

The Implementation of Islamic Leadership Attributes in Malaysian Shariah Compliant Investment Organizations: A Case Study

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One of the most prominent corporate investments options is in organizations that comply with Shariah. Despite this growth, an analysis of the attributes of the leaders of organizations has become a major challenge for Shariah compliant investment organizations in Malaysia. In fact, little attention has been given to the role and attributes of Islamic leaders in enhancing their organization's performance. This study attempts to achieve two objectives. First, to determine the Islamic leaders' attributes in Shariah compliant investment organization. Second, this study intends to analyse the effect of Islamic leaders' attributes towards the performance of an organization. To achieve the research objectives, this qualitative study focused on a single case study whereby ten employees of Shariah compliant investment organizations participated. Data from interviews was collected and analysed. From the research questions, three desired outcomes were revealed. First, this study demonstrated that Islamic leaders' attributes consist of integrity the ability to lead by example, truthfulness, trust, knowledge, communication, justices, good relationship with other, power influence, charisma, and innovative ideas. Second, the implementation of Islamic leaders' attributes does exist and creates a positive effect to the Shariah compliant investment organization as this correlates with the success the companies. The results of this study have been able to provide a significant contribution to Malaysian Shariah compliant investment organizations both theoretically and practically.

Key words: *Islamic leadership, attributes, Shariah compliant, organization, case study.*

Introduction

The Islamic Economy is experiencing major growth and widespread recognition, having gained adhesion as Muslims affirm their religiosity and traditional values (Mirakhor & Askari, 2017). Globally, Malaysia and Saudi Arabia remain the major countries contributing to the largest market share of the Islamic fund industry. Managers in countries such as Saudi Arabia and Malaysia who are Muslims hold more than 67% of the total Shariah compliant assets. This strengthens the Islamic finance potential and meets the willingness of existing investors to invest in Shariah based investments.

Saudi Arabia itself contributed 35.6% of the shares, with a total of RM106.41 billion assets under management (209 Islamic funds) by the end of the first quarter of 2017. Referring to Bank Negara Malaysia's (2017) report, Malaysia has the largest amount of Islamic funds among the world. This includes 388 funds which are managed in the form of total assets under management of RM95.43 billion. However, major Islamic funds in Saudi Arabia have a larger share of 76% of total assets under management, compared to Malaysia which has a composition for 45% of total assets under management. The contribution of Islamic funds from Malaysia is still low compared to Saudi Arabia and it is very important that it is exploited in the global market by embarking on efforts to further internationalize the Islamic fund industry.

Islamic funds are essential in all aspects of Shariah compliant business, including all Islamic-related industries. Currently, one of the most common investor options is investment that complies with Shariah rules. This not only meets the needs of Muslims, but also other investors seeking more responsible investment options for their portfolios. The purpose of Shariah compliant investments is to provide investors with a sense of Shariah in their investment. Sharia-compliant investments should be free from activities prohibited by Islam such as *riba*, gambling (*maisir*) and uncertainty (*gharar*). Investors should also not investment in companies or sectors involved primarily in non-Shariah compliant activities. This includes products or services related to conventional banking and insurance, gambling, alcoholic beverages and non-halal food products. The role of Islamic leaders is therefore indispensable. Islamic leaders should guide an organization towards the achievement of common goals and create a system where there is satisfaction or *alfalah* for everyone.

Due to the increased competition and the necessity for Shariah compliant investment organization to have a competitive advantage, several studies have been conducted to evaluate organizational performance in terms of individual factors (Alsaadi, Ebrahim &

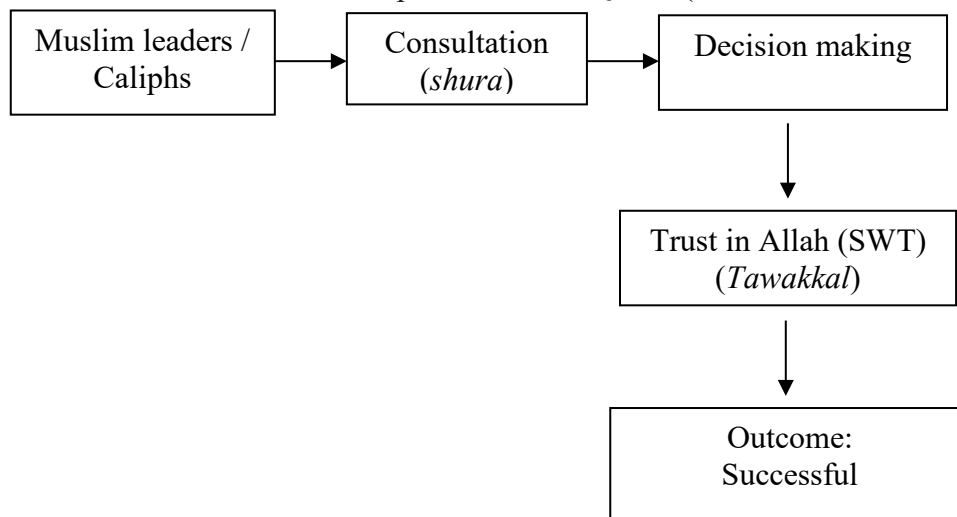
Jaafar, 2016; Saad, 2012; Yazid et al., 2012) and organizational structure (Algarni et al., 2018; Nawaz, 2015; Rahman dan Buraey, 2009; Farhani, 2013; Gamba, 2017; Ganyi, 2016; Goral & Akgoz, 2017; Helen et al. 2017; Iqbal et al. 2018). However, there are still many unexplored research areas, such as the attributes of Islamic leadership that may affect the performance of Syariah-compliant investment organizations in Malaysia. Therefore, this study is aimed to analyze the attributes of Islamic leaders and to study the effect of the leadership attributes of Islamic leaders towards performance of organizations in the Shariah based investment organization of Malaysia. The research questions that arise from this study are: i) What are the Islamic leaders' attributes in Shariah compliant investment organization? and ii) What is the effect of Islamic leaders' attributes towards organization performance?

