizational objectives through enhanced managerial performance.

The researcher has probed the impact of an important element of IVS, accountability process for leadership, on efficiency and efficacy of corporate management. Study delineates Islamic parameters to elect or select leaders. Islamic civilization created continental super-state, within its dominion lived hundreds of millions of people, of different creeds and ethnic origins. Islam created an enlightened leadership that nurtured culture, sustainability, diversity and courage that led to 800 years of invention and prosperity. The reach of their commerce extended from Latin America to China, and everywhere in between. In today's ethical crisis we must affirm our commitment to building organizations that aspire to Islamic leadership (Fiorina, 2001).

Islamic perspectives on management studies are an emerging field in academia. A significant departure from conventional research in management studies takes place when Islamic perspectives are described and discussed on the basis of revealed sources of Islamic knowledge considering them as valid for the purpose of research. There is potential for applying conventional research methodologies to generate significant and meaningful outcomes from Islamic sources (Kazmi, 2003). Islamic management perspectives are quite significant field of enquiry for modern management practitioners. Post World War II business environment opened the doors for other than American and European management perspectives e.g. Japanese, Confucius, Islamic and Hindu psycho-philosophical thoughts. Islamic perspectives on management studies emerged in 1980s,
but major appearance took place in 1990s. Appendix 2 provides a glance at works conducted in Islamic perspectives in management studies.

**Definition of Value Based Management (VBM)**

Value based management (VBM) is basically a philosophy enabling and supporting maximum value creation in organizations (Philosophy, 2008). Value creation usually means ‘maximizing shareholder’s value’ (Maximizing, 2008). Although many other dimensions of value creation are identified, the focal concern of value creation remains shareholder’s interest in the contemporary approaches.

**History of Value Based Management (VBM)**

Lady Khadijah (raa) was one of the wealthiest merchants of Quraish. She used to send some men to different cities for trade; afterwards she used to get her share from the profit. When she was informed of Prophet Muhammad’s (PBUH) truthfulness, trustworthiness and virtues character, she offered him (PBUH) to go to Syria for trade. Prophet Muhammad (PBUH) accepted this offer and when he came back, he had more profit than other businessmen. Meysara a servant of Lady Khadijah (raa) who accompanied Prophet Muhammad (PBUH) informed Lady Khadijah that Prophet Muhammad (PBUH) exhibited honesty and truthfulness in all business transactions (Merchant, 2008). This proves that honesty, truthfulness and trustworthiness are founding stones for maximizing shareholders’ value i.e. profit.

The history and development of value based management (VBM) and the growth of internal and external corporate complexity over time is highly interrelated (Figure 1.1). The earliest forms of contemporary VBM emerged date back to the end of the 18th century, when, by mechanizing and by the industrial revolution economies of scale were
achieved. The dislocation of facilities made direct supervision harder, and insight in the efficiency and productivity of organizational activities became more important. Efficiency and productivity methods were developed. During the 19th century, these methods were gradually improved, using communication mechanisms. These systems were aimed at promoting and evaluating the efficiency and productivity of decentralized production processes and not yet on measuring and managing value creation as such (History, 2008).

Figure 1.1  
Emergence of VBM

SOURCE: Adopted from the website of valuebasedmanagement.net

The term "value based management" was first used by Jim McTaggart in 1994 in his book ‘The Value Imperative: Managing for Superior Shareholder Returns’. Since
then, shareholder’s value (profit) has been firmly rooted in business and corporate strategy. The birth of the World Wide Web also brought new strategic dimensions and opportunities through technology but simultaneously increasing the complexity of the internal and external environment of modern corporations (History, 2008).

At the beginning of the new millennium the Enron accounting crisis hit the media, followed by several more corporate scandals throughout the world. Accountants, stock analysts, top management, business schools, media, shareholders and investors are all blamed. Among the most prominent ideas to prevent further disasters in the future are: strict accounting practices and rules, improved corporate governance, separation of analysts from other banking activities, more attention for business ethics and corporate social responsibility, rules for executive remuneration, protection of shareholders interests, attention for stakeholders’ interests and a long term view towards value creation.

Freeman (2002) spoke comprehensively about fixing the crisis of ethics in corporate management. He said, “The list of companies who have been in trouble for ethical scandals is impressive. In response to these scandals, the American President (Bush) has exclaimed, “We have got to be ethical in big businesses”. As terrible as these scandals have been, there is absolutely nothing new about any of them. Worse, absolutely nothing has been fixed. The main problem is not the current wave of scandals; it is rather the idea that what good management is hijacked by a view that says, “Management’s only obligation is to maximize shareholder’s value”, is a very narrow sense of that term. Corporate world has to return to the basics of what good management is. To do that, corporate leaders have to stop separating business from ethics.”
Levels of Business Ethics

There are different levels of ethics in business as Weiss (2003) classified them into individual level, organizational level, association level, societal level and international level (Figure 1.2). Business leaders will confront ethical issues on all these levels during the process of corporate management. Some times they would be forced to face ethical issues appearing on multiple levels e.g. as happened to Starbucks during 9/11 when their employees charged those who came for water to the coffee shop.

Figure 1.2 Levels of Business Ethics

Enticement in Business Ethics

Weiss (2003) explained in his book how the concern of certain short term shareholder’s interests entices the business to centrifuge from standard norms (Figure 1.3). Reaching a win-win situation without violating anyone’s norms is an ideal goal. Corporate managers and leaders can achieve this goal only if they have set of standard norms that everyone agrees upon. Standard Norms are principles so fundamental that they serve to evaluate the foundation of what is ethical for humanity. Standard Norms have universal values like truth, honesty, transparency, security, equality and so on. Focused Norms are the principles which organizations put on their vision or mission statements, for example, Johnson & Johnson credo.

Moral Free Space is a gray zone for organizations to creatively explore unique solutions that satisfy all parties. Problem starts when organizations face illegitimate norms and continue to operate due to certain short term shareholder’s interests. This is the point where ethical dilemma starts from. Current corporate management practitioners need strong will and courage to find the way out to deal with this situation to ensure total value based management (TVBM).

As organizations move away from Standard Norms they become more prone to compromise and get trapped. Therefore it will be much suitable for organizations to monitor the interest of all stakeholders rather than working only for shareholder’s interest. It is possible through inculcating value system (VS) in organizational culture to give strong foundation for total value based management.
Five Myths about Business Ethics

Ethics are the key to bring value in corporate management. All corporate scandals stem from ethical dilemma. There are many myths about business ethics (Figure 1.4); these myths are usually presented as excuse to avoid ethics in business. First myth holds a view as, Weiss (2003) explained, that ethics is a personal and individual affair, not a
public or debatable matter. But individuals are integral parts of organizational culture, who have norms, values, rules of conduct, and standards to govern what is acceptable and what is unacceptable. Therefore, to argue that ethics related to business issues is only or mainly a matter of personal or individual choice is to depreciate the role of organizations in shaping and influencing member’s attitudes, perceptions and behaviors. Studies indicate that organizations that act in socially irresponsible ways often pay penalties for unethical behavior. Analysis of corporate failures and disasters strongly suggests that incorporating ethics in before-profit decision making can improve strategy development and implementation and ultimately maximize corporate profits.

**Figure 1.4** Business Ethics Myths

1. Ethics is personal
2. Business and Ethics don’t mix
3. Business Ethics is relative
4. Good business means good ethics
5. Information is neutral and amoral


Business and ethics do not mix is the second myth. But Business is a human activity therefore can be evaluated from a moral perspective. If every one in business
acted amorally or immorally the business would collapse. Employees would openly steel from employers; employers would recklessly fire employees at their will; contractors would arrogantly violate obligations; and chaos would prevail.

Third myth is that ethics in business is relative. This is one of the more popular myths, and it holds that no right or wrong way of believing or acting exists. Right and wrong are in the eye of the beholder. This myth paves the way for much confusion in business practices. If ethical relativism is applied to its logical extreme, no one would argue or disagree with any one about moral issues, since each person’s values would be right and true for him or her. Ultimately, this logic would state that no right or wrong exists apart from an individual’s or society’s principles.

Good business means good ethics. This is one of the major misunderstandings in business ethics. The reasoning here is that executives and firms that maintain a good corporate image, practice fair and equitable dealings with customers and employees, thus earn profits by legitimate & legal means and are de facto ethical. Such firms, therefore, would not have to be concerned explicitly with ethics in the workplace. Just do a hard, fair day’s work and that has its own moral value. Ethics is not some thing added to business operations; it is integral, necessary and central to manage successfully. A more accurate logical statement from business experience would suggest that “good ethics means good business.” This is more in line with observation from successful companies that are ethical first and also profitable. Business ethics should be promoted, not because good ethics is good business, but because it is morally required to adopt the moral point of view in all our dealings with other people-and business is no exception.
Last myth holds the view that information and computing are neither moral nor immoral, but are amoral, i.e., they are in a “gray zone”. But one can not view business information without human beings. Disinformation, misleading information, inaccuracy in computing are all offence while truth and accuracy in disseminating the information are always regarded as goodness.

**Why Ethics in Business**

There are three reasons to justify ethics in business as Weiss (2003) discussed that many times laws are insufficient and don’t cover all aspects or “gray areas” of a problem. How could tobacco companies in US have been protected by the law for decades until the settlement in 1997, when the industry agreed to pay $368.5 billion for the first 25 years and then $15 billion a year indefinitely to compensate US for the costs of health care for tobacco related illnesses?

Second, free-market and regulated-market mechanism don’t effectively inform owners and managers about how to respond to complex issues and crisis that have far-reaching ethical consequences. Should companies legally prohibit, as American Cyanamid did in the late 1970s, pregnant women from working in toxic areas to protect their unborn fetuses, even though the firm’s policy had the effect of pressuring several women into choosing unemployment or sterilization? Later, in the 1980s, the same firm faced unanticipated discrimination charges and lawsuits from several interest groups. In 1991 US Supreme Court ruled, in a six-to-three vote, that such “fetal protection” policies are a form of sex bias and prohibited by civil rights law. American Cyanamid may have acted legally in 1970s, but did it act ethically? Are women and men are still coerced to work in unsafe health environment.
Third point is that moral and ethical problems require learned understanding and concern for fairness and justice. Therefore ethics play important role in business because laws and the enforcement of laws are many times insufficient to guide action.

**Business Ethics in Islam**

Ethics may be defined as a set of moral principles that distinguish what is right from what is wrong. It is a normative field because it prescribes what one should do or abstain from doing (Beekun, 1997); the term most closely related to ethics in the al-Qur‘ān is *Khuluq*. The al-Qur‘ān also uses a whole array of terms to describe the concept: *Khayr* (goodness), *birr* (righteousness), *adl* (justice), *haqq* (truth and right), *taqwā* (piety) and so on.

Prophet Muhammad (PBUH) said, “You are not better than people with red or black skins unless you excel them in piety.”

Once a Bedouin asked the Prophet Muhammad (PBUH) “When would the Hour (Doomsday) take place?” Prophet Muhammad (PBUH) replied, “When honesty is lost, then wait for the Hour (Doomsday).” Bedouin said, “How will that be lost.” Prophet Muhammad (PBUH) said, “When the power or authority comes in the hands of unfit persons, then wait for the Hour (Doomsday)” (Beekun, 1997).

In Islamic business ethics no businessman is allowed to do dishonesty. In al-Qur‘ān it is mentioned that

> Give just measures and cause no loss (to others by fraud). And weigh with scales true and upright. And withhold not things justly due to men (26:181-183)

Islam does not tolerate interference in the market system by hoarding or other forms of manipulations. Allah's Messenger said:
“He who hoards is a sinner.”

In Islamic business ethics deceiving a buyer is a sin. Businessmen are not allowed to increase the sales through false oaths. Prophet Muhammad (PBUH) said, “The swearing (by the seller) may persuade the buyer to purchase the goods but that will be deprived of Allah’s blessing” (Beekun, 1997).

Islamic business ethics do not allow anyone to purchase stolen goods knowingly either for him or future resale. Prophet Muhammad (PBUH) said, “He who buys the stolen property, with the knowledge that it was stolen, shares in the sin and shame of stealing” (Beekun, 1997).

Above discussion clearly proves that in Islamic business ethics there is no room for fraud, dishonesty, manipulation, stealing, deceiving, and other malpractices prevailing in contemporary business world, as evident from many popular business scandals around the globe.

**Ethics are Corporate DNA**

Ethics are corporate DNA, as Alsop (2004) discussed that to enhance the corporate reputation; ethics must become an entrenched part of the culture. Ethics are not just the fashion of the day. Academic studies of some of America’s largest companies have shown that a strong reputation for ethical behavior pays off financially, too. Curtis Verschoor, an accounting professor at DePaul University in Chicago, found that companies expressing a strong commitment to their ethic code performed better than others on measures such as investment return, sales and profit growth, and return on equity. Ideally ethics and values should be integrated into performance appraisals and compensation plans. Companies should reward employees who abide by their standards.
and punish offenders. It’s very disconcerting when employees see their colleagues skirting or violating standards but still receiving pay raise and promotions. The ethic code then looks hollow, and employees no longer have much incentive to abide by it.

**Ethical Crisis in Pakistan**

Ethical crisis leads to corruption which according to National Anti-corruption Strategy (NACS) more simply comprises “the misuse of entrusted power for private benefit”. One of the main causes of corruptions, as it is mentioned in the annual report (2005) of National Accountability Bureau (NAB), is perpetual failure to develop proper ethical and business standards for the public and private sector. Same report describes that graft (an act of public office holder personally benefiting from public funds in a way other than prescribed by law) and bribe have become a mandatory element in relationship among people. Only NAB received 12255 complaints in 2005, following Table 1.1 gives the detail.

<table>
<thead>
<tr>
<th>All NAB Offices</th>
<th>Pending as on 31.12.2004</th>
<th>Received During 2005</th>
<th>Total up to 31.12.2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints</td>
<td>1406</td>
<td>12255</td>
<td>13661</td>
</tr>
</tbody>
</table>

This shows the intensity of value crisis in Pakistan. It is surprising that people are being offered financial incentive to inform illegal practices of people as shown in Table 1.2.

Table 1.2 Incentive for Informer

<table>
<thead>
<tr>
<th>NAB’s Share of Recovered Amount</th>
<th>Informer’s Maximum Reward out of NAB’s Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Up to 1,000,000</td>
<td>20%</td>
</tr>
<tr>
<td>2 Up to 5,000,000</td>
<td>10%</td>
</tr>
<tr>
<td>3 Up to 10,000,000</td>
<td>7%</td>
</tr>
<tr>
<td>4 Up to 30,000,000</td>
<td>4%</td>
</tr>
</tbody>
</table>


In the accountability process one can observe surprising terminologies like ‘plea bargain’ and ‘voluntary return’; which again speak of deep rooted value crisis in Pakistan, where people after committing dishonesty, corruption and spoiling the rights of others are again given a chance to pollute the society. Following Table 1.3 shows the detail of plea bargain and voluntary return.

Table 1.3 Plea Bargain and Voluntary Return

<table>
<thead>
<tr>
<th></th>
<th>Plea Bargain</th>
<th>Voluntary Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers</td>
<td>76</td>
<td>176</td>
</tr>
<tr>
<td>Amount Agreed (Rs.)</td>
<td>1,672,758,297</td>
<td>567,478,106</td>
</tr>
</tbody>
</table>


Term ‘amount agreed’ is an evidence of giving room to ethical breaches in the society. If some one has committed some thing illegal should be punished according to
the law and he/she should return every thing which they gathered through illegal means. This emphasizes the need of Islamic value system to be inculcated in all spheres of life.

Impact of ethical dilemma is evident in corporate management; specific example is ‘Taj Company”. According to Khan (1999) earning of Taj Company is based on the publication of Holy Qur’ān, which had been no exception to the culture of corruption and greed. He further states that there are innumerable companies who after taking tons of money from innocent depositors have been evaporated. This clearly proves that corporate sector of Pakistan needs a strong commitment towards value and ethics, to ensures high value for all stakeholders of organization.

**Lack of Value System Leads to Ethical Crisis**

There are some very convincing examples which prove that lack of value system leads to ethical dilemma. Alsop (2004) mentioned that before the accounting trickery and other abuses surfaced, a few of the worst offenders had ironically fooled some people into believing they were quite reputable. In hindsight, such reputations were bogus. Enron, for example, was ranked as the most innovative company in a survey of executives, directors, and security analysts by Fortune magazine just month before the energy company was exposed as fraud. A Dutch supermarket company (Royal Ahold) placed first in 2001 study of corporate reputation by Harris Interactive and the Reputation Institute but later came under government investigation for massive accounting irregularities.

Knowing now about Enron’s downfall and how its top executives really did business, one feels as he is reading not the actual ethics code but rather the script for a
 parody. Here are a few excerpts from the code and cover letter that truly give new meaning to the expression “empty words”:

“*We want to be proud of Enron and to know that it enjoys reputation for fairness and honesty and that it is respected…. Let’s keep that reputation high.*”

“*Ruthlessness, callousness, and arrogance don’t belong here.*”

“*We work with customers and prospects openly, honestly and sincerely.*”

“*We are dedicated to conducting business according to all applicable local and international laws and regulations…and with the highest professional and ethical standards*” (Alsop 2004).

Even the Smithsonian Institution in Washington, D. C., has acquired the Enron ethic code for its collection of historical memorabilia (Alsop 2004). Enron and likes are the classical examples to understand the need for inculcating value system to establish value based corporate management in business organizations.

**Corporate Governance**

Beside other initiatives awareness and development of the concept of corporate governance is also an important step forward towards dealing with misuse of authority and protection of shareholder’s interest. Corporate governance means to increase the role of shareholders in controlling the corporate organization to secure the interest of shareholders. Corporate governance deals with the problems that result from the separation of ownership (shareholders) and control (Fernando, 2006). Corporate governance is basically how companies deal fairly with problems that arise from separation of ownership and effective control (Fernando, 2006). According to Solomon & Solomon (2004) corporate governance tends to focus on accountability of corporate
management to shareholders and the ability of country’s legal system to protect minority 
shareholder rights. Corporate governance is the process of supervision and control 
intended to ensure that the company’s management acts in accordance with the interests 
of shareholders (Parkinson, 1994).

Corporate governance is giving overall direction to the enterprise, with overseeing 
and controlling executive actions of management and with satisfying legitimate 
expectations of accountability and regulation by interests beyond the corporate 
boundaries (Tricker, 1984). Corporate governance is the sum of those activities that 
makeup the internal regulations of the business in compliance with the obligations placed 
on the firm by legislation, ownership and control. It incorporates the trusteeship of assets, 
their management and their deployment (Cannon, 1994). In fact corporate governance is 
the relationship between shareholders and their agents (management) of the companies 
and the way in which they act to encourage best practices.

There are two “governance” chain models which exist throughout the world;

- The “Market Model” governance chain

- The “Control Model” governance chain

The “Market Model” governance chain is more common in US, UK, Canada and 
Australia. In this model there are efficient, well-developed equity markets and dispersed 
ownership. This model explains conditions and governance practices that are better 
understood, appreciated and valued by sophisticated global investors.

The “Control Model” governance chain exists in underdeveloped equity markets 
e.g. in Asia, Latin America and some east European countries. This model contains
concentrated (family ownership), less shareholder transparency and in adequate protection of minority and foreign shareholders.

There are three basic assumptions in corporate governance;

1. Primacy of the shareholders
2. Diversity of the shareholder group
3. Maximization of shareholder wealth

In Pakistan there are some important initiatives to enforce the concepts of corporate governance in organizational management. Securities and Exchange Commission of Pakistan developed a code of corporate governance (Appendix 5 p. 251) to establish a framework of good corporate governance for listed companies. Code of corporate governance laid by Securities and Exchange Commission of Pakistan provides comprehensive guide lines for the formulation of board of directors, qualification and eligibility to act as a director, tenure, responsibilities, powers and functions of board of directors. It also provides guidelines for the appointment of chief financial officer and the secretary of the company. This code also deals with the details of financial reporting and audit patterns.

**Problem Identification**

Extensive literature review and preliminary interviews regarding issues and challenges of VBM identifies some weaknesses in current approach to value based corporate management. Basically these weaknesses stem from lack of two main factors;

- Values and Ethics (VE)
- Management by Example (MBE)
Contemporary VBM promoters and practitioners give little attention to universally accepted values and ethic. This study aims to find role of VE and MBE to strengthen VBM from Islamic perspective. An important aspect to inculcate MBE is the comprehensive mechanism of accountability of leadership. Most of the corporate scandals provide evidence that lack of accountability system of leaders in today’s organizations is one of the main reasons for decline in corporate reputation. This study provides accountability model for leaders to ensure right use of authority. This study also identifies primary and secondary attributes for leadership which can help them to lead organizations towards total value based management (TVBM). The Researcher provides Islamic leadership model which depicts that how Islamic values bind leaders to maintain balance between authority and responsibility.

In recent VBM theories there is a need for holistic approach, which can help leaders to cope with diverse situations in managing organizations. Holistic management model can help leaders to handle variety of issues in today’s culturally diverse and globally operated large business economies.

This study attempts to extend the scope of VBM beyond shareholder’s interest and gives new dimensions to the vision of leadership through welfare and protection of all stakeholders of organization including shareholders, employees, customers, environment and society as a whole.

**Objective of Study**

Foremost it is important to explore inherent flaws of the contemporary corporate management in general and value based management (VBM) in particular. Thereby the objective of the study is to explore the role of Islamic values to develop a kind of
leadership which can eliminate ethical crisis from corporate management and ensure high value for all stakeholders of organization including shareholders, employees, customers, society and environment, thus leading the organization towards total value based management (TVBM).

**Rationale of Study**

With the advent of industrialization, emerged the need for corporate management. Since then, immense research has been carried out to unwind the million of notions shrouding this crucial subject. Though the services rendered by the past and contemporary researchers are invaluable in many respects, the Researcher contends that there is a perpetually growing need to probe the values and ethics which form the bases of the value based corporate management. The age-old adage ‘half-truth is by definition half-lie’ has proven true for contemporary approaches to value based corporate management, whose axes are, almost invariably, shareholder’s interest – thereby compressing the welfare and protection of all stakeholders: employees, business, customers and society.

Background of the study provides fair understanding of problems and issues surrounding VBM. Values and ethics are the key to eliminate ethical dilemma from corporate management. Responsibility to inculcate values and ethics in corporate management lies on corporate leadership. Important contribution of the study would be to explore the role of Islamic value system to develop a kind of corporate leadership which can benefit contemporary corporate management to come out of global ethical crisis.

Hence, one dimension of this study is the exposition of the inherent flaws in the contemporary approaches to corporate management which are characterized by an over-
indulgence in the shareholder's interest only at the stake of much larger and consequential bases. Another dimension of this study is to relate the true essence of Islamic leadership in the context of value based corporate management. The researcher will try to prove that Islamic leadership skills provide a comprehensive and substantial solution to the mysteries surrounding contemporary corporate management.

As the dissertation unwinds, the reader will find a transition towards a much needed organizational environment characterized by high standards of personal and collective values and ethics. To bridge the gap between declared and actual practicing level of values and ethics in organizational environment it is important to analyze the role of managers working at all levels for an enterprise. While the top management envisions the values to be practiced in an organization, the middle and lower management embodies and implements them. It is the Researcher's proposition that an analysis of management's role at all levels is thus mandatory to acquire acumen for value based corporate management.

To large extant findings are generalize-able because textile industry contributes 68% to the total exports of Pakistan (Majeed, 2003) and Telecom is the most potential and the fastest growing sector in Pakistan. According to the website of Pakistan Telecommunication Authority, telecom sector attracted maximum foreign direct investment in 2004-05 amounted US$ 494 million and making it one third of the total FDI in the country. Each industry is representing manufacturing and service sectors. Therefore findings of the current study would be greatly beneficial for corporate management of manufacturing and service sectors of Pakistan.
Definitions of Terms

Islam

Islam means “The Surrender” i.e. man’s surrender to God’s will and purpose.

Values

Values are beliefs about what is right and wrong and what is important in life. Values encompass social, cultural and moral aspects of life. Values determine the importance of thing, action or belief.

Ethics

Ethics are moral principles which control or influence an individual’s personal and professional behavior. It is system of moral principles or rules of behavior. It is connected with beliefs and principles about what is right and wrong.

Leader

Leader is a person who leads, directs or has commanding authority or influence on others. Leader is an individual who influences other group members toward the attainment of defined organizational objective.

Leadership

Leadership is the ability to get people follow voluntarily, the ability to affect human behavior so as to accomplish an objective or mission. Leadership is setting a new direction or vision for those who follow. Leadership is the state or a position of being a leader. Leader is a person who leads a group of people specially a head of country, organization etc. Leadership is also the ability or quality to be a leader.
Manager

Manager is a person who manages human and financial resources to accomplish organizational objectives. Manager is a person who is in charge of running a business, a shop/store or similar organization or part of one: a bank/hotel manager, the sales/marketing/personal manager.

Management

The act of running and controlling a business or similar organization is called management. The people who run and control a business or similar organization are also called management. It is also the act or skill of dealing with people or situations in a successful way. Management controls and directs people or resources according to already established principles and values. Management controls resources to maintain the status quo or ensure things happen according to already established planes. In simple terms management means the act of getting people together to accomplish desired objectives or goals. Management comprises planning, organizing, directing and controlling.

Example

Some thing such as an object, a fact or a situation that shows, explains or supports what you say. Example is a thing that is typical of or represents a particular group or set. It is a person or their behavior that is thought to be a good model for others to copy. It is also a person’s behavior, either good or bad, that other people copy.
Role

Role is the function or position that one has or is expected to have in an organization. Role is the degree to which one is involved in a situation or an activity and the effect that he has on it.

Performance

Performance is the act or process of performing a task or an action. Performance means how well or badly someone works.

Shareholder

Shareholder is an owner of shares in a company or business.

Stakeholder

Stakeholder is a person or company that is involved in a particular organization, project, or system, etc.

Customer

Customer is a person or an organization that buys some thing from a shop/store/business. It is used after an adjective to describe a particular type of person. Customer is a client who pays to use the services or advice of a professional person, such as lawyer or designer or an organization.

Employees

Employee is a person who is paid to work for a public or private organization.

Society

Society means people in general, living together in communities. Particular community of people who share the same customs, laws, etc. A group of people who join together for a particular purpose also called a society.
**Environment**

Environment is the conditions that affect the behavior and development of somebody/something. It is the natural world in which people, animals and plant live. It is the complete structure with in which a person or a system operates.

**Welfare**

Welfare is the general health, happiness and safety of a person, an animal or a group. It is also a practical or financial help that is provided, often by the government or an organization for people or animals that need it.

**Protection**

Protection is the act of protecting some body or some thing. To protect means to make sure that some body or some thing is not harmed, injured, damaged, etc. Protection also means to introduce laws that make it illegal to kill, harm, or damage a particular person, animal, area of land, building etc.

**Corporate**

Corporate is an association of persons recognized by the law as having a collective personality. According to the website of ‘wells.entirety’ Corporate means a group of individuals acting as a whole, as in one business. According to Oxford Advanced Learner’s Dictionary ‘Corporate’ means connected with a corporation e.g. corporate planning/strategy/finance or corporate identity. Corporate connotes involving or shared by all the members of the group e.g. corporate responsibility.

**Corporation**

According to Oxford Advanced Learner’s Dictionary ‘Corporation’ means an organization or a group of organizations that is recognized by law as a single unit.
Corporation also means large business company e.g. multinational corporations. According to the website of ‘wikipedia’ corporation is a type of legal entity, often formed to conduct business. Corporation is a nexus of contracts, it is sum of all the agreements leading to its creation with two important aspects; first the life span of the corporation is much longer, second it is more rational in decision making by virtue of the fact that it has the benefit of the collective wisdom of the board of directors.

**Corporate Governance**

Corporate governance means to increase the role of shareholders in controlling the corporate organization to secure the interest of shareholders. Corporate governance deals with the problems that result from the separation of ownership (shareholders) and control (Fernando, 2006). Corporate governance is basically how companies deal fairly with problems that arise from separation of ownership and effective control. According to Solomon & Solomon (2004) corporate governance is the process of supervision and control intended to ensure that the company’s management acts in accordance with the interests of shareholders.

**Corporate Models**

There are two corporate models prevailing in the world. First is “The Market Model” and second is “The Control Model”. The Market Model is common in developed industrial nations e.g. US, UK, Canada and Australia. This model provides better conditions for valued and sophisticated global investors. The Control Model is represented by underdeveloped equity markets e.g. Asia, Latin America and some east European nations. This model has concentrated (family) ownership, less shareholder transparency and inadequate protection of minority and foreign shareholders.
Value Based Corporate Management

Value based corporate management means maximizing shareholders’ value through inculcating values and ethics in corporate culture. Maximizing shareholders’ value means maximizing profit. Besides values and ethics other factors may also contribute towards value based corporate management e.g., strict accounting practices, rules for executive remuneration, corporate social responsibility and separation of analysts from other banking activities.

Total Quality Management (TQM)

TQM is based on a number of ideas. It means thinking about quality in terms of all functions of the enterprise and is a start-to-finish process that integrates interrelated functions at all levels. It is a system approach that considers every interaction between the various elements of the organization. Thus, the overall effectiveness of the system is higher than the sum of the individual outputs from the subsystems. Subsystems include all the organizational functions in the life cycle of a product e.g., design, planning, production, distribution and field service.

Total Value Based Management (TVBM)

Current study presents the concept of total value based management (TVBM), which means ensuring and maximizing value for all stakeholders of organization including shareholders, employees, customers and society at large. Maximizing shareholders’ value means ensuring higher profits and maximizing value for employees, customers and society at large means ensuring welfare and protection for all of them.
Chapter 2

Literature Review

Need for Value System

It is quite surprising that man is the only creature in this world which is faced with dilemma of value crisis. Other creations are following their natural values. None of them is behaving among their own species as humans are behaving among themselves. One can not find any fraud, lie, dishonesty, corruption etc among other species of animal except human beings (Modudi, 2003). It means man does not fulfill the rights of others; thus he needs guidance, control and training to behave ethically.

Reports and data presented by Alsop (2004) in his book help us realize the need for ethical value system. Some common ethical breaches include managers lying to employees, doing nepotism and favoritism, taking credit for other's work, receiving or offering kickbacks, stealing from company, firing an employee for whistle-blowing, padding expense accounts to obtain reimbursements for questionable business expenses, divulging confidential information or trade secrets, terminating employees without giving them sufficient notice, and using company property and materials for personal purposes. A study of 148 secretaries who worked for Fortune 1000 chief executives found that 47% had been asked to lie at some time by their bosses.

Government, Sales and Law are graded as top three areas for their unethical behavior. It is not less than a surprise that government which is guardian of millions of people is at the top. Media is at number four. A survey of 200 sales manager showed that
49% of representatives lied on sales call. It has been estimated that workplace theft costs United States business $40 billion each year. A 2002 poll found that 33 percent of Americans had hardly any confidence in the executives of big companies. In a survey (Hill & Knowlton) of nearly six hundred corporate executives, it was proved that 42% of them were concerned about unethical corporate behavior.

Table 2.1 Threats to Corporate Reputation

<table>
<thead>
<tr>
<th>Threat</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criticism of the company or its products in print or broadcast media</td>
<td>49%</td>
</tr>
<tr>
<td>Unethical corporate behavior</td>
<td>42%</td>
</tr>
<tr>
<td>A disaster that disrupts operations</td>
<td>36%</td>
</tr>
<tr>
<td>Litigation or adverse court judgments</td>
<td>35%</td>
</tr>
<tr>
<td>Allegation about product safety problems by a special-interest group or customers</td>
<td>29%</td>
</tr>
<tr>
<td>Allegation about product safety problems by government officials</td>
<td>24%</td>
</tr>
<tr>
<td>Criticism of the company or its products on the Internet</td>
<td>13%</td>
</tr>
</tbody>
</table>


A 2001 workplace study also revealed a low level of loyalty and commitment among employees. About 36% did not feel pride in their work and 57% believed that their employer did not deserve loyalty.
Table 2.2  Employees’ Loyalty

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>True loyalty and desire to stay with their employer’s for at least two more years</td>
<td>24%</td>
</tr>
<tr>
<td>Proud to work at their companies</td>
<td>64%</td>
</tr>
<tr>
<td>Strong Attachment</td>
<td>45%</td>
</tr>
<tr>
<td>Believe their employer deserves loyalty</td>
<td>43%</td>
</tr>
</tbody>
</table>


Today employee loyalty at some companies is even lower. Employees are more cynical and less trusting because of all the recent cases of accounting abuse and executive greed.

**Islamic Value System (IVS)**

Islamic values are compatible with man’s need for prosperity and happiness in all affairs of life. Islamic values have established their strength in the history; these do not depend on norms and practices of societies which tend to be situationally specific and changing overtime, depending on societal standards and acceptance. Islamic values are indeed universal and hence applicable in all sphere of life. There is clearly no place for arrogance, injustice, dishonesty, greed, pomp and grandeur in Islamic value system (Alhabshi and Ghazali, 1994).

Islamic values are set of beliefs and morals, a social doctrine, and a call to righteousness among all members of organization (Asad, 2007); it is a complete, self-contained ideology which regards all aspects of our existence – moral and physical,
spiritual and intellectual, personal and communal – as parts of the indivisible whole which we call “Human life.”

Islam covers the entire course of life; it is the puissance and motivation for life. Islam differentiates between right and wrong, separates good from bad, and extricates righteousness from turpitude. Islam strengthens the morality of individual. Modudi (2003) explains that Islam not only deliberates the relation between Creator and Human being, but also discusses the relation between man and man and also man and the entire universe. Islam answers every problem of life, and explains rights of parents, spouse, children, business partners, friends, enemies, even rights of every entity of universe. Islam creates balance among all these rights. Muslims have to guarantee balance and justice in delivering these rights.

In Islam, the duty of every Muslim is to obey value system of Qur’ān and Sunnah. People groomed through value system of Qur’ān and Sunnah exhibit these qualities in their personal and professional lives. These teachings control and monitor both the leaders and followers. Islamic value system (IVS) provides comprehensive pattern of management which protects all stakeholders of the organization. Islamic value system focuses moral development of human beings, thereby making sure that people follow the rule of law through their own will, not through fear or force. IVS stipulates tested principles of value building among members of organization. In subsequent pages the reader will observe the impact of these values in managing people effectively and efficiently. Aim of HRD experts has always remained to build a group of people that is trustworthy, committed and proficient. But the main problem with today’s HRD expert is that he separates an individual’s professional life from his/her personal life (p. 10 first
myth about business ethics). On the other hand in IVS, individual is an entity, who behaves in the same manner in both personal and professional lives. It is not possible that an individual is dishonest in personal life but honest in professional life or vice versa.

IVS starts working from the core of issue and educates the person to adopt all those ethical values which are time tested. This inculcates total value based culture among a group of people, and every group member starts facilitating others to follow and practice values which ensure prosperity for both the individual and the organization.

Therefore in Qur’ān ALLAH (SWT) says;

وَلْتَكُنْ بِكُمْ أَمَانَةٌ يُدْعَوْنَ إِلَىَّ السَّمِيعَ وَيُبَيِّنُونَ الْغَيْبَ وَيُبَيِّنُونَ عَنْ أَلْيَمِكَرِ

Let there arise out of you a band of people inviting to all that is good, enjoining what is right, and forbidding what is wrong: (al - Qur’ān 3:104)

Islamic value system inculcates the culture of Inviting for Good and Forbidding from Wrong (IGFW). This is the duty of every Muslim to invite others for good and to forbid from wrong. But for convenience of entire group of people, it is said that at least one group of people must perform this duty and leaders would participate actively in performing this duty. Inculcating the culture of IGFW is the peculiarity of Islamic value system, which ensures that every member in the organization contributes for the endorsement of values and ethics in the organization. When every one will work as a police man, no one will be the thief. IGFW ensures true implementation of values and ethics, because every one is motivating, controlling and monitoring the whole system. If there is any deficiency in practicing values and ethics, one group of people must be dedicated to the duty of IGFW and particular members of this group are leaders and
managers. In Islamic leadership system job of leader is not to sit at the top to utilize authoritative provisions, but his prime job is the wellbeing of people in his domain of responsibility.

Culture of IGFW motivates every member of the organization to practice all those values and ethics which he educates to others. They avoid those things which they ask others not to do. Islamic value system has enhanced the value of virtue, as mentioned in Qur’ān-e-Hakeem:

\[
\text{مَنْ جَآءَ بِالْحَسَنَةِ فَلَهُ عَشرُ أَمْتَالِهَا وَمَنْ جَآءَ بِالْسَّمِيْتَةِ فَلا يُجْزَىَ إِلَّا}
\[
\text{مِثْلَهَا وَهُمْ لَا يُظْلَمُونَ}
\]

He that doeth good shall have ten times as much to his credit: he that doeth evil shall only be recompensed according to his evil: no wrong shall be done unto (any of) them. (al - Qur’ān 6:160)

This is the unique motivation, which can be seen only in Islamic value system, e.g. one gets ten virtues if he stops on red traffic signal beside the satisfaction of following the law, but in case of violating the red signal he will be punished for one wrong doing. This is how Islamic value system motivates people to follow moral values, ethics, rules and regulations. Thus IVS presents unique concept of reward and punishment, far better than that of the contemporary approach.

A value is normally understood to be a thing towards which society has affective regard or even strong belief in its goodness or otherwise. If society has positive affection or strong belief that some thing is good or beneficial to society, such a thing is considered to have positive value e.g. honesty, truth, sincerity, bravery, generosity, etc. On the other
hand, if society abhors some thing because either it has no affection for it, or it does not believe that it is of any benefit to it, that thing is of no value or has negative value, e.g. cruelty, falsehood, crime, greed, corruption etc.

The criteria used by society in sanctioning weather something has positive or negative value to it obviously depends on the norms and ideals or standards acceptable by the society concerned. These criteria may be different in different societies and may even different with in the same societies over time. For example homosexuality was never acceptable by most societies but it is becoming more acceptable in modern societies as a sign of liberalism. Similarly, cohabitation was uncommon until probably a few decades ago, but it is now very much accepted by some modern societies, (Alhabshi, et al, 1994).

On the other hand Islamic value system (IVS) is based on the articles of faith, i.e. belief in oneness of Allah, His angles, His messengers, and the Last Day and to believe in Divine destiny, the good and the evil thereof, (a Prophetic tradition from Sahih Bukhari). These articles of faith provide the anchor that steers the person in the right direction. He is always reminded of the existence of the Omnipotent Being from Whom he receives every thing and to Whom he gives nothing except that he has to continuously behave in the most subservient manner. A deviant behavior is unacceptable and needs immediate remedial and corrective action. Comparison between absolute attributes before Islam and those after Islam is given in Appendix 6 p. 264.

This belief system not only affects the behavior but also the character of the individual. Character is the state of the soul which produces consistent and spontaneous physical actions. When the state of the soul is such that it produces virtuous actions, the character is said to be good. On the contrary, when the state of the soul is such that it
consistently and spontaneously produces evil actions, the character is termed evil or bad. The state of the soul which does not produce consistent and spontaneous physical action cannot represent character. It is simply a temporary behavior. (Alhabshi, et al, 1994).

Islamic value system is based on truth for the benefit of the entire human race. Therefore Islamic value system should be acceptable to all societies and has universal acceptability; because honesty, generosity, moderation, truth etc. which are the fundamental requirements of virtues character in Islam, are positive values forever and for every one, whereas greed, extravagance, dishonesty, falsehood etc. have never been considered good or beneficial to society, which are the basic inhibitions in Islamic value system. This serves as a proof of its universality and dynamism.

Prophet Muhammad (PBUH) said “Person who holds any position in our government: if he does not have wife, he should get married; if he does not have servant, should get one servant; if he does not have home, should get one; if does not have ride, should get one; any one who crosses this limit is either dishonest or thief”. (Nomani and Nadvi, 2002)

Man is by nature religious even if he believes that he is secular. It is indeed inconceivable that the positive value from an Islamic point of view can be considered negative in other societies. The chief reason for this is the fact that all religions are supposed to preach good and beneficial things. (Alhabshi, et al, 1994)

According to the website of ‘valuebasedbusiness’ a business that has sound core values will have more motivated staff, greater success at winning customers and a more stable and productive future. Implementing values can be much harder than going on a
training course! But it can be done over time. Values provide self fulfillment and self confidence in an individual and they are intrinsic to our human make up.

Islam guides man (Muhammad, 2002) with regards to his dealing with other individuals of the society. It lays emphasis on justice, truth, respect for life and property, patience, humility, thankfulness and forgiveness. When each member of society (Sternberg, 1997) acts in his personal capacity on the basis of moral values then the operation of market forces will automatically lead the business to reflect those values.

**Components of Islamic Value System**

**Sincerity (al-Ikhlas)**

When one is sincerely undertaking a task, one has to make sure that the task is completed with the best of one’s ability, because sincerity is the best complement (Emerson, 2008) one can render to the organization. Sincerity is an absolute value, either one is sincere or insincere. There is no in between. If one is less sincere, it implies that there exist some other elements in the intention. (Alhabshi, et al, 1994)

قَلْ أَلَّاَتْنَا لَهُ أَعْبَدُونَ مَعَ مُحَلِّصًا أَلَّهُ. دِينًا

Say: "It is Allah I serve, with my sincere (and exclusive) devotion: (al - Qur’ān 39:14)

Employee’s loyalty is one of the major concerns among organizations p.31. Reason is two fold, either organizations are not groomed enough to take care of their employees or employees are not ethically groomed to value the organization. In both cases lack of value system in organizational culture is the reason of such crisis. Sincerity is contagious; if there is sincerity in organizational culture, then every stakeholder will
act sincerely to increase the value of organizational operation. Sincere efforts lead to efficiency and efficiency leads to better performance of an individual.

**Proficiency (al-Ihsan)**

Proficiency is commonly understood as doing marginally more than the minimal requirement. Proficiency also means efficiency, this particular meaning obviously enhance productivity (Alhabshi, et al, 1994). There may be two types of people one who perform their duties scrupulously but do not demonstrate any additional commitment. Others push themselves beyond the call of the duty (Beekun and Badawi, 1999) they are energized and willing to make sacrifices in the performance of their task. They are those who have *ihsan* and work tirelessly to carry out their duties over and above their duties.

Proficiency is the quality which ensures that organizational members exhibit little more than their prescribed responsibilities. Proficiency has vast meanings it is not possible to cover it’s all aspects, but in all its manifestations proficiency means behaving with others in such a manner that makes them comfortable and happy. From the point of view of value based management, proficiency means doing good job or doing some job in a proficient manner. If every member of organization exhibits proficiency (*ihsan*) in his performance, it will increase not only shareholders’ value but the value of entire organization.

