Article

Working in the Islamic Economy: Sharia-ization and the Malaysian Workplace*

Patricia SLOANE-WHITE

This article demonstrates how sharia, the source for developing products in Malaysia's Islamic economy, has also emerged in some Malaysian businesses as a form of corporate culture, reconfiguring workplace identities and social relations. It takes the form of what I call "corporate sharia", a set of ideas consciously and deliberately shaped by executives who seek to build corporations based on the rules for commerce and management contained within the Qur'an and Hadith. Corporate leaders also fashion what I call "personnel sharia" — "human resources" rules to ensure that employees exhibit the ethical values and moral principles set by their superiors. As such, the "Islamic workplace" becomes sharia-ized, where the piety and Islamic subjectivities of personnel are shaped, monitored, and enforced, not left to individual, personal choice.

Keywords: business, corporate culture, economics, human resources, Islam, Malaysia, personnel, sharia, workplace identities

In the white-collar world of Malaysia's confident, globally oriented Islamic economy, sharia compliance has created vigorous new businesses and products. Sharia has also emerged as a novel form of corporate culture, reconfiguring workplace identities and relations in distinctly Islamic ways. Exploring the sharia premises and practices that have been institutionalized in some Malaysian work lives can provide some understanding of what could be called the sharia-ization of the Malaysian workplace. This article explores the experiences of differently placed people who work in Malaysia's Islamic economy, ranging from
chief executive officers to managers, clerks, and messengers. They work in Islamic banks and insurance companies and the companies that service them, such as human resources and training consultancies, and accountancies and auditing firms whose owners and directors have fully embraced the Islamic economic model.

Many Malaysian Muslims today are firmly placed within the urban middle classes (Welsh 2008). Many live and work in and around the capital city of Kuala Lumpur, employed by private-sector corporations which comprise the commercial and economic foundation of the nation, a legacy of 1980s-era government-led privatization projects such as Look East and Malaysia Incorporated (Triantafillou 2002). But after decades of Western-style capitalist development, many Malaysian Muslims are questioning not just the culture that Western-style capitalism has brought to Malaysia, but its very economics. And many see the growing appeal of the Islamic economy in Malaysia not just as an ethical place to bank and borrow, but as a place to work. In the words of one young woman who captured this desire well: “We want to know that the money with which we feed our children was earned morally.” The men and women whose experiences and points-of-view are recorded here share with many other Malaysian Muslims a growing confidence that sharia, or Islamic or divine law, should guide all economic and social transactions in Malaysia. To the people I studied in Malaysia’s Islamic workplaces, sharia is thus not merely a guide for financial operations. It is, as Muslim jurists understand it and in the fullest meaning of the word, a “path”, a way of life. The men and women I met in the Islamic workplace wanted work that followed that path.

While the practices I will discuss here are currently in place at only a small percentage of companies in the Malaysian economy, they represent, I think, ideologies and norms with far-reaching social impact, as more and more Malaysian Muslims seek to calibrate their politico-religious orientations to their economic practices, a process Johan Fischer has called “halalisation” (2008). But where Fischer is concerned with Islamic consumption and “shopping”, this article addresses actors in Islamic production — workers in the Islamic economy who believe,
in the words of one company director, that they are producing “more of Islam”. We know little about the daily experiences of people who work in these companies, the spiritual and organizational dimensions of the Islamic workplace, and the extent to which their workday lives in the Islamic economy correspond to and reflect other dimensions of their religious beliefs.

Religion and economy have long been intertwined in the high drama of Malaysian politics. The growth of the Islamic economy in Malaysia reflects the often fraught and competitive agendas of the Islamic moderate United Malays National Organisation (UMNO) and the Islamist opposition Parti Islam Se Malaysia (PAS). Struggles between these two political parties in the 1980s led to the promotion of Islamization on a “grand scale” by the UMNO-led Malaysian Government seeking to quell PAS claims that the ruling party was overly Westernized in its development orientation. UMNO’s efforts primarily took the form of a vast bureaucratic expansion of government agencies overseeing Islamic affairs (Hamayotsu 2003) and the emergence of an “Islamic economy”. By the mid-1990s, with the intent of “marrying Islam to economic development” (Liow 2008), Malaysia was innovating in all sectors of Islamic finance, including Islamic insurance, an Islamic debt market offering the world’s first sukuk or Islamic bonds, and Islamic leasing contracts known as ijara, until, for all practical purposes, Malaysia could claim to have a fully realized sharia-based financial system alongside its booming conventional one (Mohamed Aslam 2001, p. 281).

But what exactly is the “Islamic economy”? Critics argue that an Islamic economy based on avoidance of riba or usurious interest is no more than conventional banking behind an ideological smokescreen (Mauer 2005, p. 24; see also Kuran 2004); concerning Malaysia, some scholars maintain that the riba-free economy, despite its significant size, has had little real macroeconomic impact (Wilson 2006, see also Hefner 2007). But practitioners of Islamic economics in Malaysia and elsewhere point out that injunctions against riba make up only a very small part of what defines an economy built on Islamic social ideas and ethics (Chopra 2005, p. 233, Maurer 2006). To the men and women
I interviewed for this study, the Islamic economy avoids all forms of injustice and harm (prohibited or haram acts such as bribery) and supports an array of sharia-compliant ethical behaviours and moral values that promote social solidarity and welfare; clearly its workplace must reflect those values.

