

A Practical Approach to Maslahah Based Decision Making Framework

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Abstract: Decision making is a crucial stage in management of project and policy process where various alternatives are identified based on particular values and preferences of the decision maker. Eventually, it bridges the planning and implementation of firms' projects and policies together. Western expertise have developed various types of decision making tools such as Cost-Benefit analysis. As Economics theory suggests, the ultimate objective of firm is to maximize profit or minimize cost which also influences the decision making process. While in Islamic theory, it embraces a multi-dimensional approach. Accordingly in Brunei, there is a dire need for a holistic Islamic approach in its administration and management which also includes decision making process. In this sense, *Maqasid Shariah* is the currently best available benchmark to develop an Islamic decision making framework. The concept of *Maqasid Shariah* has been developed by the past scholars such as Al-Juwaini, Al-Ghazali and the most prominent scholars in the field, Asy-Syatibi. However, the discussions were focusing on the religious aspect particularly in *usul fiqh* and *fiqh* aspects. So in the recent years, few studies had developed and applied the framework of *Maqasid Shariah* such as

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Moussa Larbani & Mustafa Omar Mohammed (n.a.), Asyraf Wajdi Dusuki & Nurdianawati Irwani Abdullah (n.a.), Zulkifli Hasan & Mehmet Asutay (n.a.) and Shaikh Mohd Saifuddeen, Noor Naemah Abdul Rahman, Noor Munirah Isa & Azizan Baharuddin (2013). These studies have developed *Maqasid Shariah* as a framework in specific field which needs a certain level of expertise. Nevertheless, problem may arise for those who are lacking of the required expertise to apply the framework in their respective field. Thus, this paper is extending the established idea to develop a simpler, yet widely applicable *Maqasid Shariah* based framework which is feasible for the decision makers who are not expertise in the field of *Shariah*.

Keywords: Decision making, *Maslahah*, Framework, Weight

Introduction

Decision making process is a crucial stage in any management of project or policy process that will affect the outcome of the action taken. It bridges the objectives of certain project or policy to the implementation stage of it. Decision making is a stage where the decision makers will consider various alternatives in achieving their objectives and choose one over the others based on their values and preferences. This is known as bounded rationality. Values and preferences are fundamental concepts that influence the way of thinking and action of individuals. Western expertise has come up with decision making theories such as Cost-Benefit analysis. These theories are being taught, promoted and practised in our Muslim society. Since these theories are a socially related theories, they are built based on certain values. By practising these theories, indirectly decision makers are also being bounded by the underlying values of

the theories. It is known that western theories are mainly based on secular view. In this case, the main objective of decision making is to minimize cost, maximize profit and cost-effectiveness. At a glance, it may seem to be valid and makes sense as it is a common practice to utilize resources effectively and efficiently. However, it actually only focuses on one dimension which is the material aspect whereas any decision making will affect many parties. In contrast, Islam as a comprehensive religion, provide teachings and principles in every aspect of life. Decision making is without exception. An Islamic approach is a multi-dimensional approach which considers various aspects such as religion, individual, social, economic and political aspects.

In the context of Brunei Darussalam, having an Islamic approach in decision making is a dire need to ensure that the country practises Islamic teachings comprehensively. The objective of the country to become an Islamic practising country is an explicit objective that can be reflected through its philosophy Malay Islamic Monarchy (MIB), Zikir Nation (*Negara Zikir*) and the implementation of Shari'ah Law. This is a noble objective as it will realize the concept of *Tauhid* in the country as a whole. Consequently, every individual in the society will play their role as '*Abd* and *Khalifah* in every aspect of their life.

It is not denied that there is difficulty in applying the teachings and principles of Islam to build a solid and proper model that is at least comparable to the western model. This problem arises due to several factors such as education system, lack of references and historical factor. Nevertheless, it is the responsibility of Muslim ummah to explore the Islamic Heritage (Turath) in developing contemporary knowledge and theories. In relation to

decision making theory, *Maqasid Shariah* is one of the best currently available framework to build a socially related theory. This is done by using *Maqasid Shariah* as the principles and benchmark in developing the theory.