Literature Review

Islamic Leadership Theory

Early Islamic thought has contributed significantly to leadership. Previous Islamic leadership institutions are focused on the caliphs. From the death of Prophet Muhammad (SAW) in 632 to 1924, there was a theory referred to the caliph (Sonn, 2009). Prophet Muhammad (SAW) is regarded as a just individual and a source of divine revelation. Referring to Figure 1, Prophet Muhammad (SAW) was ordered to make decisions on practical issues only by consulting with members of the community. Muhammad then trusted in Allah (SWT) to grant victory and mastery and Allah (SWT) loves those who believe in Him (Al-Imran, 3: 159).

Figure 1. Model of Islamic Leadership based on the Qur'an (Surah Al-Imran, 3:159)



In the contemporary ideas of Islamic Leadership Theory, there are some debates aimed at detailing the features of Islamic Leadership Theory. Referring to Abdul-Athim (1994), values

and morals are the basic elements of the Islamic Leadership Theory. In addition, Abu Sin (1986) also states the key features of the Islamic Leadership Theory as follows:

- i. It deals with the social philosophy of Islamic society, ethics, and values,
- ii. It emphasizes the economic variables that work to meet individual needs,
- iii. It also gives consideration to physical and spiritual elements. It honors individuals as humans and combines in administrative processes,
- iv. It should also focus on reducing tasks in the organization that comprise responsibility specifications, respect for authorities, formal relationships and organizational structures.

It was stated by Abu Dawud (Vol. 2, No. 2273) that Prophet Muhammad (SAW) said that if there were three people on a journey, then one of them should be appointed as the leader. For example, it can be seen when Prophet Muhammad (SAW) sent his first migration to Abyssinia (Ethiopia) during the Quraish persecution and he appointed Ja'far ibn Abi Talib as the leader of the group. Ja'far ibn Abi Talib is known as a spokesperson for Muslims who have successfully defended the immigrants at the Palace of the Negus Palace against the Quraysh, who had forced them to return to Makkah. The quality of his speech and communication was very clear during the meeting (Khan, 2012; Wie et al. 2017; Yulisutiany, 2018; Zafarullah, 2018). It therefore shows that leadership is an important element in the organization of the Islamic community as well as an important element of the law.

The existing literature in this field emphasizes that leadership from an Islamic perspective is regarded as a responsibility. This viewpoint is supported and refers to the hadith, mentioned in Sahih Muslim (Vol 3, No. 1013). It states that one should not ask for position or power, because if you are given a position as a result of asking, you will be left alone, and if you give it without making a request for it you will be assisted. This aid is received through Allah (SWT).

The Islamic Leadership Theory shows that the attributes of a Shariah-based Islamic leader can influence followers' attitudes and bring satisfaction, motivation, performance, positive energy, and organizational loyalty (De Clercq et al., 2018). It will also produce new commitments and energy that build the leadership's identity. However, in order to preserve the Islamic leadership and organizational goals, leaders are advised to seek support from stakeholders and followers while at the same time fully observe Islamic teachings.

Islamic Leadership Attributes

Islamic leadership refers to a psychological contract between a leader and his followers, trusting that he will do his best to guide and protect his followers in a positive way (Wan Daud, Rahim & Nasurdin, 2014). In addition, Shah (2006) defines Islamic leadership as a

strong relationship in shaping justice through words and deeds that demonstrate the knowledge of a leader and his followers to see the leader as a person who can be holistically emulated. In general, Islamic leadership is the process of developing a group, consisting of its leaders and followers, to meet the needs of Islam in the long or short term to achieve the mission of the organization.

There are four main attributes of leadership defined in the Qur'an characterised as righteous, ethical, humane and equilibrium. Mohsen (2007) explains that one must be righteous as he is given the ruling power of Allah (SWT) and his termination to Allah (SWT). A leader needs to be ethical because this attribute becomes the core of the governance system, without paying attention to money-based profits. The main focus of the leader is to do good deeds just to get the pleasure of Allah (SWT) (Beekun & Badawi, 1999).