During the period of my research on the Islamic workplace the Western economic system was crumbling under the weight of derivatives, bad loans, corporate malfeasance, and excessive executive compensation. In Malaysia many of the Muslims I met believed this rubble of Western capitalism exposed a rotten moral core in need of total transformation and gave urgency to their conviction that a sharia-based economy (and society) was better for everyone. Many of the people I interviewed in the course of my research — corporate executives, financial advisors, and senior managers, as well as the people who work for them — support the creation of a fully realized Islamic system in Malaysia, the Islamic state. With that day perhaps far in the future, some are starting first in the corporation. If, indeed, as one company director said to me, the corporation he runs is fully sharia-ized like “a small Islamic state”, what then comprises the sharia of a “corporate” state in Malaysia? How is that small state to be governed? Who are its leaders? Who are its followers? What are its norms? And what can we say about the imagined Islamic Malaysian state in which its citizens hope someday to live?

The sharia I analyse here exists in a supra-legal, even perhaps pseudo-legal realm, because, strictly speaking, Malaysian sharia’s reach includes only domestic and pietistic matters concerning personal status; until 2009, even the sharia compliance of Malaysia’s Islamic banks was regulated under civil law (Hamayotsu 2003). But to the people whose perspectives I studied, sharia cannot and does not exist in some realms and not others. As a way of life, it delimits and addresses all personal and public experience. Consequently, in some Islamic corporations in Malaysia, particularly in the Islamic financial institutions and companies that service them described in this article, sharia has emerged as corporate culture — what I call “corporate sharia” — consciously and deliberately shaped by corporate leaders and their
sharia advisors. As such, what I call the “Islamic workplace” is different from a workplace in which Muslims work. It is a workplace where piety and Islamic subjectivities are shaped, monitored, and enforced, not left up to individual and personal choice.

Corporate sharia is my term for a particular set of business values and ideas which gain authority from an increasingly well-informed Arabic lexicon in Malaysia. The company directors and owners I met were active students of the Qur’an and sources of sharia. Many either spoke or were learning Arabic. Indeed it was evident that an increasing amount of Arabic- and Qur’an-influenced teaching and knowledge was reflected in their experience, compared to the preceding cohort of Malay entrepreneurs I studied a decade earlier (Sloane 1999), whose Arabic and Qur’anic backgrounds were less developed. The men I interviewed, now mostly in their forties, were raised and educated in an Islamized Malaysia. Now many of them participated in rigorous study groups that combed Islamic texts for connections between religion and economic life and worked closely with local scholars and ustaz to understand the rules for commercial and organizational life contained within the Qur’an and the Hadith. All of them were in frequent contact, sometimes even daily, with sharia advisors from local universities, not just for purposes of financial compliance at the corporate and product-development level, but for counsel on all matters of business and management as well as on personal matters and self-management.

Corporate leaders also fashion what I call “personnel sharia” — a set of corporate and “human resources” rules, codes, procedures, and disciplines for employees. In this way the Islamic workplace becomes a highly normative one, in which corporate leaders make and enforce Islamic policies for personnel, ensuring that employees exhibit the ethical values and moral principles set by their superiors. Together, “corporate and personnel sharia” delineate differences between corporate leaders and the people they manage, the nature of hierarchical and gendered relations in the Islamic workplace, and the concepts and beliefs that underlie work in the Islamic economy.

As Bonnie Urciuoli has pointed out, all workplaces in the modern capitalist economy are normative and regulative (2008); this process
was explored in the Malaysian setting a generation ago by Aihwa Ong (1987) with a particular focus on gender enforcements placed on Muslim-Malay factory women. More recently, in Indonesia, Daromir Rudnyckyj (2009) has described what he calls a Muslim “spiritual economy”, where Indonesian corporate managers of a steel factory use Islamic training courses to transform the pieties and dispositions of employees to shape them into globally competitive personnel for the neoliberal capitalist economy. This analysis seeks to go beyond the factory into the boardrooms and cubicles of the corporate, “white-collar” Islamic economy, to see how work “works” in a Malaysia that has seen, since Ong’s seminal study, broader Islamization, an increasing “human resources” approach to business and industry (Triantafillou 2002), and the rapid growth of the Islamic economy.

Muslim “Genes” and the Islamicity of Business

I turn now to the ideologies and self-understandings of highly placed Malay-Muslim business men who own, shape, and manage businesses in the Malaysian Islamic economy. I use the term “men” deliberately, for women do not appear at the higher levels of management at the companies I studied, a point I will return to below. Malay-Muslim business men direct and execute corporate policy at large companies like Islamic banks and insurance providers; design, produce, and market products and services in the Islamic economy; and oversee the hundreds of personnel who people the middle and lower ranks of their businesses. The corporate leaders I spoke to also included a group of influential Malay-Muslim men who run smaller firms which service the Islamic economy — auditing and accounting firms and training consultancies.