There are few previous works that had been done which incorporates *Maqasid Shariah* in the contemporary field (which will be briefly explained in the later part). Nevertheless, it is found that these frameworks requires certain level of expertise both in religious and contemporary knowledge. Problems may arise for those people who are lacking of the required expertise to apply the existing framework in their decision making process. Taking this possibility into consideration, this paper tries to develop a model with a more general framework based on the previous works. It is aimed to be more convenient for the public officers to apply it in their decision making process.

Overview of Past Literatures

1. *Maqasid al-Shari'ah, Maslahah, and Corporate Social Responsibility (CSR)*

In this research paper, Asyraf Wajdi Dusuki and Nurdianawati Irwani Abdullah, both are Assistant Professor in Kulliyyah of Economics and Management Sciences, International Islamic University of Malaysia (IIUM)¹, has discussed about how the company sets standards of behaviour that should be subscribed in order to influence the society in a positive and productive manner which at the same time, the company abides by the values by eliminating the profit-seeking at any cost. As the main objective that they mentioned is to discuss

¹ Currently, Asyraf Wajdi Dusuki is no longer at the University.

the understanding of CSR from the Islamic perspective. This is to cover the implementation of CSR within the situation that covers trade-offs. They also discussed further about the implications of *Maqasid Shari'ah* (the Objective of Shari'ah) and the application of *Maslahah* (the public good) to the CSR. As the study suggested that to educate the people, especially the Muslim executives and entrepreneurs with the training programs focus on the importance of CSR that instill the Shari'ah compliant.

2. Decision Making Tools for Resource Allocation Based on *Maqasid Al-Shari'ah*

Moussa Larbani and Mustafa Omar Mohammed, both from the Kulliyyah of Economics and Management Sciences, International Islamic University of Malaysia (IIUM), had conducted a research which is aimed to apply *Maqasid al-Shari'ah* in economics and finance particularly in investing resources. They discussed on how the elements of *Maqasid al-Shari'ah* can be used as a decision making tools and developed a model by using these elements as a decision making tool to prioritize the allocation of investible resources. Thus, this model has been made up to be used by the decision makers from Islamic firms.

3. *Maqasid al-Shari'ah* as a Complementary Framework to Conventional Bioethics

In this research paper, Shaikh Mohd Saifuddeen and Noor Naemah Abdul Rahman, were from the Academy of Islamic Studies, and both Noor Munirah Isa and Azizan Baharuddin were from Department of Science and Technology Studies. They were all from the University of Malaya, and they discussed about the

application of *Maqasid al-Shari'ah* in decision making within the realm of natural sciences. As they mentioned that the biotechnological applications (research, processes or product) must be in line with the teachings of Islam. So, they suggested by using the five objectives of *Maqasid al-Shariah* (i.e. faith, life, intellect, progeny, and property) as the essential parts in decision-making. When all these five objectives are considered in making bioethical decisions, they would believe that it could assist in solving many bioethical dilemmas that have been experienced by the decision makers before.

4. *Maslahah* in Stakeholder Management for Islamic Financial Institutions

Zulkifli Hasan and Mehmet Asutay discussed the stakeholder theory and how it failed to provide strong validation as to conceptualize the definition and mechanism of the operational stakeholder's activities in the firm. In contrast from the Islamic perspective, Islam has based the stakeholder management theory with the principles of Islamic teachings, i.e. *Tawhid*, *Shura*, property rights, etc. Thus, these two authors, one from Islamic Science University of Malaysia and another one from Durham University, has supported the *Maslahah* principle as the efficient instrument for the stakeholder management.

5. A Statistical Framework on Identification of *Maqasid Al-Shariah* Variables for Socio-Economic Development Index

This paper studied by M. Fevzi Esen, and he focused on analyzing the classical *fiqh* opinions and transforming those into the socio-economic index. He evaluated it into two approaches for the *Maqasid al-Shari'ah* index, i.e.