.but do thou good, as Allah has been good to thee, (al - Qur’ān 28:77)

**Justice (al-‘Adl)**

In IVS there is explicit contract or pledge between a leader and his followers that he will try his best to guide them, to protect them and to treat them fairly and with justice
Justice is an important element to keep individual and collective affairs straight (Murphy, 1999). Like sincerity, justice is absolute. There is no such thing as relatively just or unjust. It is either just or unjust. Justice is definitely a value and virtue in all religions and is upheld by all societies. As such, it is universal value which is acceptable to every one. (Alhabshi, et al, 1994)

Justice is the foundation stone of Islamic value system. It is inconceivable that Islamic leadership will not establish justice. Islam is absolutely unambiguous about eradicating all forms of injustices, inequity, exploitation, oppression and wrongdoings from management process in particular and in society in general, thus a person can not deprive others of their rights, and fulfills his obligations towards them. This is how Islamic leadership system inculcates the sense of satisfaction and protection among organizational members and ensures that they perform their duties with complete peace of mind. Justice inculcates sense of responsibility in every member of organization to perform their duties with the best of their abilities. Thus leads to enhanced performance of every member of organization to create value for all stakeholders including shareholders, employees and customers.

Truthfulness (as-Sidq)

Truthfulness is needed in speech, intention, resolution, fulfillment of resolution, in action and in all stations on the path. One is considered most truthful if he acquires truthfulness in all aspects mentioned above (Alhabshi, et al, 1994). Truthfulness means
consistency between words and deeds (Beekun et al, 1999), human organizations cannot survive without truthfulness (Confucius, 400 BC).

Truthfulness is the most important characteristic in Islamic value system. It is not possible that some one is truthful at workplace but liar in personal life, or vice versa. One is either truthful or not truthful. That’s why, when Hazrat Imam Bukhari (RA) visited a person for getting a hadith, he noticed that the person is deceiving his animal by expending his lap with out grains. He refused to take hadith from him and said “If a person deceives an animal, he can tell a lie to any one”. This shows the standard for sound character in Islamic value system.

There are three types of truthfulness;

1. Truthfulness of Speaking

\[
لَيْبِّجْرُؤَيْنَ اللَّهَ الصَّدِيقِينَ يُصَدِّقُونَ وَيُعْقِبُ الْكَذِبِّيَّنَّ إِنَّ شَاءَ
\]

That Allah may reward the men of Truth for their Truth, and punish the Hypocrites if that be His Will (al - Qur’ān 33:24)

2. Truthfulness of heart

\[
وَاللَّهُ يُسَهِّدُ إِنَّ الْمُتَّقِينَ لَكَدِينُونَ
\]

and Allah beareth witness that the Hypocrites are indeed liars. (al - Qur’ān 63:1)

3. Truthfulness of action

\[
إِنَّمَا الْمُؤْمِنِينَ آمَنُوا بِاللَّهِ وَرَسُولِهِ وَمَمَّا نَشَأَتُ مُنَاتُهُمْ وَمَا نَشَأَتُ مُنَاتُهُمْ فِي سَبِيلِ اللَّهِ وَأَتِيَّكَ هُمُ الصَّدِيقُونَ
\]

42
Only those are Believers who have believed in Allah and His Messenger, and have never since doubted, but have striven with their belongings and their persons in the Cause of Allah: such are the sincere ones. (al - Qur’an 49:15)

In Islamic value system truthfulness has comprehensive meanings. One should always speak truth. There is no place for hypocrisy in IVS. Preaching truth through speech is not enough; actions have to be aligned with words. IVS goes little more beyond and addresses the content of intention, which is never addressed in contemporary popular theories of ethics. One has to be truthful from the core of heart, not for ostentation but for the establishment of moral standards in the society. Therefore accounting manipulations have no room in IVS. Truth leads to reliable and responsible organizational culture; reliable and responsible towards shareholders, customers and society as whole.

**Patience (as-Sabr)**

In al-Qur’an, God explicitly identifies patience as one of the defining characteristic for the followers of Islam (Beekun et al, 1999). Patience has two aspects. First, it is called mental patience which is restraint on demands of carnal desires and anger. In misfortune, it is required against violent outbursts in the form of crying, tearing of clothes etc. Firmness of mind is required to control anger and greed for wealth. Second, it is called bodily patience which is endurance of physical pain felt in performing devotional or non-devotional acts, in disease and in injury (Alhabshi, et al, 1994).

Patience and perseverance in every day management activities have a magical effect before which difficulties disappear and obstacles vanish (Keith, 2004). Every manager encounters many disagreements, deviations, misinterpretations and gaps in
planed and actual outcomes. Therefore Islamic leadership system emphasizes patience. It is said in the Holy Qur’an:

Except such as have Faith, and do righteous deeds, and (join together) in the mutual teaching of Truth, and of Patience and Constancy. (al-Qur’an 103:3)

Patience, one of the most important teachings of Islam, ensures that leaders/manager in particular and every member of organization in general builds patience in their own personality and among the organizational members. While following the righteous way, one may face turmoil and problems, but in Islamic value system every member of the organization supports each other in facing all such obstacles and they advise each other for patience. This ensures that whole organization moves towards the objective with firmness and togetherness.

**Continuous Self Evaluation (at-Tahlil adh-Dhāti ad-Dā‘im)**

Islam strongly encourages continuous self-evaluation in order to improve oneself all the time. If for any moment one realizes that he has done more bad than good, he is expected to take immediate corrective and remedial action. (Alhabshi, et al, 1994)

Every soul draws the meed of its acts on none but itself: no bearer of burdens can bear the burden of another. (al-Qur’an 6:164)

‘An extra mile every day’ is a popular business maxim. Once Prophet Muhammad (PBUH) said as reported by Jabnoun (1994) “He whose two days are equal (in
accomplishment) is a loser.” Therefore every one should continuously evaluates him/her to improve and ‘What is better today than yesterday?’ is an every day question for every member of organization in general and for leaders in particular. Continuous self evaluation keeps the person alert to improve his weaknesses and provides an opportunity to convert them into strength. This continuous improvement leads to better performance of organizational members, which leads to increase shareholders’ value.

**Promise Keeping (İfā’u-l-⪠hd)**

Keeping our promises all the time will enhance the trust people have in us. One can win the hearts of many if one is trustworthy, reliable and dependable (Alhabshi, et al, 1994). Promise keeping is commitment and commitment is responsibility (Eden, 2008). According to Nomani, et al, (2002) p. 594 respect of nations and their people depend on the extent of their commitment to their promises. When some one promises, he owes a responsibility and a person will be answerable in front of ALLAH ALMIGHTY;

وَأُفْسَدُواْ بِالْعَهْدِ چَنَّ الْعَهْدَ كَانَ مَسْتَوْلَأ

and fulfil (every) engagement, for (every) engagement, will be enquired into (on the Day of Reckoning). (al - Qur’an 17:34)

In the books of hadith, it is mentioned that there are three indications of a hypocrite: he tells lies; he doesn’t fulfill the promise; he is dishonest. Beekun (1997) reported a hadith narrated by Abu Hurayrah that the Prophet (PBUH) said “If you guarantee me six things on your part I will guarantee you Paradise. Speak the truth when you talk, keep a promise when you make it, when you are trusted with some thing fulfill that trust, avoid sexual immorality, lower your eyes, and restrain your hands from
injustice.” Islamic value system makes everyone credible, honest and responsible. All these qualities form the foundations of sound character of an individual and a dependable and honest organizational culture.

**Moderation (ʾIjtīdāl)**

Nomani, et al, (2002) p. 548 described that Islam gives the teachings of moderation. It is mention in al-Qurʾān that

وَأَفْصِدْ فِي مَشْاَيْكَ

"And be moderate in thy pace, (al-Qurʾān 31:19)

Neither overindulgence, nor under provision – that’s moderation. One should keep a mid course between two extremes (Ovid, BC 43 – AD 18). Islam calls for moderation in almost everything, such as food, sex, work, devotional act etc. Moderation makes a person more stable and less stressful. It is a key to a balanced and healthy life. (Alhabshi, et al, 1994)

There is nothing better than generosity in all religions, but even in this regard Islam gives the teachings of moderation.

وَلَا تَحْسَبْنَ أَنَّكُمْ عَلَى مَا تَعْمَلُونَ إِلَّا كَذَٰلِكَ كَانَ أَلْبَسْتُكُمْ مَلْوَمّا مَنْهَسْتُكُمْ

Make not thy hand tied (like a niggard's) to thy neck, nor stretch it forth to its utmost reach, so that thou become blameworthy and destitute. (al-Qurʾān 17:29)

Moderation is the key to stability and consistency. If people are consistent and stable in their performance, attitude and practices, they will perform their duties
efficiently an effectively. Thus, moderation is one of the important features of Islamic value system.

**Affect of Islamic Value System (IVS)**

IVS influences individual behavior significantly e.g. revenue generation in any state is not an easy task. The government machinery has to strongly monitor the procedures of collection, for if they don’t, treasury of the government will deplete soon (Nomani, et al, 2002). But on the other hand; when Hazrat Muhammad PBUH ordered alms, people used to go to bazaar for labor; they gave in alms what they earn. (Sahih Bukhari)

When the accused faces the court, he will not see any mercy and he will try his best through any illegal means to prove that he is not guilty and will think it is his duty to prove this. In this regard there is no difference between kingdoms and democracies. Apparently, Europe has developed in culture, education and politics. Though Governments are made by the people, if government shows laziness no one will pay taxes happily. After committing sin, the criminal will either hide himself or spend lavishly to prove that he is not guilty. Punishments in Europe are for moral correction and status of prisoners is much better, however, Europeans don’t admit their sin truthfully instead he will advocate himself boldly, all on the premise of democracy.

However, if the system of the state is based on moral principles, every member of the state will consider the commandments of the state equally punishable or rewarding as religious practices/matters and will follow all rules and regulations with out any compulsion; it is possible only through morality and spirituality. Islamic value system is based on same principles of morality.
Leadership model which is based on principles and morality of Islamic value system will inculcates value based ethical organizational culture enabling every member of organization to follow the rules and regulations religiously to ensure higher value for all stakeholders of organization.

**Management by Example (MBE)**

Islam gives a comprehensive model embracing all dimensions of human life. It deals with all aspects of life and its activities. It is concerned with the mind, heart, conscience and attitude. Islamic values are the combination of economic, material, moral and spiritual aspects. West looks at man only from the spiritual aspect and ignores his bodily desires (Yousaf, 1998). But Islam does not separate human spiritual and bodily desires. In Islamic view life consists of established and well-defined values of mutual love, respect, cooperation and responsibility between Muslims in particular and among all human beings in general. The same view of life is held by West, but there these attributes are not based on explicit laws, realities and facts of life. West follows a dream of abstract world of ideas and imaginations, a dream which is to be realized only in the Kingdom of Heaven. On the other hand Islam is perpetual dream of humanity, embodied in a reality which exists on earth. Islam presents practicable values for every field of life. When it comes to leadership Islamic value system elucidates that leaders must be role models, they must let their actions speak louder than their words (Jabnoun 1994). In Qur‘ān -e-Hakeem it is mentioned that

\[\text{بَنَأْنَّهَا الَّذِينَ ءَامَنُواً لِمَّا تَقْفَعُونَ مَالًا تَقْفَعُونَ كَثِيرًا مَّلِئًا عَنْدَ إِلهِ أَنَّ تَقْفَعُوا مَالًا تَقْفَعُونَ} \]
O ye who believe! Why say ye that which ye do not? Grievously odious is it in the sight of Allah that ye say that which ye do not. (al-Qur’an 61:2-3)

It means every member of organization including leaders have to fulfill what they proclaim. If every one will follow his/her publicly declared words it will help the organizations to ensure higher value for all stakeholders of organization including shareholders’ value; an essence of VBM!

Leadership is the ability to show the way, to guide, to direct or to influence the actions of others (Majali, 1990). According to the report of Ethics Resource Centre (2003), internalization of values and ethics will not occur without the active support in word and deed of company’s leadership, ranging from the CEO to immediate supervisor. Leaders in the organization must respect the ethics process. In fact it is leadership (Hamilton and Bean, 2005) which is responsible for transforming organizational values and ethics.

Organizational cultures/members are influenced by the leadership of an organization. Leaders should realize that they are considered as role models and that their behavior is reflected on the culture and procedures of the organization (Jabnoun, 1994). The degree of success of organizations depends largely on their leadership. Hazrat Anas (raa), a companion of the Prophet (PBUH) said that he worked for the Prophet (PBUH) for twenty years and that the Prophet (PBUH) never asked him why he did what he did nor did he ask him to do things that he did not do (Jabnoun, 1994).

First show excellence and then demand excellence. If the leader wants others to come on time, he has to come on time and others will follow. One can not change others without changing oneself. If people are working late, be with them, if nothing else just to
motivate. People will never trust unless one does the same what he wants others to do. Don’t expect others to follow the advice and ignore the example (Seyal, 2002). This leads to the credibility of leader and organization. If the organization is credible, all stakeholders including shareholders, employees and customers will have confidence on organizational plans and policies.

Management by example is the number one value when it comes to leadership. Management by example paves the way for others to ensure success through hard work and devotion. In the business world MBE is a superior pattern of management where leaders do not ask anyone to do anything that they wouldn’t do themselves. Highly successful leaders are not only ethical but also set the standard of excellence for others to follow. Role models, whether they are military, government, or private industry leaders, demonstrate through their actions a clear and distinct message to those who follow them.

The point is, when all eyes are on the leader - and all eyes will always be on the leader - his example will be the measure of his leadership (Krulak, 2008). Leaders have to represent this commitment to diversity through their behavior … and it has to be genuine (Miller, 2003). An organization needs to synthesize a model of the leadership-management combination if it wants to be truly successful (Bogue, 2005).

**Some Lessons for MBE**

**Lesson 1:** Once a lady from honorable family committed theft; Hazrat Muhammad (PBUH) ordered to cut her hand. Companions of Hazrat Muhammad (PBUH) wanted to excuse her, because she was from honorable family. Hazrat Muhammad (PBUH) said “Nations before you were diminished only because if influential person committed sin, he did not get punishment – but if ordinary person
committed sin, he would get punishment”. Then he PBUH said “If the daughter of Muhammad (PBUH) Fatima did that, surely she would get the same punishment”. (Sahih Bukhari)

Rule of law across the organization brings satisfaction among all. Leaders can inculcate merit and equality through their personal example. When it is established that from top to bottom no one is above the law, then every member will have strong loyalty towards organization, and will work with enthusiasm to achieve organizational objectives.

**Lesson 2:** Once Hazrat Muhammad (PBUH) was distributing booty among companions. One person went too close to him (PBUH), he (PBUH) hit the person with stick, and the person got an injury. After seeing that, Muhammad (PBUH) immediately told the person to take the revenge, but the person said “I forgive you”. (Abu Da’ud vol. 2 p. 158)

This is an example of leader’s credibility. Even the top most leader surrenders to the rights of others. Through this culture, ILS provides sound patterns of MBE and ensures that every one is respected. Thus helps an organization to build a strong dedicated team.

**Lesson 3:** Once Hazrat Fatima (raa) requested Hazrat Muhammad (PBUH) to give her one of the maids because she had wounds on her hands due to excessive work. Hazrat Muhammad PBUH answered that orphans of *Badr* are more deserving than her. (Nomani, et al, 2002)

As we know that *Gazwa-e-Badr* was a turning point towards Muslim rise. This is the exemplary that those who have been martyred and not available are being looked
after. It is the hallmark of Islamic value system. If the supreme leader of the organization can set such a tremendous example of rewarding achievers, nothing can stop the organization from flourishing. Every member will be sure that his/her leadership will look after his/her interest weather he is alive or not. In today’s management, to maintain employee’s loyalty is a great challenge p. 31. Islamic value system provides the solution through inculcating such values.

**Lesson 4:** Individualism and self interest (Child and Rodrigues, 2004) are the common ailments in our contemporary moral climate and altruism is usually left behind. Current crisis in confidence in corporate management is because of selfishness. All those who are involved in value based corporate management and especially those with senior positions have to address their own moral responsibilities. ILS furnishes fabulous examples of restraining individualism and self interest. When usury was forbidden, Hazrat Muhammad (PBUH) first forgave all matters of interest of his (PBUH) uncle Hazrat Abbas.(Nomani, et al, 2002)

When the custom of taking revenge of dark ages before Islam was removed, first of all Hazrat Muhammad PBUH forgave all revenges of his family which were due. (Nomani, et al, 2002)

In Islamic Leadership System (ILS), the leader/manager is the first to set the example, and then others will be told to follow. This role of ILS gives a new paradigm to VBM and motivates people to follow values and regulations of organization. If leader steps forward to follow the rule of law, all others will follow rules and regulations without any objection and entire organization will move towards TVBM.
Islamic Leadership System (ILS) goes beyond the contemporary concept of stringent legal and accounting measures to enforce people to follow the rule of law. ILS manages through MBE, in which leaders are the source of motivation for every member of organization to follow and implement rules and regulations for better organizational performance.

**Primary Attributes of Islamic Leadership**

**Servant**

In Islamic value system Islamic leadership is viewed more as a service to the organization and its members (Jabnoun, 1994). Prophet Muhammad (PBUH) said that the leader of the people is their servant. Servant leaders lead with logical feelings related to the follower, which cultivates understanding, gratitude, kindness, forgiveness and compassion (Gunn, 2002). Servant leaders serve; they are what they do (Farling, Stone and Winston, 1999). Servant leaders believe in first to serve, then to lead (Crippen, 2005). Servant leadership is based on trust and sacrifice thus leads to ‘Agapao’. Agapao is sacrificial love; it is the kind of action that keeps giving itself away without regard for a return (Patterson, 2003).

**Trustworthy (al-`Amīn)**

Global development demands trustworthiness. It is not possible for corporations to continue with maximizing shareholders’ value without ensuring trustworthiness in organizational procedures and practices. Organizations must demonstrate trustworthiness (Vogl, 2003) in order to fully share in the benefit of international business development.

Every one who is holding a post of leadership is holding a public trust. Therefore he is accountable for his duty. Trustworthiness is an Islamic value which should be
realized in Islamic Leadership. To implement this value in Islamic leadership means to make every staff a trustworthy person (Alhabshi, et al, 1994).

Allah doth command you to render back your Trusts to those to whom they are due; and when ye judge between man and man, that ye judge with justice: verily how excellent is the teaching which He giveth you! for Allah is He Who heareth and seeth all things. (al - Qur’an 4:58)

Leadership and management responsibilities are positions of trust. If these positions of trust are given to ineligible or dishonest person, no one can stop organizations from destruction. Therefore positions of trust should be given to honest and trustworthy people, who are able to fulfill the requirements of leadership and who can guide others to better future.

As Daryabadi (1998a) explained that in Islamic law, there is no room for nepotisms, favor or desire (p. 750) for the position of management and leadership. Government positions should be given to those who really deserve to perform those duties. This way, all arrangements will be good in this world and there will be reward on the Judgment Day. This will keep every system of government, society and economy and organization smooth.
And if one of you deposits a thing on trust with another, let the trustee (faithfully) discharge his trust, and let him fear his Lord. (al- Qur‘ān 2:283)

Prophet Muhammad (PBUH) said that there is no faith (iman) for a person who is not trustworthy.

**Righteous (al-Muttaqī)**

Verily the most honoured of you in the sight of Allah is (he who is) the most righteous of you. And Allah has full Knowledge and is well-acquainted (with all things). (al- Qur‘ān 49:13)

Modudi (2005e) stated that there is only one thing which provides the basis for superiority among people and i.e. moral superiority (p. 97). It is by incidence that some one takes birth in a specific nation or tribe, there is no contribution of his own will in it. It is not logical to claim superiority on such bases. It takes personal character to become a well-respected leader with longevity. Character is the inner strength of a leader to have resolve against temptations while being reproach (White, 2008). In Islamic value system there is only one characteristic which gives reasons for superiority of one to another, and it is righteousness; it means that the person avoids sins and follows the right path. A person with such qualities will be respected by all no matter to which tribe or nation he belongs, and the one who is vice versa, will have bad name no matter he is white or black.
This gives a strong foundation to value based management, the one who is best in his moral character will be the best among all. Positions of leadership are not given to people who are influential, but to those who prove through their character that they are the best among people around them. If the leader has the best character, most people in the organization will follow the right path and people with bad character will be automatically thrown out of organization.

Knowledge and Physique (al-‘Ilm wa-l-Jism)

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 fitted than he to exercise authority, and he is not even gifted, with wealth in abundance?" He said: "Allah hath chosen him above you, and hath gifted him abundantly with knowledge and bodily prowess: Allah granteth His authority to whom He pleaseth. Allah is All-Embracing, and He knoweth all things." (al - Qur‘ān 2:247)

According to Islamic teachings beside other characteristics leader should possess two main qualities

- Knowledge
- Strength
There is no substitution for the ability to perform. Knowledge brings competence and competent leaders have the ability to see the full view of any situation to deliver just the right outcome at just the right time (White, 2008). In modern time, ‘learning organizations’ are valued only because of the consensus that knowledge is the power to create difference and to provide competitive edge. That is the reason, that everyone praises and supports the knowledge based economies and societies. It has been proven that only those societies and organizations outperformed who established knowledge based culture. Physical strength is also universally accepted quality of leadership. Qur’ān-e-Hakeem guides us to choose leaders with intellectual and physical strength.

**Moderation (‘Ītīdāl)**

Islam is against extravagance. All actions and decisions should be taken with in the confines of moderation. To go beyond the bounds of moderation is to outrage humanity (Pascal, 1623-1662).

> وَالَّذِينَ إِذَا أَنفَقُواَ لَمْ يُبِشِّرُواَ وَلَمْ يُفَشَّلُواَ وَكَانَ بَيْنَهُمَا ذَلِكَ فُوَارِمًا

Those who, when they spend, are not extravagant and not niggardly, but hold a just (balance) between those (extremes); (al - Qur’ān 25:67)

> وَكَذَٰلِكَ جَعَلْنَٰكُمْ أُمَّةً وُسْطًا لِّتَكُونُواْ شَهِيْدَاءَ عَلَى الْأَلْلَاهِ وَيُكُونَ الرَّسُولُ عَلَيْكُمْ شَهِيْدًا

Thus have We made of you an Ummat justly balanced, that ye might be witnesses over the nations, and the Messenger a witness over yourselves; (al - Qur’ān 2:143)
Modudi (2005a) stated that “Ummat justly balanced” means a superior group of people who follow justice, fairness and moderation (p. 119). It means that in Islamic value system it is compulsory for leaders to have these qualities.

Daryabadi (1998a) stated that it means people being away from all kinds of injustices and excesses (p. 269). Thus Islamic leadership should also remain away from injustices, and extravagances.

**Consistency (al-Mudāwamah)**

The tradition of the Prophet (PBUH) has taught Muslims to be consistent in their work. Allah loves one who is diligent in his work. A good leader is hence one who is diligent and consistent in his work (Alhabshi, et al, 1994). Consistency demonstrate leadership confidence and control, it means to stay firm on track during rough times and to maintain a solid vision forward (White, 2008).

\[ 	ext{يتَأَيِّمُهَا الَّذِينَ عَمِّنَتُوْا إِذَا لَقَيْتُمْ فَنَافَذُنَّهُمْ وَأَذَّنُواَ اللَّهَ كَنِيرًا } \]

\[ 	ext{لَعِلْكُمْ تُفْلِحُونَ} \]

O ye who believe! When ye meet a force, be firm, and call Allah in remembrance much (and often); that ye may prosper (al - Qur’ān 8:45)

**Discipline (an-Nazm)**

\[ 	ext{إِنَّ اللَّهَ يُحِبُّ الَّذِينَ يُقَتِّلُونَ فِي سَبِيلِهِ صَفًا كَأَنَّهُمْ مُّمَرِّضُونَ مَرَّضٌ وَصُوْصٌ} \]

Truly Allah loves those who fight in His Cause in battle array, as if they were a solid cemented structure. (al - Qur’ān 61:4)
Modudi (2005e) explained that ALLAH (SWT) likes that Muslims are not ill-disciplined and not in the state of hassle, but they are strongly disciplined when they operate (p. 456). It means to be disciplined is an important feature of Islamic value system to develop quality leadership. According to the website of ‘vital-learning’ discipline provides the tools necessary to reduce practical and behavioral problems in organizations.

Cooperation (at-Ta‘āwun)

وَتَعَوَّدُواْ عَلَى الْإِسْلاَمِ وَالْكَفْرَةِ وَلاَ تَعَوَّدُواْ عَلَى الْإِسْلاَمِ وَالْكَفْرَةِ وَأَطْلِقُواْ لِلَّهِ شَدِيدَ عَقَابَ

“Help ye one another in righteousness and piety, But help ye not one another in sin and rancour. Fear Allah, for Allah is strict in punishment.” (al - Qur‘ān 5:2)

Daryabadi (1998a) mentioned that it is an education (p. 848) of a golden principle. Don’t behave like so called civilized nations who give priority to their own nation. This is also an instruction for personal affairs among the group of Muslims. It means that Islamic teachings bound every one (through Islamic value system) that if he is dealing with others (locally or internationally), he should cooperate in righteous deeds and should not cooperate in sins and hostility. IVS strengthens the law of reciprocity which asserts that one good deed deserves another and likewise one bad deed deserves another ‘ise.fiu.edu’. Therefore IVS concept of cooperation has far reaching impact on organizational environment and operation.

Uniformity (al-Mumāthalah)

Once a companion of Prophet Muhammad (PBUH) brought a precious wearing for him, but he (PBUH) tore that wearing and said “who will wear such clothing will not
find any thing in the life Hereafter”. Whenever Hazrat Muhammad (PBUH) used to sit among his companions those who would come from outside had to ask about him (PBUH). Companions wanted to make a prominent place of sitting for him (PBUH), but he (PBUH) did not allow. (Nomani, et al, 2002)

Uniformity among leaders and followers curbs jealousy, dissatisfaction and tension; therefore it should be taken as central value for organizations (Schultz, 1994). Uniformity among the members of an organization brings unity, dedication and motivation. In such a working environment, every one will follow even a single word of instructions, policies and strategies.

**Contentment and Humbleness** (*al-Qana'ah wa al-Hilm*)

Once Hazrat Umar (raa) came to the house of Hazrat Muhammad (PBUH) and saw that Hazrat Muhammad (PBUH) was sitting with the support of pillow of leather filled with leaves and skin of palm tree on a rough bed and signs of roughness were evident on the body. After seeing all that Hazrat Umar (raa) became sad. When Hazrat Muhammad (PBUH) asked the reason, he replied that kings of Rome and Iran are enjoying all comforts but Hazoor (PBUH) is the messenger of ALLAH (SWT) and indifferent of those. Hazrat Muhammad (PBUH) replied, “Don’t you like that we earn the blessings of life of Hereafter, while they enjoy only this world”. (Sahih Bukhari and Sahih Muslim)

Islamic leadership system (ILS) sets such standards of contentment and humbleness. If leaders are humble and contented it is hard for people not to follow them (Gebhart, 2008) besides that they can solve many challenges (faced by modern organizations) such as executive greed, cynical behavior, lack of loyalty etc.
Islamic leadership system can help to establish real VBM because it has deep roots in human psychological makeup, while contemporary VBM approaches are temporary and superficial, that’s why in spite of all measures every day there are incidences where people break and violate rules.

Justice (*al-ʻAdl*)

إنَّ اللَّهَ يُحِبُّ الْمُقْسِطِينَ

for Allah loves those who are fair (and just). (Al-Hujurat: 9)

In ILS, justice is the focal point in managing people; it is the responsibility of a leader to ensure justice across the organization. Rawls (1971) asserted that justice is the first virtue to manage organizations. Once justice is ensured, every member of organization will feel comfort and confidence, because he is aware that the leadership/management of the organization will look after his interest without any bias. This will eventually bring motivation among the members of organization and they will work with more dedication and commitment towards organizational objectives.

Certitude (*wa-Saqqah*)

عن معاوية قال سمعت رسول الله ﷺ يقول انك ان تبعت عورات الناس إفسدتهم وكدت ان تفسد هم

It has been reported on the authority of Hazrat Muaawia that Hazrat Muhammad PBUH said, “If you be suspicious of people, either you have spoiled them or will spoil them soon.” (Abu Da’ud)

If the leader has wrong suspicion about his fellow men, it means, he neither has confidence in them, nor respects them. This lack of confidence will reflect through words
and deeds and will have very bad impact on organizational environment. Certitude is the cornerstone of the relationship between leaders and followers (Compernolle, 2008).

**Kindness and Intelligence (ash-Shafaqah wa-l-Kifā'ah )**

People respond to kindness (Malkin, 2008) and according to Ibn-e- Khaldoon leader ought to be kind, because if leader is cruel and counts the wrong doings of his fellow beings, it will make them frightened and they will start protecting themselves through tricks. As a result these tricks will become permanent attributes of their morality which will demolish their conscious. If leader behaves with kindness and overlooks their wrong doings, subjects will take shelter under their leadership and will scarify every thing for them even lives.

Hazrat Muhammad PBUH said “Adopt the pattern of weak people”… “Leader should not be too much clever”. Therefore when Hazrat Umar (raa) demoted Zaid bin Abu Safian, he (Zaid bin Abu Safian) asked him “weather I am not able to fulfill my duties? Or I did some dishonesty”. Hazrat Umar (raa) replied “I demoted you only because I don’t want to burden people through your wisdom.” (Nomani, et al, 2002). Wisdom or intelligence is leader’s capacity associated with his ability to respond to situations to provide direction to others (Hardman, 2008).

But there is another aspect; with such kindness people may start violating rules, committing sins and creating disturbance which usually happen under weak leadership. Islam gave religious foundations to leadership and state. In Islam following the instructions of leader leads to the happiness of Allah (SWT) and refusing him leads to His anger. Therefore, leaders practice kindnesses as long as possible according to the law
of Islam, so that people feel comfort and remain relax, if there is violation of rules and regulations they take corrective measures. A balance is required as shown below.

A Balance

Kindness and Harshness
Intelligence and Cleverness

Investigation of crimes should be based on witness. For implementation of law, equality among rich and poor and across all status of people is necessary. Guilty should not be punished as long as witness fulfills all conditions, otherwise guilty should be given the benefit of doubt. (Nomani, et al, 2002)

Hazrat Muhammad (PBUH) said: “Those who inflict pain on people in this world, ALLAH (SWT) will penalize them.” (Sahih Muslim)

If Islamic leader is cruel, he will face the consequences of his cruelty. In ILS ruler, leader or manager is not beyond the law. If he spoils laws and creates difficulties for people, he will be answerable on the Day of Judgment.

Accountability of Islamic Leadership

Leader should be held accountable for his decisions and actions because he accepts the prerogative to lead the organization (Chaffee, 1997). Leader has to deliver all the elements of his responsibility (Kraines, 2001). Only those emerged as best leaders in the history who knew that they are accountable in service to their followers (Fairholm, 2001). Islamic value system provides effective mechanism for the accountability of leadership. It has three dimensions first accountability to ALLAH (SWT) in this world,
second accountability to ALLAH (SWT) in the life hereafter and third accountability to fellow beings.

**Islamic Leadership is Accountable to ALLAH (SWT).**

Franz: Then shall anyone who has done an atom's weight of good, see it! And anyone who has done an atom's weight of evil, shall see it. (al - Qur’an 99:7-8)

As Modudi (2005f) mentioned, that this verse warns the human being that every single good deed, no matter how small it is, has value (p. 426) and the same is for bad deed that it will be counted, it will not be ignored. Therefore, one can’t overlook even a little righteous deed because many little righteous deeds can become a big righteous deed in front of ALLAH ALMIGHTY.

In Islamic value system it is difficult for leader to do wrong, eventually he will be asked for his wrong deeds. Leader will avoid even small wrong doings, because he knows that many small wrong doings accumulate and can make his wrong deeds more than righteous deeds. Thus leader opts for truthfulness, trustworthiness, honesty, and protection of rights of every member of organization.

Nor can a bearer of burdens bear another's burden. If one heavily laden should call another to (bear) his load, not the least portion of it can be carried (by the other), even though he be nearly related. (al - Qur’an 35:18)
Modudi (2005d) stated that burden means burden of deeds (p. 228). It means in front of ALLAH ALMIGHTY every one himself is responsible for his deeds. There is no chance that ALLAH ALMIGHTY will transfer the burden of responsibility of one to other. Also this is not possible that any body takes the responsibility of other and presents himself instead of others for the punishment.

This is absolutely clear in Islamic value system (IVS) that every one will face the consequences of his deeds. In case of leadership, it endows even more responsibility because in Islamic value system it is the responsibility of leadership to ensure comfort, prosperity and happiness of people under their authority or management. Credibility of leader depends on how prosper are the stakeholders of his organization. If leader is not capable of ensuring protection of rights of all stakeholders’, leader will be held accountable. Therefore in this verse there is clear instruction for Islamic leadership that no one will share their burden, if they will not perform their duties accurately.

It is We Who have placed you with authority on earth, and provided you therein with means for the fulfilment of your life: small are the thanks that ye give! (al - Qurʾān 7:10)

Daryabadi (1998b) stated that this is the address to all mankind (p. 136). Here is the mention of bodily and material blessings, which includes living, eating and wearing. Two favors are mentioned here, authority and wealth. It means that these things are not bad in themselves, but too much indulgence in these two things is bad. Here is a lesson
for Islamic leadership that they have to utilize all resources justly and should be thankful to Almighty ALLAH.

**Islamic Leadership is Accountable to Fellow Beings.**

First Caliph Hazrat Abu Bakr Siddique said “If I do the right, help me; if I do the wrong correct me. As long as I obey ALLAH (SWT) and Prophet (PBUH) do obey me but if I disobey ALLAH (SWT) and Prophet (PBUH), you have no obligation to obey me” (Modudi, 2003)

**Every One is Responsible.**

In Islam every one is guardian and supervisor in his own domain: husband is supervisor of home, wife and children; wife is guardian of house of her husband; teacher is guardian of students and so on.

It has been narrated on the authority of Ibn 'Umar that the Holy Prophet (May be upon him) said: Beware every one of you is a shepherd and every one is answerable with regard to his flock. The Caliph is a shepherd over the people and shall be questioned about his subjects (as to how he conducted their affairs). A man is a guardian over the members of his family and shall be questioned about them (as to how he looked after their physical and moral well-being). A woman is a guardian over the household of her husband and his children and shall be questioned about them (as to how she managed the household and brought up the children). A slave is a guardian over the property of his master and shall be questioned about it (as to how he safeguarded his trust). Beware, every one of you is a guardian and every one of you shall be questioned with regard to his trust. (“Beware”, 2007)
This is one of the pillars of management in Islam. In Islam, leader/manager is answerable for the wellbeing of all stakeholders of business including shareholders.

And if one of you deposits a thing on trust with another, let the trustee (faithfully) discharge his trust, and let him fear his Lord. (al-Qur’an 2:283)

This Verse clearly establishes the fact that the trust that shareholders repose in the leaders of organizations, binds them to discharge their duty with conscientiousness. They should perform according to the expectations of shareholders to achieve organizational objectives.

**Islamic leadership system (ILS)**

In ILS, leader/manager is responsible for business and employees and he will be asked if they suffer p. 64. If the leader will not do his best for the betterment of both, he will be accountable in front of ALLAH (SWT) and his fellow beings. In ILS, business and employees are the responsibility of leader. Welfare and growth of both is his moral and professional responsibility. It is not the compulsion but the inbuilt responsibility in IVS for leader to work hard for the welfare and growth of both business and employees. Approach towards business and employees in ILS is depicted in following Illustration 2.1.
Contemporary Leadership Practices:

In contemporary practices manager is controller of business and employees, he directs and commands both (Illustration 2.2), although he works for the betterment of both but not for being accountable, only being controller. He does so because his survival depends upon the survival of business and employees. According to Weber (1947) leaders impose strict discipline (bureaucratic style); leaders have power because of their position (traditional style). In all these approaches leaders are empowered through their position, thus they control and command.

Since there is lack of sincerity in the efforts, that’s why there are many moral ailments in contemporary practices. Now management is trying to find solutions for betterment through VBM, but it is still far behind. Because recent explorations for VBM are still based on selfishness, where the only purpose of VBM is to protect shareholder’s value, which is a very narrow scope of VBM.
Goal of VBM should not be to protect only shareholder’s value, but to ensure that all stakeholders of organization including shareholders, employees, and society as a whole should get benefit from the business.

When there was a crisis of water and Hazrat Muhammad (PBUH) asked that who can purchase a home in paradise by purchasing the well and donating to all? Then, the renowned businessman Hazrat Usman (raa) purchased and donated the well for everyone, including those who were not Muslims.

Four Caliphs truly followed these instructions and never built any wall around their residences and never allowed any of their governors to do so. During the reign of Hazrat Umar (raa), Hazrat Saad bin Abi Waqaas (raa), the governor of Kufa, made a palace with an entry gate. When Hazrat Umar (raa) came to know, he sent Muhammad bin Muslima (raa) from Madina especially to burn the gate. After traveling for hundreds of kilometers when he reached, first of all he burnt the gate, Hazrat Saad bin Abi Waqaas offered him to stay but he refused and came back to Madina. (Ibn-e-Humble)

In ILS, it is the responsibility of leader to ensure that every member of organization is comfortable and looked after properly. If the leader is away from his fellow beings, it will be difficult for people to access the leader. If leader will do so he will be answerable on the Day of Judgment; on the other hand in IVS, if the leader will try to create distance between him and his fellow beings, then people from with in the organization will stop him to do so, it means ILS inculcates accountability and freedom of opinion.

Allah's Apostle said, "If any ruler having the authority to rule Muslim subjects dies while he is deceiving them, Allah will forbid Paradise for him" ("If any ruler” 2007).
All above mentioned sayings of Prophet Muhammad (PBUH) clearly explain the responsibilities of Islamic leadership. If the leaders don’t fulfill their duties according to the teachings and standards of Islam, they will be held accountable. Following important factors can be identified in these sayings;

1. Responsibility of followers (in all respect)
2. Sincerity
3. Care (and no harshness)
4. Unity

This is the responsibility of Islamic leadership to take care of their followers in the matters of security, food, shelter, education, health etc. Care and sincerity of Islamic leadership towards their followers inculcate unity and loyalty among them. This is how Islamic leadership values promote total value based management (TVBM) in organizations.

**Secondary Attributes of Islamic Leadership**

**Forbearance (al-Hilm)**

Safi, (1995) stated that forbearance refers to one’s ability to endure annoyance and irritation even when one has the upper hand over those responsible for producing them, because in Qur’an-e-Hakeem it is mentioned that;

\[
\text{إِنَّا إِبْتَغَبْنَا هُمْ لِحَسَبَ مَعَنَىٰ مُسُبِّبَ}
\]

For Abraham was, without doubt, forbearing (of faults), compassionate, and given to look of Allah. (al - Qur’an 11:75)
The strong among you is not the one who can overpower others, but the one who can control himself in the moment of anger (Muslim). When it comes to corporate leadership keep in mind that forbearance is virtue (Blasgin, 2007).

**Resolve (al-‘Azm)**

Safi, (1995) stated that a resolute person continues to pursue his/her objectives despite the strong opposition of those who have the power to inflict pain and suffering. This leads to enhanced efficiency of a person. Resolute person is hard working and performs his/her duties to the best of abilities and exhibits good performance. This was the kind of patience with which prophets persisted in their mission of transforming their communities from the state of corruption to that of truth, as mentioned in Qur’ān-e-Hakeem that:

\[
\text{فاَصِبِّرُ كَمَا صَبَرْتُمُ أُوْلُو الْعَرْقِ مِنَ الرَّسُلِ وَلَا تَسْتَعِجِلُ لُهُمْ.}
\]

Therefore patiently persevere, as did (all) Messengers of inflexible purpose; and be in no haste about the (Unbelievers) (al - Qur’ān 46:35). Resolve strengthens one’s own inner belief and provides laser-like focus combined with unwavering determination (Flynt, 2008).

**Enterprise (al-Iqdām)**

Safi, (1995) stated that this trait reveals itself through the initiatives taken by leader in his/her drive to carry out his/her mission. Enterprise of leadership is the will to achieve specific objectives (Brenegar, 2005). The leader’s enterprise is usually manifested by self confidence, boldness and willingness to take risk whenever necessary, as well as by personal energy, diligence and hard work. Enterprise leads to creativity and
continuous improvement. The Qur’anic equivalence of the term “enterprise” is *al akhdh bi quwwah* (taking with might). This meaning can be found in Allah’s injunction to Musa (AS) to take the divine mission with firmness and strength:

وَكَتَبْنَا لَهُ فِي الْالْلَّهِ مَنْ كُلِّ شَيْءٍ مُّوْعَظَةً
وَتَفْصِيْلًا لَكَلِّ شَيْءٍ فَخَذۡهَا بِفَوۡعَةٍ وأَمۡرُ قُوَّمَكُ بِالْحَقِّ ۖ أَخْسِدۡهَا

And We ordained laws for him in the Tablets in all matters, both commanding and explaining all things, (and said): "Take and hold these with firmness, and enjoin thy people to hold fast by the best in the precepts: (al-Qur’ān 7:145)

It is this attitude of “taking with might” that one sees in the boldness of the young Abraham (AS) when he stood firmly before the elders of his community.

**Eloquence (al-Fasāhah)**

According to Safi (1995) another important quality of leadership is the ability to articulate and communicate ideas and views with clarity and eloquence, because communication is one of the important dimensions of effective leadership (Caldeira and Does, 2006). Eloquence is important not only for persuading followers to adopt the proposed course of action and committing themselves to a specific set of values and purposes, but also for negotiating and communicating with opponents and competitors. Again, the Qur’ān stresses the importance of eloquence through the example of Musa (AS) whose initial reaction, when he received the divine commission to call the Pharaoh to the way of God, was to plead for the inclusion of his brother Haroon (AS) in this mission based on the fact that Haroon (AS) was more eloquent in speech:
"And my brother Aaron, he is more eloquent in speech than I: so send him with me as a helper, to confirm (and strengthen) me: for I fear that they may accuse me of falsehood." (al-Qur’ān 28:34)

**Conviction (al-Yaqīn)**

Safi, (1995) stated that the importance of leader’s conviction in times of volatility and change is seen in the fact that when the existing order begins to break down, along with its rules and regulations, actions can be guided only by the principles and values to which one is committed. Thus a deep conviction in and a strong commitment to a set of principles or values are essential for a leader who wants to reform the accepted pattern of behavior. Leader requires strong conviction and should make extraordinary sacrifices in the interest of his/her vision and mission ‘en.wikipedia’. Conviction is needed if the leader is to challenge the status quo, for without a deep faith in a higher and better order, the task of changing the prevalent order is impossible.

**Humility (al-‘Ajīz)**

Unus (2005) stated that in response to Allah’s command, Musa (AS) first asked for Allah’s help to enhance his capabilities and enable him to succeed in completing the assigned task. His plea for help represents the hallmark of Muslim leader, full of humility and dependent on His Lord for everything.