The Islamic leadership attributes are defined as the major Islamic attributes of Allah's submission (SWT), are also Shariah-compliant, and yield positive attitudes towards awareness, regulation and self-development. The attributes of Islamic leaders refer to the quality of Islamic leadership in organizing, guiding and influencing others to achieve goals, compete and to lead others in seeking the pleasure of God in the world and the hereafter (Yunus, 2008). Application and understanding of these attributes will open the door to the success and development of universal human beings (Rashid & Mamat, 2013). In a case study at the Islamic University of Indonesia Waqf Foundation, researchers found that submitting to God and obeying Shariah requirements should be fulfilled by leaders to enhance organizational performance (Lannai, Sudarma, Irianto & Ludigdo, 2014).

The study of the attributes and requirements of Islamic leadership was also reviewed by Marbun (2013). Marbun's (2013) research found that there are 10 important attributes of Islamic leadership described through past research which include: intention, taqwa, ihsan, adil, trust, true, sincere, talked, patient and progress. The findings show that there is a correlation between conventional attributes as well as Islamic leadership. This research clearly demonstrates that the formation of leadership attributes is important and necessary in Islamic leadership. The success of an Islamic leader depends largely on the individual's personality. A study conducted on the perspective of Islamic leaders as well as focusing on today's role model CEO by Muhammad Yousaf (2015) emphasized that leadership attributes are key to the success of an organization. A good leader can drive followers or workers to advance and achieve the visions and aspirations of an organization. A real leader must have such qualities as high confidence, trustworthiness, competence, integrity, dynamism, effective communication skills, compassion, inferiority, moderation, enthusiasm, demonstrate hopefulness to employees, able to fulfill his promise, able to solve problems, be a good assessor, influential, and so on.

While the development and greatness of Islamic leaders are widely discussed in previous studies, there is still a limitation of empirical studies on the attributes of Islamic leaders in Malaysia. Mohsen (2007) studies the leadership from the Qur'anic aspect, which emphasizes the element of taqwa, spirituality and responsibility as an independent variable, which has a positive effect on the effectiveness of leadership in the business. Furthermore, Safi (1995) explains that Islamic leaders should have such qualities as patience, knowledge, and eloquence (ability to articulate ideas and views with clarity and fluency) and confidence (belief) to become a prominent leader. Shaikh, Tunio & Shah (2017) also revealed that there was a positive relationship between Islamic leadership and work performance in the banking industry. From previous studies, one is able to observe that there is limited research between the attributes of Islamic leadership and the performance of syariah-compliant investment organizations in the Malaysian context. Therefore, this study proposes to examine the attributes of Islamic leaders to enhance the performance of the syariah investment organization in Malaysia.

The relationship between the Attributes of Islamic Leaders and Organizational Performance

Through Islamic point of view, performance can be seen from a broader view in stimulating individuals to do things that give high returns and benefit the whole organization (Nduka, 2016). From a management perspective, Abbasi (2008) assesses achievement as a courtesy (goodness) that seeks to do a good job or perform a task in an efficient manner. If employees in an organization demonstrate good competitiveness in their performance, it will increase not only the shareholder's profits, but also the overall value of the organization.

Alhabshi and Ghazali (1994) assessed the performance of skills. Skills are defined here as efficiency that refers to the productivity of goods and services that can be produced on a large scale. Skills are a feature that allows every member of the organization to carry out their responsibilities well. As a result, stakeholders in the organization will be able to fulfill their desire.

A concept paper describing the quality of Islamic leaders and organizational performance among the Takaful industry in Malaysia explains that Islamic leaders will bring an organization to a better direction to meet its goals (Wan Daud et al., 2014). Furthermore, with the improvement of organizational performance, it will have a positive impact on economic growth and increase employee motivation to perform better in their responsibilities in the future. Organizational achievement can be enhanced by stimulating the quality of Islamic leadership. It provides an insight for management that the quality of Islamic leadership acts as a tool in assisting an organization to continuously interact with stakeholders, creating new

and strong partnerships, identifying future opportunities, and developing the ability to improve organizational performance.

Generally, organizations can improve their performance by having a good role that follows the major attributes of Islam to gain Allah's grace (SWT). It found that the practice of Islamic leadership had an important influence on management performance (Abbasi, 2008). In another study of Islamic leadership and management performance by Majeed, Khalid & Khan (2011), there was a positive and significant relationship between the components of Islamic leadership (values, ethics and management by example) and organizational performance. All dimensions have a positive impact on organizational performance.

An empirical study on the impact of Islamic leaders on organizational performance was carried out in six case studies on Takaful operators in Malaysia. This study found that there was a significant relationship between the quality of Islamic leaders with Takaful's performance (Wan Daud et al., 2014). Aqidah, the principles and values of Islamic leadership, are important variables that support the quality of a strong Islamic leadership in producing a good leader's morals. The adaptation of Islamic leadership not only influences organizational performance, but also brings the *barakah* to the organization.