Bayesian Factor Analysis and Bayesian Structural Equation Modelling. Both have different ways to approach, but the essential part in decision making is deciding how to gather data whether by observations including surveys, interviews or synthetic methods.

All of the previous works were done in specific field which requires a particular level of expertise. Therefore, in this paper, a more general and simpler model will be developed which is applicable to wide range of fields and thus, enable the public to utilize *Maqasid Shari'ah* in their decision making process.

The model

In general, the model involves two main stage of decision making process. The main aim of the model is to provide a framework that will ensure that the decision taken will come out with certain action or program that is permissible (Halal) and preserve the goodness from all dimensions. The first objective is taken care in the first stage of the model while the second objective is taken care in the second stage.

1. The first stage

The first stage is a simpler stage compared to the later stage. In this stage, every alternatives of actions and programs are evaluated at their surface level on whether each of them is *Shariah* compliant or not. This means that this stage will fulfill the first objective where the action and program must be *Shariah* compliant. Any alternatives that involve prohibited elements will be disqualified. This includes usury (*Riba*), gambling (*Maysir*), uncertainty (*Gharar*), corruption, eating others' wealth unjustly and so on. As an example, Company Z is considering to run a mega project which

requires huge amount of financing. In order to do this, the company has few alternatives in seeking the needed financing amount. It may seek financing simply from the bank whether from conventional bank or Islamic bank. In this case, seeking financing from the conventional bank violates the Islamic principle and hence, not *Shariah* compliant. As a result, the only choice for seeking financing from bank is by applying to the Islamic bank. Other than that, it may also seek financing from the capital market. The company has the options whether to offer share, bond or *sukuk* (Islamic bond). Offering share and *sukuk* will not violate any Islamic principle and thus, they are *Shariah* compliant. However, offering bond will cause the company to incur debt and pay interest on it. This means that this option will involve the practice of *Riba*. Therefore, it is rejected.

2. The second stage

The second stage of the model is much more crucial as it evaluates deeper into the alternatives. In this stage, it looks beyond the permissibility aspect and critically evaluates the various dimensions of the action or programs. This stage involves few steps that will bring to the final choice of action or program by the decision makers. The steps are as follows:

- i. Listing all benefits and harms

The first step in the second stage is to list all the benefits and harms of certain action or programs based on its possible outcome. In this stage, it must be give attention that not only benefits are taken into consideration, rather harms are also considered and evaluated in the process.

- ii. Classification of the benefits and harms

The second step is to classify the listed benefits and harms into three categories which refers to the three level of *Maqasid Shariah* namely *daruriyyat*, *hajjiyyat* and *tahsiniyyat*. Nevertheless, problems may occur in deciding whether a particular benefit or harm belongs to *daruriyyat* or *hajjiyyat* or *tahsiniyyat*. Thus, for the purpose of this framework, proxies are required for decision makers to classify each of the benefit and harm of the action or programs. In order to make it convenient for those who less expertise, these proxies must be something that are familiar and easy to compute for most people. Taking these into consideration, it is suggested that primary *maslahah*, secondary *maslahah* and third party *maslahah* or externality to be used as proxies for *daruriyyat*, *hajjiyyat* and *tahsiniyyat* respectively.

- iii. Weightage to benefit and harm
After classifying each of the listed benefits and harms into primary, secondary and third party level, each of them is given weightage so that quantitative comparison can be made between the alternative action and programs. In other words, this step is to quantify the benefits and harms and hence, quantifying each level of effect for each action or programs. Each benefit will be given a positive value weight while harm will be given a negative value weight each. Quantifying process is not an easy process and need to have rational justification. For the purpose of this framework, it is assumed that primary *maslahah* has the majority weight as it is a proxy for the *daruriyyat*. The secondary *maslahah* has lesser

effect than primary level while the third party *maslahah* has the least effect. This is based on the *Maqasid Shariah* level that each proxy is representing. Based on these assumption, the weight for the primary level, secondary level and third party level are 0.5, 0.3 and 0.2 respectively.