“(Moses) said: ‘O my Lord! Expand me my breast; Ease my task for me;’” (al-Qur’ān 20:25-26)

Charismatic leaders always have great self-confidence, yet they are very humble. They are willing to admit that they don’t know and can’t possibly be the best at everything. That’s why they continuously seek learning ‘newandimproved.com’.
Delegation (*al-‘Intidāb*)

Effective delegation is an important tool provided it is clearly defined and communicated (Smith, 2008). Unus (2005) stated that when Allah (SWT) asked Musa (AS) to leave his people for forty days, he put them under the supervision of Aaron (AS). In other words, he delegated the leadership of the community and the management of its affairs to his teammate. In doing so, Musa (AS) defined the delegated task in broad terms as follows:

“….. And Moses had charged his brother Aaron (before he went up): ‘Act for me amongst my people: do right, and follow not the way of those who do mischief.’” (al - Qur’ān 7:142)

Unus (2005) further stated that when Musa (AS) returned to his people and found that Aaron (AS) had been unable to prevent his people from being misled by Samri, he was upset. He held Aaron (AS) accountable but assumed responsibility himself, illustrating one of the most basic rules of delegation that one cannot delegate responsibility; one can delegate only the authority.

Moses prayed: "O my Lord! forgive me and my brother! admit us to Thy mercy! for thou art the Most Merciful of those who show mercy!" (al - Qur’ān 7:151)

Aforementioned discussion indicates that Islam provides a comprehensive process for grooming, & developing leadership. Grooming starts from IVS, where every individual of society or every member of organization follows and practices values and ethics from Qur’ān and Sunnah (Q&S). Over the period of time those who truly embrace values and ethics of Q&S, win respect and honor in the society/organization.
When society or organization needs leadership, it chooses from within the one who is more righteous, knowledgeable, trustworthy, disciplined, humble, eloquent and resolute. ILS bounds every one in general and leaders in particular to follow Q&S. Every one including leaders who will not abide with the Islamic value system, which emerges from Q&S, will be held accountable. In case of leaders, there is strong accountability from Allah (SWT) in this, as well as in the life hereafter. Every member of the society has been given the authority to question any action of leaders, and to make them accountable for their wrong doings.

ILS provides practical example through the life of Prophet (PBUH) and proves that IVS has the tremendous ability to deal with all social, economic, governmental, organizational and international affairs. Therefore, there is no excuse for Islamic leadership not to follow established patterns of Q&S. Historically this has been proved that ILS has exceptional capability for TVBM. Throughout the history of Kilafat-e-Rashida, management excellence was found in every field of human life, whether it is social wellbeing or law enforcement, education or moral excellence, development or expansion.

**Vision of Islamic Leadership**

Vision of Islamic leadership is based on following components (Illustration 2.3) to extend the concept of VBM beyond contemporary approaches.

1. Future Orientation
2. Learning from Past
3. Welfare of all Stakeholders
4. Protection of Faith, Integrity, Life and Property
Future Orientation

Leaders must not only think about the future, but also live in the future. Leaders who have a future orientation are more likely to see the possibilities and approach them with smart planning and a sense of accountability (Dent and Krefft, 2004). Unus (2005) mentioned that Islamic way of life revolves around preparation for the life in the hereafter. The al-Qur‘ān tells us that those who ask for what is good in this world as well as in the hereafter will receive what is due to them in both worlds. It affirms that what is due to them is based on what they earn by their action.

And there are men who say: "Our Lord! Give us good in this world and good in the Hereafter, and defend us from the torment of the Fire!" To these will be allotted what they have earned; and Allah is quick in account. (al-Qur‘ān 2:201-2)

Qur‘ānic view has two dimensions: first that one should plan his actions with specific objectives in his mind and second, which is even important that reward depends on how effectively he implements those plans (Unus 2005). This saying of Prophet (PBUH) focuses much precisely the future orientation of Islamic teachings, “Whose today is not better than yesterday, he is in loss”.

Future orientation results in broader vision. It inculcates the culture of long term planning for the betterment of organization. This approach ensures that leadership visualizes the future of organization, along with the success for today. Desire for good
not only for today but also for tomorrow is an important element in Islamic value system. As Daryabadi, (1998a) stated that prays and desires of Mo’mineens (p. 386) are comprehensive enough to cover welfare of both this world and the World Hereafter. It means that IVS prepares Muslim leaders to be concerned for both short term and long term objectives. Focus of Islamic leadership is to attain success in the life through enforcing and practicing standard moral values, and on the basis of their success in doing so; they expect reward not only in this world but in the world hereafter. This is an exceptional motivation for Islamic leadership to establish high moral standards which will eventually lead to Total Value Based Management (TVBM).

Learning from the Past

According to the EBDR publication (2007) it is important to learn from past to improve performance. Unus (2005) explained that Muslims must build on what has been done before, with out being limited by the shortcomings of the past. The al-Qur’ān urges us to learn from the experiences of others.

Do they not travel through the earth, and see what was the end of those before them? (al - Qur’ān 12:109)

Daryabadi (1998b) believed that remains of nations who were non believers are open lessons (p. 656) and now study of history serves the same purpose. Therefore tourism and archeology are also forms of worship, if the purpose is learning from the past.
Islamic leadership gets strengths from the learning of past. Encouraging learning from past experiences means allowing people to analyze their performance and to develop better plans for the future. This ensures more stability and depth in developing strategies. Learning from past also suggests how to avoid losses and to minimize depletion of resources, which ultimately add value in organizational procedures. It also gives an opportunity to every one to make up weaknesses and to build on strengths.
The illustration portrays the discussion on pp. 73 – 96.
Welfare

Welfare is one of the important components of the vision of an Islamic leadership. There are four dimensions of welfare (Illustration 2.4) in Islamic leadership system.

1. Welfare of employees
2. Welfare of Business
3. Welfare of customers
4. Welfare of society and environment

Welfare of employees

Adequate and appropriate welfare of employees is mandatory ‘bedford.gov.uk’. Employee welfare covers both human rights and general wellbeing ‘rexam.com’. IVS emphasizes welfare of employees as it has been narrated on the authority of Abu Malik that Ubaidullah b. Ziyad visited Ma'qil b. Yaser in the latter's illness. Ma'qil said to him: I am narrating to you a tradition. If I were not at death's door, I would not narrate it to you. I heard the Messenger of Allah (may peace he upon him) say: A ruler who, having obtained control over the affairs of the Muslims does not strive for their betterment and does not serve them sincerely shall not enter Paradise with them (“A ruler”, 2007).

In Islamic Leadership System (ILS) leader has to work hard for the betterment and wellbeing of people. If he will not work for the improvement of their quality of life; there is The Authority to ask him. This is a tremendous binding for leader in Islam to work hard for the welfare of the employees.

It has been reported on the authority of Abd al-Rahman b. Shumasa who said: I came to A’isha (raa) to inquire something from her. She said: From which people are thou? I said: I am from the people of Egypt. She said: What was the behavior of your
governor towards you in this war of yours? I said: We did not experience anything bad
from him. If the camel of a man from us died, he would bestow on him a camel. If any
one of us lost his slave, he would give him a slave. If anybody was in need of the basic
necessities of life, he would provide them with provisions. She said: Behold! the
treatment that was meted out to my brother, Muhammad b. Abu Bakr, does not prevent
me from telling you what I heard from the Messenger of Allah (may peace be upon him).
He said in this house of mine: O God, who (happens to) acquire some kind of control
over the affairs of my people and is hard upon them-be Thou hard upon him, and who
(happens to) acquire some kind of control over the affairs of my people and is kind to
them-be Thou kind to him. (“Behavior”, 2007)

In ILS, leader can not escape from the welfare of employees. He can not think
that he is beyond any accountability and no one is there to ask him. If there is none in this
world, there is The One who will ask him in the Hereafter. This ensures that leaders keep
‘welfare of employees’ among top priorities of organization. Such leadership will
obviously try that every member of organization is satisfied and working for
organizational objectives with devotion and commitment not only to increase
shareholders’ value through increased market share, but also for image building of
organization in the society through practicing standard ethics and values.

Shareholders' value is also one of the important objectives of Islamic leadership,
which is as important as the welfare of employees, customers and the society, thus it
leads the organization towards TVBM. In contemporary concept of VBM, share holders’
value is the top priority, which leads to malpractices like accounting abuse and financial
misinterpretations. In ILS there is balanced emphasis on welfare of all stakeholders.
The illustration delineates the discussion on pp. 78 – 88.
**Islamic leadership system:**

In ILS welfare of employees is always at the top of business as discussed on p. 78, whereas increase in shareholders’ value is the product of the business (Illustration 2.5).

**Illustration 2.5**

```
  Welfare of Employees
     ↑
    Business   → Shareholder’s Value
```

**Contemporary Practices:**

In contemporary practices, to increase the shareholder’s value is always at the top of the business and is the core of value based corporate management p. 5, whereas welfare of employees is the need to achieve the core objective (Illustration 2.6), because without welfare of employees business can not grow.

**Illustration 2.6**

```
  Shareholder’s Value
    ↑
  Business   → Welfare of Employees
```
Welfare of Business

O ye who believe! eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will: nor kill (or destroy) yourselves: for verily Allah hath been to you Most Merciful! (al - Qur’ān 4:29)

Modudi (2005a) hold that all those means are illicit which are unjust and unfair from both religious and moral point of view (p. 345-6). Traffic (it may include customers and suppliers both) and trade means profit earning, which is allowed as in case of business where one person works to fulfill the needs of others and gets remuneration. He further ascertained that purpose of saying ‘nor kill (or destroy) yourself is that usurping property of others through unfair means is in fact to destroy yourself because this results in spoiling the civilization, which ultimately affects the person himself.

There is direct link between business growth and leadership excellence ‘bitc.org.uk’. Islamic leadership works hard to establish business for profit earning but through just and equitable means. Illegal ways and means are considered to spoil the whole system of corporate organization. Role of Islamic leadership in value based management is to strengthen the integrity of organization by promoting and establishing just and honest culture. Illicit practices are dangerous not only for the organization but also for those who are involved in these practices, because they will have to face the consequences in case of failure of organization. This is how ILS exerts responsibility on
the shoulders of every member of organization for VBM and educates them how to participate in welfare and long term growth of business.

In above verse Muslims are told not to eat their properties among themselves illegally, thereby closing the door of all types of corruption. Today organizations are facing accounting abuse, illegitimate use of authority, bribes, fraud, workplace thefts etc. IVS prohibits all such immoral practice for leaders and employees both. According to IVS if leader is illegally exploiting the resources of organization, he is eating the property of shareholders and if shareholders and employees are exploiting organizational resources illegally, they are eating property of each other and result is the common loss.

**Welfare of Customer**

Sales and profitability depends on keeping customers happy ‘businesslink.gov.uk’, therefore it is important to keep welfare of customer among important priorities of corporate strategy for VBM.

\[
\text{وَأَوْفُواَ الْكَبِيلَ وَالْمَبْيَارَانَ بِالْقِسْطِ}
\]

give measure and weight with (full) justice (al - Qur’an 6:152)

Daryabadi (1998b) explained that it means being away from fraud and deceiving (p. 123), so that no one could deprive others of their rights. Apparently in this little instruction there are all dimensions of trading ethics. Beside excellence in personal ethics, purity in trading ethics is necessary in ILS.
So establish weight with justice and fall not short in the balance. (al - Qur’ān 55:9)

Modudi (2005e) explained that nature of this Universe doesn’t accept injustice, brutality and savagery (p. 251). It is not allowed to be unjust with others in any case; even if some one arrogates a little right of purchaser during weighing, he disrupts the balance of Universe.

IVS gives a lot of emphasis to the welfare of customer. As mentioned in above verses the basic right of customer is to get exact return both incase of quantity and quality for the price what he/she pays. It is prohibited to swear for the sake of selling some thing. It is prohibited to hide weaknesses of the product from customer. Once Prophet (SAW) attributed a lot of significance to get the sold product back, if the customer comes back to return. Similarly diluting the quality of the products is strongly prohibited in Islam. Prophet (SAW) said that the one who does so is not amongst us. Hazrat Umar (raa) used to visit bazaar regularly to control hikes in prices and to ensure good quality products for customers. In ILS, welfare of customer is one of the important responsibilities of leadership/management of the organization.

**Welfare of Society and Environment**

**Society**

Welfare of society is an obligation beyond statutory requirements where organizations voluntarily take steps for prosperous society ‘en.wikipedia.org’. Welfare of society has many dimensions in Islam. Society is made up of human beings and Islam ensures welfare of every segment of society. There are different modes of contribution
for the welfare of society, some are obligatory and some are voluntary. Islam prioritizes the welfare of different segments of society, as explained in following verses.

Alms are for the poor and the needy, and those employed to administer the (funds); for those whose hearts have been (recently) reconciled (to the truth); for those in bondage and in debt; in the cause of Allah; and for the wayfarer: (thus is it) ordained by Allah, and Allah is full of knowledge and wisdom. (al-Qur’an 9:60)

They ask thee what they should spend (in charity). Say: Whatever ye spend that is good, is for parents and kindred and orphans and those in want and for wayfarers. And whatever ye do that is good, Allah Knoweth it well. (al-Qur’an 2:215)

o establish regular Prayer and give regular Charity; and obey the Messenger; that ye may receive mercy. (al-Qur’an 24:56)
Islam gives an absolute view of justice in the society;

لاَ تَظْلِمُوهُمْ وَلاَ تُظْلَمُونَ

deal not unjustly, and ye shall not be dealt with unjustly. (al - Qur’an 2:279).

Daryabadi (1998a) explained that here absolute fact about Islamic law has been narrated (p. 509) that neither you should be unjust to others nor others should be unjust to you. The other angle of the fact is that as you sow so shall you reap.

On the other hand spending is the most frequently discussed topic of Qur’an-e-Hakeem. In IVS spending is the preferred activity for the welfare of society. Spending is the indicator of sympathy and care of other fellow beings. Habit of spending from personal account for the welfare of people of society may fight against common and most challenging ailments of today’s world of management i.e. selfishness and executive greed, which are the root causes of corruption in many organizations.

There are two fold motivations for leadership in ILS to be more active in welfare of society: first reward is in this world in the shape of loyalty, sincerity and devotion from with in and out side the organization and second reward is in the Life Hereafter:

وَبَشِّرُ الَّذِينَ آمَنُوا وَعَمِلُوا الصَّالِحَاتِ أَنَّ لَهُمْ جَنَّاتٌ بَاسِطَةً

But give glad tidings to those who believe and work righteousness, that their portion is Gardens, beneath which rivers flow. (al - Qur’an 2:25)
Allah will admit those who believe and work righteous deeds to Gardens beneath which rivers flow: they shall be adorned therein with bracelets of gold and pearls; and their garments there will be of silk. (al-Qur’an 22:23)

**Environment**

Islamic teachings are quite explicit to protect the environment. Cleanliness is one of the important requirements to be a Muslim. Therefore IVS ensures that every member of organization adopts and practices cleanliness and purity.

For Allah loves those who turn to Him constantly and He loves those who keep themselves pure and clean. (al-Qur’an 2:222)

Daryabadi (1998a) explained that here cleanliness means purity from both physical and spiritual dirt (p. 419).

A saying of Hazrat Muhammad (PBUH) that “Cleanliness is half the Faith” further endorses the importance of cleanliness,

The prophet (PBUH) said, “If the last hour strikes and finds you carrying a nursling tree to the grove for planting go ahead and plant it”.

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IVS emphasizes cleanliness and purity, and expects from all of the followers to practice and promote cleanliness in every day life to make the surrounding environment free from all kinds of pollutions. One can address today’s popular issue of environmental pollution through practicing Islamic values in the life. It is one of the important responsibilities of Islamic leadership to protect the environment with in and out side the organization from all hazards, and to improve it even further for healthy and clean life of all stakeholders.

Particular emphasis on plantation is an indication of deep concern for protection of environment and keenness for the healthy living of people, because plants contribute to the world’s environmental stability ‘earthwatch.unep.net’. Therefore role of Islamic leadership is not confined to promote and establish on job values for VBM, but a step forward towards total value based management for the welfare of all stakeholders of organization.

**Protection**

The fourth component of the vision of Islamic leadership is protection. There are four aspects of protection in IVS. These four aspects are protection of faith, integrity, life and property (FILP) of all stakeholders of organization (Illustration 2.7). Concept of protection of FILP transforms contemporary notions of welfare from mare rules to practicable values.

**Protection of Faith**

Islam gives liberty to every one to practice his faith, thus ensures protection of every one’s faith working in one organization.

Allah SWT says that;
Let there be no compulsion in religion: Truth stands out clear from Error: whoever rejects Evil and believes in Allah hath grasped the most trustworthy hand-hold, that never breaks. And Allah heareth and knoweth all things. (al - Qur‘ān  2:256)

Modudi (2005a) explained that the meaning of this Verse is that no one can be forced to follow Islam’s ideological, ethical and practical system of life (p. 196).

In the following Verse Allah SWT says;

Allah is the protector of those who have faith: from the depths of darkness He will lead them forth into light. Of those who reject faith the patrons are the Evil Ones: from light they will lead them forth into the depths of darkness. They will be Companions of the Fire, to dwell therein (forever). (al - Qur‘ān  2:257)
There is no compulsion in Islam for any one to follow Islamic ideology. There is an open offer for every one; protection and motivation for those who follow Islam and warning for those who don’t follow Islam, but no compulsion.

Islamic leadership has to create working environment in the organization where there is comfort for those who follow Islam and there is no compulsion for those who want to follow their own religion. Working together doesn’t means ignoring our differences, but learning more about and respecting the faith of each other (Pratt, 2008). On one hand, this leads to an ideal working environment for cross cultural work force, on the other, it totally eradicates ethnic harassment. ILS provides protection to all employees irrespective of their individual patterns of faith, thus ensures TVBM.

Protection of Integrity

Islam attributes significant emphasis to protection of respect and integrity of all fellow beings. Modudi (2005e) mentioned that Islam declares all Muslims as universal family (p. 83).

The Believers are but a single Brotherhood: so make peace and reconciliation between your two (contending) brothers (al - Qur’ān 49:10)

There is clear instruction for Islamic leadership to give new dimensions to management by ensuring protection of integrity of all organizational members. Allah (SWT) says in Qur’ān-e-Hakeem;
Illustration 2.7 Protection Model of ILS

The illustration depicts the discussion on pp. 88 – 96.
O ye who believe! let not some men among you laugh at others: it may be that the (latter) are better than the (former): nor let some women laugh at others: it may be that the (latter) are better than the (former): nor defame nor be sarcastic to each other, nor call each other by (offensive) nicknames: (al - Qur‘an 49:11)

IVS is particular about the protection of integrity of members of organization, as Allah SWT says;

nor speak ill of each other behind their backs. (al - Qur‘an 49:12)

Speaking ill at the back of others manifests invading respect of others. Sayings of Prophet (PBUH) also strongly prohibit doing so.

Islamic value system starts with unity, as Allah SWT says in above mentioned Verse 49:10 that all Muslims are knitted with the relationship of brotherhood. This notion itself promotes the protection of integrity among all Muslims, as every brother is the guardian of integrity of other brother, in the same way all Muslims are the guardians of one another’s integrity.

Islam addresses even minute aspects of interaction among people in their daily life. Islamic value system (IVS) doesn’t allow any one to laugh at others, to defame
others, to be sarcastic and to call others by offensive nicknames as these are the means to invade integrity of others. According to the website of ‘itc.blogs.com’ do unto others as you would have others do unto you. It is the value that makes the world a more decent and civilized place.

IVS gives prime importance to individual respect and integrity, therefore speaking ill behind each other is strongly prohibited. On one side invading integrity is not allowed and on the other if some one is doing so, others have to stop him if they don’t, they are equally guilty.

**Protection of Life**

Islamic teachings explicitly support protection of life;

`وَلاَ تُقْتِلُواْ أَنفُسَ الْحَقِّيَّةِ حَرَّمَ اللَّهُ إِلَّآ بِالْحَقِّيَّةِ`

Nor take life -which Allah has made sacred- except for just cause. (al - Qur’an 17:33)

`وَإِذْ أُحْدِتُنَا مِيثَانَا لَا تُسْفِكُنَّ دَمَّاَ كُلَّمُ`

And remember We took your Covenant (to this effect): shed no blood amongst you, (al - Qur’an 2:84)
On that account: We ordained for the Children of Israel that if anyone slew a person -unless it be for murder or for spreading mischief in the land- it would be as if he slew the whole people: and if any one saved a life, it would be as if he saved the life of the whole people. (al - Qur’ān 5:32)

Modudi (2005a) explained that the existence of human life in the world depends on the fact that every individual respects the right of life of other individuals, and help others in protecting the life (p. 464). A person, who unjustly takes the life of others, is not brutal to only one person, but he proves that he doesn’t respect human life and he has no sympathy for human beings. Such characteristics can destroy entire humanity. Contrarily if a person helps protect the life, he is promoting humanity, because he has such quality as is vital for the existence of humanity. According to Human Events (2008) all life deserves to be protected and we should aspire to build a society where each one of us is welcomed in life.

Protection of human life is such an important concern in IVS as every member of organization in general and leadership in particular is responsible to contribute for the safety of human lives. This is the responsibility of leadership to provide safe working environment to employees to avoid any damage to human life. Islamic leadership has to ensure on job safety in the organization to avoid any human loss.

Protection of Property

IVS gives particular attention to protect the property of every member of the organization and prohibits every one from illegal possession of property of others.
And do not eat up your property among yourselves for vanities, nor use it as bait for the judges, with intent that ye may eat up wrongfully and knowingly a little of (other) people's property. (al-Qur'an 2:188)

Modudi (2005a) explained that one interpretation of this Verse is that one should not take advantage by offering bribes to rulers (p. 148). Another meaning is that if one knows that the property belongs to other person, only because he doesn’t have proof of his ownership; one should not take the case to court with the intention that one could eat his property.

To orphans restore their property (when they reach their age), nor substitute (your) worthless things for (their) good ones; and devour not their substance (by mixing it up) with your own. For this is indeed a great sin. (al-Qur'an 4:2)

Protection of every one’s property is an important element in IVS. No one is allowed to use influence or money to occupy the property of other fellow beings. Divine laws of all ages assert same emphasis on protection of property of others as it is mentioned in Biblical privacy theme that “you shall not take someone else’s property” (bcbsr.com). This brings satisfaction among all members of organization that in a system
under which they work or live takes the responsibility to protect their Faith, Integrity, Life and Property (FILP).

To ensure protection of FILP is the most sensitive and important responsibility of Islamic leadership. ILS is probably the only system of running the organization where leadership is responsible not only for the welfare of all stakeholders of organization including business, employees, society and environment as a whole, but also for the protection of FILP of all those who work with the organization. Therefore ILS paves the way for TVBM by ensuring welfare and protection of all stakeholders of organization.

**Impact of IVS on Team Management**

**Team**

Team is a group of individuals with common purpose; focused and united to achieve specific task or set of objectives (Neill, 2005).

Even if a group of people in a jungle number only three, it is still incumbent upon them to choose a leader. (Abu Da’ud)

Islamic value system (IVS) emphasizes unity of command and clarity of objective among team members. Unity is one of the most important components to ensure success in teams. It is generally agreed upon that teams do not exist with out unity of command. IVS provides foundation for unity and discipline in above hadith, giving clear instruction that even a group of three can not proceed towards objective with out a leader. IVS strengthens teams to work efficiently and effectively towards the organizational objectives. Working together is not a choice; it is an obligation and the only way to success. No family, group, organization with the team spirit can go astray (Seyal, 2002). Theoretical framework of team management in IVS is given in Illustration 2.9.
Equality *(al-Musāwī)*

…..there is no superiority for an Arab over a non-Arab and for a non-Arab over an Arab, nor for the white over the black nor for the black over the white except in God-consciousness. (Last address of the Prophet Mohammad (PBUH)

Equality has always been a relative issue around the globe. But, IVS defines equality in an absolute manner; thus blocks opportunities of discrimination among people. Ethnic and racial discriminations are at the top of even most civilized nations of the world. Isn’t it? At present day every one is fighting with the problem and trying to find solutions through different initiatives. But, IVS terminates all those reasons which lead to discrimination. Thus, paves the way to utilize abilities of every individual working in any organization irrespective of race, color or tribe. Equality ought to be a key value in the team for better performance (Schultz, 1994). Prophet Mohammad (PBUH) solved all issues related to discrimination in his last address. This is exciting to observe that more than thousand years back Prophet Mohammad (PBUH) established a society which was above all discriminatory elements. This inculcated equality among team members which resulted in the development of dedicated and efficient teams. Equality also controls differences among people and help them to proceed to their objectives with more devotion and commitment. This equality encourages people to participate in organizational procedures and creates conducive participatory atmosphere and helps organizations to get best out of entire team. Equality also helps organizations to manage cross-cultural work force from all races, nations and areas to work together as effective team. In today’s multinational organizations teams are formed from diverse cultural and geographical backgrounds. Islamic value system gives the solution of those problems
which such working atmosphere faces and teaches equality irrespective of race, nation or color. Thus facilitates big organizations to exhibit much value for all stakeholders.

Son of Hazrat Umar (raa) once took alcohol. Hazrat Umar (raa) himself punished him with 80(DURRAY) and he (Abu Shahma) died due to this punishment. Hazrat Umar (raa) gave the same punishment to his brother in law (Qadamah Bin Mazmaoon) because of taking the Alcohol. (Nomani, 2004)

Popularization of Hazrat Umar’s Government was due to the equality across the board. Rules & regulations are the keys to eliminate discrimination; thus leads to satisfied team. Hazrat Umar (raa) never considered the status of a person in implementing law & regulations, every one remained satisfied due to the equal treatment with every one including relatives & family members. This is the secret of developing dedicated team. If every member is treated equally & justice is ensured then entire team will act as ‘one’. Thus team will move towards corporate objectives with dedication and cohesiveness. No one is above the law, no one is exception, no one is either superior or inferior, that’s how IVS brings complete satisfaction among team members.

Respect (al-‘Izz wa ash-sharf)

To build an effective team and to ensure good working relationship it is important to maintain respect for all team members ‘ucl.ac.uk’. Respect of others while working together is the spirit of Islam. All Muslims are sacred to Muslims: they are brothers and helpers to one another. (Nasa’i)
O ye who believe! let not some men among you laugh at others: it may be that the (latter) are better than the (former): nor let some women laugh at others: it may be that the (latter) are better than the (former): nor defame nor be sarcastic to each other, nor call each other by (offensive) nicknames: (al - Qur’an 49:11)

Modudi (2005e) explained that actual prohibition is of the fact that no one is allowed to disgrace others (p. 85), because while disgracing others the intention behind is the pride of oneself and insult of others. Mocking, mimicking, parody, blaming etc. etc. actually abolish the relationships and cause deformation in the society/organization.

Respect brings respect; culture of respect ensures that every one is happy and comfortable among team. Interpersonal conflicts are the major cause of performance depletion. Mutual respect is guaranteed in Islamic value system; it gives special emphasis on establishing respect and honor of team members.

One of the major issues of today’s organizations is racial harassment; even with in the same country, society and organization such harassments are common. It is because modern society could not protect every one’s integrity thus failed to establish the value of individual’s respect. Modudi (2005e) explained that Islamic law establishes esteem for every individual (p. 84) and no one has the right for defamation, weather it is backed with evidence or not, this phenomenon is independent of individual’s status, till the time the one who accuses can give reason from Islamic law i.e. Sharia. He further explained on p.
86 that no one can call others with their deficiencies e.g. blindness or disabilities. One can not give nickname to any one due to his or her parents or any deficiency in his family. In Islamic value system individual integrity and respect is safe and protected.

**Help and Support (al-Musā‘adah)**

Help and support is essential for team’s success (Sneider, 2000). Islamic value system is full with teachings and motivations for helping and supporting others. There are many sayings of Hazrat Muhammad (PBUH) which guide and educate for help and support among team members. Following sayings are mentioned here with a brief explanation of their implementation and scope in today’s management practices.

“Help each other in good and virtuous deeds but do not help in sinful deeds and committing excesses on others”. (Mishkat)

The above mentioned saying solves the most important problem of modern organizations i.e. corruption. Islamic value system creates the atmosphere where people help each other only in good deeds. Thus blocks the doors of illegal practices and establishes transparency in organizational procedures. Support in right professional activities will enhance team performance. Such an environment will lead to accurate implementation of plans and strategies, people will help each other to achieve strategic objectives through help and support, not being compulsion but being culture of the team.

Help thy brother, the wrongdoing and the wronged, said the Prophet (PBUH). ‘I will help him’, said one, ‘when he is wronged; but how can I help him when he is doing wrong?’ ‘Hinder him from doing wrong’, said the Prophet (PBUH), ‘and verily that is helping him.’ (Sahih Bukhari, Tirmidhi, Sahih Muslim)
IVS moves around the very nature of the human being. On one side IVS motivates people to help each other in good deeds; and on other side it also educates that hindering some one who is doing wrong means helping him to avoid illegitimate practice. There are two important values hidden in the saying, affection and kindness towards the teammates. One can stop the person from wrongdoing only when he has affection or kindness towards the person. On the other hand when some one will stop the person from wrongdoing, it will augment his respect.

*Momin* is a mirror to a *Momin*, and a *Momin* is brother to a *Momin* he withholds him from his losing occupation, and watches him from behind him. (Abu Da’ud, Tirmidhi)

Mirror is the best tool to know the status of the face. One can not hide any thing from mirror and accepts what so ever it reflects. Same is the role of teammates in Islamic value system, where every one behaves like a mirror and helps each other to identify weaknesses. Immediate reaction after identification of weakness is to improve upon it. In IVS, teammates and colleagues perform the same duty and help each other to improve their opportunity areas. In IVS, every one gives candid and sincere opinion, which helps others to improve. This feedback is always free from bias and prejudice; it is because of IVS that every one has faith on each other and values the opinion of other colleagues.

According to Abu-Musa al-Ashari, the Prophet Muhammad (PBUH) said, Believers are like the different parts of a building, each one supporting the other. Then he demonstrated what he meant by interlocking his fingers. (Sahih Bukhari, Sahih Muslim)

Supporting each other is one of the important teachings of Islam. While operating together it is important that every one extends support to others. Synergy is the product of
togetherness. Collectiveness and togetherness is considered to be the important factor for success in modern management. Important outcome of such an environment is to overcome the weaknesses of teammates and to get full benefit from their collective strength. Teams are only successful when they operate in a manner where they are aware of their weaknesses and convert them into strengths through co-operation and togetherness.

Whoever recommends and helps a good cause becomes a partner therein: and whoever recommends and helps an evil cause, shares in its burden: and Allah hath power over all things. (al - Qur‘ān 4:85)

Daryabadi (1998a) explained that it means the one who will be the helper in good cause will get the reward (p. 771-2) of that because up to some extant he caused the good, even every type of sincere suggestions come under this promise.

Motivation and warning both at the same time; partner in good deeds are guaranteed of reward, and partners in bad deeds will share the consequence. IVS provides a fine pattern to deal with human beings; no matter one practically participates in bad deed or not, he/she is not allowed to suggest or pursue others for bad deeds. This is how Islamic value system helps teams to be focused and committed towards the objective.

Whoso among you is able to benefit his brother, must do it. (Sahih Muslim)

In Islamic value system it is obligatory for team members to support their colleagues. Help and support is always encouraged in IVS. Right from the start of Islam
and days after Hijrat to Madina, entire history is proof of exemplary help and support. If some one has the ability to benefit others he/she should do that. IVS inculcates sincerity and affection among team members; thus brings in cooperative and conducive work atmosphere in which every one strengthens each others. Such an environment can be observed when Ansar-e-Madina supported Mahajreen, which is an ideal example of help and support for each other.

It was a routine of Hazrat Umar (raa) to visit the homes of soldiers and ask ladies at home about their necessities and then used to purchase things personally to send to their homes. Whenever messenger brought letters from battle field, he himself used to distribute all those letters and inform every one that when messenger will go back, so write letters before that date, if there is no one available at home to write the letter, he himself used to sit outside the door and write what people ask to write to send replies to soldiers. (Nomani, 2004)

Unity (al-Ittihād)

وَاعْتَصِمُواْ بِحَبْلِ اللَّهِ جَمِيعًا وَلَا تَفَرَّقُواْ

And hold fast, all together, by the Rope which Allah (stretches out for you), and be not divided among yourselves; (al - Qur‘ān 3:103)

Daryabadi (1998a) mentioned the saying of Arnold that he wrote that Islam united those tribes which were fighting with each other (p. 613). Then he explained on p. 614 that unity of Ummah itself is a great blessing. There is clear instruction for Muslims to be united and not to be divided.

The hand of ALLAH is with the group. (Tirmidhi)
This is an important instruction enforcing the need of unity. It clearly mentions that the help of ALLAH ALMIGHTY will be with united people. It means if one wants the support of ALLAH one has to be united in a group. That’s why Islamic leadership system promotes unity among people as a basic need. To have hand (support) of ALLAH is a great incentive which means ALLAH will support while people remain united while working in a group/teams. The support of ALLAH ALMIGHTY is greatly desired by Islamic organizations, therefore they will try their utmost to establish and maintain togetherness and unity among the team members, because where there is unity there is always victory (Syrus 85-43 BC).

**Honesty (al-`Amānah)**

Honesty is the cornerstone for the success of a team, without which ability to perform shall cease to exist (Ash, 1918-2001)

> يُتَأْيِهَا أَلْلَهَآ أَلْلَهَآ أَلْلَهَآ أَلْلَهَآ وَكُونُوا مَعَ الصَّادِقِينَ

O ye who believe! Fear Allah and be with those who are true (in word and deed). (al - Qur‘ān 9:119)

Daryabadi (1998b) explained that in Islam mean people who are true in their intentions, words and actions (p. 466). It means that Islamic value system establishes a standard which is beyond the popular concept of truth, where generally truth means truth in speech and practice. One can notice verbal and practical truthfulness of people, but one can not even observe the truthfulness of intentions. Islamic value system builds such a character of its followers that truth is rooted into their conscious and they act and behave truthfully from the core of their heart. This will help to solve many day to
problems related to co-workers, customers and other stakeholders. Because, if there will be honesty and transparency in organizational culture there will not be any kind of conflict and confusion in human relations.

What would be the greater dishonesty than this that when you are talking with your brother he may be thinking that you are telling the truth whereas you are deceiving him by telling lies. (Sahih Bukhari)

This saying of Hazrat Mohammad (PBUH) deals with the psychology of human being that while talking with others it is not that simple to tell a lie. It is in fact what the other person thinks. Dishonesty is not only related to tangible goods; it also affects abstract feelings. If someone is deceiving thoughts of other person, it is even more dishonest attitude. If everyone keeps himself at the place of others, then he/she will understand the intensity of such dishonest behavior.

Once Hazrat Umar (raa) received booty, and Hazrat Hafsa (raa) came & asked “Amir-ul-Momineen please give me my right because I am Zul Qurbi”. Hazrat Umar (raa) replied “You have right in my personal wealth, but this is booty” She went back after listening this. (Nomani, 2004)

Once Hazrat Umar (raa) was sick & needed honey for treatment; honey was available in Bait-ul-Maal (government treasury) but he didn’t take without the permission of people, he went to Masjid-e-Nabvi & asked people that would you allow me to take little honey from Bait-ul-Maal? Such a high standard of honesty! Purpose of taking permission was to show that ruler don’t have even little right on Bait-ul-Maal (Nomani, 2004). This is the standard of personal character in IVS. Such kind of leadership is a
dream for today’s organizations. If it is achieved there will be no value crisis in corporate management, and every stakeholder will be satisfied.

ILS develops strong commitment towards honest management of resources. If an organization can have honest system of utilization of resources, it will result in shareholder's pleasure, and depletion of resources would be controlled effectively. This will result in increased profit & increased earnings for both shareholders and employees. This is the real VBM derived from IVS & controlled through MBE, not just through laws & legislations. Because, in spite of all resent stringent laws & regulations to stop illegal use of organizational resources; abuse is quite often. This is a challenge for modern management practitioners. Best solutions for VBM lie in IVS; above mentioned example of Hazrat Umar (raa) is the apex of honesty in managing and utilization of organizational resources.

Kindness (ash-Shafaqah)

Be gentle, kindhearted and mild tempered. (Tirmidhi)

Islamic value system addresses every aspect of human personality and presents guideline to modulate all those issues which can create friction and disharmony. In this saying Hazrat Muhammad (PBUH) emphasized three very important qualities for people operating in a group. Opposite sides of traits which are mentioned in above hadith are harshness, ruthlessness and aggressiveness; these are poison for teams. Tenderness, kindness and moderation lead to peaceful and focused operations of teams.

He who is devoid of kindness is devoid of (all) good. (Sahih Muslim)

Islamic value system grooms all those traits of human psyche which are essential for the success of team. Khalil Gibran (1883-1931) said that tenderness and kindness are
not signs of despair, but manifestations of strength and resolution. Islamic value system creates vital links among traits and values to enhance the efficiency of teams. If teams are efficient they maintain higher value for all stakeholders through sincere hard efforts coupled with kind attitude towards them. If some one is not kind, it means either he is not capable of other qualities or he will waste all other qualities due to arrogance or selfishness.

Once Hazrat Umar (raa) addressed managers/organizers and said “you people are not appointed as strict rulers rather you are leaders, so people should follow you; fulfill the rights of people, don’t hurt and disgrace them, don’t praise undue and misguide them, don’t close your door for them, & don’t allow stronger to deprive wreakers, don’t make yourself superior then them (your people), because it is unjust.” (Nomani, 2004)

IVS develops comprehensive charter for leadership to ensure VBM. Just & kind management brings in balance between authority & responsibility, between harshness & softness, between strength & weakness. It will result in strong dedication among team members. ILS inculcates kindness, instead of fear & compulsion where leaders have to ensure that every team member should feel protected under kind control. This will help to build strong, dedicated and highly motivated team.

**Goal and Skills (al-Hadaf wa-l-Maharah)**

وَلَكِنَّ ِوجْهَةٍ هُوَ مُوْلِيَّةٌ فَأَسْتَنَبْفُوا ِالْخَيْرَةِ أَيْنَ ْمَا تَكُونُوا

يَأْتِبْكُمْ ِاللَّهُ ِجَمِيعًا ِ إِنَّ ِاللَّهَ عَلَى ِكُلِّ شَيْءٍ قَدِيرٌ
To each is a goal to which Allah turns him; then strive together (as in a race) towards all that is good. Wheresoever ye are, Allah will bring you together. For Allah hath power over all things. (al - Qur’ān 2:148)

Daryabadi (1998a) stated that ALLAH (SWT) kept people in different circumstances and created many groups, some are busy in agriculture, some are doing trading and some are in industry (p. 279). The same is true from religious point of view, some are collecting sayings of Prophet (PBUH), some are learning Qur’ān-e-Hakeem by heart and some are busy in learning Islamic law and some are busy in explaining al - Qur’ān . These all are different ways and means which ALLAH (SWT) keeps operative. ALLAH (SWT) keeps every aspect of life active and operational, and if any one performs his duties with the will to get reward from HIM, ALLAH will make it easier for him.

The explanation of above verse gives us understanding that ALLAH (SWT) created every one with goal and objective. It means that every human being has an objective right from his creation, he/she can not operate without objective in any sphere of life. Islamic value system keeps every one focused towards the core objective which is to take lead in good deeds. If every member of the organization keeps the objective to be ahead of every one in good performance in every day efforts, then he can contribute great value with in the organization through enhanced performance, increased efficiency, implementation of strategies, delivering quality, avoiding conflicts etc. etc.

Robins & Coulter (2002) elucidate that teams are an automatic productivity enhancer. They can also be disappointment to management. Research on teams provides insight into the characteristics associated with effective teams. These characteristics are
clear goals, relevant skills, mutual trust, unified commitment, good communication, negotiation skills, appropriate leadership and internal and external support.

A team is one of the most difficult things to run. It takes a really superb manager to build that kind of team where people really work together and adjust and take their cues from the others and move ahead as a unit. That’s not easy. That takes time, a very clear mission and a very skillful leader…perhaps skillful is not the right word. That needs a very focused, a very clear kind of leadership. (Drucker, 1995)

**Care of Team (al-‘Inaya -lil- Jama‘ah)**

People gravitate towards teams and expect the group to take care of them in exchange for loyalty (Pearce, 2008). After every prayer Hazrat Umar (raa) used to sit in the courtyard of mosque to listen the problems of people, he used to stay there for some time even if there is none; he usually left the place after waiting for a while. Hazrat Umar (raa) often traveled at night in the streets to ask people about problems faced by them in their livings.

Once he was coming from Syria and visited a house of tent on the way in the desert and visited an old lady and asked her “Do you know any thing about Umar?” She replied “Yes, he left Syria, but may ALLA H destroy him, because I never received any thing from him”. Hazrat Umar replied “You live so far, how Umar could know about you”. She said “If he doesn’t know about his people, then why is he caliph?” After listening this Hazrat Umar started weeping. (Nomani, 2004)

History of Islamic leadership is full of such lessons where people expect from leaders and leaders tried their utmost to deliver according to their expectations. In ILS leader always remain concerned about people. If some one in today’s world would be as
powerful as Hazrat Umar, he would never tolerate such daring comment from any one under his influence or domain. Hazrat Umar not only listened, but also felt guilty that he could not take care of such people who live far away from his reach, where it was not easy to know their needs, and he realized that old lady was right that as a caliph it was his responsibility to be aware of every one. That's why Islamic values build exceptionally dedicated teams. IVS installs a strong commitment for care of people which can lead organization towards total value based management.

**Justice (al-ʿAdl)**

IVS is based on justice thus ensures cohesiveness, determination, commitment and satisfaction among team members as Aristotle (384-322 BC) said that in justice is all virtues found in sum. Justice helps teams to move towards organizational objectives with zeal and zest. Islamic history provides unprecedented pattern of maintaining justice across the board. During the reign of Hazrat Umar governors were called on the occasion of Hajj every year, when all governors were available, Hazrat Umar used to announce that if there is any complaint against any of the governor, put it forward. Then every one who had complaint used to present the concern and after investigation corrective measures were taken with out any delay. (Nomani, 2004)

It was a tremendous way of ensuring justice, every one was free to present complaint on one hand and on the other hand every governor was aware that every year on Hajj people will be there to audit their performance in front of Hazrat Umar. Therefore throughout the year every governor used to work with complete honesty and justice. Annual accountability at the time of Hajj is an exemplum for today’s management practitioners. If some one is devoid of justice due to any reason through out the year, he
will have an opportunity at annual accountability occasion. This annual accountability session used to be open where every body had access to the top management with out any obstacle. This is how justice should be ensured throughout organizational procedures.