Methodology

Research design provides an overall structure and strategy for this research. This study used a qualitative approach and focused on case studies. Creswell (2007) defined qualitative research as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting. This research adopts Yin's (2003) definition of a case study, which is defined as an empirical inquiry that investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not clear and in which multiple sources of evidence are used.

Yin (2003) subdivided case studies into single or multiple studies with holistic or embedded unit of analysis. This study used an embedded single case study that involved the systematic collection of information about individual, group or community, also investigate social setting in order to gain insight into their functioning Gustafsson (2017). In an embedded single case study, there are more than one sub-unit of analysis. In this study, Shariah compliant investment organization was the main unit of analysis, while 10 respondents were used as a sub-unit of analysis.

Sample

The sample size of qualitative research is small, but it provides an extensive amount of information from the comments of the respondents. By pursuing a single case study design, the samples should yield different characteristics across all cases (Farquhar, 2012). Thus, in this study, the samples were based on combination of leaders and followers in organization. Table 1 below encompasses comprehensive demographic information about participants.

Table 1: Demographic of Participants

Variable		Frequency	Percent
Gender			
	Male	6	60
	Female	4	40
Race			
	Melayu	10	100
Age			
	25 years old and below	1	10
	26 - 35 years old	2	20
	36 - 45 years old	2	20
	46 - 55 years old	5	50
Marital Status			
	Single	9	90
	Married	1	10
Highest Education			
	SPM	-	-
	Diploma	1	10
	Degree	6	60
	Master	3	30
Group Position			
	Executive	2	20
	Management & Professional	8	80
Length of Service			
	Less than 5 years	1	10
	5 - 10 years	3	30
	11 - 15 years	1	10
	16 - 20 years	4	40
	21 years and above	1	10

This study employed a non-probability sampling design. In non-probability sampling, the elements do not have a known or predetermined chance of being selected as subjects (Sekaran & Bougie, 2011). In this study, the samples are likely to be chosen in a deliberate manner known as purposive sampling. Purposive sampling allows for the selection of the specific study unit in order to gain the most relevant and plentiful data (Yin, 2011). This is because qualitative inquiry typically focuses in-depth on relatively small samples specifically chosen for certain features, unlike quantitative methods which depend on larger samples (Patton, 2002). There were 10 respondents that agreed to participate in this study. They consist of CEOs, Head of Departments, Senior Executives and Junior Executives.

Case Study Protocol

The objective of case study protocol is to provide guidelines to ensure that the data can be collected, presented, and analysed in a repeatable and reliable manner by minimizing interviewer bias as well as ensuring that the data is appropriately used. The main role of the protocol is to provide guidelines to the researcher when carrying out the research. As an investigator, the researcher is expected to comply and adhere to this protocol in pursuing the line of inquiry for this case. This protocol constitutes the standardized agenda for the researcher to follow to accomplish the stated objectives. Therefore, the reliability of the case study method across researcher and cases can be ensured by adhering to the case study protocol.

Analysis

Content analysis was employed in this study. In content analysis, the researcher examines artefacts of social communication. Typically, these are written documents or transcriptions of recorded verbal communication (Strauss, 1987). Holsti (1969) defined content analysis as any technique for making inferences by systematically and objectively identifying special characteristics of messages. Content analysis is a powerful empirical method for analyzing texts and is a preferred method for technical communicators to use on research (Thayer, Evans, McBride, Queen & Spyridakis, 2007). The data from interviews are analysed using the Atlas.ti 7 software program. Atlas.ti 7 assists in the process of analysing qualitative data collected through unstructured and semi-structured methods. This software keeps the researcher very close to the data which allows for intense and rich exploration and discovery.

Findings

This study has been designed to provide answer to the central research questions. The research questions are analysed by examining the following issues:

What are the attributes of Islamic leaders in Malaysian Shariah compliant investment organization?

From the data collection, it is suggested that R1 was referring Islamic leaders' attributes in relation with integrity. It shows that integrity is important to be practiced in the organization. R1 stated:

“From my perspective, what is important in an Islamic leaders' attributes was integrity. The importance of integrity in an organization will reflect the organizational performance.”

The leader revealed that Shariah requirement was a priority in every activities of the organization. He always seeks advice from the Shariah Committee before making any decision related to the investments of the business. He perceived that the level of Islamic attributes that currently practiced within the organization was satisfactory. R2 added that Islamic attributes must be based on Al-Quran and Hadith. This was evident in the statement:

“The leaders' attributes should be based on four basic elements by referring Rasulullah (SAW) included truthfulness (*siddiq*), trust (*amanah*), communication (*tabligh*) and knowledge (*fathonah*).”

R2 put his trust to Allah (SWT) in any decision that he made after meetings and discussions. In addition, R3 mentioned that in order to lead the organization, the leaders should have positive attributes including the ability to lead by example. He said that:

“The leaders should lead by example and have a positive vibe in order to lead their followers. Besides that, leaders who are Islam that have Iman and Ihsan will be preferable to conduct the business in positive manner.”