- iv. Cumulative score for each level of *Maslahah*
As each benefit and harm is given weightage based on their level of *Maslahah*, these weightages will be then summed up to give each level of *maslahah* their cumulative score. Each benefit will contribute a positive score to their respective level while each harm contributes an opposite attribute. The cumulative score will be used in the comparison process across the alternatives of action or programs.
- v. Decision making
The final step in the second stage is to decide which action or program will be chosen. This is done by comparing the cumulative score of each level of *maslahah* of the alternatives. Instead of looking into the overall cumulative score, the comparison is done by prioritizing the major *maslahah* before the lesser level of *maslahah*. The decision rule is based on the following way:
 - a) Comparing the cumulative score of the primary *maslahah* level and choose the alternative that scores higher.
 - b) If the primary *maslahah* cumulative scores are equal, decision makers move to the next level which is the secondary *maslahah*. Similarly, the cumulative score is compared and any alternative that score the highest is chosen.

- c) If the secondary *maslahah* cumulative scores are also equal, then the third party *maslahah* cumulative score is compared to determine which alternative scores the highest.
- d) If the third party *maslahah* cumulative scores are also equal, then decision makers can be indifferent between the alternatives.

Illustration of the model

This part will show a simple illustration of the application of the model. Suppose that Company ABC is aiming to improve its daily operation which will increase its efficiency. In order to achieve this objective, the company has two different alternatives which are either by investing in capital goods or by investing in human capital. Investing in capital goods refers to investment of the necessary machinery and technology that can improve the daily operation process of the company. The other option which is to invest in human capital refers to investment that is made to improve its labour skill and capability in terms of knowledge, idea and expertise. The second can be in various form such as formal education, seminars, short courses and workshops. Nevertheless, in this case, it is restricted to investment in formal education. This is because formal education provides a more rigorous learning compared to informal type of education.

1. The first stage

The first stage concerns with the *Shariah* compliancy. Both of the alternatives don't possess any explicit characteristics that are against the *Shariah*. Nonetheless, in order to ensure that they are comprehensively complied with the *Shariah*, some restrictions need to be outlined. For example, in terms of investment in capital goods, the company is required to ensure that it won't lead to any wastage of assets. This means that the new machinery and technology must be carefully chosen to ensure that it will be fully utilized by the company. On the other hand, if the company chooses to invest in human capital, the field of education must be matched to the required skill needed by the company as any mismatch will lead to wastage. Other than that, the source of the investment fund must not involve any prohibited things such *Riba* and *Maysir*.

2. The second stage

The second stage is where the alternative policies are evaluated in much more detail according to few steps.

i. Listing all benefits and harms

The first step is to list out all the benefits and harms of the two alternatives. This is shown in the table below. The elements listed are only assumptions and do not cater the actual outcome in real practice.

Investment in capital goods		Investment in human capital	
Benefits	Harms	Benefits	Harms
<ul style="list-style-type: none"> • Faster and smoother operation • Immediate effect • Economies of scale 	<ul style="list-style-type: none"> • High maintenance cost • Difficult to be varied 	<ul style="list-style-type: none"> • Better labour skill • Useful in improving company's growth • More flexible • More rigorous way of thinking 	<ul style="list-style-type: none"> • Time consuming

Table 1: List of Benefits and Harms

- ii. Classification of the benefits and harms
The second step is to classify each element into primary maslahah, secondary maslahah and third party maslahah. The table below shows this classification.

	Investment in capital goods		Investment in human capital	
Maslahah Level	Benefits	Harms	Benefits	Harms
Primary	<ul style="list-style-type: none"> • Faster and smoother operation • Immediate effect 	<ul style="list-style-type: none"> • High maintenance cost 	<ul style="list-style-type: none"> • Better labour skill • More rigorous way of thinking 	<ul style="list-style-type: none"> • Time consuming
Secondary	<ul style="list-style-type: none"> • Economies of scale 	<ul style="list-style-type: none"> • Difficult to be varied 	<ul style="list-style-type: none"> • More flexible 	
Third party			<ul style="list-style-type: none"> • Useful in improving company's growth 	

Table 2: Classification of Benefits and Harms

- iii. Weightage to each benefit and harm
 The third step is to give weightage to each element. The weight for primary *maslahah*, secondary *maslahah* and third party *maslahah* are 0.5, 0.3 and 0.2 respectively. Benefits are given positive weight while harms are given negative weight.