**Distribution of Resources (Tauzī-ul-Mawarid)**

Equitable allocation of resources increases productivity and profitability (Amin, 2002). Islamic leadership system offers very good pattern of utilization of resources that ensures justice and honesty. Only Islamic leadership is the solution to control modern accounting abuses across corporate world, all other measures have been failed repeatedly. Kings of the world always use earning of the state for the comfort of themselves and their families, if they give something to others they pose as their kindness. But in Islamic value system all earnings are the earnings of Allah and are the property of Bait-ul-Maal (government treasury) for the welfare of all Muslims. Although all earnings including Zakat, Sadqa, Kharaj and Jazya everything which ever was received used to come to Hazrat Muhammad PBUH as chief commander, but you never took those for yourself and declared that, all is for Muslims. Hazrat Muhammad PBUH forbade taking Zakat for himself and his family. Booty was distributed among Mujahideen and Muhammad (PBUH) took only fifth part of it for himself, family and other deserving people who were not entitled for booty according to the rules of war. (Nomani, et al, 2002)

In Islamic value system as mentioned by (Alhabshi, et al, 1994) all the resources endowed to individual's disposal belong to ALLAH and he is not the rightful owner but only the trustee. Whilst trusteeship need not negate private ownership of property, it dose carry important implications which are different from those inherent in other systems.

Firstly, the resources are meant for the benefit of all and not just a few.
It is He Who hath created for you all things that are on earth; (al-Qur’ān 2:29) Therefore all these resources must be equitably utilized for the wellbeing of all.

Secondly, acquisition of resources must be rightfully carried out in tandem with the requirements stipulated by the al-Qur’ān and Prophetic traditions.

Thirdly, the resources so acquired should be disposed in accordance with the terms of the trust for the well-being of not only one’s own self and family but also that of others. It is unbecoming of a trustee to be selfish, acquisitive and unscrupulous.

Fourthly, there should not be any wastage or unnecessary destruction of God-given resources. It is also well-known that when Muslim general was sent on war assignment, one of the clear instructions given was that he was not to kill indiscriminately nor destroy vegetation or animal life even in enemy territory.

One can conclude the dos and don’ts of team management in Islamic value system (IVS) with the help of above discussion from p. 96 to p. 112 as shown in Illustration 2.8.
The illustration describes dos and don’ts of team management based on discussion on pp. 96 – 112.
The illustration portrays that elements discussed on pp. 96 - 112 leads to the development of dedicated team.
Influence of IVS on Management Approaches

Islamic value system (IVS) covers all dimensions of management approaches. Thus presents holistic model (Illustration 2.10) which includes participatory, system, Gradualistic, contingency and consistency approaches.

Participatory Approach

and consult them in affairs (of moment). (al - Qur’ān 3:159)

Daryabadi (1998a) explained that consultation has abundant value in Islam (p. 655). It is evident that if it is ordered to Hazrat Muhammad (SAW), then how much important it is for others. Jabnoun (1994) explained that participative management is the continuous involvement of people in decision making. Participatory management means that every member has input and influence over the decisions that affect the organization. Participatory management improves the effectiveness and capacity of an organization. (Bartle, 2008). It is culture rather than a program. It is an Islamic duty for a leader to consult his/her subordinates. This consultation is called in Islam Shura. It is stated in the al-Qur’ān that the believers who will be rewarded in the hereafter are those who conduct their affairs with Shura or consultation.
Those who hearken to their Lord, and establish regular prayer; who (conduct) their affairs by mutual Consultation; who spend out of what We bestow on them for Sustenance; (al - Qurän 42:38)

Modudi (2005d) explained that this has been declared the best quality of believers (p. 508). On this basis consultation is the basic pillar of Islamic way of life. There are three reasons of giving so much importance to consultation (Shura) in Islam.

First, in a matter which is related to more than one person, it is unjust that one person takes the decision and ignores others. No one has the right to enforce his own opinion. It is necessary that all those people should be consulted to whom matter is related. If they are too many, then their representatives should participate in the process of consultation.

Second, in common affairs person tries to enforce his own will due to two reasons; either he wants to snatch the rights of others or he thinks he himself is superior and others are inferior. From moral point of view both of these characteristics are bad for believers. Believer is neither selfish nor arrogant.

Third, it is an important task to decide about the matters which are related to the rights and interest of others. A person who fear ALLAH (SWT), and knows that he will be accountable in front of ALLAH (SWT) for his decision, will never take the responsibility on his shoulders alone.

Jabnoun (1994) stated that Shura is aimed at building a consensus that will benefit the community or the business that has to make the decision. In case no consensus is reached, voting is resorted too. Prophet Muhammad (PBUH) said:
My nation can not agree upon an error and if a conflict persists be with the majority. (Ibn-e-Majah)

Jabnoun (1994) cited Izetbegovic saying that the opinion of the majority is an expression of higher common mind. This is because it yields better outcomes than a single person opinion. Izetbegovic added “This is the declaration of a democratic process”. Participative management is also critical for motivation, for people are generally more motivated to execute the decisions that they were part of making.

*Shura* had been a culture during the time of Prophet Muhammad (PBUH) and his successors after him. No major decision had ever been made without consultation. In many occasions, Prophet Muhammad’s (PBUH) opinion was adopted as it received major support. On the other occasions such as during the battle of *Uhud*, other opinions received the majority and were subsequently adopted. Prophet Muhammad (PBUH) wanted to stay in his town Madina when he heard that the pagans of Makkah were about to attack. But the Prophet (PBUH) decided to go to mountain of “*Uhud*” instead because the majority of his companions preferred facing their enemy there. In spite of the fact that consultation was a culture during his time, Umar (raa), the second successor of Muhammad (PBUH), created number of programs to reinforce this culture. These programs include the creation of an annual conference for all Muslims during pilgrimage and the establishment of an agency of complaints. Muslim scholars state that consultation shall not be forsaken for any reason.

The scope of consultation should be as wide as possible. Hazrat Umar was so keen on listening to different opinions that he was seeking the opinions of even juveniles
on some critical matters. In one of his sayings Prophet Muhammad (PBUH) summarized the whole religion as advice:

Religion is sincere advice. (Muslim)

Jabnoun (1994) further explained that the culture of participation of the companions of Prophet (PBUH) resulted in high level of satisfaction and involvement. It also induced numerous administrative innovations notably during the time of Umar (raa). These innovations included building cities of Basra and Koufa in Iraq, and creation of new department of payroll and the department of documentation where information was gathered and managed. In today’s world businesses are realizing the importance of participative decision making, and the business that consult their workers are doing much better than those that don’t.

In Ghazwa-e-Badr Hazrat Muhammad (PBUH) stopped at one place, companions who were expert in war affairs asked the Messenger of Allah, “Did you choose this place through revelation or it is your own opinion?” He replied “It is my personal opinion”. Companions replied “We should stay near well of Badr, because according to the war strategy that is better place”. Hazrat Muhammad (PBUH) agreed.

Above discussion gives the clear view of Islam about participation in management procedures. As explained by Modudi and Daryabadi that consultation has abundant value in Islam, because it is unjust that only one person takes decisions for whole organization. If some one will do so, he will do for his own interest to snatch rights of others or he may thinks that he is superior to others. And most important thing is that in Islamic leadership no one will like to take the responsibility of bad results on his
shoulder for whole organization. This binds Islamic leadership for consultation and participatory management.

Moreover culture of consultation in management affairs brings;

- Satisfaction
- Involvement
- Togetherness
- Innovation

All these elements can be observed in the time of Hazrat Umar (raa), the second successor of Hazrat Muhammad (PBUH). Participatory approach brings togetherness and satisfaction among organizational members thus adds value to the organizational operation. It inhibits arrogance and selfishness from those who are leaders/managers. It also helps them to involve entire organization in the responsibility of welfare and growth of all stakeholders.

**Systems Approach**

The term ‘systems’ is derived from Greek word ‘synistanai’ which means ‘to bring together or combine’ (silvae.cfr.washington.edu). Jabnoun (1994) stated that first pillar of systems approach is that one should consider the organization as a whole. This can be better explained by the following saying of Prophet Muhammad (PBUH).

The believers are like one man if his head is in pain his whole body suffers and if his eye is in pain his whole body suffers. (Sahih Bukhari)

The second pillar of systems approach is to consider the organization as a part of a large environment. In this respect, Muslims believe in the unity of the mankind, and in the necessity of their interrelations. Al-Qur‘ān addresses all mankind in many verses.
O mankind! We created you from a single (pair) of a male and a female, and made you into nations and tribes, that ye may know each other (not that ye may despise each other). (al-Qur'an 49:13).

Stoner & Freeman (1992) stated that the system approach to management views the organization a unified purposeful system composed of interrelated parts. This approach gives managers a way of looking at the organization as a whole and as part of a larger external environment. In so doing, systems theory tells us that the activity of any segment of an organization affects in various degrees, the activity of every other segment.

Jabnoun (1994) further discussed that the functions of various units and subunits of a system should also be coherent and consistent with one another. System coherence is very well manifested in the teachings of Islam where the theology provides the will and the general direction, and the jurisprudence provides the practical implementation. In Islam, the educational, social, moral, economic, political, and legal systems function as a whole, and no one can be applied without the other. Careful investigation of Islamic teachings makes an indivisible package. These teaching are interrelated horizontally, vertically, and diagonally. ALLAH (SWT) says:

أَفَلَا يَتَّبِعُونَ الْفِرْقَانَ وَلَوْ كَانَ مِنْ عَدِيدٍ غَيْرِ اللَّهِ لَوَجَدُوا فِيهِ أَحْيَانًا كَثِيرًا
Do they not consider the Qur’ān (with care)? Had it been from other than Allah, they would surely have found therein much discrepancy. (al-Qur’ān 4:82)

Modudi (2005a) explained that human being is not capable of speaking for years on different topics in different situations at different occasions in a manner that his all speeches become homogeneous, appropriate and carry the same color, without any conflict among speeches, without any indication of change in opinion, without any effect of speaker's circumstances and without any need to revise (p. 377).

Islam presents integrated system of life. In order to preserve decent social life, Islam prohibited Muslims from committing adultery, but did not stop at this point. In fact, Islam taught Muslims how to reach that goal. Islam asked every Muslim not to be with a person of the opposite sex in isolation. Muslims were also asked to lower their gaze, and to dress decently. Islam also encouraged marriage. On other hand, Muslims are supposed to lead a moral life, by praying, fasting, giving charity, and reading al-Qur’ān. In addition, they are required to be educated in these issues. If they still commit adultery after these requisites are satisfied, they would be severely punished. This simple example shows how closely integrated the teachings of Islam are. Goals with no clear sequential dependence such as praying, getting married and avoiding adultery are supportive of one another, beside their pooled contribution to the higher objective of Islam. (Jabnoun, 1994)

Islamic value system views an event, incidence or matter according to the circumstances. Surrounding atmosphere affects every event and operation. That's why IVS provides new framework which protects all stakeholders of organization. Over indulgence in one aspect will result imbalance. It will be unjust if influencing and
persuading factors will not be taken in account. In many situations indirect elements influence significantly. Islamic value system always gives consideration to all relating circumstances. Thus brings much value for all stakeholders of organization including shareholders, employees, customers and society as a whole.

**Gradualistic Approach**

We live in a culture of instantism, unfortunately it doesn’t work except in rare cases. But there is a system that does work, it is called gradualism and nature has been doing it for millions of years (Southon, 2002). Gradualism is a very important Islamic concept. Indeed the al-Qur‘ān was not revealed at once, rather it was revealed incrementally over a period of 23 years, according to people’s needs and capabilities (Jabnoun, 1994). The most illustrative example of gradualism in Islam can be found in the prohibition of alcoholic drinking, which was done in three steps as illustrated in following verses:

They ask thee concerning wine and gambling. Say: "In them is great sin, and some profit, for men; but the sin is greater than the profit." (al - Qur‘ān 2:219)

Modudi (2005a) explained that it is first command related to wine and gambling (p. 167-8), in which only disliking is mentioned. So that minds should get ready for prohibition.
O ye who believe! approach not prayers with a mind befogged, until ye can understand all that ye say (al - Qur’an 4:43)

Modudi (2005a) stated that this is second command about wine (p. 354). After first command some people started to avoid, but some still continued to take, and were not able to offer the prayer properly. Thus, after this command people changed their timings of taking wine and stopped taking wine in those times when there was chance of approaching the time of prayer.

O ye who believe! intoxicants and gambling, (dedication of) stones, and (divination by) arrows, are an abomination of Satan's handiwork: eschew such (abomination), that ye may prosper. (al - Qur’an 5:90)

Satan's plan is (but) to excite enmity and hatred between you, with intoxicants and gambling, and hinder you from the remembrance of Allah, and from prayer: will ye not then abstain? (al - Qur’an 5:91)

Modudi (2005a) explained that before this last command Hazrat Muhammad (PBUH) gave address to people and warned them that ALLAH (SWT) dislikes wine very much, and there is an indication that command for total prohibition may arrive (p. 501).
Therefore those who have wine, sell it. And after some time this verse was revelled. Then Hazrat Muhammad (PBUH) announced that now those who have wine, they can neither drink nor sell, they should destroy it.

Gradualistic approach evolves around the human nature. If someone is asked to leave certain habit or action, usually his immediate response will be why? Therefore, considering the human nature, Islam gives the approach of gradualism for brain making. After that it becomes easier to implement the new instruction, policy or rule. IVS develops people gradually to the level where they exhibit excellent moral character. This has been proved supporting environment helps the individual to abide the law and to exhibit excellent moral character. Jabnoun (1994) stated that, it is very important to note that, while gradualism is very important concept, it was not applied in every single case. For example, there was no gradualism in the prohibition and rejection of *Shirk* which is associating partners with ALLAH (SWT). Gradualism is a function of the needs and capabilities of the people. Therefore, if there is a strong need for certain measure, there is no need for gradual approach.

**Contingency Approach**

No one can precisely predict the future. Therefore, no matter how good forecasting methods are, it is important to plan for alternative events or for uncertainties. Further, even if the forecast is correct, the plan might not be fully feasible; therefore alternative plans must be in place (Jabnoun, 1994). According to the website of ‘ibisassoc.co.uk’ a well developed contingency plan has enormous value for the organization. It is the ability to speedily, smoothly and cost effectively respond to significant changes. Islam declares itself as a religion for all the people and for all the
time. It has to be a religion that can adjust to different events and situations. Part of this adjustment is achieved through contingency approach for different scenarios, (Jabnoun, 1994). This can be illustrated at its micro level by the following verses of the al-Qur’ān:

Ramadan is the (month) in which was sent down the Qur’ān, as a guide to mankind, also Clear (Signs) for guidance and judgment (between right and wrong). So every one of you who is present (at his home) during that month should spend it in fasting, but if any one is ill, or on a journey, the prescribed period (should be made up) by days later. Allah intends every facility for you; He does not want to put you to difficulties. (He wants you) to complete the prescribed period, and to glorify Him in that He has guided you; and perchance ye shall be grateful (al - Qur’ān 2:185).

Modudi (2005a) explained that Prophet Muhammad (PBUH) and his companions used to fast some time during journey and some time they did not (p. 142-3). Once during the journey a person fell down and people gathered around him. When Prophet Muhammad (PBUH) saw the situation, he asked the reason. He was told that the person is fasting. Prophet (PBUH) said it is not virtue. At the time of war during Ramadan Prophet Muhammad (PBUH) used to stop fasting by order. At the time of conquest of Makkah Prophet Muhammad (PBUH) said “There is war against enemy, leave fasting so that you get power to fight.”
O ye who believe! When ye deal with each other, in transactions involving future obligations in a fixed period of time, reduce them to writing let a scribe write down faithfully as between the parties; let not the scribe refuse to write: as Allah has taught him, so let him write. Let him who incurs the liability dictate, but let him fear his Lord Allah, and not diminish aught of what he owes. If the party liable is mentally deficient, or weak or unable himself to dictate, let his guardian dictate faithfully. And get two witnesses, out of your own men, and if there are not two men, then a man and two women, such as ye choose, for witnesses, so that if one of them errs, the other can remind her, (al - Qur’ān 2:282).
If ye are on a journey, and cannot find a scribe, a pledge with possession (may serve the purpose). And if one of you deposits a thing on trust with another, let the trustee (faithfully) discharge his trust, and let him fear his Lord. (al - Qur’ān 2:283)

Modudi (2005a) explained that usually friends and relatives avoid writing and putting witnesses for loan and financial transaction because they regard it as lack of confidence (p. 219-22). But ALLAH (SWT) commands do it so that matters among people remain clean. Pledging is recommended not only when scribe is not available, but it is also possible when no one is agreed to give loan through writing. Then one can pledge some of his asset to take money. Purpose of pledging is that lender will have the satisfaction that borrower will return his money.


وَمَا كَانَ لِعِمَّامِنَ أَن يُقْتِلَ مُؤْمِنًا إِلَّا حَتَّى يَعْفَأَ وَمَنْ قَتَلَ مُؤْمِنًا حَتَّى يُقْتِلَ أَنْ تُتْحِرَ بِرُقْبَتِ مُؤْمِنَةَ وَدِيَةٌ مُسْلِمَةٌ إِلَى أَهْلِهِ إِلَّا إِنْ قَدْ قَدَّرُوا أَن يُقْتِلُوْا فَإِنَّ كَانَ مِنْ قَوْمِ عَدُوٍّ لَّكُمْ وَهُوَ مُؤْمِنٌ فَتُتْحِرَ بِرُقْبَتِ مُؤْمِنَةَ وَإِنْ كَانَ مِنْ قَوْمِ هُنَّ تَبَيَّنَهُمْ وَبَيْنَهُمْ فَيَسْتَفْقِيقُ قَدِيْمَةٌ مُسْلِمَةٌ إِلَى أَهْلِهِ وَتُتْحِرَ بِرُقْبَتِ مُؤْمِنَةَ فَمَنْ لَمْ يَجِدَ فَصِيَامَ شَهَرٍ مِّنْهُمْ مَّتَنَّى١٢٥٥ قَوْمِ عَدُوٍّ إِنَّ اللَّهَ يَعْلَمُ وَكَانَ اللَّهُ عَلِيّاً حَكِيّاً

Never should a Believer kill a Believer; but (if it so happens) by mistake, (compensation is due); if one (so) kills a Believer, it is ordained that he should free a believing slave, and pay compensation to the deceased's family, unless they remit it freely. If the deceased belonged to a people at war with you, and he was a Believer, the freeing of a believing slave (is enough). If he belonged to a people with whom ye have a treaty of mutual alliance, compensation should be paid to his family, and a believing slave be freed. For those who find this beyond their means, (is prescribed) a fast for two
months running: by way of repentance to Allah; for Allah hath all Knowledge and all Wisdom. (al-Qur‘ān 4:92)

Jabnoun (1994) discussed that in order to achieve its specific goals, a successful organization shall have plans ready for all possible scenarios. Failure to have contingency plans can result in unexpected losses for a business. However, organizations have to make sure that their contingency plans are also conducive to their desired goals and consistent with their mission. Indeed, by reading the above verses, one can notice that the scope of teachings and their goal have not changed by accommodating contingent situations. Preparing contingency plans should not allow any deviation from the desired goal.

At macro level, contingency planning is manifested in the fact that the teachings of Islam provide guidelines in variety of different situations that include norms and expectations. ALLAH (SWT) says;

وأَعَدُّوا لَهُم مَا أُتْطِعْتُم مِّن قُوَّةٍ

Against them make ready your strength to the utmost of your power, (al-Qur‘ān 8:60)

Modudi (2005b) explained that it means Muslims should always have ammunition and standing army ready (p. 155-6) for any uncertainty. So that when it is needed Muslims can proceed for war immediately. It should not be the case that when enemy is about to destroy Muslims then they call for volunteers and assemble ammunition. Jabnoun (1994) discussed that preparing contingency plans for various opportunities
requires a sophisticated management information system, a multi-skilled workforce, and flexible production/operation systems.

Contingency approach proves that Islamic management process is human friendly. Islamic value system considers human limitations and concerns. If it is difficult to attain a goal under certain circumstances, then other options are open to access the destination. Islamic value system very nicely addresses psychological concerns. It is natural that lending money needs guarantee and satisfaction. How can one extend cooperation, if there is lack of satisfaction? In such condition possibility of extending cooperation will automatically reduce. Islam gives authentic documentary satisfaction to encourage people to cooperate their fellows. The core purpose of giving contingency approach in Islamic value system is to facilitate people to follow rules and regulations. Considering limitation of members of organization and providing contingency options gives them motivation to work with more dedication towards their goal.

**Consistency Approach**

To achieve consistent success goal-oriented individuals must work effectively as team. When team members share a common purpose and persevere with patience they consistently perform at higher level ‘performanceprime.com’.

"Peace unto you for that ye persevered in patience! Now how excellent is the final Home!" (al- Qur‘ān 13:24)

Modudi (2005b) explained that angles will greet them (p. 457-8) and tell them that now you are secure and away from every hardship, danger, worry and distress. At p.
he mentioned that Prophet Muhammad (PBUH) said that those who will enter the Paradise, will be told that “Now you will always remain healthy and will never get sickness, you will always remain alive and will never die, you will always remain young and will never get old, you will always be resident at one place and will never move to other places”.

إِذَا يُوقِى الَّذِينَ أَصَنَّوْنَ أُجُرَّهُمْ بِغَيْرِ حِسَابٍ

those who patiently persevere will truly receive a reward without measure!” (al-Qur’an 39:10)

Modudi (2005d) explained that, it means those people who faced all hardships and remained consistent to right path (p. 364). Those who faced the hardships of migration are also included and also those who remained in the land of zulm and faced all hardships with determination. Facing hardships for organization has always been of great value in IVS. Every member of organization, especially leader gives significant importance to those who stood consistently under all odds to achieve organizational objectives.

وَقَالَ الَّذِينَ آمَنُوا وَعَمِلُوا الصَّالِحَاتِ أَلَّا يَلَّقِنَّهَا إِلَّا الَّذِينَ أَصَنَّوْنَ

But those who had been granted (true) knowledge said: "Alas for you! The reward of Allah in the Hereafter) is best for those who believe and work righteousness: but this none shall attain, save those who steadfastly persevere (in good)." (al-Qur’an 28:80)
Modudi (2005c) explained that in this verse reward of Allah means gains earned through hard work (p. 663-4), with in the given limitations of ALLAH (SWT), for the life of this world and for the life hereafter. Patience means to control greed and avarice, and to adopt trustworthiness and righteousness. Patience means to tolerate every loss for adopting truth and honesty. Patience means to evade gains through unfair means. Patience means to be contented and satisfied on little earning through fair and just means. It also means not to be impressed from glamorous life of those who earn from unfair means. Only those who have patience can enjoy this approach.

وَمَا يَلَقِّنَهَا إِلَّا الَّذِينَ صَرَّفُوا وَمَا يَلَقِّنَهَا إِلَّا دُوَّٰرَ حَظِّ السَّطِّيمِ

And no one will be granted such goodness except those who exercise patience and self-restraint, none but persons of the greatest good fortune. (al - Qurʾān   41:35)

Modudi (2005d) explained that to reply the evil with goodness is an excellent quality (p. 457-8), but to practice it, is not an easy task. It needs lots of determination, courage and tolerance. Forging someone is goodness but higher standard of goodness is to reciprocate nicely to bad behaviors. One can respond evil with goodness for the time being. But it is not easy to continuously respond evil with greater good for years and years. Only those who possess greatest good fortune can achieve this level.

Jabnoun (1994) discussed that long term success usually requires some sacrifices in the short term in order to secure larger market share for the organization. It is therefore encouraged that organizations focus on long term benefits. Indeed, Islam had asked Muslims to be steadfast, help one another and maintain patience while doing the righteous work.
Patience also depends on how people have learned about the matter. ALLAH (SWT) says;

وَكَيْفَ تَصْبِرُ عَلَى مَا لَمْ تُجَزَّى بِهِ حَيَّرًا

"And how canst thou have patience about things about which thy understanding is not complete? (al - Qur‘ān  18:68)

Patience also depends on belief;

فَأَصْبِرُ إِن وَعَدَ آلَهَةِ حَقٌّ

Patiently, then, persevere: for the Promise of Allah is true: (al - Qur‘ān  40:55)

فَأَصْبِرُ إِن وَعَدَ آلَهَةِ حَقٌّ

So persevere in patience; for the Promise of Allah is true: (al - Qur‘ān  40:77)

Patience gives strength for competition

بِيَتَأَلِهَا آلَّذينَ خَامِئَوَا أَصِبَرُوْا وَصَابِرُوْا وَزَارِبَطُواَ

O ye who believe! persevere in patience and constancy; vie in such perseverance; strengthen each other; (al - Qur‘ān  3:200)

Modudi (2005a) explained that it has two meanings (p. 314). First, show strength as non believers are showing for the glory of their unbelief. Second, take lead from others to show strength against them.

Above discussion concludes that consistency inculcates hard work, trustworthiness and righteousness across organizational members. Consistency brings tolerance among people to bear losses, but not to leave the path of truthfulness and
honesty. Patience brings stability among people and they avoid gains through unfair means and remain contented to even little earning through fair means, thus ensure that people become guardians of organizational resources and fulfill responsibilities with sheer honesty. Patience controls greed and avarice. Forgiveness is good, consistency for goodness means returning good to those who behave badly. But this needs a lot of courage, determination and tolerance, which are the products of patience.

Consistency needs sacrifices, sacrifices for long term objectives. Long term objectives can not be achieved without consistency. The most important outcome of consistency is the strength for competition. Success is only for those who are consistent in their efforts and determined to reach the destination. This also creates competition among team members to steadfast for the objective and to deliver their best for the success of organization.

The essence of entire literature review (pp.29-133) is that Islamic leadership first surrenders (Illustration 2.11) to the instructions and values established through al-Qur’an and Sunnah and then obtains knowledge and practices for value based corporate management.
Illustration 2.10 Theoretical Framework for Management Approaches in IVS

Holistic Model

Participatory Approach  System Approach  Gradualistic Approach  Contingency Approach  Consistency Approach

The illustration is based on management approaches in IVS as discussed on pp. 115 – 133.
The illustration delineates the essence of literature review on pp. 29 – 133.
Performance

According to Stathakopoulos (1998) performance is effective behaviors, actions, motivations and decisions that capture the full spectrum of job activities. Organizations take performance measures which are needed to promote and encourage the right behavior within the organization that assist to achieve their goals (Ahmed, Lim & Zairi 1999). Performance is measured in order to improve the efficiency and effectiveness of managers and the organization (Ghobadian & Ashworth, 1994). They further argued that performance is a multifaceted entity and should be linked to the desired outcomes. Performance measurement enables managers to examine the accomplishment of business from four different perspectives;

1. Financial perspective
2. Customers’ perspective
3. Internal business perspective
4. Innovating and learning perspective

Performance is the value … it confers on its users. There are many internal factors which play a vital role in motivating the performance of employees (Garg & Rastogi, 2006) these include;

1. Human resource management
2. Ergonomics
3. Organizational culture
4. Leadership style
5. Workplace spirituality
Islamic value system provides even broader perspective to motivate people for higher performance in addition to those which are mentioned above. IVS inculcates MBE to establish exemplary leadership style on one hand and on other IVS enhances sincerity, help and support at work place to inculcate loyalty. Proficiency is an important element of IVS; which is commonly understood as doing marginally more than the minimal requirement. Proficiency also means efficiency, this particular meaning obviously enhance productivity (Alhabshi, et al, 1994). Proficiency is the quality which ensures that organizational members exhibit little more than their prescribed responsibilities. Proficiency has vast meanings it is not possible to cover it’s all aspects, but in all its manifestations proficiency means behaving with others in such a manner that makes them comfortable and happy. From the point of view of value based management, proficiency means doing good job or doing some job in a proficient manner. If every member of organization exhibits proficiency (Ihsan) in his performance, it will increase not only shareholders’ value but the value of entire organization, which will result in the satisfaction of all stakeholders of organization.

Performance is a complex multidimensional construct (Corvellec, 1997). Links between managerial behavior and performance are poorly understood (Martinko and Gardne, 1985). Islamic value system fills the gap and provides solution to understand managerial behavior; because Islam deals with all psychological aspects of leaders/managers. Islamic value system motivates for virtuous character and abandons turpitude. Islamic values emphasize IGFW, where every member of organization motivates others for good and forbids from bad, value of virtue in IVS in enhanced to motivate people to perform better. In IVS, it is the responsibility of leader/manager to
work for the welfare and protection of their organization. Therefore IVS provides a blend of motivations and control for better performance.

A way towards ‘good financial performance’ of an organization stems from ‘strong leadership’ (Goodhew, Cammock and Hamilton, 2005), this also includes high level of morale and motivation of employees and customer satisfaction. Islamic value system brings in concept of MBE, which ensures that leaders/managers lead their teams/organizations from the front and keep everyone motivated. Customer satisfaction is one of the important considerations of IVS. Thus, leading the organization towards total value based management.

Leadership role manifests as managerial performance in corporate management. Therefore managerial performance will determine the role of Islamic leadership in value based corporate management. Performance of manager, Stathakokopulas (1998), is of key concern because it is closely related to such aspects of organizational effectiveness and performance as profits, costs, sales and customer satisfaction. There is naturally a high degree of interaction between individual/personal performance and corporate performance, (Gupta and Govindarajan, 1984).

Therefore this study aims to find the role of IVS, MBE and MP on organizational performance in terms of shareholders’ value, employee satisfaction, customers’ loyalty and welfare of all stakeholders of organization including society and environment.
Chapter 3

Research Methodology

Research Theory

Most management experts believe that protection of shareholder’s interest and attention to business ethics and stakeholder interests have become pivotal. The Researcher contends such notions and proposes that all stakeholders of an organization need the same focus as shareholders enjoy, in business operations.

It has been repeatedly proven through many corporate scandals over a period of 100 years that our idea of what good management is hijacked by a view that management’s only obligation is to maximize shareholder’s interest. Myths about business ethics (p.10) give realization that modern business management still needs efforts to maturate contemporary approach towards good and reputable management.

Corporate management needs leaders who are prepared to act on principles, with standards and values to guide them, even in the face of strong financial incentives to do otherwise (Clark, 2003). The challenge CEOs have is to create an organization, which in its culture, its system, and its processes, help the regular people to do the right thing.

Several researches and reports indicate the significant need for ethical value system to be in place in corporate management. For example a study of 148 secretaries, who worked for Fortune 1000 chief executives, found that 47% had been asked at some time by their bosses to lie (Alsop 2004). The most unethical behavior, one survey showed, happens in government, sales, law, media, finance, medicine, banking and
manufacturing (mentioned in rank order, starting with the organization that has the most instances of unethical behavior).

The sales profession, in particular, is under significant pressure to meet quotas. A survey by Sales and Marketing Management of 200 sales managers (Alsop 2004) showed that their (49%) representatives lied on a sales call; they heard representatives make unrealistic promises on sales calls (34%); their representatives sold products that customers didn’t need (22%); customers demanded a kickback for buying their products (30%); the drive to meet sales goals does a disservice to customers (54%). It has been estimated that workplace theft costs United States business $40 billion each year (Alsop 2004). People want trust more than anything after the recent wave of fraud, manipulation, and lying. The public message is loud and clear: honesty isn’t the best policy, it’s the only policy. A Wall Street Journal/NBC News poll 2002 found that 70 percent Americans didn’t trust the word of brokers and corporations. One third of respondents said they had “hardly any confidence” in big company executives—the highest proportion in more than three decades. Even after all of the scandals of the recent past, name the company that makes ethics and values a part of its culture and day-to-day decision making. In a survey of nearly six hundred corporate executives (by Hill & Knowlton) 42% said that they are concerned about unethical corporate behavior. Only NAB received 12255 complaints in 2005 in Pakistan (p. 16). Innumerable companies in Pakistan have been evaporated after taking tons of money from innocent depositors. Even ‘Taj Company’ exhibited the culture of corruption and greed (p. 18).

Miller (2003) in his lecture entitled “Ethics, Values and Business in the 21st Century”, stated that corporate scandals have shaken investor confidence and made the
global market volatile because of doubts about corporate management practices and ethics. This is a topic that is at the top of the mind of the business world. Corporate management needs leaders in whom stakeholders can place confidence to use the granted powers wisely and efficiently. Leaders bear the responsibility for modeling the desired personal and corporate behavior. But no leader can have all the answers in a global economy, with the complexity of today's world. Organizations need employees who do the right thing and live up the standard values and ethics.

**Value and Ethics (VE)**

Islamic value system inculcates the culture of Inviting to Good and Forbidding from Wrong (IGFW). Thus each member of a group starts facilitating others to follow and practice values & ethics (VE) which ensure prosperity for both the individual and the organization.

ALLAH (SWT) says in al-Qur'an:

> وَلْتَكُنِّي مُنْكَمُ أُمَّةٌ مُّدَّعِينَ إِلَى الْحُكْمَةِ وَيَتَّهِمُونَ بِالْغَيْبَةِ صَادِقِينَ عَلَى الْمَسْكِنِ

Let there arise out of you a band of people inviting to all that is good, enjoining what is right, and forbidding what is wrong: (al-Qur'an 3:104)

This is the duty of every Muslim to motivate others to do the right and to forbid them from wrong. But for convenience of entire group of people, it is said that at least one group of people must perform this duty and leaders should actively participate in this duty. Inculcating the culture of IGFW is the peculiarity of Islamic value system, which ensures that every member in the organization contributes to the implementation of values and ethics. In IVS every one works as a police man, an observer, an ethics officer.
IGFW ensures true implementation of values and ethics, because every one is motivating, controlling and monitoring the whole system. If there is any deficiency in practicing values and ethics, then one group of people will be dedicated to the duty of IGFW, and particular members of this group would be leaders and managers. Islamic value system has enhanced the value of virtue, as mentioned in Qur’an-e-Hakeem:

\[
\text{من جَاهِي بِالْحَسَبَةِ فَلَهُ عَشْرُ أَمَالِهَا وَمِن جَاهِي بِالسَّبِيعَةِ فَلَا يَجْرِرَ إِلَّا مِثْلُهَا وَهُمْ لَا يُظْلَمُونَ}
\]

He that doeth good shall have ten times as much to his credit: he that doeth evil shall only be recompensed according to his evil: no wrong shall be done unto (any of) them. (al - Qur’an 6:160)

Islamic values & ethics are compatible with man’s need for prosperity and happiness in all sphere of life. Islamic values and ethics are tested and have established their strength in the past; they do not depend on norms and practices of societies which tend to be situationally specific and changing overtime depending on societal standards and acceptance. Islamic values and ethics are indeed universal and hence applicable in all sphere of life. There is clearly no place for dishonesty, theft, fraud and manipulation in Islamic value system.

Islamic value system is based on truth for the benefit of the entire human race. Islamic value system is acceptable to all societies and has universal acceptability, because honesty, sincerity, justice, moderation, truth, patience etc. which are the fundamental virtues in Islam, are positive values forever and for every one; whereas greed,
extravagance, injustice, falsehood etc. have never been considered good or beneficial to society, which are the basic inhibitions in Islamic value system. This serves as a proof of its universality and dynamism (Alhabshi, et al, 1994). Islamic values and ethics are set of beliefs and morals, a social doctrine, and a call to righteousness among all members of organization (Asad, 2007). Diversity in the understanding and application of the al-Qur’ān and Sunnah for the socio-scientific order increases exponentially across space and time. The universal truth of divine knowledge and its crystallization in real world-systems has left an abiding legacy for all generations to revel fresh and new answers and directions to the problems of human life (Choudhury, 2004).

Management by Example (MBE)

According to the report of Ethics Resource Centre (2003), internalization of values and ethics will not occur without the active support in word and deed of company‘s leadership, ranging from the CEO to immediate supervisor. When it comes to leadership Islamic value system elucidates that leaders must be role models, they must let their actions speak louder than their words (Jabnoun 1994). In Qur’ān -e-Hakeem it is mentioned that

\[
\text{يَتَأْيِهَا الَّذِينَ آمَنُوا لَمْ يَقُولُوا مَا لاَ تَفْعَلُونَ كَبِيرٌ مِّمَّنَ أَقْتُلُونَ أَنَّ}
\]

O ye who believe! Why say ye that which ye do not? Grievously odious is it in the sight of Allah that ye say that which ye do not. (al - Qur’ān 61:2-3)
Managerial Performance (MP)

There are many internal factors which play a vital role in motivating the performance of employee (Garg & Rastogi, 2006) e.g. workplace spirituality and leadership style. Islamic value system provides workplace spirituality through internalization of value and ethics (VE) for enhanced performance along with a unique leadership style based on management by example (MBE).

Islamic value system has multi dimensional effect in ensuring total value based management. On one hand IVS grooms a kind of leadership which follows the principle of MBE and on the other it ensures internalization of sincerity, proficiency, continuous self evaluation and patience (Illustration 3.1). These two elements i.e. MBE and internalization of value and ethics (VE) lead the organization towards welfare and protection (WP) of all stakeholders of organization including shareholders, employees, customers and society through enhanced managerial performance (MP).
Illustration 3.1

Theoretical Framework

Islamic Value System (IVS)

Sincerity Proficiency Justice Truthfulness Patience Continuous Self Evaluation Promise Keeping Moderation

Leads To

Management by Example (MBE)

Dedicated Team

Enhanced Managerial Performance (MP)

Welfare and Protection of all Stakeholders of Organization (WP)

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Accountability of Leadership in IVS

Peterson (2002) discussed that corporate management have got a moral cancer or governance cancer and it’s going to metastasize, if corporate leaders don’t cut out this thing in a hurry or as soon as they can, into an economic cancer. Alsop (2004) took executive greed as one of the important factor of reputation crisis and ethical dilemma in corporate management around the globe. George (2002) said “Our system has a lot of greed, greed on investment side, greed on accounting side and greed on corporate side”. Sarbanes-Oxley was an effort to strengthen law enforcement to make people accountable.

To control the economic cancer, to manage the greed on all sides and to realize the total VBM, corporate management needs a pattern where even the smallest good deed is valued and every bad deed is counted. Islamic value system has the answer, where there is a just system of valuing good deeds and controlling bad deeds. ALLAH (SWT) says;

\[
\text{فَمَن يَعْمَلُ مِنْ خَيْرٍ ذَرَّةً نَزُولًا}
\]

Then shall anyone who has done an atom's weight of good, see it! And anyone who has done an atom's weight of evil, shall see it. (al - Qur’an 99:7-8)

Modudi (2005f) mentioned that this verse informs the human being about an important fact (p. 426) that every single good deed, no matter how small it is, has value and the same is for bad deed that it will be counted, it will not be ignored. Therefore, one should not leave even a small righteous deed because many little righteous deeds can become a big righteous deed in front of ALLAH ALMIGHTY. Also one should not commit even a little sin because many little sins can become a big collection of sins.
In Islamic value system, it is difficult for leader to do wrong, because eventually he will be asked for his wrong deeds. Leader will avoid even small wrong doings, because he knows that many small wrong doings accumulate and can destroy the impact of righteous deeds. This will lead to truth, trust, honesty, and protection of rights of every stakeholder of the organization.

Nor can a bearer of burdens bear another's burden. If one heavily laden should call another to (bear) his load, not the least portion of it can be carried (by the other), even though he be nearly related. (al-Qur’ān 35:18)

Modudi (2005d) stated that burden means burden of deeds (p. 228). It means in front of ALLAH ALMIGHTY every one himself is responsible for his deeds, and every one is responsible for his deeds only. There is no chance that ALLAH ALMIGHTY transfers the burden of responsibility of one to other. This is also not possible that any body takes the responsibility of other and presents himself instead of other for the punishment.

This is absolutely clear in Islamic value system (IVS) that every one will face the consequences of his deeds. In case of leadership, IVS endows even more responsibility, because it is the responsibility of leadership to ensure comfort, prosperity and happiness of people under their authority or management. If any body is deprived of his rights, leader will be held accountable.
It is We Who have placed you with authority on earth, and provided you therein with means for the fulfilment of your life: small are the thanks that ye give! (al - Qur’ān 7:10)

Daryabadi (1998b) explained that this is the address to all mankind (p. 136). Here is the mention of bodily and material blessings, which include living, eating and wearing. Two favors are mentioned here, authority and wealth. It means that these things are not bad in themselves, but arbitrary use of these two things is bad. Islamic leadership has to utilize all resources justly and it should be thankful to Almighty ALLAH for the resources.

Islamic Leadership is accountable to fellow beings. First Caliph Hazrat Abu Bakr Siddique said “If I do the right, help me, if I do the wrong, correct me. As long as I obey ALLAH (SWT) and Prophet (PBUH) do obey me; and if I disobey ALLAH (SWT) and Prophet (PBUH) you have no obligation to obey me.” (Modudi, 2003).

In Islam, every one is guardian and supervisor in his/her own domain: husband is supervisor of home, wife and children, wife is guardian of house of her husband, and teacher is guardian of students and so on.

Hazrat Muhammad PBUH said; (Sahih Bukhari and Sahih Muslim)

It has been narrated on the authority of Ibn 'Umar that the Holy Prophet (May
peace be upon him) said: Beware every one of you is a shepherd and every one is answerable with regard to his flock. The Caliph is a shepherd over the people and shall be questioned about his subjects (as to how he conducted their affairs). A man is a guardian over the members of his family and shall be questioned about them (as to how he looked after their physical and moral well-being). A woman is a guardian over the household of her husband and his children and shall be questioned about them (as to how she managed the household and brought up the children). A slave is a guardian over the property of his master and shall be questioned about it (as to how he safeguarded his trust). Beware, every one of you is a guardian and every one of you shall be questioned with regard to his trust. ("Beware", 2007)

An important aspect of IVS is that leader/manager is answerable in front of ALLAH (SWT) and then fellow beings, as depicted in illustration 3.2 and discussed on pp. 146 – 149, for the welfare and protection of all stakeholders of organization thus ensures TVBM.

Islamic value system does not focus only on accountability; before that IVS lays down high standard parameters for leadership, both primary and secondary as discussed on pp. 51 – 72 and depicted in illustration 3.3. No one can qualify to be a leader without primary attributes, and no one can perform better without secondary attributes. Combination of both primary and secondary attributes makes a perfect mix for quality leadership. Islamic leadership model presents theoretical framework for choosing or appointing a leader of an organization (Illustration 3.3).
Illustration 3.2

Accountability of Islamic Leadership

Qur’ān and Sunnah

Instruction → Accountability

Worldly Accountability

Accountability on the Day of Judgment

Fellow Beings

Warning from Allah For Punishment in The world

These Forces Ensure

Right Use of Authority

SOURCE: Copyright © Abdus Sattar Abbasi 2008
Illustration 3.3

Abdus Sattar© Islamic Leadership Model

Primary Attributes

Secondary Attributes

Accountability

Qur’an and Sunnah

Eloquence (al-Fusāhah)

Forbearance (al-Hilm)

Enterprise (al-Iqdām)

Humility (al-Aiz)

Knowledge

Moderation

Consistent

Cooperation

Righteous

Fellow Beings

Conviction (al-Yaqeen)

Delegation (al-Iniiddah)

World

Leader

Primary Attributes

Secondary Attributes

Accountability

Qur’an and Sunnah

Eloquence (al-Fusāhah)

Forbearance (al-Hilm)

Enterprise (al-Iqdām)

Humility (al-Aiz)

Knowledge

Moderation

Consistent

Cooperation

Righteous

Fellow Beings

Conviction (al-Yaqeen)

Delegation (al-Iniiddah)

SOURCE: Copyright© Abdus Sattar Abbasi 2008
Vision

Future orientation

Unus (2005) stated that Islamic way of life revolves around preparation of the life in the hereafter. The al-Qur‘ān tells us that those who ask for what is good in this world as well as in the hereafter will receive what is due to them in both worlds. It affirms that what is due to them is based on what they earn by their action.

