

The Role of Transformational Leadership Style on Islamic Management

Ibrahim Fahad Sulaiman, Ahmed Abdul Malik, Zainab Masud Abdul Raheem
Faculty of Leadership and Management, University Sains Islam Malaysia (USIM)

ABSTRACT

The process of engaging in organizations to transform its entities may request for more affordable leadership style. This study focuses on the impact of transformational leadership style on Islamic management in higher institution of learning. The components of transformational leadership style namely, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration were utilized to examine the validity on the two components of Islamic management namely, forgiveness and sincerity. Stratified sampling was used to sample 80 respondents from Faculty of Leadership and Management USIM. Bass & Avolio (1993) questionnaire was adopted and adapted for the study. Correlation analysis and Multiple regression analysis were used to examine the relationship between transformational leadership style and Islamic management components. The results show that all transformational leadership style component is statistically significant on Islamic management which account for 69% of the variance explain by the individualized consideration, idealized influence, intellectual stimulation, and inspirational motivation.

Keywords: *Islamic Management, forgiveness, Sincerity, Transformational Leadership Style.*

Corresponding author

Name: Ibrahim Fahad Sulaiman

Email: ibrahimfahad@usim.edu.my

INTRODUCTION

The concept of Islamic management has surfaced seen the time of the Prophet Muhammad (SAW)time in Madinah. Perhaps it was not mentioned as Islamic management then it is more administration since Islam then was in its new birth. The leadership of Prophet Muhammad (SAW) was also recognized by the people of Madinah (El Syam, 2017). This is the genesis of the Islamic management got its root from. Today people tend to practice leadership based on training they have acquired in institution or organization (Greany, & McGinity,2021). It is believed that leaders are born having acquired characteristics to lead people but a situation that favour all parties involved (Nawaz, & Khan,2016). Therefore, leadership is a guide for a person in carrying out and fulfilling his tasks that are been assigned to him or her in a particular time frame. Leaders are expected to be transformational regardless of the current situation they may face in their positions. Transformational leadership is being suggested on Islamic management through an empirical study. It is all agreed upon that transformational leadership is a type of leadership that motivate method in which the leader provides a clear picture of the organization's vision to the followers to motivate and inspire them (Nawaz, & Khan,2016). This endeavour by the leader can be performed by developing a closer

relationship with the followers, being considerate of their desires, and assisting them in reaching their full potential, which will result in a positive outcome for the organization.

Research Objectives

1. Identify the impact of Idealized Influence on Islamic management among students of Da'wah and Islamic management FKP USIM.
2. To examine the impact of Inspirational Motivation on Islamic management among students of Da'wah and Islamic management FKP USIM.
3. To analyze the impact of Intellectual Stimulation on Islamic management among students of Da'wah and Islamic management FKP USIM.
4. To determine the impact of Individualized Consideration on Islamic management among students of Da'wah and Islamic management FKP USIM.
5. To identify the best predictor among the transformational leadership factors (Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration) in explaining Islamic management.

Research Questions

1. What is the of Idealized influence on Islamic management among students of Da'wah and Islamic management FKP USIM?
2. What is the impact of Inspirational Motivation on Islamic management among students of Da'wah and Islamic management FKP USIM?
3. What is the impact of intellectual stimulation on Islamic management among students of Da'wah and Islamic management FKP USIM?
4. What is the impact of individualized consideration on Islamic management among students of Da'wah and Islamic management FKP USIM?
5. What is the best predictor among the transformational leadership factors (Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration) in explaining Islamic management?

LITERATURE REVIEW

Islamic Management

Managing self and the system are two different things which can also meet for the purpose of outcome. To Manage oneself is currently widely regarded as one of the most important subjects which is derived from the Quranic knowledge. Most modern management principles were developed in the 16th and 17th centuries from the empirical studies been conduct of a sample that was targeted which conclusions are drawn from it. Therefore, Islamic management was not meant for empirical studies but for the whole life of human being to practice. According to Afridi, Irfan, & Sittar, (2021) the Holy Quran and the Sunnah are the foundations of Islamic management and most effective method of managing people and organizations. The application of Islamic management principles enables managers to maintain organizational unity among employees, which in turn improves employee performance (Ahmad, 2022). The teaching about Islamic management should not be a new concept that needs empirical research to confirm it. Although much research has been conducted to confirm the applicability in different societies and communities (Ahmad, 2022).