Despite being highly positioned, powerful, and highly compensated, many corporate leaders I interviewed described themselves in the humblest terms; following the example of Mohammed before he became the Prophet, they are, most said, merely “traders”. This is a virtuous profession for a Muslim: many quoted to me a version of the Hadith that states “that nine parts of ten of a man’s recommended
livelihood lies in trade and commerce”. The implication here was that via business, however successful they might become, they were fulfilling God’s expectations for men in their worldly lives. But there is another, almost biological notion at play that connects these business men’s identities to Islam’s very origins. Elaborating on the theme of trade and its role in Islam’s (and the Malays’) ancestry, one corporate leader told me that trade and business was in his DNA. He explained that when Islam first came to the Malay Peninsula in the thirteenth century via Muslim traders who then intermarried with the Malays, the Malays “inherited” their capacity for both piety and trade. Another business man, an Islamic banker, believed, too, that trade was a “recessive gene” in his blood. Malaysia, once a crucial stop on Islam’s ancient trade routes but eclipsed by colonialism, the Chinese, and the West, will rise again on a new (and virtual) “Silk Road”, trading such things as the global sovereign sukuk (bond) funds and other innovative Islamic financial instruments now in development by Malaysia’s innovative “sharia entrepreneurs”.

“Genetic” theories like these have complex implications in the Malaysian setting, where the retelling of Malay history by Malays has long been focused on constructing what Anthony Milner called the racial and ethnic uniqueness of “Malayness” (2008). Shifting from Malayness to “Muslimness”, corporate leaders are delocalizing themselves to connect directly to Islam’s Arab roots and its global brotherhood. In a racially and ethnically fraught contemporary Malaysia, such theories, seemingly paradoxically, deracinate the very notion of being Malay. But actually, it is “race” itself that is being drawn into question among the corporate leaders I met: nearly all of them stated that Islam does not “recognize race”. It does, however, recognize believers; later I will address the issue of the “Muslim-only” hiring policy I found to be in place in many of the corporations I studied.

Assertions of an Islamic “trading” gene disqualify a different genetic theory that has long been in place in Malaysia. In The Malay Dilemma (1970; see also Yao 2003), former Prime Minister Mahathir Mohamad famously claimed that the “inbred” Malays
were genetically deficient to the more evolved Chinese; this defect justified a generation-long rehabilitative treatment plan to recuperate the Malays into capitalists via the vast affirmative-action programme known as the New Economic Policy (NEP). But the corporate leaders I spoke to, while acknowledging that they were products of NEP educational benefits, claimed to disdain government-sponsored, pro-Malay entrepreneurship and its political alignments (Gomez 2008; Sloane 1999). As such, all of the men in my study described themselves as Muslim business men, sharply distinguishing themselves from those they called “Malay” or “bumiputra business men” born of NEP economic programmes. They characterized the entire previous generation of bumiputra business men, as well as many of their contemporaries, as cronies and clients of corrupt Malay politicians, men whose interests lay merely in the accumulation of wealth. A bumiputra business man, one company director said dismissively, “sits at the feet of his political masters, makes himself a slave to money, and puts avarice before religious duty while all along claiming to be religious.” To be a Muslim business man, then, connects him to his ancient birthright as a “trader”, not to the more recent and morally fraught bumiputra one.

The Islamic Corporation as Islam’s Future

Rejecting the politics of bumiputra-ism, the corporate leaders I spoke to sought out political affiliations that strongly represented their Islamic views. Some of the owners and executives I met were members of politically oriented groups exploring the application of sharia to all aspects of modern life. Some of the business leaders I met were members or supporters of Islamist or Islamic groups that advocated, in various ways, for the establishment of Malaysia as an Islamic state (Jemaah Islah Malaysia [JIM], Malaysian Muslim Youth Organisation [ABIM], PAS, and Muslim Professionals Forum). Others were supporters of the moderate Islamic politics of UMNO. These men advocated greater Islamization via the present government, but insisted that their business dealings, as opposed to those of bumiputras, were
never tainted by politicians’ interests. UMNO supporters represented
their objectives as furthering the cause of Islam, not of UMNO.

However diverse their points of view and their political or Islamist
positions, what corporate leaders of the companies I studied in the
Islamic economy shared was a perspective that the corporation itself
was a paradigm for Islamic society and that Malaysia’s Islamic economy
would soon, to evoke one speaker’s corporate idiom, “corner the global
market”. Several corporate leaders I spoke to implied that by succeeding
in the Islamic economy they would show the world that Malaysia could
design a capitalist alternative to Western economic hegemony, referring
to themselves as mujahidin and their businesses as jihad.” Others
assured me that Malaysia’s Islamic message to the post-9/11 world was
“Islamic banks, not bombs!” The implication was that while Islam will,
as Islamists advocate it should, remake the world, their Islam will do
it corporate-style, spreading Islam via economic development in a way
that no Muslim nation had yet done as well as Malaysia had.