And there are men who say: "Our Lord! Give us good in this world and good in the Hereafter, and defend us from the torment of the Fire!" To these will be allotted what they have earned; and Allah is quick in account. (al - Qur‘ān   2:202)

Learn From the Past

Unus (2005) also mentioned that Muslims must build on what has been done before, without being limited by the shortcomings of the past. The al-Qur‘ān urges us to learn from the experiences of others.

Do they not travel through the earth, and see what was the end of those before them? (al - Qur‘ān   12:109)
Welfare and Protection (WP)

Welfare and protection of all stakeholders including shareholders, employees and customers is the hallmark of Islamic leadership system. Following saying of Hazrat Muhammad (PBUH) explains the importance of welfare and protection of employees.

It has been narrated on the authority of Abu Malik that Ubaidullah b. Ziyad visited Ma'qil b. Yaser in the latter's illness. Ma'qil said to him: I am narrating to you a tradition. If I were not at death's door, I would not narrate it to you. I heard the Messenger of Allah (may peace be upon him) say: A ruler who, having obtained control over the affairs of the Muslims, does not strive for their betterment and does not serve them sincerely shall not enter Paradise with them (“A ruler”, 2007).

In Islamic Leadership System (ILS), leader has to work hard for the betterment of people. If he does not work for their betterment, there is an authority to ask him. There is a twofold binding for leaders in Islam to work for the betterment and welfare of employees; first accountability from ALLAH (SWT) and second accountability from fellow beings.

Welfare and protection of shareholders is the primary responsibility of Islamic leadership. Islamic leadership acts as a guardian and trustee for shareholders’ capital.

وَإِنْ أَمَنَّكُمْ بِعَضُوٍّ فَلْيُؤْوَهُ الَّذِي أُوْلِيَ مَنْ آمَنَّاهُ. وَلِيْسَ ذَٰلِكَ رَبُّكُمْ رَبَّنَا

And if one of you deposits a thing on trust with another, let the trustee (faithfully) discharge his trust, and let him fear his Lord. (al - Qur’an 2:283)
O ye who believe! eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will: nor kill (or destroy) yourselves: for verily Allah hath been to you Most Merciful! (al-Qur’ān 4:29)

Modudi (2005a) explained that traffic and trade means profit earning (p. 345-6), which is allowed as in case of business where one person works to fulfill the needs of others and gets remuneration. He further ascertained that purpose of saying ‘nor kill (or destroy) yourself’ is that usurping property of others (property of shareholders is also included) through unfair means is in fact to destroy yourself because this results in spoiling the civilization, which ultimately affects the person himself.

There is strong emphasis on welfare and protection of customer in IVS.

give measure and weight with (full) justice (al-Qur’ān 6:152)

Daryabadi (1998b) explained that it means being away from fraud and deceiving (p. 123), so that no one could deprive others of their rights. Apparently in this little instruction there are all dimensions of trading ethics. Beside excellence in personal ethics, purity in trading ethics is necessary in IVS.
So establish weight with justice and fall not short in the balance. (al - Qur’ān 55:9)

Modudi (2005e) explained that nature of this Universe doesn’t accept injustice, brutality and savagery (p. 251). It is not allowed to be unjust with others in any case; even if some one arrogates a little right of purchaser during weighing, he disrupts the balance of Universe.

Islamic value system provides ideal working environment in organization and paves the way for TVBM through protection of integrity, life and property of all stakeholders of organization. Allah SWT says in Qur’ān-e-Hakeem;

O ye who believe! let not some men among you laugh at others: it may be that the (latter) are better than the (former): nor let some women laugh at others: it may be that the (latter) are better than the (former): nor defame nor be sarcastic to each other, nor call each other by (offensive) nicknames: (al - Qur’ān 49:11)
On that account: We ordained for the Children of Israel that if anyone slew a person -unless it be for murder or for spreading mischief in the land- it would be as if he slew the whole people: and if any one saved a life, it would be as if he saved the life of the whole people. (al-Qur'ān 5:32)

And do not eat up your property among yourselves for vanities, nor use it as bait for the judges, with intent that ye may eat up wrongfully and knowingly a little of (other) people's property. (al-Qur'ān 2:188)

There are four dimensions of the role of Islamic leadership in value based corporate management as discussed in research theory. These dimensions are values and ethics (VE), management by example (MBE), managerial performance (MP) and welfare and protection (WP). Illustration 3.4 exhibits the research model (conceptual framework) of the study along with important elements of each dimension.
Research Model (Conceptual Framework)

Role of Islamic Leadership in VBM


SOURCE: Copyright© Abdus Sattar Abbasi 2008
Independent and Dependent Variables

According to the research theory and research model values and ethics (VE), management by example (MBE) and managerial performance (MP) are independent variables; whereas welfare and protection (WP) of all stakeholders of organization (shareholders, employees, customers and society) depend on all these independent variables as shown in Illustration 3.5.

The current study will try to explore the impact of values and ethics (VE) and management by example (MBE) on managerial performance (MP) beside their effect on welfare and protection (WP) of all stakeholders of organization including shareholders, employees, customers and society. It is also important to see the role of managerial performance (MP) on welfare and protection (WP) of all stakeholders of organization to ensure total value based management. Model of independent and dependent variables is given in Illustration 3.5.
Illustration 3.5

Independent and dependent variables

The illustration is the flow chart to explain independent and dependent variable of hypotheses of the study.
Hypotheses

H1: There is significant relationship between values/ethics (VE as independent variable) and managerial performance (MP as dependent variable).

H2: There is significant relationship between MBE (independent variable) and managerial performance (MP as dependent variable).

H3: High standard of values, ethics (VE as independent variable) result in welfare and protection (WP as dependent variable) of all stakeholders of organization, including shareholders, employees, customers and society.

H4: Management by example (MBE as independent variable) will result in significant welfare and protection (WP as dependent variable) of all stakeholders of organization, including shareholders, employees, customers and society.

H5: Good Managerial Performance (MP as independent variables) will result in outstanding Welfare and protection (WP as dependent variable) of all stakeholders of organization, including shareholders, employees, customers and society.
Methodology

Research Design

This study utilizes an ex post facto design. When translated literally, ex post facto means ‘from what is done afterwards’. In operational terms it means that the investigation takes place after the conditions have been developed. In the context of social research ex post facto means retrospectively. Ex post facto investigates correlation among independent and dependent variables by observing an existing condition or state of affairs. These correlations are explained through hypotheses testing (Sekaran, 2004). Correlational studies are invariably conducted in non-contrived settings. This design studies naturally occurring variation among predictors and criterion variable. In this design outcomes of the study can not be engineered or manipulated by the researcher. In ex post facto research independent variables naturally occur and then the researcher starts observing dependent variable for possible relationship among independent and dependent variables. Researcher thus observes naturally occurring events.

According to the website of ‘acadiau’ correlational ex post facto designs are similar to quasi-analytical designs. Unlike true analytic experiment in this design 1) subjects are not randomly assigned, 2) there is no attempt in correlational design to control variables, 3) different levels of the independent variables are not contrasted while concurrently holding all other variables constant. Correlational designs can be used to discover relations, to solve ethical and practical problems, and to provide greater external validity, by being more easily applicable outside laboratory settings.
According to Cooper and Emory (1995) correlation reveals the magnitude and direction of relationships among independent and dependent variables. Ex post facto studies possess sufficiently powerful design to demonstrate correlational conditions. In current study under the ex post facto design the purpose of correlational interpretations would be to observe that how values and ethics (VE), management by example (MBE) and managerial performance (MP) as independent variables bring welfare and protection (WP) for all stakeholders of organization including shareholders, employees, customers and society.

Sample

Researcher aimed to investigate manufacturing and service industry of Pakistan. There are two leading segments in each sector. In manufacturing sector textile industry is the major contributor in Pakistan’s economy. In service industry telecom is fastest growing segment and showed tremendous potential over past three years.

Therefore investigated population is divided into two strata. One is Textile Industry and the other is Telecom Industry. Population size is 248 organizations. Textile industry is the largest industrial sector of Pakistan. According to Majeed (2003) Textile sector still represents 46% of total manufacturing and provides 68% of Pakistan’s export. For Textile Industry, Researcher took 235 textile organizations as population from the list of All Pakistan Textile Mills Association (APTMA). Following table shows sample for textile industry.
The Researcher compiled a list of 13 organizations, as population, from telecom industry with the help of experts. This procedure has been adopted because of the absence of any listings that can serve as sampling frames for drawing sample (Darwish, 2001) for telecom industry. Telecom sector is the fastest growing sector of Pakistan. According to PTA telecom sector contributed one third in total FDI in the country in 2004-05. In the same period telecom contributed Rs. 67.1 billion in national exchequer in terms of taxes and fee with 67% growth. Following table shows the sample for telecom industry.

### Table 3.1 Sample of Textile Industry

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Organization</th>
<th>No.</th>
<th>Name of Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rashid Textile</td>
<td>9</td>
<td>Chinab Textile</td>
</tr>
<tr>
<td>2</td>
<td>Al Hamra Textile</td>
<td>10</td>
<td>Fateh Textile</td>
</tr>
<tr>
<td>3</td>
<td>Hilal Textile</td>
<td>11</td>
<td>Gul Ahmed Textile</td>
</tr>
<tr>
<td>4</td>
<td>Al Noor Textile</td>
<td>12</td>
<td>Younas Textile</td>
</tr>
<tr>
<td>5</td>
<td>Five Star Textile</td>
<td>13</td>
<td>Inter Loops</td>
</tr>
<tr>
<td>6</td>
<td>En Em Textile</td>
<td>14</td>
<td>Arzoo Textile</td>
</tr>
<tr>
<td>7</td>
<td>Kohinoor Textile</td>
<td>15</td>
<td>Crescent Textile</td>
</tr>
<tr>
<td>8</td>
<td>Sitara Textile Mills</td>
<td>16</td>
<td>Nishat Textile</td>
</tr>
</tbody>
</table>
Table 3.2  Sample of Telecom Industry

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Organization</th>
<th>No.</th>
<th>Name of Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mobilink Pakistan</td>
<td>5</td>
<td>PTCL</td>
</tr>
<tr>
<td>2</td>
<td>Nokia</td>
<td>6</td>
<td>Alcatel</td>
</tr>
<tr>
<td>3</td>
<td>Ufone</td>
<td>7</td>
<td>Lucent</td>
</tr>
<tr>
<td>4</td>
<td>WorldCall</td>
<td>8</td>
<td>Warid</td>
</tr>
</tbody>
</table>

Of the sample 89% were male and 11% were female, 85% were less than 40 years of age and 37% hold graduate and 63% hold post graduate degree. Of the subject 64% have the experience more than five years.

**Instrument**

‘Islamic VBM Score’ was developed as an Instrument, with the help of previous work in related field. Islamic VBM score has four dimensions i.e. values & ethics (VE), management by example (MBE), welfare & protection (WP) and managerial performance (MP). Darwish (2000) worked on “The Islamic Work Ethics (IWE) as mediator of relationship between locus of control, role conflict and role ambiguity”. cAli (1988) worked on “Scaling an Islamic Work Ethics”. Nasar (1984) worked on “Islamic Work Ethics”. Interesting work took place to observe tendencies of Protestant work ethics (PWE) in Islamic countries and Muslim managers. Two of them were studied to incorporate their ideas in developing the instrument. These are: Arsalan (2001), “The work ethic values of Protestant British, Catholic Irish and Muslim Turkish managers” and Abdalla (1997) “Construct and concurrent validity of three Protestant work ethic measures in an Arabian Gulf Society”.

**Islamic value system** has its origin in the al-Qur’ān, and the saying of and practices of Prophet Muhammad (PBUH). The al-Qur’ān often speaks about honesty and justice in trade,
Islamic value system views dedication to work as virtue. IVS stresses creative work as a source of happiness and accomplishment. Hard work is seen as virtue, and those who work hard are more likely to perform better. Conversely, not working hard is an indicator of poor performance, (Ali, 1988). Also, according to Ali (1988) justice and generosity at work place are necessary conditions for the welfare of society.

21-items were used to measure individual values and ethics (VE), which include 17-items of short version of Ali's (1988) instrument. Objective of the research is to see the impact of values and ethics (VE) of Islamic leadership on individual performance and both welfare and protection of all stakeholders of organization including shareholders, employees, customers and society.

Leadership role manifests as managerial performance in corporate management. Therefore managerial performance will determine the role of Islamic leadership in value based corporate management. Managerial performance (MP) is of key concern because it is closely related to such aspects of organizational effectiveness and performance as profits, costs, sales and customer satisfaction (Stathakopoulas 1998). There is naturally a high degree of interaction between individual/personal performance and corporate performance, (Gupta and Govindarajan, 1984).

Therefore focus of our research study is to find the affect of values and ethics (VE) on managerial performance to determine the role of Islamic leadership in value based corporate management. For measuring managerial performance a 16-item scale from Luch and Serpkenci (1990) was adopted.
Management by example (MBE) is a new concept in corporate management. It has significant importance to establish total value based management (TVBM). In this study concept of MBE is based on the teachings of al-Qur’ān.

O ye who believe! Why say ye that which ye do not? Grievously odious is it in the sight of Allah that ye say that which ye do not. (al - Qur’ān 61:2-3)

Researcher developed 6-items from teachings of Islam to determine the tendency and level of MBE in the investigated population, e.g. ‘There must not be contradiction between words and deeds’.

There is renewed interest to holistic VBM in contemporary approaches. Therefore, besides protecting shareholder’s interest, attention to stakeholder’s interest is the part of long term view towards value creation in these approaches. IVS provides solid conceptual and practical grounds for welfare and protection (WP) of all stakeholders of organization including shareholders, employees, customers, environment and society to lead the organization towards total value based management (TVBM). Basic concept in IVS is based on following verse of al-Qur’ān, where there is clear instruction that eat not up your properties among yourself in vanities, thus binding every stakeholder of organization to ensure welfare and protection (WP) for each other.

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7-items were designed in the light of Islamic values to measure the prevalence of the concept of welfare and protection (WP) in investigated population; see Appendix 1 p. 240.

Researcher did not find any previous model which has been used in connection with Islamic leadership and value based corporate management from any aspect. Therefore, with the help of above literature researcher developed an instrument ‘Islamic VBM Score’ which comprises of four dimensions including values & ethics (VE), management by example (MBE), welfare & protection (WP) and managerial performance (MP). In total there are 50 items in ‘Islamic VBM Score’. A 7-point response scale was employed, ranging from 1 (strongly disagreed) to 7 (strongly agreed).

Reliability

According to the website of ‘cbdd.wsu’ reliability refers to the consistency and stability of data collection instrument. There are different statistical tests to verify the reliability of data collection instrument, but Cronbach’s alpha (α) is commonly used test. Cronbach’s alpha of ‘Islamic VBM Score’ for this study is 0.844.

Validity

According to the website of ‘cbdd.wsu’ the greater the degree of validity of the instrument the more accurate will be the results that reflect true characteristics of the population. There are two main aspects to validity i.e. content validity and construct validity. **Content validity** is usually estimated from the review of literature on the topic or through consultation with experts e.g. supervisor of the research to compare the content of the research instrument to
the known literature on the topic to validate the fact that it does represents the literature accurately. **Construct validity** provides the highest level of validation. It deals with the validation of the construct which includes research theory, problem, variables, hypotheses etc. Pilot study is the most suitable tool for construct validity to compare the results of instrument with other instruments that test for similar constructs. Part of the construct which is different from but related to existing constructs has been differentiated by research theory. Following is the detail of pilot study for construct validity.

**Pilot Study**

A pilot study of 60 respondents was conducted before data collection to verify the instrument. Results of pilot study were consistent with the objectives of the study and validated the reliability of instrument. Sample of pilot study included respondents from both sectors i.e. Textile and Telecom. Pilot study validated the instrument and Cronbach’s alpha for pilot was $\alpha = 0.708$.

**Procedure**

**Sampling**

A stratified random sampling procedure was conducted to include organizations in sample. The sample size was 24 organizations, including 16 organizations from textile industry and 8 organizations from telecom industry. As, Al-Kazami and ‘Ali (2002), selected 6 public organizations and 10 private enterprises, total 16, in their study of ‘Managerial Problems in Kuwait’.

**Data Collection**

A letter from the University given to the heads of each organization included in the study to acquaint them with study objectives and to gain support for survey. Participants were assured
of confidentiality and anonymity (Al-Kazami et al, 2002). Researcher distributed 350 questionnaires over a period of six months in 24 organizations, using drop-off and pick-up method (Darwish, 2001). Individual participants were selected before the distribution of questionnaires (Al-Kazami et al, 2002). Respondents were top executives, middle level and lower level managers. Of 350 questionnaires distributed 302 were collected resulting in an 86% response rate. Questionnaire was administered in English.

Data Analysis

Data were analyzed using descriptive statistics such as percentages and frequencies to present the main characteristics of the sample. Means and standard deviation were also part of analysis. Correlations were calculated to measure the association between independent variables and dependent variable. According to the website of ‘rightwingnation’ correlation and regression are closely related tests. Often both tests are used together. Correlations are extremely useful for showing what variables associate. If variable A and B do not correlate, there is no reason to run further tests to tease out a relationship that doesn’t exist. Regression is a statistical procedure that is also used to find relationships among a set of variables (state.tn.us). But, regression tells us how accurately we can predict the value of one variable if we know the value of another (rightwingnation). In regression analysis there is a dependent variable which the study tries to explain and one or more independent variables that are related to it (state.tn.us). In the current study purpose of employing regression was to see the level of variation which independent variables (VE, MBE and MP) create in dependent variable (WP). \( R^2 \) is an important indicator which explains the percentage variance in dependent variable by the independent variables. P-value is percentage. It tells that how likely it is that the relationship emerged is by chance or it is real. A p-value of 0.05 means that there is a 5% chance that the relationship emerged randomly
and a 95% chance that the relationship is real. It is generally accepted practice that p-value less than 0.10 is considered as significant (state.tn.us). For all these analyses two well-known statistical software packages were used, first SPSS and the second VisualPLS. SPSS was used to calculate scale reliability, correlation and regression. **Structural equation modeling (SEM)** was completed through VisualPLS. According to the website of ‘2.gsu’ SEM is largely confirmatory rather than exploratory technique. SEM is used to determine the validity of research model. Results of correlation and R square through SEM further strengthened the outcomes of the study.

All these tools and techniques helped to reach conclusion of the study through hypotheses testing. Since all findings are based on these well reputed and well recognized software packages of social science therefore these are generalizable to great extent.
Chapter 4

Results and Discussion

This chapter will explain following aspects of the study.

1. Frequency distribution.
2. Correlations analyses.
3. Regression analysis.
4. Structure equation modeling.

Frequency Distribution

Table 4.1 Frequency Distribution of Respondents with Respect to their Gender (N=302)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>269</td>
<td>89.1</td>
<td>89.1</td>
<td>89.1</td>
</tr>
<tr>
<td>Female</td>
<td>33</td>
<td>10.9</td>
<td>10.9</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>302</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

There are 89% male respondents in the study and 11% female respondents. The reason of this significant difference is because of very low percentage of female managers in both areas of
study i.e. textile and telecom. In telecom sector there are relatively more female workers than textile industry, but this is the study of managers who are working at different levels, therefore still there is big difference in male to female ratio. This is may be because that historically Pakistan has been a male dominating society, although now there is a significant liberalization in Pakistani society and increase in female work force has been observed, therefore it is expected to have a big number of female managers in Pakistan’s industrial and services sector in future. Other reason of less percentage of female managers would be that in Pakistan most of working females abandon their work after marriage. Following pie chart shows the male to female ratio of respondents.

Figure 4.1 Frequency Distribution of Respondents with Respect to their Gender

(N=302)

In the study there are five categories of age. In following table frequency distribution of respondents according to these five categories is illustrated.
There are 16.6% respondents from 18 to 25 years of age, from 26 to 32 years of age there are 42.4% respondents, from 33 to 39 years of age there are almost 26% respondents, from 40 to 46 years of age there are 7% of respondents and from 47 and above there are almost 8% respondents. Above frequency distribution shows that majority of respondents lie between 26 to 39 years of age.
In the study next demographic information is about qualification of the respondents; frequency distribution with respect to education is as under;

### Table 4.3  Frequency Distribution of Respondents with Respect to their Education (N=302)

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA</td>
<td>49</td>
<td>16.2</td>
<td>16.2</td>
<td>16.2</td>
</tr>
<tr>
<td>BSc</td>
<td>42</td>
<td>13.9</td>
<td>13.9</td>
<td>30.1</td>
</tr>
<tr>
<td>BBA</td>
<td>16</td>
<td>5.3</td>
<td>5.3</td>
<td>35.4</td>
</tr>
<tr>
<td>BCS</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>37.4</td>
</tr>
<tr>
<td>MA</td>
<td>46</td>
<td>15.2</td>
<td>15.2</td>
<td>52.6</td>
</tr>
<tr>
<td>MSc</td>
<td>24</td>
<td>7.9</td>
<td>7.9</td>
<td>60.6</td>
</tr>
<tr>
<td>MBA</td>
<td>91</td>
<td>30.1</td>
<td>30.1</td>
<td>90.7</td>
</tr>
<tr>
<td>MCS</td>
<td>25</td>
<td>8.3</td>
<td>8.3</td>
<td>99</td>
</tr>
<tr>
<td>Doctorate</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>302</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Most of the respondents are having MBA degree, which is probably because that many business enterprises are now hiring young business graduates and they are advancing in different private sector organization. Master in Arts, Bachelor in Arts and Bachelor in Science are more or less same in terms of percentage. Master in Science and Master in Computer Science also participated in the study with 7.9% and 8.3% respectively. Only three Doctorate holders participated in the study. As a whole almost 62% respondents are holding Master Degree which means results of the study can be generalized to determine the status of values and ethics in
corporate management in Pakistan. On other hand results of study can provide valid findings to explore the role of Islamic leadership in value based corporate management.

**Figure 4.3** Frequency Distribution of Respondents with Respect to their Education (N=302)

![Pie chart showing distribution of respondents' education](image.jpg)

Experience is an important element to understand the importance of values and ethics and their impact on business performance.

**Table 4.4** Frequency Distribution of Respondents with Respect to their Experience (N=302)

<table>
<thead>
<tr>
<th>Experience</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>109</td>
<td>36.1</td>
<td>36.1</td>
<td>36.1</td>
</tr>
<tr>
<td>6-10</td>
<td>95</td>
<td>31.5</td>
<td>31.5</td>
<td>67.5</td>
</tr>
<tr>
<td>11-15</td>
<td>56</td>
<td>18.5</td>
<td>18.5</td>
<td>86.1</td>
</tr>
<tr>
<td>16-20</td>
<td>17</td>
<td>5.6</td>
<td>5.6</td>
<td>91.7</td>
</tr>
<tr>
<td>20 and above</td>
<td>25</td>
<td>8.3</td>
<td>8.3</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>302</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
This is evident from frequency distribution that majority of respondents have experience less than five years with the ratio of 36%. From six to ten years of experience there are 31.5% respondents. This is accordance with the frequency distribution of qualification and age; where almost 59% of respondents are less than 32 years of age and most of the respondents are having MBA degree, which is relatively new trend in Pakistan.

Figure 4.4 Frequency Distribution of Respondents with Respect to their Experience

(N=302)
Correlations Analyses

In following pages there is a detailed discussion of correlations of hypotheses of the study. Summery of all correlations of research model is given in Illustration 4.1. According to the Hypothesis H1: there is significant relationship between values and ethics (VE) and managerial performance (MP), and on its being tested, it showed the following results as given in Table 4.5.

Table 4.5 Results of Hypothesis H1

<table>
<thead>
<tr>
<th></th>
<th>Values &amp; Ethics</th>
<th>Managerial Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values &amp; Ethics</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>302</td>
</tr>
<tr>
<td>Managerial Performance</td>
<td>Pearson Correlation</td>
<td>0.425**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

Findings of the study prove that there is significant relationship between VE and MP as shown in above table, where ($\gamma = 0.425**$ at p<0.05). According to the significance level it is 99% chance that this relation between values and ethics (VE) and managerial performance (MP) is real. This proves that values and ethics have significant influence on managerial performance. These results deny myths about business ethics e.g. business and ethics do not mix p.11, rather it will be a better statement that if business and ethics proceed together it will bring more value for all stakeholders of organization. Role of Islamic leadership in value based corporate management is now more evident because Islamic value system is based on inculcating values and ethics in
organizational culture through IGFW p. 33. It means, if standard values and ethics are practiced in corporate management, it will significantly influence managerial performance and managers will deliver according to the requirement of their organization, in terms of investment return, sales and profit growth p. 15. This strengthens the view that good ethics means good business. Result of H1 is consistent with previous studies e.g. Ahmed, et al (1999) and Garg, et al, (2006).

Hypothesis H2 states that there is significant relationship between management by example (MBE) and managerial performance (MP). Result of correlation between MBE and MP is given in Table 4.6.

<table>
<thead>
<tr>
<th>Table 4.6</th>
<th>Results of Hypothesis H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management by Example</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>302</td>
</tr>
<tr>
<td>Managerial Performance</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**

According to the result there is significant relationship between management by example (MBE) and managerial performance (MP), where $\gamma = 0.203**$ at $p<0.05$. When it comes to corporate management Islamic value system ascertains that leaders must be role models p. 46. Allah (SWT) says in Qur’ān;

O ye who believe! Why say ye that which ye do not? Grievously odious is it in the sight of Allah that ye say that which ye do not. (al - Qur’ān 61:2-3)
Internalization of values and ethics will not occur without the active support in word and deed of company's leadership, ranging from the CEO to immediate supervisor p. 47. Results of H1 suggest that values and ethics have significant relationship with managerial performance, thus management by example supplements managerial performance from two aspects first for internalization of values and ethics and second a direct impact to modulate managerial performance. Degree of success of organizations depends largely on the role of leadership. First show excellence and then demand excellence. Thus findings of the study are inline with already existing findings that to ensure good managerial performance it is important to follow the pattern of management by example as proposed by the study. Result is consistent with Garg, et al, (2006).

Hypothesis H3 of the study asserts that high standards of values and ethics (VE) result in welfare and protection (WP) of all stakeholders of organization including shareholders, employees, customers and society. Table 4.7 shows the result of Correlation between VE and WP.

Table 4.7 Results of Hypothesis H3

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation</th>
<th>Values and Ethics</th>
<th>Welfare and Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values and Ethics</td>
<td>Sig. (2-tailed)</td>
<td>1</td>
<td>0.469**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
<tr>
<td>Welfare and Protection</td>
<td>Pearson Correlation</td>
<td>0.469**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).
Findings of the study exhibit significant relation between values and ethics and welfare and protection of all stakeholders of organization, including shareholders, employees, customers and society, ($\gamma = 0.469^{**}$ at $p<0.05$), results are consistent with discussion on page no. 79, 82 and 83. Islamic value system ensures welfare and protection of all stakeholders of organization including shareholders, employees and customers. Implementation of value and ethics will bring satisfaction for shareholders, employees and customers. After these findings one can very safely say that management’s only obligation is not to maximize shareholder’s value but to inculcate VE in organizational culture which will reciprocate in terms of profits. Result is consistent with Darwish (2001) that there is positive relationship between VE and organizational WP.

Looking at correlation among VE and WP of shareholders, employees and customers the view that values and ethics are corporate DNA (p.15) further strengthens. Following table shows the relationship of values and ethics (VE) and welfare and protection (WP) of employees;

<table>
<thead>
<tr>
<th>Table 4.8</th>
<th>Correlation VE and Welfare and Protection of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Values and Ethics</td>
</tr>
<tr>
<td>Values and Ethics</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Welfare and Protection of Employees</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).
Relationship of values and ethics and the welfare and protection of employees is quite significant according to the current study, where $\gamma = 0.399^{**}$ at $p<0.05$. It shows that Islamic values and ethics, which are universal in their application, can bring significant welfare for employees; results are consistent with discussion on page no. 78. Results suggest that values and ethics are beneficial for both organizations and employees. Today employee commitment at some companies is deteriorated. Employees are more cynical and less trusting (p. 31) because of the recent cases of accounting abuse and executive greed. IVS can help organizations to inculcate commitment and loyalty among employees which is one of the important concerns of many corporate leaders.

Correlation of values and ethics and customers’ loyalty is meaningful as shown in Table 4.9, where $\gamma = 0.230^{**}$ at $p<0.05$.

<table>
<thead>
<tr>
<th>Table 4.9</th>
<th>Correlation of VE and Loyal Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Values and Ethics</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Values and Ethics</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Loyal Customers</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

According to the studies, due to the continuous wave of ethical scandals around the globe, 70% consumers started to distrust corporations (p.140). Unethical behavior is considered
to be the one of the main threats to corporate reputation. Result of the current study proves that commitment towards VE strengthens customer loyalty. Loyal customers are always asset for business; thus IVS can help corporate management to build a strong base of loyal customers, which can contribute significantly to increase market share and profit.

To find the relationship of values and ethics (VE) and welfare and protection (WP) of shareholders’ interest (profit) is one of the important objectives of the study. Table 4.10 shows the relationship of values and ethics and welfare and protection of shareholders’ interest i.e. profit.

Table 4.10  Correlation of VE and Shareholders’ Interest

<table>
<thead>
<tr>
<th></th>
<th>Values and Ethics</th>
<th>Shareholders’ Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values and Ethics</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.192**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>302</td>
</tr>
<tr>
<td>Shareholders’ Interest</td>
<td>Pearson Correlation</td>
<td>0.192**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

Study proves that values and ethics have significant correlation with welfare and protection of shareholders’ interest (profit) where $\gamma = 0.192**$ at $p<0.05$. Values and ethics help to protect shareholder’s interest and guarantee significant growth in profit, as discussed on p. 5 that truthfulness, trustworthiness and virtues character helped Hazrat Muhammad (PBUH) to earn more profit for Lady Khadijah (raa). Recent studies also prove that (p. 15) those organizations that show strong commitment towards values and ethics perform better in terms of
market share and profits. On the other hand if organizations do not behave ethically usually pay fines (p. 13) or face lawsuits. Islamic value system binds leaders of organizations to discharge the duty faithfully which shareholders repose on them, as it is in al-Qur’an that:

And if one of you deposits a thing on trust with another, let the trustee (faithfully) discharge his trust, and let him fear his Lord. (al-Qur’an 2:283)

Result of the study suggests that if an organization will emphasize values and ethics in organizational operations it will look after shareholders’ interest much efficiently and will ensure VBM from within the organizational operation. Challenge of today is to create organizations which in its culture, its system, and its processes, help regular people do the right thing (p. 139), and IVS can provide such culture.

H4: Management by example (MBE as independent variable) will result in significant welfare and protection (WP as dependent variable) of all stakeholders of organization. Correlation between MBE and WP is given in Table 4.11.

<table>
<thead>
<tr>
<th>Management by Example</th>
<th>Pearson Correlation</th>
<th>Welfare and Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management by Example</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.314**</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
<tr>
<td>Welfare and Protection</td>
<td>Pearson Correlation</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.314**</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).
Study proves that there is considerable relationship between management by example and welfare and protection of all stakeholders of organization with $\gamma = 0.314**$ at p<0.05. The degree of success of organization both in terms of shareholders’ value i.e. profit and other stakeholders’ value e.g. welfare of employees, loyalty and satisfaction of customers etc. greatly depends on management by example. Leaders are role models and their behavior is reflected on the culture and outcome of the organization. Leaders can take entire organization towards welfare and protection for all stakeholders through their personal example, because, people value practices more than words and follow what their leaders do p. 47. Result is consistent with Goodhew, et al, (2005) that good organizational performance stems from leadership role.

Shareholders are the focal point in value based corporate management. Linkage between management by example and shareholders’ interest further proves that management by example can bring significant value for organization, because protection of shareholders’ interest is the obligation of management.

Table 4.12 shows a significant association of management by example and welfare and protection of shareholders’ interest ($\gamma = 0.242**$ at p<0.05). This accentuates the need for MBE, which is an important Islamic value. First show excellence and then demand excellence. If leaders want their people to come on time, they have to come on time and others will follow p. 47. One should not try to change others without changing oneself. IVS is based on the concept of trusteeship and stewardship p.64.

And if one of you deposits a thing on trust with another, let the trustee (faithfully) discharge his trust, and let him fear his Lord. (al - Qur‘ān 2:283)

Holy Prophet (May peace be upon him) said, “Beware every one of you is a shepherd and every one is answerable with regard to his flock.”
Table 4.12 Correlation of MBE and Shareholders’ Interest

<table>
<thead>
<tr>
<th>Management by Example</th>
<th>Pearson Correlation</th>
<th>Shareholders’ Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>0.242**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shareholders’ Interest</th>
<th>Pearson Correlation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.242**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

It is the responsibility of leadership to look after shareholders’ interest. Leaders have to show this to the entire organization through their own example that shareholders’ interest (profit) is one of their top priorities. Good financial performance of an organization stems from leadership role p.138. In IVS, leaders have to lead from the front to establish example of excellence in personal character and professional performance.

H5 of the study states that Good MP (MP as independent variables) will result in outstanding Welfare and protection (WP as independent variable) of all stakeholders of organization, including shareholders, employees, customers and society.

Result of the current study proves that there is considerable relationship between managerial performance and welfare and protection of all stakeholders’ of organization, as shown in Table 4.13 where $\gamma = 0.333**$ at p<0.05. Managerial performance and organizational performance are directly related to each other p. 136. Good organizational performance means
welfare, growth and protection of all stakeholders of organization including shareholders, employees and customers.

<table>
<thead>
<tr>
<th>Table 4.13</th>
<th>Results of H5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Managerial Performance</td>
</tr>
<tr>
<td>Managerial Performance</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Welfare and Protection</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

Result is consistent with previous studies e.g. according to Stathakokopoulas (1998) managerial performance is of key concern because it is closely related to organizational effectiveness and performance and according to Gupta et al, (1984) there is high degree of interaction between managerial performance and corporate performance.

Correlation of managerial performance and shareholders’ interest is significant under Islamic values and ethics, it gives even stronger conviction that embedding values and ethics can bring prosperity for entire organization with significant increase in profit. Table 4.14 shows that
there is significant and positive relationship between managerial performance and shareholders’ interest, where $\gamma = 0.170^{**}$ at p<0.05.

Table 4.14 Correlation of MP and Shareholders’ Interest

<table>
<thead>
<tr>
<th></th>
<th>Managerial Performance</th>
<th>Shareholders’ Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managerial</strong></td>
<td><em>Pearson Correlation</em></td>
<td>1</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td></td>
<td>0.170**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.003</td>
</tr>
<tr>
<td><strong>Shareholders’</strong></td>
<td><em>Pearson Correlation</em></td>
<td>0.170**</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.003</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>302</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td></td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**

Islamic value system modulates managerial performance in a manner that it brings positive and significant impact on shareholders’ value (profit). Result is consistent with Stathakokopoulas (1998) that managerial performance is closely related to profits.

Islamic values are compatible with man’s need for prosperity and happiness in all affairs of life. Islamic values have established their strength in the history; these do not depend on norms and practices of societies which tend to be situationally specific and changing overtime, depending on societal standards and acceptance. Islamic values are indeed universal and hence applicable in all spheres of life. These attune every aspect of value based corporate management (VCBM) to ensure welfare and protection of all stakeholders of organization including shareholders, employees, customers and society.
Justice and truth are important components of IVS which inculcate responsibility in leaders/managers. According to the study there is significant relation of justice and truth with responsibility, which is shown in Table 4.15 where $\gamma = 0.156^{**}$ at $p<0.05$.

**Table 4.15**

<table>
<thead>
<tr>
<th>Justice and Truth</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice and Truth</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.006</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.006</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**

Justice inculcates sense of responsibility in every member of organization to perform their duties with the best of their abilities. Thus leads to enhanced performance of every member of organization to create value for all stakeholders including shareholders, employees and customers.

Sincere hard efforts lead to efficiency and efficiency leads to better performance of an individual. Sincerity and hard efforts are important components of IVS and according to the
study there is significant and positive relationship of sincere hard efforts with managerial efficiency (Table 4.16).

<table>
<thead>
<tr>
<th>Sincere Hard Work</th>
<th>Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**

Study proves that there is significant correlation between sincere hard work and managerial efficiency, where \( \gamma = 0.148** \) at \( p<0.05 \). From the point of view of value based corporate management efficiency means doing good job or doing some job in an efficient manner. If every member of organization exhibits efficiency in his performance, it will increase not only shareholders’ value but the value of entire organization, Allah (SWT) says in al-Qur’an.

but do thou good, as Allah has been good to thee, (al - Qur’ān 28:77)

Honesty is one of the most important values of Islamic value system. IVS builds such a character of its followers that truth is rooted into their conscious and they act and behave truthfully from the core of their heart. Therefore leaders/managers groomed through Islamic value system exhibit excellent performance because they approach every problem with honesty
and determination. Study proves that there is significant and positive relation between honesty and performance (Table 4.17) with $\gamma = 0.202^{**}$ at $p<0.05$.

<table>
<thead>
<tr>
<th>Table 4.17</th>
<th>Correlation of Honesty and Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Honesty</td>
</tr>
<tr>
<td>Honesty</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Performance</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**

Some very exciting examples in Islamic history prove that honesty remained hallmark of Islamic values. Daryabadi (1998b) explained that in Islam means people who are true in their intentions, words and actions (p. 466). It means that Islamic value system establishes a standard which is beyond the popular concept of truth, where generally truth means truth in speech and practice. One can notice verbal and practical truthfulness of people, but one can not even observe the truthfulness of intentions. Islamic value system builds such a character of its followers that truth is rooted into their conscious and they act and behave truthfully from the core of their heart. That’s why they exhibit outstanding performance.
Creativity is a source of happiness and accomplishment. Creativity leads to improvement of managerial skills. Study proves the fact that there is significant relationship between creativity and improvement.

<table>
<thead>
<tr>
<th>Table 4.18</th>
<th>Correlation of Creativity and Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Improvement</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**

Significant relationship between creativity and improvement has been proved in this study with the p value less than 0.05 ($\gamma = 0.160**$ at p<0.05). It means creative work is not only source of happiness and accomplishment but also adds to overall performance of the organization.

Continuous self evaluation is the part of IVS; this helps leaders/managers to ensure that they deliver what they proclaim. IVS never allows leaders/managers to have dichotomy in their practices and words. Statistical interpretations of the study suggest that there is positive correlation (Table 4.19) between continuous self evaluation and management by example (MBE). Self evaluation helps leader/managers to keep their words and perform according to organizational needs. IVS ensures that leaders/managers should believe in action not words. Following are the findings of the study with $\gamma = 0.147**$ at p<0.05.
Table 4.19  Correlation of Self Evaluation and MBE

<table>
<thead>
<tr>
<th></th>
<th>Self Evaluation</th>
<th>MBE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self Evaluation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.147*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.011</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>302</td>
<td>302</td>
</tr>
<tr>
<td><strong>MBE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.147*</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.011</td>
<td></td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>302</td>
<td>302</td>
</tr>
</tbody>
</table>

*Correlation is significant at 0.05 level (2-tailed).

Significant relationship between self evaluation and MBE proves that if leaders/managers continuously evaluate themselves they will be able to deliver according to the organizational requirement. ‘An extra mile every day’ is a popular business maxim. According to ILS, it is said that if some one’s today is not better than yesterday, he is in loss. Therefore leaders/managers have to evaluate their performance regularly to eliminate their weaknesses and improve their strengths.

Transparency in organizational culture leads to help and support among organizational members. Transparency is the hallmark of Islamic value system. Transparency in organizational procedures blocks the doors of illegal practices and establishes culture of mutual trust, thus leads to help and support among organizational members. This study also shows significant and positive correlation (Table 4.20) between transparency and help & support ($\gamma = 0.199^{**}$ at p<0.05).
Rule of law in organizational culture implants enthusiasm across the board thus every member works with dedication to achieve organizational objectives. Result of The study (Table 4.21) suggests significant correlation between rule of law and enthusiasm with ($\gamma = 0.187^{**}$ at p<0.05).

**Table 4.20**  Correlation of Transparency with Help and Support

<table>
<thead>
<tr>
<th>Transparency</th>
<th>Help and Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.199**</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**

**Table 4.21**  Correlation of Rule of Law and Enthusiasm

<table>
<thead>
<tr>
<th>Rule of Law</th>
<th>Enthusiasm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.187**</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**
Readily assuming responsibility is one of the important features of a successful manager; those who work with conscientiousness bring good results for organization. Result of the study (Table 4.22) suggests that there is significant relation between conscientiousness and shareholders’ interest ($\gamma = 0.121^{* *}$ at $p<0.05$).

<table>
<thead>
<tr>
<th></th>
<th>conscientiousness</th>
<th>Shareholders’ Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>conscientiousness</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>302</td>
</tr>
<tr>
<td>Shareholders’ Interest</td>
<td>Pearson Correlation</td>
<td>0.121*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.036</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>302</td>
</tr>
</tbody>
</table>

*Correlation is significant at 0.05 level (2-tailed).

A successful organization is the one which focuses on improvement of managerial skills so that managers can enhance their performance to ensure welfare of employees through better organizational outcomes. Result of the study suggests (Table 4.23) that there is significant and positive correlation between improvement of managerial skills and welfare of employees ($\gamma = 0.165^{* *}$ at $p<0.05$).
Table 4.23  Correlation of Improvement of Managerial Skills and Welfare of Employees

<table>
<thead>
<tr>
<th></th>
<th>Improvement of Managerial Skills</th>
<th>Welfare of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of Managerial Skills</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.165**</td>
<td>0.004</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
<tr>
<td>Welfare of Employees</td>
<td>Pearson Correlation</td>
<td>0.165**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.004</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

Employees’ efficiency brings more loyal customers to organization. Result of study suggests that employees’ efficiency and customer's loyalty have significant correlation ($\gamma = 0.162**$ at $p<0.05$) as shown in Table 4.24.