Forgiveness

The concept of forgiveness normally occurs from the top to the bottom in the organization. Some things employees may commit some wrongdoing in the organization which he or she will for pardon. This is an act that is been practiced by different organizations due to the places it is located. And this asserted by Mushtaq, Saghir, & Kayani, (2014) that the concept emphasizes that Allah has raised some of you above others in terms of talents, knowledge, competence, and temperament, all of which are critical for forgiveness. Forgiveness promotes compliance and mutual respect, as well as cooperation, equitable opportunities, work commitment, and full utilization of capabilities. Forgiveness is a crucial is one of the most important Islamic management models. Khan (2019). stated that forgiveness is a term that can be used in a variety of situations. Some of the definitions of forgiveness is ihsan is amelioration and completeness of faith. It is important that achieving Al-Mighty Allah's Satisfaction by worshipping Allah is by seeking His forgiveness always. Mushtaq, Saghir, & Kayani, (2014)) stated that an organization's interpretation of forgiveness attributed to the concept of God's love, is "not tricking or shirking labor when the boss is not present.

Sincerity

The concept of sincerity sincerity (Ikhlas) is devotion to the will of Allah by heart and with His consciousness. According to Wahab, Quazi, & Blackman, (2016) sincerity means being humble and keeping promises. A sincere person has a deep fear for God and has the consciousness of God profoundly in Him. They will lead the person advocates for righteousness in the best way. A sincere person is the one who believes in God with certainty, also believing in the angels, prophets, hereafter and the heaven and the hell. Sincerity plays a critical role in the organizational development through the culture of confidence, truthfulness, trust, and cooperation among employees (Salim, Malik, & Khattak, 2016). This is noticed when managers and subordinates are committed to their jobs and responsibilities, the organization performs better. Role that sincerity plays cannot be over emphasized in interaction with one another in the organization. Normally at work, an employee interacts with a variety of people, the relationship with his management is extremely significant and crucial to his personal development. Therefore, there should be a good connection between with his or her boss so to improve the working atmosphere in the organization. In addition, Wahab, Quazi, & Blackman, (2016) stated that Ikhlas or sincerity, which is exemplified in the concept of ibadah, considers work as worship. The key principles of Islamic management are sincerity and maintaining promises. A person should keep the promises and execute one's moral obligations with sincerity.

Transformational Leadership Style

The view of the leadership style in the organization is vital due to the system adopted in it. Transformational leaders are leaders that focuses on the problem of attaining future changes in values, beliefs, attitudes, behaviour, emotions, and the requirements of subordinates. According to Trmal, Bustamam, & Mohamed, (2017), transformational leadership is defined as a leader's behaviour that changes and motivates followers to perform beyond expectations while transcending self-interest for the greater good of the organization in which they work. Transformational leadership is

a style of leadership that focuses on assisting followers in advancing and meeting their needs (Lim, & Moon, 2021). Consequently, administrators who take a transformational approach and place a high value on the development of their followers as well as their quality framework will boost their morale and inspire others based on their own abilities. However, the concept of transformational leadership is in the preferred Islamic tradition of leadership, and this is exemplified and indeed demonstrated by how the Prophet Mohammad (PBUH) transformed the society in which he lived through inspiration, motivation, and intellectual stimulation (Sulaeman, 2020). Moreover, transformational leadership is about change and change must be sustainable. According to Followers are stimulated to go beyond their own interests and focus their commitment on the interests of the work team and the organization. They are motivated to go beyond what is expected of them, to give more importance and value to the tasks, and to go beyond their own interests and focus their commitment on the interests of the work team and the organization (Sulaeman, 2020). When they are led by a transformational leader who can motivate them, the world raises the amount of change (Ahmad & Ogunsola, 2011). When leaders and followers are connected and able to raise one another to higher levels of motivation and morality, that transformation will occur. Transformational leaders ensure that followers are transformed, given the appropriate incentive, and their behaviours and ethical objectives are increased so the followers of transformational leaders can establish themselves within a single goal (Lim, & Moon, 2021). therefore, transformational leadership is a technique used by leaders who want to see their followers undergo positive changes because of the organization's strategy and structure (Trmal, Bustamam, & Mohamed, (2017). According to Burch & Guarana, (2014). the transformational leadership approach highlights the importance of leaders encouraging their subordinates to carry out more responsibilities than expected. Leaders that are transformational must be able to define, explain, and articulate the organization's vision (Trmal, Bustamam, & Mohamed, 2017). Subordinates must accept and recognize their superiors' credibility in this regard (Sulaeman, 2020). Furthermore, transformational leaders are charismatic and have a strategic role in helping the organization achieve its objectives.