And evidence of how easy that global Islamization process would
be was, corporate leaders pointed out to me, all around them. The
Western economic system was collapsing, ready for, as one banker
put it, again using business language, “a friendly take-over”. He
pointed to how powerful the allure of Islamic economics was in the
previously fraught ethnically divisive Malaysian setting, where many
of the top Chinese capitalists were turning to Islamic banks for
their favourable and transparent lending policies. Many officers of
Islamic banks and insurance companies told me Chinese customers
represented an increasing number of their account-holders. The
Chinese, sharp businessmen by nature, they said, would see the
wisdom of non-usurious financing and fixed lending rates. Soon,
many corporate leaders told me, the entire Malaysian economy would
be sharia compliant. Many corporate leaders I spoke to believed that
the enterprises of Malaysian Chinese capitalists whose economic
hegemony Malays had been contesting for over a generation would
eventually be subsumed within the Islamic economy of Malaysia, part
of the process of Malaysia’s broad sharia-ization and Islam’s Malaysian
“take-over” beyond it.
The Barakah-Driven Life

What, then, are the self-regulations and self-understandings of the men who build and manage businesses and personnel? What are the Islamic understandings of what I call their “corporate sharia”? The corporate men I met believed that as highly placed business owners in the Islamic economy, responsible for carving out Islam’s global future via Malaysia’s example, they must be religious exemplars. Indeed, I found the depth of their religiosity to be both observable and profound. I spent a considerable amount of time at a corporation where the chief executive had a prayer mark or zabida (literally, “raisin”) on his forehead. \(^{15}\) Before entering the Islamic economic sector I had never seen a zabida in Malaysia; but, in the executives’ profile pictures in the annual report of this company the zabida is visible on all their foreheads. In a different company, the corporate director and some senior managers moved into the mosque for the last ten days of Ramadan; more male employees joined them each year as the depth of their piety and commitment to its mortifications grew. One described this move as “a profound experience of commitment, in which one’s focus is wholly turned over to prayer”. But beyond the profound experience of piety demonstrated by these corporate men, what was the deeper goal of work itself and the rewards it generated?

In Islam, it is understood that the resources at the disposal of humans are a trust from God: barakah. The most fundamental definition of barakah is “blessing” or “beneficence” granted by God to human beings. Barakah implies that exceptionally pious individuals will be profoundly blessed by God. Mohammad was privileged with great barakah; so, too, is the Qur’an itself, which holds God’s words (Clancy-Smith 1995, p. 199). I heard the word barakah countless times in the offices and conference rooms in which I interviewed highly placed figures in the Islamic economy — the corporate leaders who have, by virtue of their corporate positions, many resources and many blessings at their disposal. But it is a term of relatively new provenance in Malay-Muslim corporate circles, replacing, I think, among the men I spoke to, a different term that
justified rewards for other Malay-Muslims: bumiputra. The leaders who promote the ethics of corporate sharia spoke of rewards and blessings that were granted not by men, but by God alone.

The owner of a successful auditing company whose clients included many Islamic financial institutions described his “barakah-driven life” (a phrase in which one cannot help but hear resonance with the American evangelist Rick Warren’s “purpose-driven life”). "Driven" by barakah, he said, “I understand that I have not created myself or my success, but my success was created; all was created.” He continued, “barakah means what I have was given to me; and I must never misconstrue the source of my well-being — all is God.” Another company director, reflecting on the meaning of barakah, said, “God says, 'help my religion and I'll help you'. Which means that if I serve his religion through my work — as I do here, in my company — God will provide me with countless blessings.”

Clearly there are parallels in these perspectives on Islamic business activity to that of Calvinist businessmen described by Weber, in which work provides rewards to capitalists in both this world and the next (Rudnyckyj 2009, p. 129). But Islam — and successful business men in Malaysia's Islamic economy — has its own terms for understanding rewards and salvation that do not rely on a Eurocentric model. Moreover, there is no parallel in the Calvinist self-transformations of Western capitalists described by Weber to the vast religious and socially transformative responsibilities known as ibadat and muamalat required of economic actors detailed in sharia sources. Within ibadat and muamalat, or religious and social duties, are obligations — fard. Fard acts are incumbent upon Muslims — punished when neglected and rewarded by barakah when performed (Reinhart 1995, pp. 1–3). In sharia, fard obligations are divided into fard al-'ayn and fard al-kifayah — individual duties and community duties. Both of these Arabic-inspired sharia terms have been refashioned as business terms by contemporary Muslim writers (see, for example, Rafik 2004, p. 26; cf. Utvik 2003, p. 55) and have emerged as key concepts for the Muslim business men I interviewed in the Malaysian setting. In 2003, then—Prime Minister Badawi,
himself a respectable Islamic scholar, used the term “fard hu ain” (a Malaysianized version of the phrase) in a speech given to Muslim youths about their Islamic responsibilities to transform themselves into productive personnel (Mohammad et al. 2007, p. 31). To my knowledge this was the first public usage of this Arabic phrase by a Malaysian government official and a reflection of the increasing level of Arabized teachings that characterized his administration and its concern for “civilizational” Islam or Islam Hadhari. I will discuss the business application of these responsibilities in turn.