Table 4.24  Correlation of Efficiency and Customer's Loyalty

<table>
<thead>
<tr>
<th></th>
<th>Efficiency</th>
<th>Customer’s Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.005</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td></td>
</tr>
<tr>
<td>Customer’s Loyalty</td>
<td>Pearson Correlation</td>
<td>0.162**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.005</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).
Management by example is the important component of IVS, where people believe in action not words. One should not try to change others without changing oneself. People will never believe unless leaders do what they want others to do. Don’t expect others to listen to the advice and ignore the example. This is what MBE is all about. Result of the study (Table 4.25) suggests that there is significant correlation between the notion ‘action not words’ and shareholders’ value ($\gamma = 0.240^{**} \text{ at } p<0.05$).

<table>
<thead>
<tr>
<th>Table 4.25</th>
<th>Correlation of Action not Words and Shareholders’ Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Action not Words</td>
</tr>
<tr>
<td></td>
<td>Shareholders’ Interest</td>
</tr>
<tr>
<td>Action not Words</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>Shareholders’ Interest</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

Credibility is an important element to attract and maintain customers. If leadership is credible it will strengthen organizational credibility. People patronize products of credible organization with more confidence and repurchase or revisit as often as needed. Result of the study (Table 4.26) suggests that there is significant correlation between credibility of leadership and customer’s loyalty, ($\gamma = 0.169^{**} \text{ at } p<0.05$).
Table 4.26  Correlation of Credibility and Loyal Customers

<table>
<thead>
<tr>
<th>Credibility</th>
<th>Credibility</th>
<th>Customer Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.169**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.003</td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td>302</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer's Loyalty</th>
<th>Pearson Correlation</th>
<th>0.169**</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>302</td>
<td>302</td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

It means credible leaders attract loyal customers thus increase shareholders’ and organizational value. Therefore leaders should always be careful in their actions, attitude and behavior, because people always observe them and make their opinion about the organization according to that. If leader deceives some one, no one will believe in his organization, as it happened in corporate America after Enron’s crisis, that people started disbelieving corporate executives (p.30).

Rule of law is the spirit of IVS. In Islamic value system no one is above the law, and every one is accountable for his deeds. There is complete equality in IVS;

O ye who believe! let not some men among you laugh at others: it may be that the (latter) are better than the (former): nor let some women laugh at others: it may be that the (latter) are better than the (former): nor defame nor be sarcastic to each other, nor call each other by (offensive) nicknames: (al - Qur’ān  49:11)
This study indicates that rule of law and equality goes together. Result suggests significant correlation ($\gamma = 0.325**$ at $p<0.05$) between rule of law and equality, as shown in Table 4.27.

**Table 4.27**

<table>
<thead>
<tr>
<th></th>
<th>Rule of Law</th>
<th>Equality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule of Law</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>302</td>
</tr>
<tr>
<td>Equality</td>
<td>Pearson Correlation</td>
<td>0.325**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>302</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).**

In IVS there is no room of discrimination on the basis of race, color and area. In al-Qur’ān ALLAH (SWT) says;

The Believers are but a single Brotherhood: so make peace and reconciliation between your two (contending) brothers (al-Qur’ān 49:10)

Prophet Mohammad (PBUH) in his last address absolutely abandoned every type of discrimination, and gave a standard rule that every Muslim is a brother of other Muslim, and no one is superior to other, except in righteousness.

Summery of all results of the correlations of the research model discussed from p. 177 to p. 198 is given in Illustration 4.1.
Illustration 4.1

Summary of Correlations of Research Model explain the Role of Islamic Leadership in VBM

<table>
<thead>
<tr>
<th>Justice and Truth</th>
<th>Self Evaluation</th>
<th>Action not Words</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sincerity &amp; Hard Work</td>
<td>Help &amp; Support</td>
</tr>
<tr>
<td>0.156**</td>
<td>0.148**</td>
<td>0.240**</td>
</tr>
<tr>
<td></td>
<td>Honesty</td>
<td>0.199**</td>
</tr>
<tr>
<td>0.148**</td>
<td>Transparency</td>
<td>0.263**</td>
</tr>
<tr>
<td>0.202**</td>
<td>Credibility</td>
<td>0.153**</td>
</tr>
<tr>
<td>0.160**</td>
<td>Rule of Law</td>
<td>0.187**</td>
</tr>
<tr>
<td></td>
<td>Responsibility</td>
<td>0.153**</td>
</tr>
<tr>
<td>0.425**</td>
<td>Efficiency</td>
<td>0.187**</td>
</tr>
<tr>
<td></td>
<td>Performance</td>
<td>0.169**</td>
</tr>
<tr>
<td>0.203**</td>
<td>Shareholders</td>
<td>0.169**</td>
</tr>
<tr>
<td></td>
<td>Improvement</td>
<td>0.314**</td>
</tr>
<tr>
<td></td>
<td>Self Evaluation</td>
<td>0.469**</td>
</tr>
<tr>
<td>0.121*</td>
<td>Employees</td>
<td>0.469**</td>
</tr>
<tr>
<td></td>
<td>Conscientiousness</td>
<td>0.147*</td>
</tr>
<tr>
<td>0.165**</td>
<td>Customers</td>
<td>0.314**</td>
</tr>
<tr>
<td></td>
<td>Efficiency</td>
<td>0.240**</td>
</tr>
<tr>
<td>0.333**</td>
<td>Equality</td>
<td>0.314**</td>
</tr>
<tr>
<td></td>
<td>Flexibility</td>
<td>0.248**</td>
</tr>
<tr>
<td>0.162**</td>
<td>0.199**</td>
<td></td>
</tr>
</tbody>
</table>

*Significant at 0.05
**Significant at 0.01
Regression Analysis

Regression enables to answer some very important questions about data, in which $n$ independent variables (regressors), $x_1$ to $x_n$, are being used to explain the variation in a single dependent variable, $y$ (Triola, 2004). Detail of the regression analysis of the research model is given in Table 4.28.

<table>
<thead>
<tr>
<th>Constant</th>
<th>Values &amp; Ethics</th>
<th>Management by Example</th>
<th>Managerial Performance</th>
<th>$R^2$</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.754</td>
<td>0.376</td>
<td>0.131</td>
<td>0.193</td>
<td>0.267</td>
<td>36.248</td>
</tr>
<tr>
<td>(0.413)</td>
<td>(0.061)</td>
<td>(0.041)</td>
<td>(0.071)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>[4.24]</td>
<td>[6.15]</td>
<td>[3.21]</td>
<td>[2.732]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.000</td>
<td>0.000</td>
<td>0.001</td>
<td>0.007</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

How well do the regressors, taken together, explain the variation in the dependent variable? This is assessed by the value of $R^2$ according to the website of (Triola, 2004). The value of $R^2$ more than 25% is acceptable. Thus $R^2$ is the magnitude of relationship with which independent variables influence dependent variable. $R^2$ is an important indicator which explains the percentage variance in dependent variable by the independent variables. Result of regression analysis of the research model explain that cumulatively all three independent variables (VE, MBE & MP) cause 26% variation in dependent variable (WP). Individually VE has the strongest influence thus causes 37% variation in dependent variable (WP). According to the regression results MP is the second strongest influence thus causes 19% variation in WP. Management by example (MBE) causes 13% variation in WP according to the current study.
Are the regressors (independent variables), taken together, significantly associated with the dependent variable? This is assessed by the statistics $F$ according to the website of ‘people.ex.ac.uk’. According to the results of regression there is 36% association of independent variables (VE, MBE & MP) with dependent variable (WP). The higher the value of $F$, the more significant it will be.

Are the relationship of each regressor (independent variable) with the dependent variable statistically significant, with all other regressors (independent variables) taken into account? This is answered by looking at the $t$-values ‘people.ex.ac.uk’. $t$-values are obtained by dividing the estimated value of the parameter (independent variable) by its standard error (Triola, 2004). $t$-value is the measure of the likelihood that actual value of the parameter (independent variable) is not zero ‘nlreg.com’. Results of $t$ statistics suggest that none of the regressors (independent variables) has zero value.

P-value is percentage. It tells that how likely it is that the relationship emerged is by chance or it is real. A p-value of 0.05 means that there is a 5% chance that the relationship emerged randomly and a 95% chance that the relationship is real (state.tn.us). Therefore according to the results of regression there is 95% chance that all correlations of the research model are real. If, p-value is $\leq 0.05$ it rejects the null hypothesis and accept alternate hypothesis. P-values for VE, MBE, MP and the research model are less than 0.05. Therefore it accepts alternate hypotheses of current study. It is generally accepted practice that p-value less than 0.10 is considered as significant (Triola, 2004), thus all p-values of the results are significant.

Diagrammatic conclusion of the research after results and discussion through correlation and regression is given in Illustration 4.2.
**Significant at 0.01
Structural Equation Modeling (SEM)

History

When it comes to modeling relationships mainly two different methodological approaches are used; covariance structure analysis and PLS path modeling. Both models emerged roughly at the same time but their development took diverse course of time. LISREL was introduced in the early 1970's for covariance structure analysis and later experienced substantial progress with respect to ease in usage and methodological capabilities. Graphical interface in programs like AMOS or LISREL have freed the user from having to specify the model in matrix or equation form. In the meanwhile estimation methods, multi-level, multi-group and finite mixture models have emerged offering a wide range of possible application. Covariance structure analysis is one of the most popular methods to be used in social sciences.

VisualPLS (VPLS) is a graphical user interface in the Windows environment which enables the analysis of raw data. Based on the graphical model VPLS produces a separate LVPLS input file, which is run by LVPLSX (plx.exe). Different formats of input data are supported. The results are offered as LVPLS output (plain text file) as well as in HTML/Excel format. In addition path model displays estimated parameters. In order to confirm the results of Research Model a structural equation modeling technique with VPLS 1.04 was employed. Results obtained through structural equation modeling (SEM) are given in Illustration 4.3.
**Structural Equation Model (VPLS 1.04)**

Independent variables:

1. Values and ethics
2. Management by examples
3. Managerial performance

Dependent variable:

1. Welfare and protection

*Illustration 4.3*  
*Structural Equation Model (SEM)*

Abbreviations used: (1) *vethics* = Values and Ethics, (2) *megexmpl* = Management by Example, (3) *mgrprf* = Managerial Performance, (4) *wlprt* = Welfare and Protection of all Stakeholders including Shareholders
Results of Structural Equation Modeling

Table 4.29  Mean and Standard Deviation through SEM

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicator</th>
<th>Mean</th>
<th>St. dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management by Example</td>
<td>MBE</td>
<td>4.918974</td>
<td>0.767926</td>
</tr>
<tr>
<td>Managerial Performance</td>
<td>MP</td>
<td>5.798179</td>
<td>0.461551</td>
</tr>
<tr>
<td>Welfare and Protection</td>
<td>WP</td>
<td>5.678675</td>
<td>0.594592</td>
</tr>
<tr>
<td>Values and Ethics</td>
<td>VE</td>
<td>5.736391</td>
<td>0.553385</td>
</tr>
</tbody>
</table>

Table 4.29 shows the mean values for MBE (4.91), MP (5.79), WP (5.67) and VE (5.73). All these values are on the scale of 7 therefore these are indicative of adopting management by example and inculcating values and ethics in organizational culture for higher managerial performance to maximize value for all stakeholders including shareholders, employees, customers and society.

Table 4.30  Correlations through SEM

<table>
<thead>
<tr>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management by Example</td>
</tr>
<tr>
<td>Managerial Performance</td>
</tr>
<tr>
<td>Welfare and Protection</td>
</tr>
<tr>
<td>Values and Ethics</td>
</tr>
<tr>
<td>Management by Example</td>
</tr>
<tr>
<td>Managerial Performance</td>
</tr>
<tr>
<td>Welfare and Protection</td>
</tr>
<tr>
<td>Values and Ethics</td>
</tr>
</tbody>
</table>
Table 4.30 shows the correlation among variables. There is highest correlation between values and ethics (VE) and welfare and protection (WP) of all stakeholders of organization including shareholders i.e. 0.469. Second highest correlation is between values and ethics (VE) and managerial performance (MP) i.e. 0.425, these are the indicators that commitment towards values and ethics can bring significant strategic success in corporate management through enhanced managerial performance and welfare and protection of all stakeholders of organization. Beside this all three independent variables VE, MBE and MP have significant correlation with dependent variable WP. These findings supplement the results of correlation and regression through SPSS.

Table 4.31 shows that R square for welfare and protection of all stakeholders of organization is significant i.e. 0.267. This approves the research model, which means inculcating values and ethics and management by example ensure higher managerial performance for maximizing shareholders’, employees’, customers’ and society’s value thereby leading the organization towards TVBM.

<table>
<thead>
<tr>
<th>Table 4.31 R Square through SEM</th>
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</thead>
<tbody>
<tr>
<td>R square</td>
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<tr>
<td>Welfare and Protection</td>
</tr>
</tbody>
</table>
Chapter 5

Conclusion and Recommendations

Conclusion

This study examines the relationship between values and ethics (VE) and both managerial performance (MP) and welfare and protection (WP) of all stakeholders of organization. It also explores the effect of management by example (MBE) on managerial performance (MP) and welfare and protection (WP) of all stakeholders of organization along with impact of managerial performance (MP) on welfare and protection (WP) of all stakeholders of organization including shareholders, employees and customers. Current study draws following conclusions.

- Study obtained evidence that values and ethics (VE) directly affect both managerial performance (MP) and welfare and protection (WP) of all stakeholders of organization.
- There is positive and significant relationship between values and ethics (VE) and shareholders’ interest i.e. profit.
- According to the results values and ethics (VE) have strong impact on welfare of employees and customer’s loyalty. Therefore these findings encourage corporate management to ensure commitment towards standard values and ethics for long-term sustainable profitability.
- The results show that management by example (MBE) has positive and significant correlation with both managerial performance (MP) and
welfare and protection (WP) of all stakeholders of organization. Current study concludes that MBE is an important and practicable model of management not only for Islamic leadership but for all those who are interested to find new effective leadership paradigm which can resolve ethical problems of modern corporations.

- Outcome of the study indicates significant correlation of management by example (MBE) and shareholders’ interest i.e. profit, which adds strength to the new concept of MBE introduced by the current study.

- Current study concludes that managerial performance (MP) has positive and significant correlation with welfare and protection (WP) of all stakeholders of organization. Islamic value system (IVS) influences managerial performance from many directions. Islamic value system inculcates values and ethics in organizational culture to ensure sincerity, proficiency and efficiency among all members of organization including leaders/managers. On the other hand Islamic value system embodies new leadership model i.e. MBE, which brings enthusiasm among organizational employees because their leaders are their role models.

- Results reinforce that managerial performance (MP) has significant and positive correlation with shareholders’ interest i.e. profit. High managerial performance ensures high profit or vice versa. Islamic value system is comprehensive enough to elevate managerial performance. Islamic value system bounds leaders/managers to work hard for the betterment of their people and organization. Islamic value system held them accountable for
the poor performance of their organization. In Islamic value system leaders are the servants, they have to work day and night for the welfare and protection of all stakeholders to lead the organization towards total value based management.

- Study concludes that strong commitment towards values and ethics pays off financially to the organizations through increased organizational efficiency, customer’s loyalty and increased market share due to the credibility and good reputation.
- Study denies all myths about business ethics and holds that values and ethics are corporate DNA for long term corporate reputation and growth.
- Study discovers that the reason of ethical dilemma in corporate world of the West lies in the wrong approach towards economic values, as described in Table 5.1.

Table 5.1  Comparison of Islamic and Western Approaches towards Economic Values

<table>
<thead>
<tr>
<th>Islamic Approach</th>
<th>Western Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourages distribution of wealth e.g. alms as discussed on p. 84 &amp; 85.</td>
<td>Encourages accumulation of wealth e.g. interest.</td>
</tr>
<tr>
<td>Self interest is secondary as discussed on p. 86. Sacrifice is the priority. al-Qur’ān (2:261 &amp; 274) educates for distribution of wealth i.e. Anfāq.</td>
<td>In business transaction everyone acts only out of their own self interest (Hoffman, 2004). According to Adam Smith individual should pursue his own self interest ‘en.wikipedia.org’.</td>
</tr>
<tr>
<td>IVS focuses both legal and moral aspects of issues.</td>
<td>Focuses only legal aspect of issues e.g. Sarbanes-Oxley act 2002 and Cyanamid p.13.</td>
</tr>
<tr>
<td>Almost 80% of al-Qur’ān (49:11-13) focuses on character building and almost 20% focuses on laws.</td>
<td>Less focus on character building, entire focus is on making laws to curb unethical practices e.g. Equal Opportunity Commission.</td>
</tr>
<tr>
<td>No income tax, rather tax on savings i.e. Zakat thus distribution of wealth is encouraged.</td>
<td>Income tax is mandatory, there is profit on savings, and thus accumulation of wealth is encouraged.</td>
</tr>
</tbody>
</table>
Recommendations

Results of the study have significant implications for corporate management to ensure total value based management. Following are the recommendations of the study.

- Finding of the study that values and ethics (VE) have significant and positive affect both on managerial performance (MP) and welfare and protection (WP) of all stakeholders of organization strongly recommends to standardize organizational values and ethics by formulating a code of values and ethics. Code of values and ethics will serve as a yardstick to evaluate the behavior of organizational members towards standard norms.

- After standardizing and erecting a code of values and ethics it is recommended to internalize those values and ethics in every member of organization through training and development program. Focusing on values and ethics promote security and confidence and strengthens resistance against temptation. It should be ongoing process to give continuous on the job education on organizational code of values and ethics.

- Reengineering of recruitment process is necessary to hire those who are most likely to have values and virtues, this needs stringent screening. Employment should be on probationary basis until internalization of values and ethics in question has been demonstrated.

- Although chief executive officer (CEO) should be the chief ethics officer, but keeping in view the exceptionally expanded nature of
modern enterprise study recommends that the ethics officer is the most required position in corporate management. Core responsibility of ethics officer will be to work exclusively for standardization and internalization of values and ethics in organizational culture.

- Compliance for values and ethics should be the part of reward and punishment policy of the organization. People who do not comply with code of values and ethics should not be tolerated because they are the main threat in the long run to corporate growth and reputation.

- Study recommends that MBE is the suitable pattern of management to ensure maximum value for shareholders’ interest i.e. profit. Corporate leaders have to set their example for others to follow in abiding with code of organizational values and ethics. MBE can help modern corporations to come out of ethical dilemma.

- Managerial performance is vital for welfare and protection of all stakeholders of organization including shareholders, employees and customers. Therefore corporate leaders/managers should be held accountable for financial and non financial losses e.g. ethical breaches and other threats to organizational reputation.

- Study recommends that transparency and participation should be the foundation for developing organizational strategies and policies. Every member should have the right to question any thing he/she think is not good for the welfare and protection (WP) of all stakeholders of an organization.
**Contribution to Existing Literature**

By definition contribution is scrutinizing the existing mass of knowledge about a subject, in order to explore new dimensions. Thus, after critically probing the contemporary management theories of VBM, the study has proposed numerous extensions which will take value based management an extra mile in the forward direction.

- Foremost amongst these propositions is the novel orientation to the role of ethics. According to the contemporary management models, practicing business ethics is necessary to enhance the business performance, thereby narrowing down the true scope of ethics. On the other hand, this study broadens the scope of ethics by establishing a clear link between ethics and three (rather the one) crucial aspects of management, namely personal excellence, professional excellence and of course business performance.

Illustration 5.1

Dimensions of Values and Ethics

![Diagram showing the relationship between Values and Ethics, Personal Excellence, Professional Excellence, and Business Performance]

Without personal excellence and professional excellence, business performance cannot enhance because a code of values and ethics cannot
be implemented effectively if those at the helm of affairs don’t practice values and ethics in their personal and professional lives. It is for these two missing links that today’s corporate world replete in financial and ethical scandals. Thus, this research fills the missing links in the prevalent VBM models, thereby offering a comprehensive tool to curb the malpractices which abound in the existing management structures.

- Another direction in which the researcher has thrown a stone is the two popular management perspectives namely MBO and MBWA. The aforementioned perspectives have proved inadequate, giving rise to several question marks on the effectiveness of each. This study proposes a new perspective, that is, MBE. While the former (two) notions constrict to materialistic gains, MBE synergizes the business performance and human resourcing. Overindulgence in maximizing the shareholders’ interest has caused various ethical dilemmas. Contrarily, MBE offers a unique solution; keeping the shareholders’ interest intact, and effectively eradicating ethical crisis at the same time.

Illustration 5.2

Dimensions of MBE

- Personal Character
- Professional Abilities
- Policy Implementation
Another contribution the study had made in this research is the extension of ‘welfare’ to new dimensions. ‘Welfare’ is the most frequently used cliché in the corporate management jargons in these days. If one peruses in the existing management theories, one learns that ‘business’ happens to lie at the axis of the ‘so-called’ welfare. As for the employees’ welfare, despite so much hue and cry, nothing much is being done except a provision of bare minimum rights. It might sound bitter to the contemporary management gurus, but the fact remains that focal points of today’s corporate sector is the welfare of business; the welfare of employees is only a peripheral concern. This study stretches the bounds of this delimited notion of ‘welfare’ and brings the welfare of customer (end-users), society and environment into its circumference. The following two pie-charts, based on the conclusion of the study, have been employed to graphically illustrate the difference between the contemporary and the IVS notions of Welfare.

**Contemporary notion of welfare (as explored by this study)**

Figure 5.1
IVS notion of welfare (as proposed by this study)

Figure 5.2

IVS provides a balanced and comprehensive basis for welfare as it synchronizes the crucial components that are readily ignored in the modern approaches. But that’s not all. This research embeds the concept of ‘protection’ with ‘welfare’. It is an intriguing proposition made by the researcher because combining ‘welfare’ with ‘protection’ results in transforming the contemporary practices from mere rules to practicable values. As proposed in this study, in ILS, leaders crave not only for the welfare, but also for the protection of the business, employees, customers, society and environment. Thus, compared with the contemporary leaders, ILS leaders surely stand at a higher pedestal.

- Development of Islamic VBM Score is also an important contribution of the study, which contains 50 items and provides an opportunity to future researchers to delve role of Islamic leadership in new directions.
• Islamic leadership model and accountability model contribute towards explaining the characteristics, responsibilities and bindings of leadership in Islamic value system.

• Last but not the least; current study developed management model of Islamic value system (IVS). Management model of IVS explains the core of management principles for Islamic leadership.

Guidelines for Future Research Opportunities

For future studies in the same field, the Researcher recommends the following areas:

• The impact of values and ethics on different dimensions of customer and employee satisfaction

• How organizations can develop the culture of welfare and protection of all stakeholders of the organization?

• To explore different dimensions of welfare and protection which are significant to increase shareholders’ value

• How to hit a balance among shareholders’ interest, employees’ welfare, customers’ loyalty, society’s wellbeing and environment’s protection?

• How can leaders realize MBE in their management procedures?

• Which dimensions of MBE are most productive?

• Why Islamic value system emphasizes holistic approach to management?
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Kanz-ul-Aamal


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Mustadrik Hakim


Sahih Bukhari

Sahih Muslim


Tirmidhi


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www.valuebasedbusiness.org: visited on September 23, 2005
Appendices

Appendix 1

Questionnaire

Respondent #____________________

**DEMOGRAPHIC INFORMATION**

GENDER  
[ ] Male  
[ ] Female

AGE:  
[ ] 18-25
[ ] 26-32
[ ] 33-39
[ ] 40-46
[ ] 47 and above.

EDUCATION: BA/ BSc/ BBA/ BCS/ MA/ MSc/ MBA/ MCS/ DOCTORATE

WORK EXPERIENCE:

[ ] 1-5
[ ] 6-10
[ ] 11-15
[ ] 16-20
[ ] 20 and above

INDUSTRY & ORGANIZATION___________________________________________

NUMBER OF EMPLOYEES IN THE ORGANIZATION: _______________________
Values and Ethics (VE)

1. Justice and truthfulness at the workplace are necessary conditions for organizational success.

2. Continuous self evaluation helps the person to get ahead in life.

3. Help and support should be emphasized and encouraged in organizations to increase profitability.

4. Internalization of values and ethics is essential for managerial performance.

5. Implementation of strategies needs sincere hard efforts.

6. Laziness is vice.

7. Dedication to work is virtue.

8. Good work benefits both oneself and others.

9. Producing more than enough to meet one’s personal needs contributes to the prosperity of society as a whole.

10. One should carry out work to the best of one’s ability.

11. Work is not an end in itself but a means to foster personal growth and social relationship.

12. Life has no meaning without work.

13. More leisure is not good for society.

14. Human relations in organizations should be emphasized and encouraged.

15. Work enables man to control nature.

16. Creative work is a source of happiness and accomplishment.

17. Any man who works is more likely to get ahead in life.
18. Work gives one the chance to be independent.

19. A successful man is the one who meets deadlines at work.

20. One should constantly work hard to meet responsibilities.

21. The value of work is derived from both accompanying intention and results, not just results.

**Management by Example (MBE)**

1. People value practices more than words.

2. If the one can’t keep time oneself, one ought not teach others to do so.

3. Every member of organization should have the right to question the leader.

4. Leaders are always above the law.

5. There should not be any distance between leaders and followers.

6. Leaders should not indulge in financial scams.

**Welfare and Protection (WP)**

1. A successful organization is the one which gives emphasis to welfare of employees.

2. Loyal customers are asset for business.

3. Protection of shareholder’s interest is the obligation of management.

4. Ethnic, racial and sexual discrimination is undesirable.

5. Respect of every one’s integrity is the source of togetherness.

6. Safe working environment results in increased productivity.

7. Protection of rights of all stakeholders of organization is the key to business development.
Managerial Performance (MP)

1. Solving day-to-day problems lead to efficiency.
2. Adjusting to new situations is always easy.
3. One should take responsibility in his work.
4. Displaying up-to-date knowledge of the market.
5. Making operating decisions to achieve the goals for organization.
6. Relation with immediate boss.
7. Coping with pressure or strain on job.
8. Having managerial integrity.
9. Monitoring customers and competitors is important.
10. Readily assuming responsibility is a good feature.
11. Ability to solve problems creatively is needed to enhance performance.
12. One should have good working relationship with other managers.
13. Fully supporting and carrying out the company policies.
14. Making rigorous attempts is essential to achieve objectives.
15. Making an effort to improve managerial skills.
16. Working long hours when necessary

*All are seven point scales ranging from ‘1’ strongly disagreed to ‘7’ strongly agreed.
Appendix 2

List of Works with Islamic Perspectives on Management Studies

(List in Chronological Order)

Books


**Articles**


Appendix 3

Qur'ānic Verses Quoted in Table 5.1

261. The parable of those who spend their substance in the way of Allah is that of a grain of corn: it growth seven ears, and each ear Hath a hundred grains. Allah giveth manifold increase to whom He pleaseth: And Allah careth for all and He knoweth all things. (al-Qur'ān 2:261)

274. Those who (in charity) spend of their goods by night and by day, in secret and in public, have their reward with their Lord: on them shall be no fear, nor shall they grieve. (al-Qur'ān 2:274)


34. O ye who believe! there are indeed many among the priests and anchorites, who in Falsehood devour the substance of men and hinder (them) from the way of Allah. And there are those who bury gold and silver and spend it not in the way of Allah. announce unto them a most grievous penalty- (al-Qur'ān 9:34)
35. On the Day when heat will be produced out of that (wealth) in the fire of Hell, and with it will be branded their foreheads, their flanks, and their backs - "This is the (treasure) which ye buried for yourselves: taste ye, then, the (treasures) ye buried!" (al-Qur'an 9:35)


11. O ye who believe! Let not some men among you laugh at others: It may be that the (latter) are better than the (former): Nor let some women laugh at others: It may be that the (latter) are better than the (former): Nor defame nor be sarcastic to each other, nor call each other by (offensive) nicknames: Ill-seeming is a name connoting wickedness, (to be used of one) after he has believed: And those who do not desist are (indeed) doing wrong. (al-Qur'an 49:11)
12. O ye who believe! Avoid suspicion as much (as possible): for suspicion in some cases is a sin: And spy not on each other behind their backs. Would any of you like to eat the flesh of his dead brother? Nay, ye would abhor it...But fear Allah. For Allah is Oft-Returning, Most Merciful. (al - Qur’ān 49:12)

13. O mankind! We created you from a single (pair) of a male and a female, and made you into nations and tribes, that ye may know each other (not that ye may despise (each other). Verily the most honoured of you in the sight of Allah is (he who is) the most righteous of you. And Allah has full knowledge and is well acquainted (with all things). (al - Qur’ān 49:13)

Appendix 4

Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customer’s orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens – support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural recourses.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

Johnson & Johnson

Appendix 5

Code of Corporate Governance of Securities of Exchange Commission of Pakistan

BOARD OF DIRECTORS
(i) All listed companies shall encourage effective representation of independent non-executive directors, including those representing minority interests, on their Boards of Directors so that the Board as a group includes core competencies considered relevant in the context of each listed company. For the purpose, listed companies may take necessary steps such that:

(a) minority shareholders as a class are facilitated to contest election of directors by proxy solicitation, for which purpose the listed companies may:
  • annex to the notice of general meeting at which directors are to be elected, a statement by a candidate(s) from among the minority shareholders who seeks to contest election to the Board of Directors, which statement may include a profile of the candidate(s);
  • provide information regarding shareholding structure and copies of register of members to the candidate(s) representing minority shareholders; and
  • on a request by the candidate(s) representing minority shareholders and at the cost of the company, annex to the notice of general meeting at which directors are to be elected an additional copy of proxy form duly filled in by such candidate(s) and transmit the same to all shareholders in terms of section 178 (4) of the Companies Ordinance, 1984;

(b) the Board of Directors of each listed company includes at least one independent director representing institutional equity interest of a banking company, Development Financial Institution, Non-Banking Financial Institution (including a modaraba, leasing company or investment bank), mutual fund or insurance company; and

Explanation: For the purpose of this clause, the expression "independent director" means a director who is not connected with the listed company or its promoters or directors on the basis of family relationship and who does not have any other relationship, whether pecuniary or otherwise, with the listed company, its associated companies, directors, executives or related parties. The test of independence principally emanates from the fact whether such person can be reasonably perceived as being able to exercise independent business judgment without being subservient to any apparent form of interference.

Any person nominated as a director under sections 182 and 183 of the Companies Ordinance, 1984 shall not be taken to be an "independent director" for the above-said purposes.

The independent director representing an institutional investor shall be selected by such investor through a resolution of its Board of Directors and the policy with regard to selection of such person for election on the Board of Directors of the investee company shall be disclosed in the Directors’ Report of the investor company.

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(c) executive directors, i.e. working or whole time directors, are not more than 75% of the elected directors including the Chief Executive:

Provided that in special circumstances, this condition may be relaxed by the Securities and Exchange Commission of Pakistan.

Provided further that nothing contained in this clause shall apply to banking companies, which are required by Prudential Regulation No.9 for Banks to have not more than 25% of the directors as paid executives of the banks.

(ii) The directors of listed companies shall, at the time of filing their consent to act as such, give a declaration in such consent that they are aware of their duties and powers under the relevant law(s) and the listed companies’ Memorandum and Articles of Association and the listing regulations of stock exchanges in Pakistan.

QUALIFICATION AND ELIGIBILITY TO ACT AS A DIRECTOR

(iii) No listed company shall have as a director, a person who is serving as a director of ten other listed companies.

(iv) No person shall be elected or nominated as a director of a listed company if:
(a) his name is not borne on the register of National Tax Payers except where such person is a non-resident; and
(b) he has been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a banking company, a Development Financial Institution or a Non-Banking Financial Institution or he, being a member of a stock exchange, has been declared as a defaulter by such the stock exchange; and

(v) A listed company shall endeavour that no person is elected or nominated as a director if he or his spouse is engaged in the business of stock brokerage (unless specifically exempted by the Securities and Exchange Commission of Pakistan).

TENURE OF OFFICE OF DIRECTORS

(vi) The tenure of office of Directors shall be three years. Any casual vacancy in the Board of Directors of a listed company shall be filled up by the directors within 30 days thereof.

RESPONSIBILITIES, POWERS AND FUNCTIONS OF BOARD OF DIRECTORS

(vii) The directors of listed companies shall exercise their powers and carry out their fiduciary duties with a sense of objective judgment and independence in the best interests of the listed company.
(viii) Every listed company shall ensure that:
(a) a ‘Statement of Ethics and Business Practices’ is prepared and circulated annually by its Board of Directors to establish a standard of conduct for directors and employees, which Statement shall be signed by each director and employee in acknowledgement of his understanding and acceptance of the standard of conduct;
(b) the Board of Directors adopt a vision/ mission statement and overall corporate strategy for the listed company and also formulate significant policies, having regard to the level of materiality, as may be determined it;

**Explanation:** Significant policies for this purpose may include:
- risk management;
- human resource management including preparation of a succession plan;
- procurement of goods and services;
- marketing;
- determination of terms of credit and discount to customers;
- write-off of bad/ doubtful debts, advances and receivables;
- acquisition/ disposal of fixed assets;
- investments;
- borrowing of moneys and the amount in excess of which borrowings shall be sanctioned/ ratified by a general meeting of shareholders;
- donations, charities, contributions and other payments of a similar nature;
- determination and delegation of financial powers;
- transactions or contracts with associated companies and related parties; and
- health, safety and environment

A complete record of particulars of the significant policies, as may be determined, along with the dates on which they were approved or amended by the Board of Directors shall be maintained.

The Board of Directors shall define the level of materiality, keeping in view the specific circumstances of the listed company and the recommendations of any technical or executive sub-committee of the Board that may be set up for the purpose;

(c) the Board of Directors establish a system of sound internal control, which is effectively implemented at all levels within the listed company;

(d) the following powers are exercised by the Board of Directors on behalf of the listed company and decisions on material transactions or significant matters are documented by a resolution passed at a meeting of the Board:
- investment and disinvestment of funds where the maturity period of such investments is six months or more, except in the case of banking companies, Non-Banking Financial Institutions, trusts and insurance companies;
- determination of the nature of loans and advances made by the listed company and fixing a monetary limit thereof;
- write-off of bad debts, advances and receivables and determination of a reasonable provision for doubtful debts;
write-off of inventories and other assets; and
determination of the terms of and the circumstances in which a law suit may be compromised and a claim/ right in favour of the listed company may be waived, released, extinguished or relinquished;

(e) appointment, remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and other executive directors of the listed company are determined and approved by the Board of Directors; and

(f) in the case of a modaraba or a Non-Banking Financial Institution, whose main business is investment in listed securities, the Board of Directors approve and adopt an investment policy, which is stated in each annual report of the modaraba / Non-Banking Financial Institution.

Explanation: The investment policy shall interalia state:

- that the modaraba / Non-Banking Financial Institution shall not invest in a connected person, as defined in the Asset Management Companies Rules, 1995, and shall provide a list of all such connected persons;
- that the modaraba / Non-Banking Financial Institution shall not invest in shares of unlisted companies; and
- the criteria for investment in listed securities.

The Net Asset Value of each modaraba / Non-Banking Financial Institution shall be provided for publication on a monthly basis to the stock exchange on which its shares/ certificates are listed.

(ix) The Chairman of a listed company shall preferably be elected from among the non-executive directors of the listed company. The Board of Directors shall clearly define the respective roles and responsibilities of the Chairman and Chief Executive, whether or not these offices are held by separate individuals or the same individual.

MEETINGS OF THE BOARD

(x) The Chairman of a listed company, if present, shall preside over meetings of the Board of Directors.

(xi) The Board of Directors of a listed company shall meet at least once in every quarter of the financial year. Written notices (including agenda) of meetings shall be circulated not less than seven days before the meetings, except in the case of emergency meetings, where the notice period may be reduced or waived.

(xii) The Chairman of a listed company shall ensure that minutes of meetings of the Board of Directors are appropriately recorded. The minutes of meetings shall be circulated to directors and officers entitled to attend Board meetings not later than 30 days thereof, unless a shorter period is provided in the listed company’s Articles of Association.
In the event that a director of a listed company is of the view that his dissenting note has not been satisfactorily recorded in the minutes of a meeting of the Board of Directors, he may refer the matter to the Company Secretary. The director may require the note to be appended to the minutes, failing which he may file an objection with the Securities and Exchange Commission of Pakistan in the form of a statement to that effect.

**SIGNIFICANT ISSUES TO BE PLACED FOR DECISION BY THE BOARD OF DIRECTORS**

(xiii) In order to strengthen and formalize corporate decision-making process, significant issues shall be placed for the information, consideration and decision of the Boards of Directors of listed companies.

Significant issues for this purpose may include:

- annual business plans, cash flow projections, forecasts and long term plans;
- budgets including capital, manpower and overhead budgets, alongwith variance analyses;
- quarterly operating results of the listed company as a whole and in terms of its operating divisions or business segments;
- internal audit reports, including cases of fraud or irregularities of a material nature;
- management letter issued by the external auditors;
- details of joint venture or collaboration agreements or agreements with distributors, agents, etc;
- promulgation or amendment of a law, rule or regulation, enforcement of an accounting standard and such other matters as may affect the listed company;
- status and implications of any law suit or proceedings of material nature, filed by or against the listed company;
- any show cause, demand or prosecution notice received from revenue or regulatory authorities, which may be material;
- default in payment of principal and/or interest, including penalties on late payments and other dues, to a creditor, bank or financial institution or default in payment of public deposit;
- failure to recover material amounts of loans, advances, and deposits made by the listed company, including trade debts and inter-corporate finances;
- any significant accidents, dangerous occurrences and instances of pollution and environmental problems involving the listed company;
- significant public or product liability claims likely to be made against the listed company, including any adverse judgment or order made on the conduct of the listed company or of another company that may bear negatively on the listed company;
- disputes with labour and their proposed solutions, any agreement with the labour union or Collective Bargaining Agent and any charter of demands on the listed company; and
- payment for goodwill, brand equity or intellectual property.

(xiiiia) Related Party Transactions

(1) All companies registered under the Companies Ordinance, 1984 shall place before the
Board of Directors all the transactions with the related parties for review and approval.

(2) The details of the related party transactions shall be placed before the Audit Committee of the company.

(3) The related party transactions which are not executed at arm’s length price will also be placed separately at each Board meeting alongwith necessary justification for consideration and approval of the Board and before the Audit Committee of the company.

(4) The Board of Directors of a company shall approve the pricing methods for related party transactions that were made on the terms equivalent to those that prevail in arm’s length transaction only if such terms can be substantiated.

(5) Every company shall maintain a party wise record of transactions, in each financial year, entered into with related parties in that year alongwith all such documents and explanations. The record of related party transaction shall include the following particulars in respect of each transaction:
   i) name of related party;
   ii) nature of relationship with related party;
   iii) nature of transaction;
   iv) amount of transaction;
   v) terms and conditions of transactions, including the amount of consideration received or given.

ORIENTATION COURSES

(xiv) All listed companies shall make appropriate arrangements to carry out orientation courses for their directors to acquaint them with their duties and responsibilities and enable them to manage the affairs of the listed companies on behalf of shareholders.

CHIEF FINANCIAL OFFICER (CFO) AND COMPANY SECRETARY

APPOINTMENT AND APPROVAL

(xv) The appointment, remuneration and terms and conditions of employment of the Chief Financial Officer (CFO), the Company Secretary and the head of internal audit of listed companies shall be determined by the CEO with the approval of the Board of Directors.

The CFO or the Company Secretary of listed companies shall not be removed except by the CEO with the approval of the Board of Directors.

QUALIFICATION OF CFO AND COMPANY SECRETARY

(xvi) No person shall be appointed as the CFO of a listed company unless:
   (a) he is a member of a recognized body of professional accountants; or
(b) he is a graduate from a recognized university or equivalent, having at least five years experience in handling financial or corporate affairs of a listed public company or a bank or a financial institution.

(xvii) No person shall be appointed as the Company Secretary of a listed company unless he is:
(a) a member of a recognized body of professional accountants; or
(b) a member of a recognized body of corporate/chartered secretaries; or
(c) a person holding masters degree in Business Administration or Commerce or being a Law Graduate from a University recognized by Higher Education Commission and having at least five years relevant experience.

Provided that a person already engaged by a company as Secretary before the 26th October, 2002 may continue in that capacity if he has an experience of not less than five years in that position.

REQUIREMENT TO ATTEND BOARD MEETINGS

(xviii) The CFO and the Company Secretary of a listed company shall attend meetings of the Board of Directors. Provided that unless elected as a director, the CFO or the Company Secretary shall not be deemed to be a director or entitled to cast a vote at meetings of the Board of Directors for the purpose of this clause. Provided further that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors, which involves consideration of an agenda item relating to the CFO, Company Secretary, CEO or any director.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

THE DIRECTORS’ REPORT TO SHAREHOLDERS

(xix) The directors of listed companies shall include statements to the following effect in the Directors’ Report, prepared under section 236 of the Companies Ordinance, 1984:
(a) The financial statements, prepared by the management of the listed company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
(b) Proper books of account of the listed company have been maintained.
(c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
(d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.
(e) The system of internal control is sound in design and has been effectively implemented and monitored.
(f) There are no significant doubts upon the listed company’s ability to continue as a going concern.
(g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
The Directors’ Reports of listed companies shall also include the following, where necessary:
(a) If the listed company is not considered to be a going concern, the fact along with reasons shall be disclosed.
(b) Significant deviations from last year in operating results of the listed company shall be highlighted and reasons thereof shall be explained.
(c) Key operating and financial data of last six years shall be summarized.
(d) If the listed company has not declared dividend or issued bonus shares for any year, the reasons thereof shall be given.
(e) Where any statutory payment on account of taxes, duties, levies and charges is outstanding, the amount together with a brief description and reasons for the same shall be disclosed.
(f) Significant plans and decisions, such as corporate restructuring, business expansion and discontinuance of operations, shall be outlined along with future prospects, risks and uncertainties surrounding the listed company.
(g) A statement as to the value of investments of provident, gratuity and pension funds, based on their respective audited accounts, shall be included.
(h) The number of Board meetings held during the year and attendance by each director shall be disclosed.
(i) The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:
• associated companies, undertakings and related parties (name wise details);
• NIT and ICP (name wise details);
• directors, CEO and their spouse and minor children (name wise details);
• executives;
• public sector companies and corporations;
• banks, Development Finance Institutions, Non-Banking Finance Institutions, insurance companies, modarabas and mutual funds; and
• shareholders holding ten percent or more voting interest in the listed company (name wise details).

Explanation: For the purpose of this clause, clause (b) of direction (i) and direction (xxiii), the expression “executive” means an employee of a listed company other than the CEO and directors whose basic salary exceeds five hundred thousand rupees in a financial year.
(j) All trades in the shares of the listed company, carried out by its directors, CEO, CFO, Company Secretary and their spouses and minor children shall also be disclosed.