METHODOLOGY

This study uses survey method consist of students from Islamic Sciences University of Malaysia (USIM). The sample of the population were convenient sampling consisted of 80 students from the 4th Year Students of Da'wah and Islamic Management Faculty of Leadership and Management USIM. Data was collected through a questionnaire. Data collected is to establish the Role of transformational leadership Style on Islamic management.

RESULTS

This study is based on all research questions and were answered according to the appropriate statistical analysis for each question respectively. To answer the research questions correlation and multiple regression analysis was utilized for the purpose.

Table 1: Gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	10	12.5	12.5	12.5
	Female	70	87.5	87.5	100.0
Total		80	100	100	

Table 4.1: The Frequencies and percentage of the Gender

The total number of respondents who have participated in this study is 80 respondents. Respondents consisted of 10 male students with a percentage of 12.5% while respondents representing females were 70 with a percentage of 87.5%. This concludes that female respondents are the majority in this study.

Table 2: Age Respondents

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-23 years old	43	53.8	53.8	53.8
	24-26 years old	34	46.2	46.2	46.3
	27-30 years old	3	3.8	3.8	100.0
Total		80	100	100	

The table shows the age range for the respondents who took part in this study. The age group among the respondents is divided into three age groups, namely, respondents aged 20 to 23 years, 24 to 26 years and 27 and above. The total number of respondents aged 20 to 23 years are 43 which represents 53.8%. The number of respondents among the respondents aged 24 to 26 years is 34 representing 42.5% of the total respondents. Furthermore, the number of respondents representing the age group 27 and above is only 3 in number which is only 3.8% of which is the least age group involved in this study. The majority are from the respondents aged 20 to 23 years.

Table 3: Reliability

Reliability Statistics		
Cronbach's Alpha		
Based on		
Cronbach's Alpha	Standardized Items	N of Items
.921	.936	25

Reliability statistics of the impact of Transformational Leadership Style on Islamic Management

The table shows the reliability statistic for the impact of transformational leadership Style on Islamic Management. The Cronbach's Alpha values is 0.921 which is greater than 0.7 and consisting of 25 items. The result from this reliability test is good since all ($\alpha = >0.90$).

Table 4 Correlation

Variables	Correlation Matrix
Idealized influence	.718
Inspirational Motivation	.770
Intellectual Stimulation	.790
Individualized Consideration	.687
Islamic Management	.848

The relationship between idealized influence and Islamic management was investigated using Person-product-movement correlation coefficient. Preliminary analyses were performed to ensure that no violation of the assumption of normality, linearity, and homoscedasticity. There was a high positive correlation between the variables, $r = .718$, $n = 80$, $p < .0005$, with high level of idealized influence associated with high level of Islamic management.

The relationship between inspirational motivation and Islamic management was investigated using Person-product-movement correlation coefficient. Preliminary analyses were performed to ensure that no violation of the assumption of normality, linearity, and homoscedasticity. There was a high positive correlation between the variables, $r = .770$, $n = 80$, $p < .0005$, with high level of inspirational motivation associated with high level of Islamic management.

The relationship between intellectual stimulation and Islamic management was investigated using Person-product-movement correlation coefficient. Preliminary analyses were performed to ensure that no violation of the assumption of normality, linearity and homoscedasticity. There was a high positive correlation between the variables, $r = .790$, $n = 80$, $p < .0005$, with high level of intellectual stimulation associated with high level of Islamic management.

The relationship between individualized consideration and Islamic management was investigated using Person-product-movement correlation coefficient. Preliminary analyses were performed to ensure that no violation of the assumption of normality, linearity, and homoscedasticity. There was a high positive correlation between the variables, $r = .790$, $n = 80$, $p < .0005$, with high level of individualized consideration associated with high level of Islamic management.

Table:5

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.832 ^a	.692	.676	2.32710	1.834

a. Predictors: (Constant), Individualized Consideration, Idealized influence, Intellectual Stimulation, Inspirational Motivation

b. Dependent Variable: Islamic Management

The table shows the 0.69% of the variance in the Islamic management can be explain by the attributes of transformational leadership style which are individualized consideration, idealized influence, intellectual stimulation, and inspirational motivation.