Business Ethics: The Fard al-‘Ayn of Corporate Life

The self-described fard al-‘ayn of corporate leaders is weighty, for much is at stake: they are the decision makers and the power holders. The responsibilities they hold as individuals have institutional impact; they are the builders and leaders of the Islamic economy who must understand and take individual responsibility for the economic and moral repercussions of every business act. Among the corporate men I met, the most frequently mentioned responsibility was to be “clean” or halal (permissible) in all their operations. They stated that they refused to give or take bribes to political contacts who guaranteed business deals; they referred to bribery as a bumiputra practice. Sharia prohibits illicit business transactions, they said, for both moral and economic reasons. Bribes and pay-offs are not merely ethically wrong because they favour privileged arrangements disallowed in sharia; they are financially unjust, for they embed extra cost in business dealings and fix profits. But little in business life, corporate leaders said, is as clear-cut as merely declaring acts haram (forbidden) or halal; this is where constant input from sharia advisors becomes necessary. Corporate leaders described to me the many queries about ethical business actions they presented to their sharia advisors: Was it permissible to pass along the name of a caterer who provided food at a feast for a family event to a client? Was it acceptable to hire the son of a friend? Could a businessman conduct a deal with a man known to have interests in haram activities?
Sharia advisors provide ample direction to corporate men who must make their ethical way through the often thorny path of everyday business. I learned the many permutations of possible solutions: it is legitimate in sharia for a business man to entertain clients; many described how they willingly invited business associates to share a meal and perhaps even a game of golf. Offering hospitality in the form of a meal or halal entertainment is completely acceptable in Islam. But to ensure that it is halal, work must be discussed during leisure; or, the hospitality must occur only after all work on a project is finished and then only as a modest celebration for reflecting on barakah. I also learned when it was acceptable to give or receive a gift and when it was not; even to recommend a supplier of office products with whom one does business to another business contact is an act that must be carefully calibrated to sharia principles.

Corporate leaders I spoke to often referred to the Hadith and examples from the life of the Prophet to illustrate their understandings of personal responsibility or fard al-‘ayn. As such, a bank director, pointing out to me a bank of desktop computers in corporate headquarters said, “Each one of those machines has its own licensed virus software”, then supported this virtue with a Caliphate story. Surely expenses at his company were higher than those in a company that infringed copyright, he admitted, but without fulfilling his Islamic duties by following examples in sharia sources, he said, proudly, “My work would be meaningless.” The burdens of fard al-‘ayn, represented by responsibilities as a businessman, meant that doing what God asked of him must come before profit.

Similarly, the company director with the zabida and the many zabida-marked executives described how, during afternoon prayer, all work must stop in his company. No phones may be answered. “What a clear message this is to God, to hear the sound of prayer and the ringing of phones”, he said. “I accept that I might lose business and customers during prayer. I may lose a million ringgit.” As such, for a corporate leader like he, who truly understands the responsibilities of his fard al-‘ayn and does business according to God’s laws and on behalf of God, the rewards can be significant.
Indeed, he said, in the very next call, God “could provide a miracle — a client with two million ringgit to invest.” There is, another company director said, seamlessly merging the Arabic and global business worlds, no “upside limit to barakah” granted to individuals obeying their obligations to God.

So what then can we make of the signs of blessings that were obvious in the world of corporate leaders — the company car and driver, the expansive and elegant offices, and the level of their compensation that clearly differed from the employees who worked in their corporations? The corporate leaders I met were confident that they had earned these rewards. Sharia establishes, they said, that compensation for work should reflect the level of skill and responsibility. Corporate leaders are well compensated because they are the most skilled and responsible people in a business; this is an Islamic premise, supported by multiple Hadith. They described to me the difference between equity — that is, fairness and justice — and equality, which presumes sameness. Salaries were equitable in their corporations because they measured different abilities; so, too, did this justify the very hierarchical nature of corporate life.

One company owner, inviting me to lunch with several employees, asked his driver to sit at the table with us to dine. Never before in my studies of Malay-Muslim corporate culture had I ever witnessed such leveling of status as this one act implied, and indeed, although successful business men I had interviewed a decade earlier spoke about treating employees like “family” (Sloane-White 2011), rarely did they sit down with them to eat outside of company-wide events. Commenting upon my surprise, this company owner, with whom I had earlier been discussing the Islamic justification of highly compensated employees, said, “This is equality.” A driver and a boss could be paid differently but they must not eat differently, he said. Incorporating fard al-'ayn into all their business and workday dealings, corporate leaders are deeply responsible to fulfil the second domain of fard, fard al-kifayah, the moral obligations of the public and social sphere. I turn to these duties now.
Social Responsibilities: The Fard al-Kifayah of Corporate Leaders