FREQUENCY OF FINANCIAL REPORTING
(xx) The quarterly un-audited financial statements of listed companies shall be published and circulated along with directors’ review on the affairs of the listed company for the quarter.
(xxi) All listed companies shall ensure that half-yearly financial statements are subjected to a limited scope review by the statutory auditors in such manner and according to such terms and conditions as may be determined by the Institute of Chartered Accountants of Pakistan and approved by the Securities and Exchange Commission of Pakistan.
(xxii) All listed companies shall ensure that the annual audited financial statements are circulated not later than four months from the close of the financial year.

(xxiii) Every listed company shall immediately disseminate to the Securities and Exchange Commission of Pakistan and the stock exchange on which its shares are listed all material information relating to the business and other affairs of the listed company that will affect the market price of its shares. Mode of dissemination of information shall be prescribed by the stock exchange on which shares of the company are listed.

This information may include but shall not be restricted to information regarding a joint venture, merger or acquisition or loss of any material contract; purchase or sale of significant assets; any unforeseen or undisclosed impairment of assets due to technological obsolescence, etc.; delay/ loss of production due to strike, fire, natural calamities, major breakdown, etc.; issue or redemption of any securities; a major change in borrowings including any default in repayment or rescheduling of loans; and change in directors, Chairman or CEO of the listed company.

RESPONSIBILITY FOR FINANCIAL REPORTING AND CORPORATE COMPLIANCE

(xxiv) No listed company shall circulate its financial statements unless the CEO and the CFO present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors and the Board, after consideration and approval, authorize the signing of financial statements for issuance and circulation.

(xxv) The Company Secretary of a listed company shall furnish a Secretarial Compliance Certificate, in the prescribed form, as part of the annual return filed with the Registrar of Companies to certify that the secretarial and corporate requirements of the Companies Ordinance, 1984 have been duly complied with.

DISCLOSURE OF INTEREST BY A DIRECTOR HOLDING COMPANY’S SHARES

(xxvi) Where any director, CEO or executive of a listed company or their spouses sell, buy or take any position, whether directly or indirectly, in shares of the listed company of which he is a director, CEO or executive, as the case may be, he shall immediately notify in writing the Company Secretary of his intentions. Such director, CEO or executive, as the case may be, shall also deliver a written record of the price, number of shares, form of share certificates (i.e. whether physical or electronic within the Central Depository System) and nature of transaction to the Company Secretary within four days of effecting the transaction. The notice of the director, CEO or executive, as the case may be, shall be presented by the Company Secretary at the meeting of the Board of Directors immediately subsequent to such transaction. In the event of default by a director, CEO or executive to give a written notice or deliver a written record, the Company Secretary shall place the matter before the Board of Directors in its immediate next meeting:

Provided that each listed company shall determine a closed period prior to the announcement of interim/ final results and any business decision, which may materially
affect the market price of its shares. No director, CEO or executive shall, directly or indirectly, deal in the shares of the listed company in any manner during the closed period.

AUDITORS NOT TO HOLD SHARES

(xxvii) All listed companies shall ensure that the firm of external auditors or any partner in the firm of external auditors and his spouse and minor children do not at any time hold, purchase, sell or take any position in shares of the listed company or any of its associated companies or undertakings:

Provided that where a firm or a partner or his spouse or minor child owns shares in a listed company, being the audit client, prior to the appointment as auditors, such listed company shall take measures to ensure that the auditors disclose the interest to the listed company within 14 days of appointment and divest themselves of such interest not later than 90 days thereof.

CORPORATE OWNERSHIP STRUCTURE

(xxviii) Every company which is proposed to be listed shall at the time of public offering, comply with the requirements of offer of shares to the general public as contained in the related Listing Regulations, unless the limit is relaxed by the stock exchange with the approval of Securities and Exchange Commission of Pakistan.

DIVESTITURE OF SHARES BY SPONSORS/CONTROLLING INTEREST

(xxix) In the event of divestiture of not less than 75% of the total shareholding of a listed company, other than a divestiture by non-resident shareholder(s) in favour of other non-resident shareholder(s) or a disinvestment through the process of privatization by the Federal or Provincial Government, at a price higher than the market value ruling at the time of divestiture, it shall be desirable and expected of the directors of the listed company to allow the transfer of shares after it has been ascertained that an offer in writing has been made to the minority shareholders for acquisition of their shares at the same price at which the divestiture of majority shares was contemplated. Where the offer price to minority shareholders is lower than the price offered for acquisition of controlling interest, such offer price shall be subject to the approval of the Securities and Exchange Commission of Pakistan.

AUDIT COMMITTEE

COMPOSITION

(xxx) The Board of Directors of every listed company shall establish an Audit Committee, which shall comprise not less than three members, including the chairman. Majority of the members of the Committee shall be from among the non-executive directors of the listed company and the chairman of the Audit Committee shall preferably
be a non-executive director. The names of members of the Audit Committee shall be disclosed in each annual report of the listed company.

**FREQUENCY OF MEETINGS**

(331) The Audit Committee of a listed company shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the listed company by its Board of Directors and before and after completion of external audit. A meeting of the Audit Committee shall also be held, if requested by the external auditors or the head of internal audit.

**ATTENDANCE AT MEETINGS**

(332) The CFO, the head of internal audit and a representative of the external auditors shall attend meetings of the Audit Committee at which issues relating to accounts and audit are discussed.

Provided that at least once a year, the Audit Committee shall meet the external auditors without the CFO and the head of internal audit being present.

Provided further that at least once a year, the Audit Committee shall meet the head of internal audit and other members of the internal audit function without the CFO and the external auditors being present.

**TERMS OF REFERENCE**

(333) The Board of Directors of every listed company shall determine the terms of reference of the Audit Committee. The Audit Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by the listed company’s shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the listed company in addition to audit of its financial statements. In the absence of strong grounds to proceed otherwise, the Board of Directors shall act in accordance with the recommendations of the Audit Committee in all these matters.

The terms of reference of the Audit Committee shall also include the following:

(a) determination of appropriate measures to safeguard the listed company’s assets;
(b) review of preliminary announcements of results prior to publication;
(c) review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors, focusing on:
   • major judgmental areas;
   • significant adjustments resulting from the audit;
   • the going -concern assumption;
   • any changes in accounting policies and practices;
   • compliance with applicable accounting standards; and
   • compliance with listing regulations and other statutory and regulatory requirements.
(d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
(e) review of management letter issued by external auditors and management’s response thereto;
(f) ensuring coordination between the internal and external auditors of the listed company;
(g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the listed company;
(h) consideration of major findings of internal investigations and management's response thereto;
i) ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
(j) review of the listed company’s statement on internal control systems prior to endorsement by the Board of Directors;
(k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
(l) determination of compliance with relevant statutory requirements;
(m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
(n) consideration of any other issue or matter as may be assigned by the Board of Directors.

REPORTING PROCEDURE

(xxxxiv) The Audit Committee of a listed company shall appoint a secretary of the Committee. The secretary shall circulate minutes of meetings of the Audit Committee to all members, directors and the CFO within a fortnight.

INTERNAL AUDIT

(xxxxv) There shall be an internal audit function in every listed company. The head of internal audit shall have access to the chair of the Audit Committee.

(xxxxvi) All listed companies shall ensure that internal audit reports are provided for the review of external auditors. The auditors shall discuss any major findings in relation to the reports with the Audit Committee, which shall report matters of significance to the Board of Directors.

EXTERNAL AUDITORS

(xxxxvii) No listed company shall appoint as external auditors a firm of auditors which has not been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan.

(xxxxviii) No listed company shall appoint as external auditors a firm of auditors which firm or a partner of which firm is non-compliant with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan.

(xxxxix) The Board of Directors of a listed company shall recommend appointment of external auditors for a year, as suggested by the Audit Committee. The recommendations of the Audit Committee for appointment of retiring auditors or otherwise shall be
included in the Directors’ Report. In case of a recommendation for change of external auditors before the elapse of three consecutive financial years, the reasons for the same shall be included in the Directors’ Report.

(xl) No listed company shall appoint its auditors to provide services in addition to audit except in accordance with the regulations and shall require the auditors to observe applicable IFAC guidelines in this regard and shall ensure that the auditors do not perform management functions or make management decisions, responsibility for which remains with the Board of Directors and management of the listed company.

(xli) (a) All companies (whether listed or otherwise) in the financial sector shall change their external auditors every five years. Financial sector, for this purpose, means Banks, Non-Banking Finance Companies (NBFCs), Modarabas and Insurance Companies; and (b) All listed companies other than those in the financial sector shall, at a minimum, rotate the engagement partner after every five years.

(xlii) No listed company shall appoint a person as the CEO, the CFO, an internal auditor or a director of the listed company who was a partner of the firm of its external auditors (or an employee involved in the audit of the listed company) at any time during the two years preceding such appointment or is a close relative, i.e. spouse, parents, dependents and nondependent children, of such partner (or employee).

(xliii) Every listed company shall require external auditors to furnish a Management Letter to its Board of Directors not later than 30 days from the date of audit report.

(xliv) Every listed company shall require a partner of the firm of its external auditors to attend the Annual General Meeting at which audited accounts are placed for consideration and approval of shareholders.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

(xlv) All listed companies shall publish and circulate a statement along with their annual reports to set out the status of their compliance with the best practices of corporate governance set out above.

(xlvi) All listed companies shall ensure that the statement of compliance with the best practices of corporate governance is reviewed and certified by statutory auditors, where such compliance can be objectively verified, before publication by listed companies.

(xlvii) Where the Securities and Exchange Commission of Pakistan is satisfied that it is not practicable to comply with any of the best practices of corporate governance in a particular case, the Commission may, for reasons to be recorded, relax the same subject to such conditions as it may deem fit.

### Appendix 6

**Comparison between absolute attributes before and after Islam**

<table>
<thead>
<tr>
<th>Absolute attributes after Islam</th>
<th>Absolute attributes before Islam</th>
</tr>
</thead>
</table>
| He is Allāh, One. (al - Qur’ān 112:1)  
meaning, He is the One, the Singular, Who has no peer, no assistant, no rival, no equal and none comparable to Him. | Self-existence. (Nature of God, 2009)  
God’s being is un-derived. His is a self-caused existence. His existence is independent of everything else. |
| Allāh As-Samad. (al - Qur’ān 112:2)  
meaning, He is the One Who is perfect in all aspects of nobility and authority. | Immutability. (Nature of God, 2009)  
Immutability defines God as unchangeable in His nature and purposes. |
| He begets not, nor was He begotten. (al - Qur’ān 112:3) meaning, He does not have any child, parent or spouse. | Holiness. (Nature of God, 2009)  
The holiness of God is His perfect moral and spiritual excellence. |
| And there is none comparable to Him. (al - Qur’ān 112:4) meaning, there is none similar to Him, none equal to Him and there is nothing at all like Him. | Infinity. (Ayers, 2006)  
Infinity is an absolute attribute of God. |
# Appendix 7