He also believed that in order have good attributes, the leaders must be knowledgeable to become an example to their followers. R4 perceived that the best example of a leader is Prophet Muhammad (SAW). He believed that people who want to be good leaders should have the attributes of the Prophet Muhammad (SAW). R4 stated:

“I look at *Nabi Muhammad* attributes as Islamic leaders' characteristics. He is religious, fair and leads by example. So, to me, the Islamic leaders' characteristic is actually whatever quality you can follow the attributes of *Nabi Muhammad*.”

The current Islamic leaders' practices also determines the characteristics of Islamic leaders in the Shariah compliant investment industry. R4 agreed that leaders who manage the companies need to know about *Shariah* requirements of the business.

R5 confirmed that the practice level of Islamic leaders' attributes in the Shariah compliant investment organization is very high. She perceived that by having good Islamic leadership characteristics may influence the company's performance. R6 perceived that the Islamic definition of leadership is the same as the Western definition. However, there are some different aspects between leadership in Islam and those from the West. R6 explained:

“I think leadership definition is the same between Islamic and Western. But the difference in Islamic and Western leadership is based on *aqidah*. The process of Islamic leadership is according to *Shariah* requirements and it is purposely to produce a leader of good *akhlak*. Leadership is about coaching people and guiding followers based on lead by example.”

R7 perceived that the characteristics of Islamic leaders are closely related to the attributes of Rasulullah (SAW). R7 stated:

“To me, I look at Rasulullah as an example. The characteristics which can be seen in the relationships between Rasulullah and Allah, Rasulullah and human being, and Rasulullah and his family are the basic elements in order to be a good leader. So, if we want to look at the true Islamic leaders' characteristics, the answer would be to refer to the characteristics possessed by Rasulullah (SAW).”

From the data collected, it can be seen that R7 was satisfied with the attributes of Islamic leaders being practiced in the organization. While, R8 and R10 perceived attributes of Islamic leaders are based on faith and Islam. As a leader, it is not enough to have Islamic leadership attributes alone. R8 perceived that the level the Islamic leaders practiced and developed in the organization is very good. As perceived by R10, the leaders need to improve their attributes and qualities from time to time in order to survive in the industry.

R9 perceived that the attributes of Islamic leaders in the organization as based on *al-sidq*, *amanah*, *fathonah* and *tabligh*. She also believed that power influence, good ideas, charisma and lead by example as part of the Islamic leaders' attributes:

“A leader needs to show by example, this means the characteristic of a leader that the follower can follow through what the leader is doing. At the same time, if we talk about Islamic leaders, of course we need to refer to Rasulullah (SAW). Because from

that, we know, what it means by leadership that based on Islam. In addition, a leader should have a power influence, good ideas and a strong charisma.”

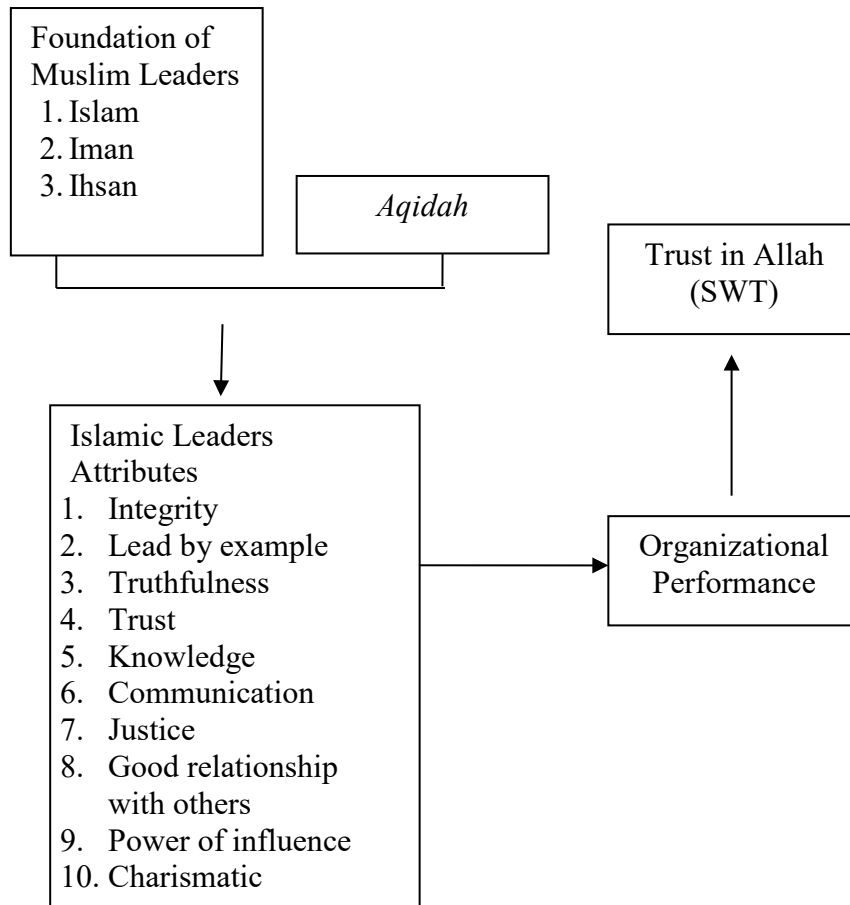
R9 rates the attributes of Islamic leaders’ in the organization as good. Similar with R8, R9 agreed that quality and attributes of Islamic leaders in Takaful operations is still developing and need improvement. All the information that gathered in the interview (research question 1) concluded in the Table 2 below.