_Fard al-kifayah_, traditionally “one of the major vehicles used by jurists to talk about society in the aggregate, as a collective entity”, has, in recent times, become a way to “discuss social responsibility” in Islam (Reinhart 1995, p. 3). Among the corporate leaders I met in Malaysia, this Arabic term, _fard al-kifayah_, was now in frequent use. It referred to business-sponsored activity that promoted social justice in the realm of _muamalat_, or the world of human action. As such _fard al-kifayah_ was the foundation of their deep concern with corporate philanthropy and what is called “Islamic Corporate Social Responsibility” or “Islamic CSR”, a growing dimension of Muslim-owned and Muslim-run businesses in Malaysia (Sahaila 2007; Siwar and Md. Tareq Hossian 2009). Their companies sponsored Islamic schools and orphanages in Malaysia and Indonesia, and sent employees to impoverished local Muslim communities to build houses, distribute clothes and food, and build _suraus_ (prayer houses). These activities were frequently described in detail in corporate annual reports and company literature. An Islamic training firm where I conducted many interviews had sent male employees to Sumatra after the Indian Ocean tsunami in 2004; photographs of their efforts were prominently displayed on the walls of the corporate offices.

But the society implied by their concern for _fard al-kifayah_ was conceived not only as the society at large; it also meant the society comprised of the company and its employees: the society of personnel. The corporation _itself_ was thus a society focused on an ever greater project of Islamic improvement. Not only, then, must a corporate leader lead himself towards salvation and earthly rewards, he must additionally direct others towards salvation as part of his social duties via the corporation. I reproduce the words of one company owner below, to demonstrate the full impact of his notion that the corporation is _al-kifayah_, the Islamic social sphere for which he claimed responsibility:

> On judgment day, God will ask me: what have you done for me and for Islam? And I will confidently say I have served you in
all my acts. Surah 5:156: I created you to serve me. This means I must run my organization in ways that please Him, and lead my employees to Him. The purpose of this business then is just to create more of Islam.

This corporate leader and others I met saw themselves as purveyors and paradigms of Islamic guidance within the company walls, describing their roles as “men who must preach Islam”, as “enforcers of Islamic ethics”, and “savers of souls”. These are powerful, muscular words, and much ideological and concrete social and religious power and responsibility is assumed by those who use them. Indeed, a powerful Arabic-inspired word, a novel term in corporate life in Malaysia, describes such a role: khalifah. When corporate leaders described themselves as khalifah, they translated it as “leader”, “steward”, or “vicegerent”. It is a term of great weight. It was used by nearly every company owner, director, executive, and senior manager I met in the course of my research to refer to his self-described identity as a leader, in charge of the society and sharia compliance of his organization.

The Leader as Khalifah

According to the Islamic scholar Jaafar Sheikh Idris, the term khalifah is heard with increasing frequency among Muslim intellectuals worldwide, especially those who belong to Islamic activist organizations (1990, p. 99) and promulgate the notion that human beings are God’s deputies on earth. Sheikh Idris states that the notion that a man is God’s khalifah on earth is untawhidic. With little justification in the Qur’an and Hadith and irreconcilable with Islamic concepts of God and humans, it implies that “man is the master of this world and of his own destiny, and of material development” who acts on behalf of God (pp. 109–10). But this is precisely how the corporate leaders I met perceived their roles as khalifah: masters of materiality and stewards of God’s human resources in the corporation (cf. Wilson 2006, p. 115).

Corporate leaders believed that as khalifah they were obligated and entrusted by God to regulate, control, and discipline the Islamic practice and morality of personnel. Islam, several company owners
reminded me, is not democratic, but it appoints and empowers just leaders. In the corporate setting that power goes far. As such, the owner of an auditing firm described his role in managing Muslim employees as a *khalifah*. He discharged this duty via a three-month probation period for all new employees at his firm, in which all aspects of their morality were monitored, and an ongoing surveillance beyond it:

> We want to know everything about them. We ask questions about their wife or husband and the children. We ask and we watch — is this a good family, a pious family? Is everyone in this family fulfilling their duties? Is the employee managing his or her family well? This tells us how they will perform their job. If we see flaws at home or at work, we will guide and coach them towards a more Islamic lifestyle. Long after their probation ends, at company events and family days, spouses and children will continue to be observed. There is no "faking it" in this organization, and those who cannot comply leave on their own accord.

It is through practices such as these that corporate leaders, via their authority as *khalifah*, shape corporate organizations and enforce and codify their version of Islam for the employees for whom they claim responsibility: this is "personnel sharia". Personnel sharia draws its weight from both sharia sources and the contemporary language of corporate expertise and "human resources" practice. It is often documented in booklets entitled "Sharia Manual" or "Company Sharia Policies", which I collected from some of the companies I researched. At other companies, personnel sharia is presented as a set of rules and obligations during employee orientation and training sessions. But, as will be seen, it is also an exercise of a *khalifah's* authority and control over workplace composition, identities, statuses, and relations.