Table: 6 ANOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	912.735	4	228.184	42.136	.000 ^b
	Residual	406.153	75	5.415		
	Total	1318.887	79			

This ANOVA table above shows the regression result between the attributes of transformational leadership style (individualized consideration, idealized influence, intellectual stimulation, and inspirational motivation) towards Islamic management. It shows that R Square is 0.69% and significant at 0.000. Therefore, the impact of transformational leadership style (individualized consideration, idealized influence, intellectual stimulation and inspirational motivation) towards Islamic management is 69%.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(constant)	5.420	2.028		2.673	.009
Idealized influence	.155	.167	.115	.927	.357
Inspirational Motivation	.477	.242	.278	1.968	.053
Intellectual Stimulation	.702	.190	.421	3.701	.000
Individualized Consideration	.148	.166	.092	.887	.378

The regression shows which of the proposed variable shows impact on Islamic management. It shows that the impact of idealized influence on Islamic management is 0.115 with significant value at 0.357. The impact of inspirational motivation on Islamic management is 0.278 with significant value 0.053. The impact of intellectual stimulation towards Islamic management is 0.421 with significant value at 0.000. While the impact of individualized consideration towards Islamic management is 0.887 with significant value at 0.378. Therefore, the most contributing factor towards Islamic management

is intellectual stimulation because the significant value is 0.000 ($p < 0.001$).

CONCLUSION

This study investigated the impact of transformational leadership style attributes (individualized consideration, idealized influence, intellectual stimulation and inspirational motivation) towards Islamic management at (FKP) USIM. The research employed two analyses to understand the current impact of transformational leadership style on Islamic management in the faculty among 4th year students. The results show that all variables proposed by the researchers have a partial positive impact of Islamic management.

REFERENCES

- Afridi, T., Irfan, M., & Sittar, K. (2021). Historical Perspective Of Islamic Management Thoughts: Implications For Contemporary Organizations. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 18(4), 890-912.
- Ahmad, K. (2022). *Islamic Management Practices in Financial Institutions: Case Studies from Islamic Economics, Banking, and Finance*. Routledge.
- Ahmad, K., & Ogunsola, O. K. (2011). An empirical assessment of Islamic leadership principles. *International Journal of Commerce and Management*.
- Alabed, Muhammad. (2017). Exploring the Islamic Principle on Leadership and Its Implementation between Muslim Leaders in Sweden. Department of Civil and Environmental Engineering. Chalmers University of Technology. Goteborg.
- Burch, T. C., & Guarana, C. L. (2014). The comparative influences of transformational leadership and leader–member exchange on follower engagement. *Journal of leadership studies*, 8(3), 6-25.
- El Syam, R. S. (2017). Prophetic leadership: The leadership model of Prophet Muhammad in political relation of social–ummah. *Jurnal Pendidikan Islam*, 6(2), 371-396.
- Greany, T., & McGinity, R. (2021). Structural integration and knowledge exchange in multi-academy trusts: comparing approaches with evidence and theory from non-educational sectors. *School Leadership & Management*, 41(4-5), 311-333.
- Khan, M. M. (2019). *Islam and good governance: A political philosophy of Ihsan*. Springer.
- Lim, J. Y., & Moon, K. K. (2021). Transformational Leadership and Employees' Helping Behavior in Public Organizations: Does Organizational Structure Matter? *Public Personnel Management*, 50(4), 485-508.
- Mushtaq, M., Saghir, A. R., & Kayani, M. M. (2014). Islamic Management System and its Application in the 21st Century World. *International Journal of Academic Research in Economics and Management Sciences*, 3(3), 92.
- Nawaz, Z. A. K. D. A., & Khan, I. (2016). Leadership theories and styles: A literature review. *Leadership*, 16(1), 1-7.
- Salim, Z., Malik, M. T., & Khattak, S. R. (2016). Principles of Effective Management According to Quran and Sunnah. *Al-Idah*, 33(2), 102-110.

- Sulaeman, S. (2020). A Review of Servant and transformational leadership style in Islamic perspectives: a lesson from the Prophet Muhammad (pbuh) as an excellent role model for Muslim leaders in Indonesia. *Nazharat: Jurnal Kebudayaan*, 26(02), 371-387.
- Trmal, S. A., Bustamam, U. S. A., & Mohamed, Z. A. (2017). The Process of Transformational Leadership in Achieving High Performance Workforce That Exceeds Organisational Expectations: A Phenomenological Case Study. *International Journal of Academic Research in Business and Social Sciences*.
- Wahab, M. A., Quazi, A., & Blackman, D. (2016). Measuring and validating Islamic work value constructs: An empirical exploration using Malaysian samples. *Journal of Business Research*, 69(10), 4194-4204.