Table 2: Summary of information for research question 1

Themes	Sub-themes	Codes	Text
Attributes of Islamic leaders	<ol style="list-style-type: none"> 1. Integrity 2. Lead by example 3. Truthfulness 4. Trust 5. Knowledge 6. Communication 7. Justice 8. Good relationship with others 9. Power of influence 10. Charismatic 11. Ideas 	AoIL	<p>“From my perspective, the important in Islamic leaders’ attribute was integrity” (R1).</p> <p>“The leaders’ attributes should be based on four basic elements by referring Rasulullah (SAW) included truthfulness (<i>siddiq</i>), trust (<i>amanah</i>), communication (<i>tabligh</i>) and knowledge (<i>fathonah</i>)” (R2).</p> <p>“The leaders should lead by example and have positive vibe...” (R3).</p> <p>“Leaders should be religious, justice and lead by example” (R4).</p> <p>“The characteristics which can be seen in the relationships between Rasulullah and Allah, Rasulullah and human being, and Rasulullah and his family are the basic elements in order to be a good leader” (R7).</p> <p>“...if we talk about Islamic leaders, of course we need to refer to Rasulullah (SAW). Because</p>

			<p>from that, we know, what it means by leadership that based on Islam. In addition, a leader should have a power influence, good ideas and a strong charisma” (R9).</p> <p>“The leaders need to improve their attributes and quality from time to time and increase their talent development in order to increase organizational performance” (R10).</p>
<i>Aqidah</i>	<i>Aqidah</i>	Aq	<p>“I think leadership definition is the same between Islamic and western. But the difference in Islamic and western leadership is based on <i>aqidah</i>. The process of Islamic leadership is according to <i>Shariah</i> requirements and it is purposely to produce a leader of good <i>akhlak</i>” (R6).</p>
Islamic foundation	<ol style="list-style-type: none"> 1. Islam 2. Iman 3. Ihsan 	IF	<p>“...besides that, leaders who are Islam that have Iman and Ihsan will be preferable to conduct the business in positive manner” (R8).</p>
Trust in Allah (SWT)	Trust	TiA	<p>“...put his trust to Allah (SWT) in any decision that he made after meeting and discussion” (R2).</p>

Figure 2. Model of findings for research question 1



What is the effect of Islamic leaders' attributes towards organization performance?

From the data gathered, R1 perceived that organizational performance comes from the hard work of all staff in organization. In addition, sincerity and accountability are the important attributes of leaders that positively impact organizational performance. R1 revealed:

“In addition, we believe by having positive Islamic leaders’ attributes, sincerity and accountability, it gives positive impact to the management and organizational performance in all the way.”

The Shariah compliant investment organization measures performance according to financial and non-financial performance. The performances were reflected from organizational contributions including individual factors and organizational factors. R2 stated:

“The organization performance involves two important elements which are financial and non-financial performance. In financial performance, we will look into the return on investment and profit that we are able to achieve.”

R3 and R6 explained that non-financial aspects are also important and need to be measured in the organization. This includes the business processes, customer satisfaction, learning and growth. R3 said:

“For non-financial performance, we focus on the internal business processes, customer satisfaction and learning and growth of our employees. It is important to measure non-financial performance elements because it also gives wide reflection to the organization performance. Increase in all aspect of financial and non-financial, it will increase the performance of organization.”

In order to achieve high performance, R4 emphasized that human capital talent is one of the factors that affects non-financial performance in the company. R4 stated:

“One of our objectives is to develop more Malay talent in *Shariah* compliance organization. We try to educate this people and we bring the good people into this organization. It is true enough that other *Shariah* compliant organization want to attract people and that especially our *Shariah* officers. Though, they are only at senior executive level but they manage to give presentation to other organizations with regard to certain *Shariah* implication. Then, I think that I have partly achieved that objective.”

R5 also wanted to achieve full *Shariah* compliance for the company by having good staff morale in every level of the company He said:

“Another non-financial performance that I want to achieve for this organization is fully *Shariah* compliance organization. It means, if you look at anyone from this company, they have good *Shariah* compliance and attitude, such as all-female staff wear *tudung* and all staff perform their prayer on time.”