**Personnel Sharia and Muslim Workers**

Earlier I described the way in which corporate leaders reject the ethnic labels of "Malay" and "bumiputra" in constructing their innate and Islamic identity as traders and successful business men. And while they asserted that Islam does not recognize racial difference or provide
preferential treatment to different races, Muslims in Malaysia and throughout the Muslim world absolutely do seek to nourish, develop, and favour the prosperity and well-being of Muslim society; indeed, this is recommended in the Hadith. As such, one of the primary positions of many of the company directors I met was that their companies would improve the status of Muslims in Malaysia by employing them and not non-Muslims. Of the twenty-one companies in the Islamic economy I studied, only three had non-Muslim employees in the corporate headquarters. At one of these three companies, the company director proudly stated that Islam was so much a part of corporate culture that he told me he had suggested to his few Chinese employees that they would probably “want to convert” once they saw the wisdom of the Islamic workplace and were exposed to all of its ideas (and he believed they had become deeply convinced of the Islamic way). Some Islamic banks I visited had Chinese employees who worked in local branches, servicing what corporate leaders described as their growing population of Chinese account-holders. An Islamic insurance company had non-Muslim employees whose role was to seek account-holders among the non-Muslim customer base; however, servicing customers was exclusively done by Muslims, whom the company directors felt better understood the corporation’s human-relations goals. And, indeed, it was at the level of moral and ethical fidelity that having Muslims as personnel mattered the most, and was the reason that the majority of corporate leaders insisted on an all-Muslim staff.

At those companies, owners and executives proudly told me they were “hundred per cent Muslim”. One corporate leader said that only Muslim employees could understand the mission of his organization, and he would only hire people whom he knew could share “the culture of the organization”. Others felt that Chinese employees, while they might be smart and clever, could not be trusted to comply with the ethics and controls required in an Islamic company. I sometimes posed to corporate owners and executives a question: was it not the practice of the Prophet Mohammad in Medina, where businesses were owned by peoples of non-Muslim faiths, to engage in both business and social
dealing with non-Muslims? The Prophet did work with non-Muslims, one instructed me, but did so, he stated, via strictly contractual terms. Doing contracted business with non-Muslims, he said, was different from employing them; a contract was a limited relationship of fixed duration with highly specific terms. In a corporation today, he said, “where work engages so much of life”, it becomes a “social experience”, multidimensional and deep. To create a truly Islamic corporation, he insisted, “A leader must work with Muslims alone”. He wanted workers he could trust and mould. Only Muslims, he said, “know right from wrong and will agree to be led towards ever more Islamic behaviors”. Later I will address the implications of the Muslim-only workplace in a multiethnic Malaysia; now I discuss the way in which workers are moulded by corporate leaders towards the vision of Islam required by their personnel sharia.

Piety and Personnel Sharia

The corporate leaders in the Islamic economy I met wanted pious personnel. At one company, recruits were required to recite several d’oa or prayers as part of the interview process. The workday at several companies began with the prayer broadcast over the loudspeaker; at many, the afternoon prayer was broadcast as well. Companies had small prayer rooms, separated for men and women, on each floor; larger companies also had a surau. Here, visiting ustaz sermonized during lunch. I listened to many lunchtime sermons from behind the curtain that separated the men’s section from the women’s section of a surau at an Islamic bank, learning about topics such as Pengantar Syariat Islam (Introduction to Sharia) and The Forty Hadith of Imam al-Nawawi. Personnel were not required to attend; but social pressure to do so was quite intense, especially for men. On Fridays men from this bank went to the large mosque down the road; women went to the surau to hear an ustaza, who spoke on topics that she felt concerned women’s issues, such as their duties to their husband and children.

The pillars of Islam are enforced in other ways. Most of the companies I studied enforced the piety of zakat (alms) through
mandatory salary deduction. They required employee salaries to be deposited in Islamic banks. Most provided employees with Islamic benefits, such as sharia-compliant mortgages and even car loans. All had Islamic-minded projects for employees to serve in and fund, such as building orphanages and religious schools. At one firm employees were granted time off from work to contribute to Islamic causes, such as teaching in an Islamic school or doing Islamic community service. The company owner said that this encouraged employees to see the connection between their responsibilities to the Islamic life they led at work and to the larger society beyond it, expanding the employees' sense of fard al-kifayah.

Personnel described their deep feelings about the pietized workplace. I met dozens of men and women who admitted, with embarrassment, that before coming to their current jobs they knew little about Islam beyond what they had learned by rote in school and religious school. They described their growing knowledge about Islam and sharia-compliant business. They felt uplifted by their experiences working in an Islamic company, welcoming it, in the words of one young man, to "learn a more Islamic life". A clerk in the human-resources department of an Islamic bank showed me hundreds of resumes from people he described as "just like me, who want work that is halal, where your money is Islamically earned, that you have become a better Muslim because of your job". Work, for these personnel, like the corporate leaders who employed them, was increasingly seen as the path to a fully realized sharia-led life.