	Investment in capital goods		Investment in human capital	
Maslahah Level	Benefits	Harms	Benefits	Harms
Primary	<ul style="list-style-type: none"> • Faster and smoother operation – (0.5) • Immediate effect – (0.5) 	<ul style="list-style-type: none"> • High maintenance cost – (- 0.5) 	<ul style="list-style-type: none"> • Better labour skill – (0.5) • More rigorous way of thinking – (0.5) 	<ul style="list-style-type: none"> • Time consuming – (- 0.5)
Secondary	<ul style="list-style-type: none"> • Economies of scale – (0.3) 	<ul style="list-style-type: none"> • Difficult to be varied – (- 0.3) 	<ul style="list-style-type: none"> • More flexible – (0.3) 	
Third party			<ul style="list-style-type: none"> • Useful in improving company's growth – (0.2) 	

Table 3: Weightage for each Benefit and Harm

- iv. Cumulative score for each level of *Maslahah*
This step is to give cumulative score of each level of *maslahah* based on the weightage of the benefits and harms in each level.

	Investment in capital goods		Investment in human capital	
Maslahah Level	Benefits	Harms	Benefits	Harms
Primary	<ul style="list-style-type: none"> Faster and smoother operation - (0.5) Immediate effect - (0.5) 	<ul style="list-style-type: none"> High maintenance cost - (- 0.5) 	<ul style="list-style-type: none"> Better labour skill - (0.5) More rigorous way of thinking - (0.5) 	<ul style="list-style-type: none"> Time consuming – (- 0.5)
	Cumulative score: 0.5		Cumulative score: 0.5	
Secondary	<ul style="list-style-type: none"> Economies of scale - (0.3) 	<ul style="list-style-type: none"> Difficult to be varied - (- 0.3) 	<ul style="list-style-type: none"> More flexible - (0.3) 	
	Cumulative score: 0		Cumulative score: 0.3	
Third party			<ul style="list-style-type: none"> Useful in improving company's growth - (0.2) 	
	Cumulative score: 0		Cumulative score: 0.2	

Table 4: Cumulative score for each Maslahah level

- v. Decision making
The final step is to decide which policy is to be chosen. This is done by comparing the cumulative score of the two alternatives by prioritizing the primary *maslahah* the most and third party *maslahah* the least. By looking into

the Table 4, the cumulative score will be compared between the two alternatives. The primary *maslahah* level is the most prioritized. In this case, both alternatives have equal cumulative score. Due to this, decision makers must move to the secondary *maslahah* level. The table shows that investment in human capital scores higher than investment in capital goods. This means that the investment in human capital is chosen as the company's policy.

Conclusion

The paper has discussed the application of *Maslahah* in decision making process. General overview of past literatures that incorporates *maslahah* in the contemporary framework are also done. In comparison, these past literatures developed models that are more rigorous and require high level of expertise whereas the model in this paper is a simpler model as it is aimed for the general public to apply it in their decision making process.

It is acknowledged that this model is a basic model which can be modified and improved based on appropriate circumstances of decision makers. Some weaknesses may be encountered when it is applied in practical. It also recognized that this model is based on some assumptions (such as weightage) and proxies which is unavoidable due to lack of resources. Due to this, it is recommended that further research to be done and we welcome academics, real policymakers and government authority to develop this model further. In this way, it will help to ensure the model to be applicable and practical in the real world without losing its basis framework, the *Maqasid Shari'ah*.

In conclusion, *Maqasid Shari'ah* is not just a legalistic tool. Rather, it is widely applicable in the contemporary field of knowledge. As Muslim, it is our responsibility to explore it and develop model based on its framework particularly in those field of knowledge that are based on worldview and ideology.

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