## List of Textile Companies

<table>
<thead>
<tr>
<th>Mills Name</th>
<th>Address</th>
<th>Phone</th>
<th>Fax</th>
<th>Email</th>
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<tr>
<td>A. J. SPINNING MILLS PVT LTD.</td>
<td>90-B, INDUSTRIAL AREA, JAMRUD ROAD PESHAWAR</td>
<td>0092-091-5815687-5818987-5822709</td>
<td>0092-091-5837646-5812806</td>
<td><a href="mailto:ajtm@brain.net.pk">ajtm@brain.net.pk</a></td>
</tr>
<tr>
<td>A. A COTTON MILLS LTD</td>
<td>BR 1/61, SOORTI MANSION, NEW NEHAM ROAD, KHAHARADAR</td>
<td>0092-21-111-313-131</td>
<td>0092-21-2311313</td>
<td><a href="mailto:aacotton@cyber.net.pk">aacotton@cyber.net.pk</a></td>
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<tr>
<td>A. A SPINNING MILLS LTD</td>
<td>61 ASKARI VILLAS, SARWAR SHAHEED ROAD LAHORE CANT</td>
<td>092-042-6666890</td>
<td>0</td>
<td><a href="mailto:info@aaspk.com">info@aaspk.com</a></td>
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<tr>
<td>A. J TEXTILE MILLS LTD</td>
<td>90-B INDUSTRIAL ESTATE JAMRUD ROAD PESHAWAR</td>
<td>0092-91-5815687-5818987-5822709</td>
<td>0092-91-5837646-5812806</td>
<td><a href="mailto:ajtm.pes@azizgrp.com">ajtm.pes@azizgrp.com</a></td>
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<tr>
<td>A. L. TEXTILES (PVT.) LIMITED</td>
<td>130 INDUSTRIAL ESTATE KOT LAKHPAT LAHORE</td>
<td>0092-42-5140591-2</td>
<td>0092-42-5140593</td>
<td><a href="mailto:altextiles@brain.net.pk">altextiles@brain.net.pk</a></td>
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<tr>
<td>ABU BAKAR TEXTILE MILLS</td>
<td>2ND FLOOR, COMPSI BUILDING, BARKAT MARKET NEW GARDEN TOWN LAHORE</td>
<td>0092-42-5889902-03</td>
<td>0092-42-5889704</td>
<td><a href="mailto:abutex@brain.net.pk">abutex@brain.net.pk</a></td>
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<tr>
<td>ACRO TEXTILE MILLS LTD</td>
<td>106/3, SAINT JOHNS PARK LAHORE</td>
<td>0092-42-6617120-21</td>
<td>0092-42-6617122</td>
<td><a href="mailto:rehman@acrotexlite.com">rehman@acrotexlite.com</a></td>
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<td>ADNAN TEXTILE MILLS (PVT) LIMITED</td>
<td>F-43, SITE KARACHI</td>
<td>0092-21-2562878-79,2568141</td>
<td>0092-21-2568144-2563168</td>
<td><a href="mailto:yarn@cyber.net.pk">yarn@cyber.net.pk</a></td>
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<td>AHMAD DIN TEXTILE MILLS (PVT) LTD</td>
<td>PULL KORIAN SAMUDRI ROAD FAISALABAD</td>
<td>0092-41-2667571</td>
<td>0092-41-2660626</td>
<td><a href="mailto:ahmaddin@lcci.comsats.net.pk">ahmaddin@lcci.comsats.net.pk</a></td>
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<tr>
<td>AHMED FINE TEXTILE MILLS LTD</td>
<td>1ST FLOOR, INTERNATIONAL PLAZA, BOHRA STREET, MULTAN CANTT</td>
<td>0092-61-4586771-2</td>
<td>0092-61-4589121</td>
<td><a href="mailto:rehman@fazalcloth.com">rehman@fazalcloth.com</a></td>
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<tr>
<td>AHMED ORINTAL TEXTILE MILLS LTD</td>
<td>21-B BANGLORE TOWN BLOCK 7 &amp; 8 SHAHRA -E- FAISAL KARACHI</td>
<td>0092-21-4539965-4539967-4539986</td>
<td>0092-21-4541979</td>
<td><a href="mailto:naveena@cyber.net.pk">naveena@cyber.net.pk</a></td>
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<td>AKRAM INDUSTRIES LIMITED</td>
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<td><a href="mailto:akram@lcci.org.pk">akram@lcci.org.pk</a>, <a href="mailto:ali@brain.net.pk">ali@brain.net.pk</a></td>
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<tr>
<td>AL NASR TEXTILES LTD</td>
<td>29 SHADMAN II, LAHORE</td>
<td>0092-42-111-888-600</td>
<td>0092-42-7575531</td>
<td><a href="mailto:ant@pakkuwait.com">ant@pakkuwait.com</a></td>
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<td>AL QADIR TEXTILE MILLS LTD</td>
<td>RAJA HOUSE NEAR MAKKI MASJID, CHAKWAL</td>
<td>0092-543-540830-33</td>
<td>0092-543-540834</td>
<td>al.qadirtext@ yahoo.com</td>
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<tr>
<td>ALAM COTTON MILLS (PVT) LTD</td>
<td>6 KM RAIWIND MANGA ROAD LAHORE</td>
<td>0092-42-5712353-55</td>
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<td><a href="mailto:aliamcotton@wol.net.pk">aliamcotton@wol.net.pk</a></td>
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<td>ALI AKBAR SPINNING MILLS LTD</td>
<td>16/2, MAIN GULBERG LAHORE</td>
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<td>AL-KARAM TEXTILE MILLS (PVT) LTD</td>
<td>3RD FLOOR KARACHI DOCK LABOUR BOARD BUILDING 58 WEST WHARF ROAD KARACHI</td>
<td>0092-21-2313031-35</td>
<td><a href="mailto:headoffice@alkaram.com">headoffice@alkaram.com</a></td>
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<tr>
<td>ALLAWASAYA TEXTILE &amp; FINISHING MILLS LTD</td>
<td>ALLAWASAYA SQUARE, MUMTAZABAD INDUSTRIAL AREA, VEHARI ROAD MULTAN</td>
<td>0092-61-4233624-26</td>
<td><a href="mailto:atm@allawasaya.com">atm@allawasaya.com</a></td>
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<td>AMER COTTON MILLS (PVT) LTD</td>
<td>7- AK, MIAN BOULEVARD GULBERG-II, LAHORE</td>
<td>92-042-111-000-100</td>
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<td>THE FORUM SUITE # 323, G-20, KHAYABAN-E-JAMI, BLOCK 9 CLIFTON KARACHI</td>
<td>0092-21-111-111-APOLLO, 5369051-9</td>
<td><a href="mailto:info@apollotextile.com">info@apollotextile.com</a>, <a href="mailto:yarn@apollotextile.com">yarn@apollotextile.com</a></td>
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<tr>
<td>ARSHAD CORPORATION (PVT) LTD</td>
<td>404/5 4TH FLOOR BUSINESS CENTRE DUNALLY ROAD KARACHI</td>
<td>0092-21-2412814-2412815</td>
<td>arshcorpsarhadgroup.com</td>
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<td>ARSHAD TEXTILE MILLS LTD</td>
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<td>0092-21-2411236</td>
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<td>ARUJ TEXTILE MILLS LTD</td>
<td>40-A LAWRENCE ROAD LAHORE</td>
<td>0092-42-111-777-123</td>
<td><a href="mailto:chanar@nexlmx.net.pk">chanar@nexlmx.net.pk</a></td>
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<td>ASHER IMRAN SPINNING MILLS (PVT) LTD</td>
<td>45- INDUSTRIAL ESTATE, KOT LAKHPAT, TOWNSHIP LAHORE</td>
<td>0092-42-111-000-045</td>
<td><a href="mailto:comfort@ckl.com.pk">comfort@ckl.com.pk</a></td>
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<td>ASHIANA COTTON PRODUCTS LTD</td>
<td>29, SHADMAN II LAHORE</td>
<td>0092-42-7589749-7573620</td>
<td><a href="mailto:aopl@ashianamills.com">aopl@ashianamills.com</a></td>
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<td>ASIM TEXTILE MILLS LTD</td>
<td>16-C PEOPLES COLONY, FAISALABAD</td>
<td>0092-41-111-25-26-27, 041-8721953-6</td>
<td><a href="mailto:sales@national-group.com">sales@national-group.com</a></td>
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<td>ASLAM TEXTILE MILLS LTD</td>
<td>PULL KORIAN SAMUNDRI ROAD FAISALABAD</td>
<td>0092-41-2667571-3</td>
<td><a href="mailto:aslantex@fsd.comsats.net.pk">aslantex@fsd.comsats.net.pk</a></td>
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<td>AYESHA TEXTILE MILLS LTD</td>
<td>97-B GULBERG 2, LAHORE</td>
<td>0092-42-5756707-5756710-5873702</td>
<td><a href="mailto:ayeshatex@brain.net.pk">ayeshatex@brain.net.pk</a></td>
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<td>AZAM TEXTILE MILLS LTD</td>
<td>17- AZIZ AVENUE, CANAL BANK, GULBERG-V LAHORE</td>
<td>0092-42-5715029-31</td>
<td><a href="mailto:azamsaritow@saigols.com">azamsaritow@saigols.com</a></td>
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<td>AZGARD NINE LIMITED</td>
<td>ISMAIL-AIWAN-E-SCIENCE, FEROZEPUR ROAD LAHORE</td>
<td>0092-42-5764164-5761794-111-786-645</td>
<td><a href="mailto:ahmed@azgard9.com">ahmed@azgard9.com</a>; <a href="mailto:rizwan@azgard9.com">rizwan@azgard9.com</a></td>
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<td>Company Name</td>
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<td>BABRI COTTON MILLS LTD</td>
<td>HABIBABAD KOHAT</td>
<td>0092-922-516334-512931-510323</td>
<td><a href="mailto:bcmkohat@hotmail.com">bcmkohat@hotmail.com</a></td>
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<td>BARKAT TEXTILE MILLS LTD</td>
<td>135 THE UPPER MALL, LAHORE</td>
<td>0092-42-5756623-28</td>
<td><a href="mailto:barkatex@wol.net.pk">barkatex@wol.net.pk</a></td>
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<td>BASHIR COTTON MILLS (PVT) LTD</td>
<td>97-B GULBERG-II LAHORE</td>
<td>0092-42-5717113</td>
<td><a href="mailto:bashirt@brain.net.pk">bashirt@brain.net.pk</a></td>
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<td>BHERANER TEXTILE MILLS LTD</td>
<td>UMER CHAMBERS,10/2 BILMORIA STREET OFF I1 CHUNDIRGAR ROAD KARACHI</td>
<td>0092-21-2635916-7</td>
<td><a href="mailto:khioff@umergroup.com">khioff@umergroup.com</a></td>
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<td>BILAL FIBRES LIMITED</td>
<td>P 834, BILAL PLAZA, LIAQUAT ROAD, FAISALABAD</td>
<td>0092-42-2613501</td>
<td><a href="mailto:bilaltex@fsd.comsats.net.pk">bilaltex@fsd.comsats.net.pk</a></td>
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<td>BILAL SPINNING MILLS LIMITED.</td>
<td>88-A, MAIN GULBERG LAHORE</td>
<td>0092-42-877057-259,5716134-5716135-5</td>
<td><a href="mailto:info@btlspinning.com">info@btlspinning.com</a></td>
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<td>BISMA TEXTILE MILLS LIMITED.</td>
<td>Q-279, COMMERCIAL AREA PHASE II, DHA LAHORE CANTT</td>
<td>0092-42-5896346-8</td>
<td><a href="mailto:bisma@bismatextile.com.pk">bisma@bismatextile.com.pk</a></td>
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<td>BLESSED TEXTILES LIMITED.</td>
<td>UMER CHAMBER,10/2 BILMORIA STREET OFF I1 CHUNDIRGAR ROAD KARACHI</td>
<td>0092-21-2635916-17</td>
<td><a href="mailto:kioff@umergroup.com">kioff@umergroup.com</a></td>
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<tr>
<td>CA TEXTILE MILLS (PVT) LTD</td>
<td>11, AURAMGEZEB BLOCK, NEW GARDEN TOWN LAHORE</td>
<td>0092-42-5839634-6</td>
<td><a href="mailto:ca@khayabangroup.com">ca@khayabangroup.com</a></td>
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<td>CHAKWAL SPINNING MILLS LTD</td>
<td>KASHANA-E-YOUSAF KHAWAJA STREET CHAKWAL</td>
<td>0092-543-50850-50950</td>
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<td>CHENAB LIMITED</td>
<td>NISHATABAD, FAISALABAD</td>
<td>0092-41-8754472-78</td>
<td><a href="mailto:latif@chenabgroup.com">latif@chenabgroup.com</a></td>
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<td>CHINJOT TEXTILE MILLS LTD</td>
<td>45-50 INDUSTRIAL AREA, GULBERG III LAHORE</td>
<td>0092-42-5756181-3</td>
<td><a href="mailto:agee@brain.net.pk">agee@brain.net.pk</a></td>
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<td>CNC TEXTILES (PVT) LTD</td>
<td>88/2 BLOCK J, MODEL TOWN LAHORE</td>
<td>0092-42-5889851-3</td>
<td><a href="mailto:cnctextiles@nexlinx.net.pk">cnctextiles@nexlinx.net.pk</a></td>
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<td>COLONY INDUSTRIES (PVT) LTD</td>
<td>M.ISMAIL, AIWAN-E-SCIENCE BUILDING, FEROZEPUR ROAD LAHORE</td>
<td>0092-42-111-265-669</td>
<td><a href="mailto:info.cil@colonygroup.com">info.cil@colonygroup.com</a></td>
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<td>COLONY TEXTILE MILLS LTD</td>
<td>M.ISMAIL AIWAN-I-SCIENCE SHAHRA-I-JALALUDDIN RUMI FEROZEPUR ROAD LAHORE</td>
<td>0092-42-5758970-2</td>
<td><a href="mailto:mahboob.ahmed@colonygroup.com">mahboob.ahmed@colonygroup.com</a></td>
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<td>COMFORT KNITWEARS (PVT) LIMITED</td>
<td>45 INDUSTRIAL ESTATE, KOT LAKHAPAT LAHORE</td>
<td>0092-42-111-000-045, 5114901-6</td>
<td><a href="mailto:comfort@ckl.com.pk">comfort@ckl.com.pk</a></td>
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<td>CRESCEMT BAHUMAN LIMITED</td>
<td>40-A OFF ZAFAR ALI ROAD, GULBERG V, LAHORE</td>
<td>0092-42-111-245-245</td>
<td><a href="mailto:mailho@crescentbahuman.com">mailho@crescentbahuman.com</a></td>
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<td>CRESCEMT COTTON PRODUCTS</td>
<td>9TH FLOOR, SIDCO AVENUE CENTRE 264 R.A LINES KARACHI</td>
<td>0092-21-5686168-5674881-5</td>
<td><a href="mailto:ahsansaleem@crescent.com.pk">ahsansaleem@crescent.com.pk</a></td>
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<td>CRESCEMT FIBRES LIMITED</td>
<td>104 SHADMAN-I LAHORE</td>
<td>0092-42-7576482-7579641</td>
<td><a href="mailto:lo@crescentfibres.com">lo@crescentfibres.com</a>; <a href="mailto:cresbrd@wol.net.pk">cresbrd@wol.net.pk</a></td>
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<td>Company Name</td>
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<td>CRESCENT SUGAR MILLS &amp; DISTILLERY LTD</td>
<td>NISHATABAD, FAISALABAD</td>
<td>0092-41-8750363-64, 0092-41-8750366</td>
<td><a href="mailto:naveed@crescentsugar.com">naveed@crescentsugar.com</a>, <a href="mailto:info@crescentsugar.com">info@crescentsugar.com</a></td>
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<td>CRESCENT TEXTILE MILLS LTD</td>
<td>40-A OFF ZAFAR ALI ROAD, GULBERG-V LAHORE</td>
<td>0092-42-111-245-245, 0092-42-111-222-245</td>
<td><a href="mailto:crestex@ctm.com.pk">crestex@ctm.com.pk</a></td>
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<td>CRESCENT UJAVA LTD</td>
<td>CRESCENT STANDARD TOWER, 10TH FLOOR MAIN BOULEVARD GULBERG III LAHORE</td>
<td>0092-42-5783801-4, 0092-42-5870357</td>
<td><a href="mailto:zaka@shakarganj.com.pk">zaka@shakarganj.com.pk</a></td>
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<td>D.M. TEXTILE MILLS LIMITED</td>
<td>WESTRIDGE RAWALPINDI</td>
<td>0092-51-5476910-5480156, 0092-51-5472755</td>
<td><a href="mailto:dmtm@dmttextile.com.pk">dmtm@dmttextile.com.pk</a></td>
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<td>D.S. TEXTILE MILLS LTD</td>
<td>20 K GULBERG II LAHORE</td>
<td>0092-42-870816-18, 0092-42-5710312</td>
<td><a href="mailto:dmtgm@apollo.net.pk">dmtgm@apollo.net.pk</a></td>
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<td>SERVIS HOUSE, 2 MAIN GULBERG LAHORE</td>
<td>0092-42-5751990-94, 0092-42-5712109</td>
<td><a href="mailto:arif@servis.com">arif@servis.com</a></td>
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<td>DAWOOD SPINNING MILLS (PVT) LTD</td>
<td>46 NISHTAR ROAD,(BRANDRETH) ROAD LAHORE</td>
<td>0092-42-7675315-7, 0092-42-7463195</td>
<td><a href="mailto:imrand@pakasiagroup.com">imrand@pakasiagroup.com</a></td>
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<td>DEWAN FAROOQUE SPINNING MILLS LTD</td>
<td>DEWAN CENTRE, 3-A LALAZAR, BEACH LUXURY HOTEL ROAD KARACHI</td>
<td>0092-21-111-313-786, 0092-21-5611301</td>
<td><a href="mailto:dfsml@dewangroup.com.pk">dfsml@dewangroup.com.pk</a></td>
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<td>0092-21-111-313-786, 0092-21-5610245</td>
<td><a href="mailto:gmk1n@dewangroup.com.pk">gmk1n@dewangroup.com.pk</a></td>
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<td>DIAMOND FABRICS LIMITED</td>
<td>7-A/K, MAIN BOULEVARD, GULBERG II LAHORE</td>
<td>0092-42-111-000-100, 0092-42-5758783-5713753</td>
<td><a href="mailto:info@sapphire.com.pk">info@sapphire.com.pk</a></td>
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<td>DIAMOND INTERNATIONAL CORPORATION LTD</td>
<td>702, UNI TOWER, I.I CHUNDRIGAR ROAD, KARACHI</td>
<td>0092-21-2410663-4-2417975, 0092-21-2416645-2414396</td>
<td><a href="mailto:nps@fascom.com">nps@fascom.com</a>,<a href="mailto:dicl@fascom.com">dicl@fascom.com</a></td>
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<td>DIN TEXTILE MILLS LTD</td>
<td>DIN HOUSE, 35-A/1 LALAZAR AREA OPP BEACH LUXURY HOTEL KARACHI</td>
<td>0092-21-5610009-5610455, 0092-21-5610001-02-03</td>
<td><a href="mailto:dingroup@dingroup.com">dingroup@dingroup.com</a></td>
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<td>DOSTSONS COTTON MILLS (PVT) LTD</td>
<td>101 CHAPAL PLAZA, HASRAT MOHANI ROAD, KARACHI</td>
<td>092-021-2429339, 092-021-2423252</td>
<td><a href="mailto:sales@dostsons.com">sales@dostsons.com</a>; <a href="mailto:ho@dostsons.com">ho@dostsons.com</a></td>
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<td>EASTERN SPINNING MILLS LTD</td>
<td>10-A, BLOCK-L, GULBERG-III, FEROZPUR ROAD LAHORE</td>
<td>0092-42-5885171-172, 0092-42-5839572-5861346</td>
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<td>EJAZ TEXTILE MILLS LTD</td>
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<td>0092-42-111-699-699, 0092-42-5712563</td>
<td><a href="mailto:akhattak@ejazgroup.com">akhattak@ejazgroup.com</a></td>
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<td>ELLCOT SPINNING MILLS LTD</td>
<td>NAGINA HOUSE, 91-B-1M.M ALAM ROAD GULBERG III LAHORE</td>
<td>0092-42-5754811-6-5756270-78, 0092-42-5711856-5753820</td>
<td><a href="mailto:info@nagina.com">info@nagina.com</a></td>
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<td>EMPIRE TEXTILE MILLS (PVT) LTD</td>
<td>163-M, JOHAR TOWN LAHORE</td>
<td>0092-42-5301590-91, 0092-42-5301592</td>
<td><a href="mailto:empire@go.net.pk">empire@go.net.pk</a></td>
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<td>FAISAL ASAD TEXTILE MILLS LIMITED</td>
<td>195/ 1-D, MODEL TOWN LAHORE</td>
<td>0092-42-5865147, 0092-42-5865147</td>
<td><a href="mailto:faisal-asad@hotmail.com">faisal-asad@hotmail.com</a></td>
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<td>FAISAL SPINNING MILLS LTD</td>
<td>UMER CHAMBERS,10/2 BILMORIA STREET OFF I.I CHUNDRIGAR ROAD KARACHI</td>
<td>0092-21-2635916-7, 0092-21-2637826</td>
<td><a href="mailto:khioff@umergroup.com">khioff@umergroup.com</a></td>
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<td><strong>FATEH TEXTILE MILLS LTD</strong></td>
<td>A/4, HALI ROAD SITE HYDERABAD</td>
<td>0092-22-3880463-66, 3880700-01</td>
<td><a href="mailto:fatehmills@aol.com">fatehmills@aol.com</a>, <a href="mailto:fatehmills@fatehmills.com">fatehmills@fatehmills.com</a></td>
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<td><strong>FATIMA ENTERPRISES LTD.</strong></td>
<td>78/78-A, BOHRA STREET SADDAH BAZAR MULTAN CANTT</td>
<td>0092-61-4582621-2,4586926,4547624</td>
<td><a href="mailto:intimaz@fatima.com.pk">intimaz@fatima.com.pk</a></td>
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<td><strong>FAWAD TEXTILE MILLS LTD</strong></td>
<td>6 F, BLOCK H, GULBERG II LAHORE</td>
<td>0092-42-5765478-5763967-5764774</td>
<td><a href="mailto:ftml@brain.net.pk">ftml@brain.net.pk</a></td>
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<td><strong>FAYAKUN TEXTILE MILLS (PVT) LTD</strong></td>
<td>D-287, KDA SCHEME 1 (A), STADIUM ROAD, KARACHI</td>
<td>0092-21-4919727-4943541</td>
<td><a href="mailto:fayakuntexiletextile@cyber.net.pk">fayakuntexiletextile@cyber.net.pk</a></td>
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<td><strong>FAZAL CLOTH MILLS LTD</strong></td>
<td>129-1 OLD BAHAWALPUR ROAD OPP: TCS COURIER OFFICE, MULTAN</td>
<td>0092-61-4573338-9</td>
<td><a href="mailto:muntaz@fazal-group.com">muntaz@fazal-group.com</a>, <a href="mailto:arshad@fazal-group.com">arshad@fazal-group.com</a></td>
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<tr>
<td><strong>FAZAL TEXTILE MILLS LTD</strong></td>
<td>1-A-2/B BLOCK 21 F.B AREA KARACHI</td>
<td>0092-21-6322048-6321311-6320641</td>
<td><a href="mailto:export@fazaltextile.com">export@fazaltextile.com</a></td>
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<td><strong>FRIENDSHIP TEXTILE MILLS (PVT) LTD</strong></td>
<td>B-4/A SITE KARACHI</td>
<td>0092-21-2567890</td>
<td><a href="mailto:sales@fti.com.pk">sales@fti.com.pk</a></td>
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<td><strong>GAADOON TEXTILE MILLS LTD</strong></td>
<td>APTMA HOUSE TEHKAL PAYAN JAMMRUD ROAD PESHAWAR</td>
<td>0092-91-5701496</td>
<td><a href="mailto:gadoon@cyber.net.pk">gadoon@cyber.net.pk</a></td>
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<td><strong>GALAXY TEXTILE MILLS LTD</strong></td>
<td>310 INDUSTRIAL TOWN PLAZA, SHAHR-E-LIAQAT, KARACHI</td>
<td>0092-21-2465334</td>
<td><a href="mailto:gtm10@hotmail.com">gtm10@hotmail.com</a>, <a href="mailto:galaxyltextiles@worldcall.net.pk">galaxyltextiles@worldcall.net.pk</a></td>
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<td><strong>GHAZI FABRICS INTERNATIONAL LTD</strong></td>
<td>8-C, BLOCK E-III, GULBERG III LAHORE</td>
<td>0092-42-5764026-28</td>
<td><a href="mailto:yarn@ghazifabrics.com">yarn@ghazifabrics.com</a>, <a href="mailto:fabric@ghazifabrics.com">fabric@ghazifabrics.com</a></td>
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<tr>
<td><strong>GLAMOUR TEXTILE MILLS LTD</strong></td>
<td>11 KM MANGA RAIWIND ROAD, TEHSIL AND DISTT KASUR</td>
<td>0092-42-5392795-5392794</td>
<td><a href="mailto:glmr@wol.net.pk">glmr@wol.net.pk</a></td>
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<td><strong>GOLDEN TEXTILE MILLS LTD.</strong></td>
<td>213-214 UNI PLAZA, I.I CHUNDRIGAR ROAD KARACHI</td>
<td>0092-21-2413395-2418537-7011276-7</td>
<td><a href="mailto:gtm1_khi@hotmail.com">gtm1_khi@hotmail.com</a></td>
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<td><strong>GOOD LUCK TEXTILE MILLS (PVT) LTD</strong></td>
<td>7/9 SHARJAH TRADE CENTRE SHAHRAH -E-LIAQAT KARACHI</td>
<td>0092-21-2400445-7</td>
<td><a href="mailto:goodluck1@cyber.net.pk">goodluck1@cyber.net.pk</a></td>
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<td><strong>GREENHOUSE SPINNING MILLS LTD</strong></td>
<td>157 INDUSTRIAL AREA KOT LAKHPAT LAHORE</td>
<td>092-042-5153098-99, 5150780</td>
<td><a href="mailto:sh_ashraf_gsm@hotmail.com">sh_ashraf_gsm@hotmail.com</a>, <a href="mailto:amjediqbal@hotmail.com">amjediqbal@hotmail.com</a></td>
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<td><strong>GUL AHMED TEXTILE MILLS LTD</strong></td>
<td>PLOT NO 82 MAIN NATIONAL HIGHWAY,LANDHI KARACHI</td>
<td>0092-21-111-485-485,111-486-486</td>
<td><a href="mailto:gulahmed@gulahmed.com">gulahmed@gulahmed.com</a></td>
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<td><strong>GULISTAN FIBERS LIMITED</strong></td>
<td>58 MAIN GULBERG, LAHORE</td>
<td>0092-42-111-200-000</td>
<td><a href="mailto:info@gulistangroup.com.pk">info@gulistangroup.com.pk</a>; <a href="mailto:khi@gulistangroup.com.pk">khi@gulistangroup.com.pk</a></td>
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<td><strong>GULISTAN SPINNING MILLS LTD</strong></td>
<td>2ND FLOOR, FINLAY HOUSE I.I CHUNDRIGAR ROAD, KARACHI</td>
<td>0092-21-111-200-000</td>
<td><a href="mailto:khi@gulistangroup.com.pk">khi@gulistangroup.com.pk</a>; <a href="mailto:khi@gulistangroup.com.pk">khi@gulistangroup.com.pk</a></td>
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<td><strong>GULISTAN TEXTILE MILLS LTD.( UNIT: 1-4 )</strong></td>
<td>2ND FLOOR, FINLAY HOUSE, I.I.CHUNDRIGAR ROAD, KARACHI</td>
<td>0092-21-111-200-000,2419943</td>
<td><a href="mailto:khi@gulistangroup.com.pk">khi@gulistangroup.com.pk</a>; <a href="mailto:khi@gulistangroup.com.pk">khi@gulistangroup.com.pk</a></td>
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<td><strong>GULISTAN TEXTILE (UNIT: 2-3)</strong></td>
<td>2ND FLOOR, FINLAY HOUSE, I.I.CHUNDRIGAR ROAD KARACHI</td>
<td>0092-21-111-200-000</td>
<td><a href="mailto:info@gulistangroup.com.pk">info@gulistangroup.com.pk</a>; <a href="mailto:khi@gulistangroup.com.pk">khi@gulistangroup.com.pk</a></td>
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<td><strong>GULSHAN SPINING MILLS LTD</strong></td>
<td>2ND FLOOR, FINLAY HOUSE , I.I.CHUNDRIGAR ROAD KARACHI</td>
<td>0092-21-111-200-000, 2419943</td>
<td><a href="mailto:gulstan@gulstan.com.pk">gulstan@gulstan.com.pk</a></td>
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<td>HABIB HASEEB SPINNING MILLS LTD</td>
<td>IST FLOOR, SAIGOL PLAZA, STREET #1, MONTGOMERY BAZAR FAISALABAD</td>
<td>0092-41-2602451-4, 0092-41-2602450</td>
<td><a href="mailto:hhsmil@hotmail.com">hhsmil@hotmail.com</a></td>
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<td>HATTAR TEXTILE MILL (PVT) LTD</td>
<td>C-5, PARK ROAD, CHAKSHEHZAD, ISLAMABAD</td>
<td>0092-51-2248446, 2248447, 2248448</td>
<td><a href="mailto:hattartm@brain.net.pk">hattartm@brain.net.pk</a></td>
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<td>HIRA TEXTILE MILLS LTD</td>
<td>44-E/1 GULBERG III LAHORE</td>
<td>0092-42-5714191-94, 0092-42-5710048</td>
<td><a href="mailto:hira@hiramills.com.pk">hira@hiramills.com.pk</a></td>
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<td>HUSSAIN MILLS LTD</td>
<td>ROOM NO 808, 8TH FLOOR, SAMIRA TRADE TOWER, I CHUNDERJIRI ROAD KARACHI</td>
<td>0092-21-2217325-29, 0092-21-2210213</td>
<td><a href="mailto:info@hussaingroup.com">info@hussaingroup.com</a></td>
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<td>IBRAHIM FIBRES LIMITED</td>
<td>IBRAHIM CENTRE, 1-A, AHMED BLOCK, NEW GARDEN TOWN LAHORE</td>
<td>0092-42-5869151, 0092-42-5864915</td>
<td><a href="mailto:info@igc.com.pk">info@igc.com.pk</a>, <a href="mailto:info@igepk.com">info@igepk.com</a></td>
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<td>ICC TEXTILES LIMITED</td>
<td>242-A ANAND ROAD, UPPER MALL LAHORE</td>
<td>0092-42-5751765, 5754052, 5754051, 0092-42-5712594-5789206</td>
<td><a href="mailto:icctex@wol.net.pk">icctex@wol.net.pk</a></td>
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<td>IDEAL SPINNING MILLS LTD</td>
<td>1088/2 JAIL ROAD, FAISALABAD</td>
<td>0092-41-2634902, 0092-41-626833</td>
<td><a href="mailto:idealsml@hotmail.com">idealsml@hotmail.com</a></td>
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<td>IDREES TEXTILE MILLS LTD</td>
<td>6-C ISMAIL CENTRE, IST FLOOR, CENTRAL COMMERCIAL AREA BAHADURABAD KARACHI</td>
<td>0092-21-4940026-30, 0092-21-4931558</td>
<td><a href="mailto:ideaste@textile.com">ideaste@textile.com</a></td>
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<td>IHSAN COTTON PRODUCTS (PVT) LTD</td>
<td>3RD FLOOR, IHSAN CHAMBER, A-37, BLOCK 7&amp;8 C.C. AREA KCHSU SHAHRAH-E-FAISAL</td>
<td>0092-42-4520082-87, 0092-21-4520088-9</td>
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<td>IHSAN RAIWIND MILLS PVT LTD</td>
<td>3RD FLOOR, IHSAN CHAMBER, A-37, BLOCK 7&amp;8 C.C. AREA KCHSU SHAHRAH-E-FAISAL</td>
<td>0092-42-4520082-87, 0092-21-4520088-99</td>
<td><a href="mailto:ringyarns@ihsanpakistan.com">ringyarns@ihsanpakistan.com</a></td>
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<td>IMPERIAL TEXTILE MILLS LTD</td>
<td>4TH FLOOR, INSTITUTION ENGINEERS OF PAKISTAN BUILDING, 97-B/D-1 GULBERG III</td>
<td>0092-42-8754011-8754012, 0092-42-8754013</td>
<td><a href="mailto:imperial@fsd.paknet.com.pk">imperial@fsd.paknet.com.pk</a></td>
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<td>INDUS DYEING &amp; MANUFACTURING CO LTD</td>
<td>508, 5TH FLOOR BEAUMONT PLAZA, BEAUMONT ROAD, CIVIL LINE KARACHI</td>
<td>0092-21-111-404-404, 5693641-60, 0092-21-5693593-5693594</td>
<td><a href="mailto:info@indus-group.com">info@indus-group.com</a></td>
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<td>INTERNATIONAL TEXTILE LTD</td>
<td>205-206 PARK TOWERS, SHAHIRE FIRDOUSI CLIFTON KARACHI</td>
<td>0092-21-5832929, 0092-21-5830400</td>
<td><a href="mailto:sales@internationaltextile.com">sales@internationaltextile.com</a></td>
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<td>ISHAQ TEXTILE MILLS LIMITED</td>
<td>404-405 4TH FLOOR BUSINESS CENTRE DUNALLY ROAD KARACHI</td>
<td>0092-21-2411236, 0092-21-2419187</td>
<td><a href="mailto:arshadcorp@cyber.net.pk">arshadcorp@cyber.net.pk</a></td>
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<td>ISLAND TEXTILE MILLS LTD</td>
<td>8, 8TH FLOOR TEXTILE PLAZA M.A. JINNAH ROAD KARACHI</td>
<td>0092-21-2426761-2, 2412955-56-57</td>
<td><a href="mailto:headoffice@tatatex.com">headoffice@tatatex.com</a></td>
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<td>J.K. FIBRE MILLS LTD.</td>
<td>3-1/A PEOPLES COLONY FAISALABAD</td>
<td>0092-41-111-15-15-15, 0092-41-111-16-16, 711899</td>
<td><a href="mailto:jkgroup@fsd.comsats.net.pk">jkgroup@fsd.comsats.net.pk</a>, <a href="mailto:jkgroup@jkgroup.net">jkgroup@jkgroup.net</a></td>
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<td>J.A TEXTILE MILLS LTD</td>
<td>16-C PEOPLES COLONY, FAISALABAD</td>
<td>0092-41-111-25-26-27, 8721953-06</td>
<td><a href="mailto:sales@national-group.com">sales@national-group.com</a></td>
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<td>J.K SPINNING MILLS LTD</td>
<td>3-1/A PEOPLES COLONY JARANWALA ROAD FAISALABAD</td>
<td>0092-41-111-15-15-15, 0092-41-111-16-16, 711899</td>
<td><a href="mailto:jkgroup@jkgroup.net">jkgroup@jkgroup.net</a>, <a href="mailto:jkgroup@fsd.comsats.net.pk">jkgroup@fsd.comsats.net.pk</a></td>
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<td>JAMHOOR TEXTILE MILLS LTD</td>
<td>MONNOO HOUSE, 3 MONTGOMERY ROAD LAHORE</td>
<td>0092-42-6364412-15, 6314694, 0092-42-6364431</td>
<td><a href="mailto:uiqtm@monnoo.com">uiqtm@monnoo.com</a></td>
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<td>JANANA DE MULUCHO</td>
<td>JANANA DE MULUCHO TEXTILE MILLS LTD,</td>
<td>0092-922-510063-, 0092-922-51047</td>
<td><a href="mailto:janana@brain.net.pk">janana@brain.net.pk</a></td>
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<td>TEXTILE MILLS LTD</td>
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<td>JUBILEE SPINNING &amp; WEAVING MILLS LTD</td>
<td>40, A OFF ZAFAR ALI ROAD GULBERG V LAHORE</td>
<td>0092-42-111-245-245, 0092-42-111-222-245 <a href="mailto:jubilee@resplus.com">jubilee@resplus.com</a>; <a href="mailto:shamsrafi@resplus.com">shamsrafi@resplus.com</a></td>
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<td>KASSIM TEXTILES (PVT) LTD.</td>
<td>PLOT NO 62, 25 KM MAIN NATIONAL HIGHWAY LANDHI KARACHI</td>
<td>0092-21-5021160-4, 111-786-101 <a href="mailto:kinfo@kassimdenim.com">kinfo@kassimdenim.com</a></td>
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<td>KHALID NAZIR SPINNING LTD.</td>
<td>SUITE NO.129-130, EDEN CENTRE, JAIL ROAD LAHORE</td>
<td>0092-42-7592082-4, 0092-42-7592085 <a href="mailto:knazir@brain.net.pk">knazir@brain.net.pk</a></td>
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<td>KHALID SHAHFIQUE SPINNING MILLS LTD</td>
<td>NOORZ 115 O, M.M ALAM ROAD GULBEG II LAHORE</td>
<td>0092-42-5713987-5714355-5755819 <a href="mailto:kssml@nexlinx.net.pk">kssml@nexlinx.net.pk</a></td>
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<td>KHALID SIRAJ TEXTILE MILLS LTD</td>
<td>135 UPPER MALL, LAHORE</td>
<td>0092-42-5756623-28, 0092-42-5756629 <a href="mailto:rbtmksstm@wol.net.pk">rbtmksstm@wol.net.pk</a></td>
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<td>KHAWAJA SPINNING MILLS LTD</td>
<td>10-L GULBERG III, FEROZEPUR ROAD LAHORE</td>
<td>0092-42-5860685-95, 0092-42-5852088 <a href="mailto:khawajaspinning@hotmail.com">khawajaspinning@hotmail.com</a></td>
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<td>KOHAT TEXTILE MILLS LTD</td>
<td>APTMA HOUSE TEHKAL PAYAN JAMMRUD ROAD PESHAWAR</td>
<td>0092-91-5843870-5841396 <a href="mailto:ktm@saifgroup.com">ktm@saifgroup.com</a></td>
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<td>KOHINOOR SPINNING MILLS LTD</td>
<td>KASHANA-E-YOUSAF KHAWAJA STREET CHAKWAL</td>
<td>0092-543-541950, 0303-7577841 <a href="mailto:ksml@chakwalgroup.com.pk">ksml@chakwalgroup.com.pk</a></td>
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<td>KUNJAH TEXTILE MILLS LTD</td>
<td>20-E-1,(C) Gulberg-III, LAHORE</td>
<td>0092-42-5764721-25, 0092-42-5711721 <a href="mailto:info@kunjah.com">info@kunjah.com</a></td>
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<td>LAHORE TEXTILE &amp; GENERAL MILLS LTD.</td>
<td>MONNOO HOUSE, 3 MONTGOMERY ROAD LAHORE</td>
<td>0092-42-6283637, 0092-42-6278853-6364431 <a href="mailto:lgm2@monnoogroup.com">lgm2@monnoogroup.com</a></td>
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<td>LATIF COTTON MILLS LTD</td>
<td>37-F-A, BLOCK 6-PECHS KARACHI</td>
<td>0092-21-4544880-3, 0092-21-4544470 <a href="mailto:ltmlcm@fascom.com">ltmlcm@fascom.com</a></td>
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<td>LATIF FIBRES (PVT) LTD</td>
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<td>0092-21-4544880-3, 0092-21-4544470 <a href="mailto:ltmlcm@fascom.com">ltmlcm@fascom.com</a></td>
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<td>LATIF TEXTILE MILLS (PVT) LTD</td>
<td>37-F-A,BLOCK-6, P.E.C.H.S KARACHI</td>
<td>0092-21-4544880 (3 LINES) <a href="mailto:ltmlcm@fascom.com">ltmlcm@fascom.com</a></td>
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<td>M.G.M CORPORATION (PVT) LTD</td>
<td>PLOT NO 55-C, PHASE-III, MAIN KORANGI ROAD, DEFENCE HOUSING SOCIETY KARACHI</td>
<td>0092-21-5383212-2446, 0092-21-5382495 <a href="mailto:headoff@mgmcorps.com">headoff@mgmcorps.com</a></td>
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<td>MAHMOOD TEXTILE MILLS LTD</td>
<td>MEHR MANZIL LOHARI GATE, MULTAN</td>
<td>0092-61-111-181-181,4511158 <a href="mailto:mtm@mahmoodgroup.com">mtm@mahmoodgroup.com</a>; <a href="mailto:info@mahmoodgroup.com">info@mahmoodgroup.com</a></td>
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<td>MANZOOR TEXTILE MILLS LTD</td>
<td>MANZOOR HYTES, 6 ST MARYS PARK GULBERG-III LAHORE</td>
<td>0092-42-5861073-74, 0092-42-5860242 <a href="mailto:info@manzoorgroup.com">info@manzoorgroup.com</a></td>
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<td>MAQBOOL TEXTILE MILLS LTD</td>
<td>HEAD OFFICE 2- INDUSTRIAL ESTATE MULTAN,Pakistan</td>
<td>92-061-539551-52, 92-061-539042 <a href="mailto:maqbool@maqbooltex.com">maqbool@maqbooltex.com</a>; <a href="mailto:secretary@maqbooltex.com">secretary@maqbooltex.com</a>, <a href="mailto:maqbool@maqbooltex.com">maqbool@maqbooltex.com</a></td>
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<td>MAQBOOL USMAN FIBERS (PVT) LIMITED</td>
<td>MAQBOOL COLONY FACOTRY KHANEWAL ROAD MULTAN</td>
<td>0092-61-4551336-4552947 <a href="mailto:muliber@brain.net.pk">muliber@brain.net.pk</a></td>
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<td>MARGALLA TEXTILE MILLS LTD</td>
<td>MONNOO HOUSE 3, MONTGOMERY HOUSE, LAHORE</td>
<td>0092-42-6364412-15,6361927 <a href="mailto:uimgl@monnoogroup.com">uimgl@monnoogroup.com</a></td>
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<td>MARHABA TEXTILES LTD</td>
<td>29-BAMBINO CHAMBERS GARDEN ROAD KARACHI</td>
<td>0092-21-2725331-32, 0092-21-2725114</td>
<td><a href="mailto:marhabatextile@yahoo.com">marhabatextile@yahoo.com</a></td>
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<td>MASOOD FABRICS LTD</td>
<td>MEHR MANZIL LOHARI GATE, MULTAN</td>
<td>0092-61-111-181-181, 061-4511158</td>
<td><a href="mailto:mttm@mahmoodgroup.com">mttm@mahmoodgroup.com</a>, <a href="mailto:info@mahmoodgroup.com">info@mahmoodgroup.com</a></td>
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<td>MASOOD SPINNING MILLS LTD.</td>
<td>MEHR MANZIL LOHARI GATE, MULTAN</td>
<td>0092-61-111-181-181, 4511158</td>
<td><a href="mailto:mttm@mahmoodgroup.com">mttm@mahmoodgroup.com</a>, <a href="mailto:info@mahmoodgroup.com">info@mahmoodgroup.com</a></td>
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<td>MASOOD TEXTILE MILLS LTD</td>
<td>UNIVERSAL HOUSE, WEST CANAL ROAD, FAISALABAD</td>
<td>0092-41-8734910-13, 8731180</td>
<td><a href="mailto:shahid@masoodtextile.com">shahid@masoodtextile.com</a></td>
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<td>MASTER TEXTILE MILLS LIMITED</td>
<td>82-C/1,GULBERG-III, LAHORE</td>
<td>0092-42-5752620,111-666-555</td>
<td><a href="mailto:najeeb@mastertex.com">najeeb@mastertex.com</a></td>
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<td>MAYFAIR SPINNING MILLS LTD</td>
<td>103 ANUM EMPIRE, BLOCK 7/8 KARACHI CO-OPERATIVE HOUSING SOCIETY KARACHI</td>
<td>0092-21-4527840-41</td>
<td><a href="mailto:yarn@mayfair.com.pk">yarn@mayfair.com.pk</a>, <a href="mailto:tofee@mayfair.com.pk">tofee@mayfair.com.pk</a></td>
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<td>MEHRAAN RAMZAN TEXTILE MILLS LTD</td>
<td>80 ABBU BAKAR BLOCK GARDEN TOWN LAHORE</td>
<td>0092-42-5858135-36</td>
<td><a href="mailto:hudabiay@wol.net.pk">hudabiay@wol.net.pk</a></td>
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<td>MEKOTEX (PVT) LTD</td>
<td>495.501 &amp; 504 DEH LANDHI, MAIL NATIONAL HIGHWAY KARACHI</td>
<td>0092-21-5015453-5015592-5014099</td>
<td><a href="mailto:mekotex@cyber.net.pk">mekotex@cyber.net.pk</a></td>
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<td>METCO TEXTILE</td>
<td>502 FORTUNE CENTRE BLOCK 6 , P.E.C.H.S SHARAH-E-FAISAL KARACHI</td>
<td>0092-21-43111-51-4</td>
<td><a href="mailto:info@metcogroup.com.pk">info@metcogroup.com.pk</a></td>
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<td>MIAN TEXTILE INDUSTRIES LTD</td>
<td>29-B/7, MODEL TOWN,LAHORE,</td>
<td>0092-42-5831804-5</td>
<td><a href="mailto:info@miantextile.com">info@miantextile.com</a></td>
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<td>MIMA COTTON MILLS LTD</td>
<td>F-B-5, AWAMI COMPLEX, NEW GARDEN TOWN, LAHORE</td>
<td>0092-42-5860952-4</td>
<td><a href="mailto:mcmrllhr@mimagrp.com">mcmrllhr@mimagrp.com</a>; <a href="mailto:corp@mimagrp.com">corp@mimagrp.com</a></td>
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<td>MOHAMMAD FAROOQ TEXTILE MILLS LTD</td>
<td>INST FLOOR , FINLAY HOUSE , I.I CHUNDHRIGAR ROAD KARACHI</td>
<td>0092-21-2412941-5</td>
<td><a href="mailto:mftnl@cyber.net.pk">mftnl@cyber.net.pk</a></td>
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<td>MOIZ TEXTILE MILLS LIMITED</td>
<td>6 BRIDGE COLONY CANTT LAHORE</td>
<td>0092-42-6688562-3</td>
<td><a href="mailto:info@moiztextile.com">info@moiztextile.com</a></td>
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<td>MONNOOWAL TEXTILE MILLS LTD</td>
<td>MONNOO HOUSE, 3 MONTGOMERY HOUSE LAHORE</td>
<td>0092-42-6283636-6372040</td>
<td><a href="mailto:uimwtm@monnoogroup.com">uimwtm@monnoogroup.com</a></td>
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<td>N.P.COTTON MILLS (PVT) LTD</td>
<td>702,UNI TOWER , I.I.CHUNDHRIGAR ROAD, KARACHI</td>
<td>0092-21-2410663-4-2417975</td>
<td><a href="mailto:nps@fascom.com">nps@fascom.com</a>, <a href="mailto:npcm@fascom.com">npcm@fascom.com</a></td>
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<td>N.P.SPINNING MILLS LTD.</td>
<td>702,UNI TOWER, I.I.CHUNDHRIGAR ROAD,KARACHI</td>
<td>0092-21-2410663-4-2417975</td>
<td><a href="mailto:nps@fascom.com">nps@fascom.com</a>; <a href="mailto:npcm@fascom.com">npcm@fascom.com</a></td>
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<td>NADEEM TEXTILE MILLS LTD</td>
<td>ROOM 201-202, 2ND FLOOR , COMMERCE CENTRE,HASRAT MOHANI ROAD</td>
<td>0092-21-2635807-2636298</td>
<td><a href="mailto:info@shadmanigroup.com.pk">info@shadmanigroup.com.pk</a></td>
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<td>NAFFESA TEXTILES LIMITED</td>
<td>8-M, MODEL TOWN EXTENSION, LAHORE</td>
<td>0092-42-5169214-16</td>
<td><a href="mailto:info@naffesatextiles.com">info@naffesatextiles.com</a>, <a href="mailto:purchase@naffesatextiles.com">purchase@naffesatextiles.com</a></td>
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<td>NAGARIA TEXTILE MILLS (PVT) LIMITED</td>
<td>BUSINESS CENTRE, 7TH FLOOR, DUNOLLY ROAD, KARACHI</td>
<td>0092-21-2412501-2412502</td>
<td><a href="mailto:nagaria@mail.com">nagaria@mail.com</a></td>
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<td>NAGINA COTTON MILLS LIMITED</td>
<td>2ND FLOOR SHAIKH SULTAN TRUST BLDG-2 ,CIVIL LINES BEAUMOUNT ROAD KARACHI</td>
<td>0092-21-5688123</td>
<td><a href="mailto:shafqat@nagina.com">shafqat@nagina.com</a>; <a href="mailto:info@nagina.com">info@nagina.com</a>,</td>
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<td>NAKSHBANDI INDUSTRIES LTD</td>
<td>177-A, SINDHI MUSLIM CO-OPERATIVE HOUSING SOCIETY Karachi</td>
<td>0092-21-4540951-5, 0092-21-4540045</td>
<td><a href="mailto:info@nakshbandi.com">info@nakshbandi.com</a>, <a href="mailto:mr_khan@nakshbandi.com">mr_khan@nakshbandi.com</a></td>
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<td>NAVEENA EXPORTS (PVT) LTD</td>
<td>B-21 BLOCK 7/8 BANGLORE TOWN SHAHRA-E-FAISAL KARACHI</td>
<td>0092-21-4543181-4543182</td>
<td><a href="mailto:asif@naveenagroup.com">asif@naveenagroup.com</a></td>
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<td>NAVEENA INDUSTRIES (PVT) LTD</td>
<td>NAVEENA HOUSE B-21 BANGLORE TOWN BLK 7/8 MAIN SHAHRA-E-R FAISAL KARACHI</td>
<td>0092-21-111-667-667</td>
<td><a href="mailto:info@naveena.net">info@naveena.net</a></td>
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<td>NEELUM TEXTILE MILLS (PVT) LTD</td>
<td>COTTON EXCHANGE BUILDING L.I. CHUNDRIGAR ROAD KARACHI</td>
<td>0092-21-111-000-100</td>
<td><a href="mailto:info@sapphire.com.pk">info@sapphire.com.pk</a></td>
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<td>NORTH STAR TEXTILE LIMITED</td>
<td>2ND FLOOR, ELahi ARCADE, 26 EMPRESS ROAD LAHORE</td>
<td>0092-42-111-864-724</td>
<td><a href="mailto:info@northstar.com.pk">info@northstar.com.pk</a></td>
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<td>OLYMPIA SPINNING &amp; WEAVING MILLS LTD</td>
<td>E-3, FARZANA BUILDIN, 1st FLOOR, BLOCK 7-8, SHAHEED-E-MILLAT ROAD KARACHI</td>
<td>0092-21-4536235-4522657</td>
<td><a href="mailto:info@olympiaspinning.com">info@olympiaspinning.com</a></td>
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<td>OLYMPIA TEXTILE MILLS LIMITED</td>
<td>23-DAVIS ROAD, LAHORE</td>
<td>0092-42-111-659-674</td>
<td><a href="mailto:khurshid@olympiagroup.com">khurshid@olympiagroup.com</a>,pk</td>
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<td>PAK DENIM LTD</td>
<td>F-225, STREET NO 5, TEXTILE AVENUE S.I.T.E.KARACHI</td>
<td>0092-21-2566411-16</td>
<td><a href="mailto:info@pakdenim.com.pk">info@pakdenim.com.pk</a></td>
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<td>PAK KUWAIT TEXTILES LTD</td>
<td>29, SHAMDAMAN-II, LAHORE</td>
<td>0092-42-111-888-600</td>
<td><a href="mailto:pktl@pakkuwait.com">pktl@pakkuwait.com</a></td>
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<td>PARADISE SPINNING MILLS (PVT) LTD</td>
<td>18, EMPRESS ROAD, LAHORE</td>
<td>0092-42-6361868-6278833</td>
<td><a href="mailto:paradis@wol.net.pk">paradis@wol.net.pk</a></td>
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<td>PARAMOUNT SPINNING MILLS LTD</td>
<td>58 MAIN GULBERG, LAHORE</td>
<td>0092-42-111-200-000</td>
<td><a href="mailto:khi@gulistangroup.com.pk">khi@gulistangroup.com.pk</a></td>
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<td>PIONEER SPINNING MILLS LTD</td>
<td>NADIR HOUSE GROUND FLOOR L.I. CHUNDRIGAR ROAD KARACHI</td>
<td>0092-21-2414334-6</td>
<td><a href="mailto:sales@quettagroup.com">sales@quettagroup.com</a></td>
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<td>PREMIUM TEXTILE MILLS LTD</td>
<td>1.FLOOR HAJI ADAM CHAMBER, ALTAF HUSSAIN ROAD, NEW CHALI, KARACHI</td>
<td>0092-21-2400405-8</td>
<td><a href="mailto:premhead@premiumtextile.com">premhead@premiumtextile.com</a></td>
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<td>PROSPERITY WEAVING MILLS LTD</td>
<td>NAGINA HOUSE, 91 B-1.M ALAM ROAD GULBERG III LAHORE</td>
<td>0092-21-4576270-77</td>
<td><a href="mailto:info@nagina.com">info@nagina.com</a></td>
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<td>QUALITY TEXTILE MILLS LTD</td>
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<td>0092-42-111-200-000</td>
<td><a href="mailto:yarn@qualitytextile.com">yarn@qualitytextile.com</a>,</td>
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<td>QUETTA TEXTILE MILLS LTD</td>
<td>NADIR HOUSE, GROUND FLOOR L.I CHUNDRIGAR ROAD KARACHI</td>
<td>0092-21-2414334-6</td>
<td><a href="mailto:qualitytextilemills@yahoo.com">qualitytextilemills@yahoo.com</a></td>
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<td>QURESHE TEXTILE MILLS LTD</td>
<td>MONNOO HOUSE, 3 MONTGOMERY ROAD LAHORE</td>
<td>0092-42-6364412-15,6314694</td>
<td><a href="mailto:info@mmnn.com">info@mmnn.com</a></td>
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<td>RAFI COTTON INDUSTRIES (PVT) LTD</td>
<td>NEAR DAEWOO TERMINAL, BEHIND PROVINCIAL NOHTASIB OFFICE KHANEWAL ROAD MULTAN</td>
<td>0092-21-4538655-8788, 4529325</td>
<td><a href="mailto:raficotton@brain.net.pk">raficotton@brain.net.pk</a>,</td>
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<td>RAHMAN COTTON MILLS</td>
<td>TAKHT-I BHAII DISTT MARDAN</td>
<td>0092-937-551014-937-551568</td>
<td><a href="mailto:rcm@psh.paknet.com.pk">rcm@psh.paknet.com.pk</a></td>
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<td>RAHMAT WAZIR TEXTILE MILLS LTD</td>
<td>2 KM, JOYANWALA MORE LAHORE ROAD SHIEHKUPURA</td>
<td>0092-4931-406593-5, 0092-4931-406664 <a href="mailto:rwtml@yahoo.com">rwtml@yahoo.com</a>; zia14 <a href="mailto:raza@yahoo.com">raza@yahoo.com</a></td>
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<td>RAI TEXTILE MILLS LTD</td>
<td>40-A LAWRENCE ROAD, LAHORE</td>
<td>0092-42-111-777-123, 0092-42-6362054-55 <a href="mailto:chanar@nexlimx.net.pk">chanar@nexlimx.net.pk</a></td>
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<td>RAMZAN BUKSH TEXTILE MILLS LTD</td>
<td>135-UPPER MALL, LAHORE</td>
<td>0092-42-5756623-28, 0092-42-5756629 <a href="mailto:rbtmkstms@wol.net.pk">rbtmkstms@wol.net.pk</a></td>
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<td>RELIANCE COTTON TEXTILE SPINNING MILLS LTD</td>
<td>7A-K, MAIN BOULEVARD GULBERD-II LAHORE</td>
<td>0092-42-870704-876519, 0092-42-838783 <a href="mailto:info@sapphire.com.pk">info@sapphire.com.pk</a></td>
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<td>RESHAM TEXTILE INDUSTRIES LTD</td>
<td>314-UPPER MALL, LAHORE</td>
<td>0092-42-5711051-3,111-76-76-76 0092-42-5711050 <a href="mailto:reshamtex@wol.net.pk">reshamtex@wol.net.pk</a></td>
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<td>RIAZ TEXTILE MILLS (PVT) LTD</td>
<td>H.NO 26, ST.NO 4, F/6-3 ISLAMABAD</td>
<td>0092-51-2823198-2824768, 0092-51-2828267 <a href="mailto:mdriaz@riaztextile.com">mdriaz@riaztextile.com</a>, <a href="mailto:masood.qadir@riaztextile.com">masood.qadir@riaztextile.com</a></td>
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<td>ROOMI FABRICS LTD.</td>
<td>MEHR MANZIL LOHARI GATE, MULTAN</td>
<td>0092-61-111-181-181, 4511158, 0092-61-4511262-4549711 <a href="mailto:mtm@mahmoodgroup.com">mtm@mahmoodgroup.com</a>, <a href="mailto:info@mahmoodgroup.com">info@mahmoodgroup.com</a>, <a href="mailto:rtl@mahmoodgroup.com">rtl@mahmoodgroup.com</a></td>
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<td>RUBY TEXTILE MILLS LTD.</td>
<td>35-INDUSTRIAL AREA, GULBERG-III LAHORE</td>
<td>0092-42-5761243-44, 0092-42-5711400 <a href="mailto:nelahi@wol.net.pk">nelahi@wol.net.pk</a></td>
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<td>S.FAZALILAIHI &amp; SONS PVT LTD</td>
<td>F-154, CENTRAL AVENUE, S.I.T.E, KARACHI</td>
<td>0092-21-2564521-2564516, 0092-21-2564448 <a href="mailto:mail@sfs.com.pk">mail@sfs.com.pk</a></td>
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<td>SADIQ TEXTILE MILLS (PVT) LTD</td>
<td>ROOM NO 19, 1ST FLOOR IMTIAZ PLAZA 85 THE MALL LAHORE</td>
<td>0092-42-6311291, 0092-61-6365618 <a href="mailto:sadiqtextile@brain.net.pk">sadiqtextile@brain.net.pk</a></td>
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<td>SAIF TEXTILE MILLS LTD</td>
<td>APTMA HOUSE TEHKAL PAYAN JAMMRUD ROAD PESHAWAR</td>
<td>0092-91-5843870-5702941-5841396, 0092-91-5840273 <a href="mailto:stm@saifgroup.com">stm@saifgroup.com</a>; <a href="mailto:oskhan@saifgroup.com">oskhan@saifgroup.com</a></td>
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<td>19-B, ZAFAR ALI ROAD, GULBERG V, LAHORE</td>
<td>0092-42-5712291-5712294, 0092-42-5711526 <a href="mailto:info@sajjadtextile.com">info@sajjadtextile.com</a></td>
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<td>SALFI TEXTILE MILLS LTD</td>
<td>8,8 FLOOR TEXTILE PLAZA M.A JINNAH ROAD KARACHI</td>
<td>0092-21-2426761-62-2412955-56-57 0092-21-2417710 <a href="mailto:headoffice@tatatex.com">headoffice@tatatex.com</a></td>
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<td>SALLY TEXTILE MILLS LTD.</td>
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<td>0092-42-7590124-7577686, 0092-42-7582101 <a href="mailto:sallytex@hotmail.com">sallytex@hotmail.com</a></td>
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<td>SAMIN TEXTILES LTD.</td>
<td>50-C MAIN GULBERG, LAHORE</td>
<td>0092-42-5753761-64, 0092-42-5753688-5878575 <a href="mailto:samin@samintextile.com">samin@samintextile.com</a></td>
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<td>SAMIRA FABRICS (PVT) LIMITED</td>
<td>87-p GULBERG 2 LAHORE</td>
<td>0092-42-111-850-850, 5718204-5, 0092-42-5718206 <a href="mailto:samira@samirafab.com">samira@samirafab.com</a></td>
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<td>SANA INDUSTRIES LTD</td>
<td>SF-96, SITE P.O BOX 10651</td>
<td>0092-21-2561728-29, 2566008-9 0092-21-2570833 <a href="mailto:sanasales@cyber.net.pk">sanasales@cyber.net.pk</a></td>
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<td>SAPPHIRE FIBERS LTD.</td>
<td>149, COTTON EXCHANGE BUILDING, I.I.CHUNDIRGAR ROAD KARACHI</td>
<td>0092-21-111-400-100, 0092-21-2417418-2416705 <a href="mailto:info@sapphire.com.pk">info@sapphire.com.pk</a>; <a href="mailto:lahore.office@sapphire.com.pk">lahore.office@sapphire.com.pk</a></td>
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<td>SAPPHIRE TEXTILE MILLS LIMITED</td>
<td>212 COTTON EXCHANGE BUILDING I.I.CHUNDIRGAR ROAD , KARACHI</td>
<td>0092-21-111-400-100, 0092-21-2417418-2416705 <a href="mailto:info@sapphire.com.pk">info@sapphire.com.pk</a>; <a href="mailto:lahore.office@sapphire.com.pk">lahore.office@sapphire.com.pk</a></td>
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<td>SARFRAZ TEXTILE MILLS (PVT) LTD</td>
<td>A-22 SITE MAURIPUR ROAD KARACHI</td>
<td>0092-21-2561101-06 0092-21-2561873</td>
<td><a href="mailto:info@sapphire.com.pk">info@sapphire.com.pk</a></td>
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<td>SARGODHA SPINNING MILLS LTD</td>
<td>A-601/B, CITY TOWERS, 6K MAIN BOULEVARD, GULBERG II LAHORE</td>
<td>0092-42-5788758-59 0092-42-5788718</td>
<td><a href="mailto:sargo@cyber.net.pk">sargo@cyber.net.pk</a>; <a href="mailto:tara@sargodhaspinning.com">tara@sargodhaspinning.com</a></td>
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<td>SARHAD TEXTILE MILLS LIMITED</td>
<td>AMIN MANSION G.T. ROAD, PESHAWAR</td>
<td>0092-91-2219884-2219835</td>
<td><a href="mailto:sarhadgroup@lycos.com">sarhadgroup@lycos.com</a></td>
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<td>SARITOW SPINNING MILLS LTD</td>
<td>17- AZIZ AVENUE, CANAL BANK GULBERG-V,LAHORE</td>
<td>0092-42-5715029-31 0092-42-5715105</td>
<td><a href="mailto:azamsaritow@saigols.com">azamsaritow@saigols.com</a></td>
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<td>SHADAB TEXTILE MILLS LIMITED</td>
<td>A-601/A CITY TOWERS, 6K MAIN BOULEVARD, GULBERG II LAHORE</td>
<td>0092-42-5788714-16 0092-42-5788718</td>
<td><a href="mailto:shadstm@brain.net.pk">shadstm@brain.net.pk</a>,</td>
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<td>SHADMAN COTTON MILLS LTD (UNIT 1)</td>
<td>ROOM 201-202,2ND FLOOR, COMMERCE CENTRE,HSRAT MOHANI ROAD KARACHI</td>
<td>0092-21-2635807-2636298</td>
<td><a href="mailto:info@shadmangroup.com.pk">info@shadmangroup.com.pk</a></td>
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<td>SHADMAN COTTON MILLS LTD (UNIT 2,3)</td>
<td>ROOM 201-202, 2ND FLOOR, COMMERCE CENTRE HSARAT MOHANI ROAD, KARACHI</td>
<td>0092-21-2635807-2636298</td>
<td><a href="mailto:info@shadmangroup.com.pk">info@shadmangroup.com.pk</a></td>
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<td>SHAFI SPINNING MILLS LTD</td>
<td>3-MEHOOD GHANAVI ROAD (ABORT) ROAD, LAHORE</td>
<td>0092-42-6311127-28 0092-42-6311126</td>
<td><a href="mailto:shafisales@cmc.net.pk">shafisales@cmc.net.pk</a>; <a href="mailto:shafi@wol.net.pk">shafi@wol.net.pk</a></td>
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<td>SHAFI TEXCEL LTD.</td>
<td>SHAFI HOUSE, 35-A/3 LALAZAR, M.T KHAN ROAD KARACHI</td>
<td>0092-21-5610696 0092-21-5610701</td>
<td><a href="mailto:headoffice@shafi.com">headoffice@shafi.com</a></td>
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<td>SHAHEEN COTTON MILLS LTD</td>
<td>19-A, ZAFAR ALI ROAD, GULBERG-V,LAHORE</td>
<td>0092-42-5754024-5754027-5758203 0092-42-5712313-5711526</td>
<td><a href="mailto:marketing@shaheencotton.com">marketing@shaheencotton.com</a>, <a href="mailto:shaheen@brain.net.pk">shaheen@brain.net.pk</a></td>
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<td>SHAHNAWAZ TEXTILES LTD.</td>
<td>83-SHAHRAH-E-QUID-E-AMAZ LAHORE</td>
<td>0092-42-6301670-6304741-3</td>
<td><a href="mailto:shahnawaz9@cyber.net.pk">shahnawaz9@cyber.net.pk</a></td>
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<td>SHAHPUR TEXTILE MILLS LIMITED</td>
<td>FB-3,IST FLOOR AWAMI COMPLEX,USMAN BLOCK NEW GARDEN TOWN,LAHORE</td>
<td>0092-42-5840361-3 0092-42-5830836</td>
<td><a href="mailto:shahpur@magic.net.pk">shahpur@magic.net.pk</a></td>
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<td>SHAHRAJ FABRICS (PVT) LTD.</td>
<td>147-148 M, QUAI-D-E-AMAZ INDUSTRIAL ESTATE KOT LAKHPAT LAHORE</td>
<td>0092-42-5119648-50,5111902-3, 0092-42-5116003-4</td>
<td><a href="mailto:info@shahraj.com">info@shahraj.com</a>, <a href="mailto:imran@shahraj.com">imran@shahraj.com</a></td>
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<td>SHAHTAJ TEXTILES LTD.</td>
<td>83 SHAHRAH-E QUID-E-AMAZ,LAHORE</td>
<td>0092-42-6360596 0092-42-6368802</td>
<td><a href="mailto:rdshams@shahtaj.com">rdshams@shahtaj.com</a></td>
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<td>SHAHZAD TEXTILE MILLS LTD</td>
<td>19-A., ZAFAR ALI ROAD, GULBERG-V,LAHORE</td>
<td>0092-42-5754024-5754027-5758203 0092-42-5712313-5711526</td>
<td><a href="mailto:shaheen@brain.net.pk">shaheen@brain.net.pk</a>, <a href="mailto:marketing@shaheencotton.com">marketing@shaheencotton.com</a></td>
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<td>SHAMS TEXTILE MILLS LTD</td>
<td>7-B-3, AZIZ AVENUE, MARINA HOMES, GULBERG--5 LAHORE</td>
<td>0092-42-111-726-786,5760379-5760381</td>
<td><a href="mailto:info@suraj.com">info@suraj.com</a></td>
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<td>SHEIKHUPURA TEXTILE MILLS LTD</td>
<td>45-50,INDUSTRIAL AREA , GULBERG III, LAHORE</td>
<td>0092-42-5756181-3 0092-42-5756194-5759466</td>
<td><a href="mailto:agec@brain.net.pk">agec@brain.net.pk</a></td>
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<td>SITARA CHEMICALS INDUSTRIES LTD</td>
<td>601-602 BUSINESS CENTRE, MUMTAZ HASAN ROAD, KARACHI</td>
<td>0092-21-2420620-2413944</td>
<td><a href="mailto:mis@tower.sitara.com.pk">mis@tower.sitara.com.pk</a></td>
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<td>SITARA SPINNING MILLS LTD</td>
<td>SITARA TOWE, 5TH FLOOR, BILAL CHOWK, NEW CIVIL LINES, FAISALABAD</td>
<td>0092-41-2600108-2600747</td>
<td><a href="mailto:ceo@sitaraperoxide.com">ceo@sitaraperoxide.com</a></td>
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<td>Company Name</td>
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<td>Contact Numbers</td>
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<td>SPINCOT TEXTILE MILLS LTD.</td>
<td>10 KM, SARGODHA ROAD, SHEIKHPURA</td>
<td>0092-56-3874512-3876307</td>
<td><a href="mailto:spincot@skp.wol.net.pk">spincot@skp.wol.net.pk</a></td>
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<td>STANDRAD TEXTILE MILLS</td>
<td>ROOM 504, 5TH FLOOR, HAJI ADAM CHAMBER ALTAF HUSSAIN ROAD KARACHI</td>
<td>0092-21-2417926-2427876-2427877</td>
<td><a href="mailto:stmm@cyber.net.pk">stmm@cyber.net.pk</a>; <a href="mailto:spplexp@super.net.pk">spplexp@super.net.pk</a></td>
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<td>STAR TEXTILE MILLS LTD</td>
<td>PLOT NO A/41, FAKHRUDDIN VALIKA ROAD S.I.T.E. KARACHI</td>
<td>0092-21-2561127-29-2561149, 11182222</td>
<td><a href="mailto:startextile@cyber.net.pk">startextile@cyber.net.pk</a></td>
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<td>SUNRAYS TEXTILE MILLS LTD</td>
<td>508, 5TH FLOOR BEAUMONT PLAZA BEAUMOUNT ROAD, CIVIL LINES QUARTERS KARACHI</td>
<td>0092-21-25693641-60, 11-404-404</td>
<td><a href="mailto:info@sunrays-indusgroup.com">info@sunrays-indusgroup.com</a>, <a href="mailto:kashif@sunrays-indusgroup.com">kashif@sunrays-indusgroup.com</a></td>
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<td>SUPERIOR TEXTILE MILLS LTD</td>
<td>32-N, GULBERG II, LAHORE</td>
<td>0092-42-5878801-5758841</td>
<td><a href="mailto:stmifim@wol.net.pk">stmifim@wol.net.pk</a></td>
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<td>SURAJ COTTON MILLS LTD</td>
<td>7-B-III, MARINA HOMES, AZIZ AVENUE, GULBERG - 5 LAHORE</td>
<td>0092-42-111-726-786, 5700381-5711138</td>
<td><a href="mailto:suraj@cyber.net.pk">suraj@cyber.net.pk</a>, <a href="mailto:info@suraj.com">info@suraj.com</a></td>
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<td>TAHA SPINNING MILLS LTD</td>
<td>406 COMMERCE CENTRE, HASRAT MOHANI ROAD, KARACHI</td>
<td>0092-21-2638521-4</td>
<td><a href="mailto:hmi@cyber.net.pk">hmi@cyber.net.pk</a>, <a href="mailto:nvohra@wol.net.pk">nvohra@wol.net.pk</a></td>
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<td>TANVEER SPINNING &amp; WEAVING MILLS PVT LTD</td>
<td>IST FLOOR, CANTT PLAZA, TUFAIL ROAD LAHORE CANTT</td>
<td>0092-42-6666500-3</td>
<td><a href="mailto:mastwl@wol.net.pk">mastwl@wol.net.pk</a></td>
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<td>TAQEEES (PVT) LIMITED</td>
<td>C-18/ B-1, S.I.T.E. KARACHI</td>
<td>0092-21-2565637-38</td>
<td><a href="mailto:taqees@cyber.net.pk">taqees@cyber.net.pk</a></td>
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<td>TAYYAB TEXTILE MILLS LTD</td>
<td>A-22, S.I.T.E. MAURIPUR ROAD KARACHI</td>
<td>0092-21-2561101-06</td>
<td><a href="mailto:info@tayyabgroup.com">info@tayyabgroup.com</a></td>
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<td>THREE STAR HOISERY MILLS (PVT) LTD</td>
<td>410-BUSINESS CENTER, MUMTAZ HASSAN ROAD, I.I CHUNDIRGAR ROAD KARACHI</td>
<td>0092-21-2411924-2418246</td>
<td><a href="mailto:spinning@threeestarspk.com">spinning@threeestarspk.com</a></td>
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<td>THREE STAR SPINNING MILLS (PVT) LTD</td>
<td>410 BUSINESS CENTRE, I.I CHUNDIRGAR ROAD OFF MUMTAZ HASSAN RAOD</td>
<td>0092-21-2411924-2418246</td>
<td><a href="mailto:spinning@threeestarspk.com">spinning@threeestarspk.com</a></td>
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<td>UMAR SPINNING MILLS (PVT) LIMITED</td>
<td>101-103, IST FLOOR COMMERCE CENTRE, HASRAT MOHANI ROAD, KARACHI</td>
<td>0092-21-2630724-2633641</td>
<td><a href="mailto:faisal@umaraspinning.com">faisal@umaraspinning.com</a>, <a href="mailto:umarent@attglobal.net">umarent@attglobal.net</a></td>
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<td>UNITED TEXTILE MILLS</td>
<td>A/1 S.I.T.E, HALI ROAD HYDERABAD</td>
<td>0092-22-3881299-388239</td>
<td><a href="mailto:utmhyd@hotmail.com">utmhyd@hotmail.com</a></td>
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<td>USMAN LIMITED</td>
<td>4TH FLOOR IMPERIAL COURT, DR. ZIAUDDIN AHMED ROAD, KARACHI</td>
<td>0092-21-5689760, 0092-21-5685988</td>
<td><a href="mailto:info@usman.com">info@usman.com</a></td>
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<td>WISAL KAMAL FABRICS (PVT) LTD</td>
<td>87-P GULBERG 2 LAHORE</td>
<td>0092-42-5718201-03</td>
<td><a href="mailto:wisal@wlf.com.pk">wisal@wlf.com.pk</a>, <a href="mailto:wlf@wlf.com.pk">wlf@wlf.com.pk</a></td>
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<td>X-PERTEX DENIM MILLS</td>
<td>C-45, SITE, KARACHI, 75700</td>
<td>0092-21-111-707-111</td>
<td><a href="mailto:info@x-pertex.com">info@x-pertex.com</a>; <a href="mailto:sales@x-pertex.com">sales@x-pertex.com</a></td>
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<td>YAHYA TEXTILE MILLS LIMITED</td>
<td>KHAWAJA CHAMBER, 4-A, MOZANG ROAD LAHORE</td>
<td>0092-61-4515185-4583295-4549605</td>
<td><a href="mailto:yahyaltd@mul.paknet.com.pk">yahyaltd@mul.paknet.com.pk</a></td>
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<td>YUSUF TEXTILE MILLS LTD.</td>
<td>508 5TH FLOOR BEAUMONT PLAZA BEAUMOUNT ROAD, CIVIL LINES QUARTERS KARACHI</td>
<td>92-021-5693646-5693660 (15 LINES)</td>
<td><a href="mailto:info@indus-group.com">info@indus-group.com</a>, <a href="mailto:indus@fascom.com">indus@fascom.com</a></td>
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