R7 believed that Islamic leaders’ attributes would affect organizational performance. A leader should manage and organize the business based on Islamic principles. Otherwise, the Islamic business entity will be jeopardized. R7 explained that staff satisfaction is the main concern of the company. The Takaful industry formulated an exit interview to get feedback from the employees. R7 stated:

“In this organization, we carry out an exit interview for the staff that has intentions to leave the company. Then, the current plan that we want to do is stay interview in order

to make sure that the staff stay in this company. In every department, the leaders carry out staff evaluation and it depends on the department's needs and wants.”

R9 agreed that Islamic leaders' attributes are important in enhancing organizational performance. As a leader, he feels that leaders' attributes contribute to higher performance of the organization. R9 stated:

“I think that the ethics of Islamic teaching must be in our business. This is very important and we as *Muslim* should contribute to mankind today. We must contribute because our objective is to give benefit to the people. We will contribute to make money and I think I am comfortable with that notion.”

In addition, R10 perceived that the ideas and practice of good leaders are important in achieving superior organizational performance. It is significant to the *Muslim* community and helps them to choose financial services based on *Shariah*. R10 said:

“Leader must have ideas and implementation of the ideas. For example, element of *tabligh*, which means *dakwah*, we want to help *Muslim* to get out of non-*Shariah* compliance of financial institution.”

All the information that gathered in the interview (research question 2) concluded in the Table 3 below.

Table 3: Summary of information for research question 2

Themes	Sub-themes	Codes	Text
Attributes of Islamic leaders	<ol style="list-style-type: none"> 1. Integrity 2. Lead by example 3. Truthfulness 4. Trust 5. Knowledge 6. Communication 7. Justice 8. Good relationship with others 9. Power of influence 10. Charismatic 	AoIL	<p>“From my perspective, the important in Islamic leaders' attribute was integrity” (R1).</p> <p>“In addition, we believe by having positive Islamic leaders' attributes, sincerity and accountability, it gives positive impact to the management and organizational performance in all the way” (R1).</p> <p>“The leaders' attributes should be based on four basic elements by referring Rasulullah (SAW) included truthfulness (<i>siddiq</i>), trust (<i>amanah</i>), communication (<i>tabligh</i>) and knowledge</p>

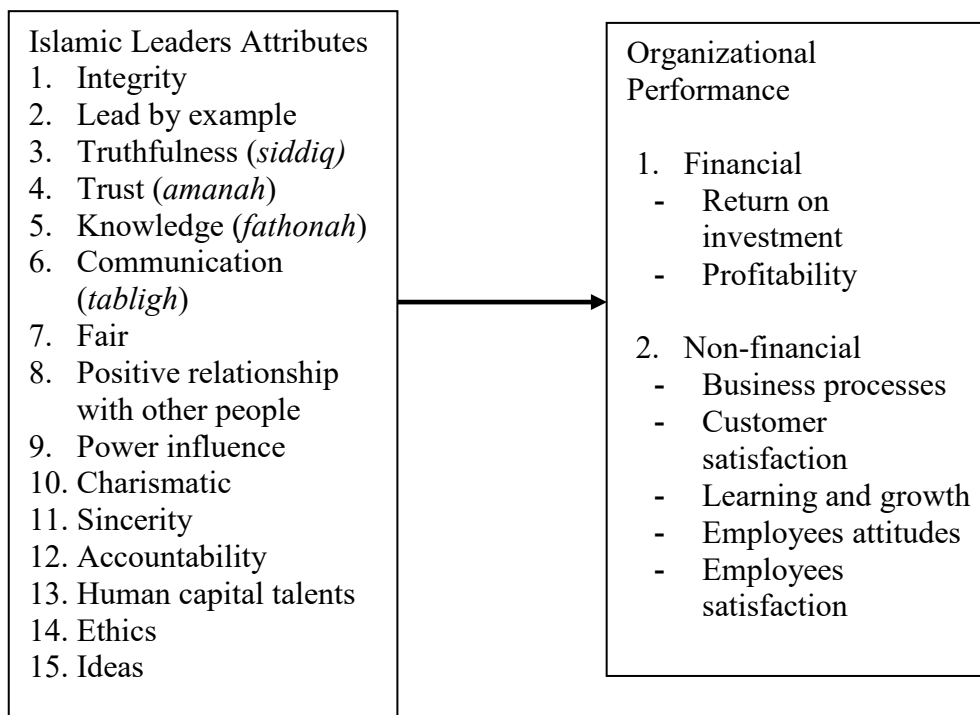
	<p>11. Sincerity 12. Accountability 13. Human talents 14. Ethics 15. Ideas</p>	<p>(<i>fathonah</i>)” (R2). “The leaders should lead by example and have positive vibe...” (R3). “Leaders should be religious, justice and lead by example” (R4). “One of our objectives is to develop more Malay talent in <i>Shariah</i> compliance organization. We try to educate this people and we bring the good people into this organization. It is true enough that other Shariah compliant organization want to attract people and that especially our <i>Shariah</i> officers. Though, they are only at senior executive level, but they manage to give presentation to other organizations with regard to certain <i>ShariaShariah</i> implication. Then, I think that I have partly achieved that objective” (R4). “The characteristics which can be seen in the relationships between Rasulullah and Allah, Rasulullah and human being, and Rasulullah and his family are the basic elements in order to be a good leader” (R7). “...if we talk about Islamic leaders, of course we need to refer to Rasulullah (SAW). Because from that, we know, what it means by leadership that based on Islam. In addition, a leader should have a power influence, good ideas and a strong charisma” (R9). “I think that the ethics of Islamic teaching must be in our business. This is very important and we as</p>
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			<p><i>Muslim</i> should contribute to mankind today. We must contribute because our objective is to give benefit to the people. We will contribute to make money and I think I am comfortable with that notion” (R9).</p> <p>“The leaders need to improve their attributes and quality from time to time and increase their talent development in order to increase organizational performance” (R10).</p>
<i>Aqidah</i>	<i>Aqidah</i>	Aq	<p>“I think leadership definition is the same between Islamic and western. But the difference in Islamic and western leadership is based on <i>aqidah</i>. The process of Islamic leadership is according to <i>ShariaShariah</i> requirements and it is purposely to produce a leader of good <i>akhlak</i>” (R6).</p>
Islamic foundation	<ol style="list-style-type: none"> 1. Islam 2. Iman 3. Ihsan 	IF	<p>“...besides that, leaders who are Islam that have Iman and Ihsan will be preferable to conduct the business in positive manner” (R8).</p>
Trust in Allah (SWT)	Trust	TiA	<p>“...put his trust to Allah (SWT) in any decision that he made after meeting and discussion” (R2)</p>
Commitment	Commitment	Commit	<p>“Hard work and commitment from employees will contribute to the better organization in future” (R1).</p>
Islamic culture	<ol style="list-style-type: none"> 1. Giving salam 2. Man to man hugging 	IC	<p>“We try to be comprehensive in the implementation of the Islamic leaders’ attributes. This is because the way we create and practice the Islamic culture will affect other people and the organization. We</p>

			always give <i>salam</i> , man to man hugging and we try to convince the employees of the importance to follow <i>Shariah</i> rules” (R4).
Organizational performance	1. Financial 2. Non-financial	OP	“The organization performance involves two important elements which are financial and non-financial performance. In financial performance, we will look into the return on investment and profit that we are able to achieve” (R2). It is important to measure non-financial performance elements because it also gives wide reflection to the organization performance. Increase in all aspect of financial and non-financial, it will increase the performance of organization” (R3).
Financial performance	1. Profit 2. Return on investment	FP	“The organization performance involves two important elements which are financial and non-financial performance. In financial performance, we will look into the return on investment and profit that we are able to achieve” (R2).
Non-financial performance	1. Customer satisfaction 2. Internal business process 3. Learning and growth	NFP	“For non-financial performance, we focus on the internal business processes, customer satisfaction and learning and growth of our employees. It is important to measure non-financial performance elements because it also gives wide reflection to the organization performance. Increase in all aspect of financial and non-financial, it will increase the performance of organization” (R3). “Non-financial aspects also

			important to be measured in the organization. It includes the business processes, customer satisfaction, employees satisfaction, learning and growth” (R6).
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Figure 3. Model of findings for research question 2



The first finding based on the research question 1 revealed that respondents perceived Islamic leaders’ attributes must consist of integrity, lead by example, truthfulness, trust, knowledge, communication, justice, good relationships with others, power, influence, charisma and have good ideas. Respondents also believed that Islamic leadership must be based on Islam, iman, ihsan and *aqidah* to produce good leaders’ *akhlak*. These elements are perceived as fundamental in order to be a good leader. In addition, this result is supported by the previous research of Rashid and Mamat (2013), Beekun (2012), Deris (2012) and Kasim (2009). Their studies have confirmed that all attributes mentioned above were mandatory to be good Islamic leaders. Therefore, the first research question is answered.

The second finding based on research question 2 revealed that respondents perceived Islamic leaders’ attributes were related to a Shariah compliant investment organization’s performance. Respondents believed that the implementation of Islamic leaders’ attributes do exist and gave positive effect to the Shariah compliant investment organization as these



qualities are related to the success of the company. The results revealed that Islamic leaders' attributes would affect organizational performance. This result is supported with previous studies by Rahman et al. (2014), Hakim (2012), Majeed et al. (2011), Abbasi (2008), Modudi (2005), Asaf (1987) and Hawi (1982). Their studies have confirmed that Islamic leaders' characteristics would affect performance of an organization. Hence, the second research question is answered.

Conclusion

This study revealed that Islamic leaders' attributes are related to the performance of the Shariah compliant investment organization in Malaysia. Thus, Shariah compliant investment organization should consider the implementation of Islamic leaders' attributes as elements of the organization. In addition, the current study takes into consideration the Islamic culture and commitment needs in order to share the positive work environment in the organization. Therefore, this study revealed that Islamic leaders' attributes are beneficial to the performance of Shariah compliant investment organizations.

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