One woman told me that she came to work each day with a sense of peace and calm inside her; these feelings sharply contrasted with those she felt in other jobs she had held. She pointed to the Qur'anic phrase on her computer screen and said that in this job she was reminded of God all day long. God's words were there when she turned her computer on in the morning; and because of the prayers which played on the loudspeaker in the morning, "even the walls heard God". Another worker, a young man, described to me the joy he felt when he and his co-workers had gone to repair the building which
housed a Muslim orphanage. Never before had he done community work for Islam; he felt “bigger” for having contributed. For him, and many others I spoke to, there was no question that this was the best possible work environment for a Muslim in Malaysia.\(^{22}\)

But it was not merely the pieties of personnel sharia that they embraced, they accepted the ways in which it shaped and structured the roles and status of the workplace as well. They did not question the rights of the leaders who represented themselves as *khalifah* and earned larger salaries or wielded authority over their behaviour beyond the workplace. Nor did they question the rules put in place by personnel sharia that defined how men and women will interact in the work space, how it influenced benefits policies, and ways in which it portrayed and fixed the place of women in the corporate hierarchy. As I will now describe, they appeared to easily accede to the rightness of arrangements implied by the power and gender hierarchies of their corporate lives.

**Sharia Confronts Office Space and Sexuality**

Some sharia jurists in Malaysia and elsewhere today call for absolute gender segregation of men from childbearing-aged women to whom they are not married or are *mahram* (close relatives, i.e., those who cannot marry because of incest rules). But in most Muslim societies past and present, however, sharia does not prohibit but rather regulates male-female interaction outside of the private zone of marriage and kinship through social boundaries of dress, physical proximity, and behaviour (Tucker 2008, p. 183).

As such, all of the companies I studied enforced a hijab (head covering) policy for females. A decade ago, when I first began to explore the question of the Islamic workplace, the term hijab (of Arabic origin) was rarely heard in Malaysia, and a head covering was called, in Malay, a *tudung*. This, I think, is another example of the flowering of Arabic terminology in the Malay-Muslim setting. In the companies I visited women must wear the hijab and traditional Malay-Muslim dress (a loose-fitting neck-to-ankle garment called *baju kurung*); it was a condition of employment. Company policy at several
of the companies I visited stated that any woman appearing for an employment interview not wearing the *hijab* and *baju kurung* would not be interviewed; at others, she would be told that her employment was contingent upon it.

Sharia also regulates physical proximity among unrelated men and women. In all the companies I studied, men and women worked on projects, attended meetings, and served on work teams together, and therefore had explicit rules structuring intersexual mixing. Many companies ensured that a man and woman were never in an office with a closed door or in one without a clear glass wall. In some companies there was an explicit policy that forbade men and women to eat together in a restaurant, coffee shop, or street stall at lunch.

Perhaps no more obvious place has personnel sharia registered in the lives of personnel in the Islamic workplace than in the realm of touch. Handshaking and any form of touching between men and women are prohibited. The prohibition against touch is so clearly part of work in the companies I studied that many times, in my very first conversation with an owner or executive, in response to my question, “What makes this an Islamic company?” the answer was that its sharia rules prohibited all forms of physical contact between men and women, including handshaking.

But beyond such regulation of bodies and space in the Islamic workplace, at the companies I studied, there were aspects of personnel sharia in place that closely mirrored what Norani Othman describes as Malaysia's increasingly conservative and male-favouring sharia policies governing Muslim marriage, divorce, and other domestic matters in Malaysia (Norani 2008). In this way, personnel sharia appears to transpose some of these premises into corporate space.

**Personnel Sharia and Benefits**

In Malaysia, while all citizens are entitled to basic health care at government hospitals, many employers provide varying degrees of additional private health benefits. This allows employees to seek medical care in better facilities within government hospitals or visit
private ones. In all of the companies in which I conducted interviews, employees were covered to some degree by private benefits. And, in all cases, a (female) spouse of a male employee, as well as his children, was covered. But in many companies, the spouse of a female employee was not provided coverage. As one human-resources director explained to me, “this is clearly understood within sharia — men must provide for a wife, but a woman is not required to take care of her husband” (bagi nafkah). Moreover, some corporations had an additional rule that provided benefits not just to a man’s wife, but, in the case of a Muslim man, to his wives. Whereas a man in a polygamous marriage can have coverage for up to four wives, women, as stated above, can never extend their coverage to any man. Again, when I asked corporate leaders about the polygamy clause, they answered with reference to sharia, quoting the Prophet’s saying that a man must treat all wives equally; thus, the benefits policies of their companies must reflect that principle. In this way, sharia is presented as a benefits canon that provides advantages to working women and insists upon justice for them.

When I asked corporate leaders — all of whom, as I have already pointed out, were male — whether or not the sexes were treated equally in their corporations, they insisted that they were, within the contexts of gender as it is expressed in sharia. Women, they said, are not equal; they are under the guidance of men. “Women”, one owner said, “will work when their husbands and fathers permit it.” Therefore, if a husband complained to an employer about a wife’s overtime obligations, as occurred several times in companies where I conducted interviews, the husband had the right to withdraw his wife from employment. Furthermore, when I asked why few women (and more often, no women) in the companies I studied had been promoted to top management positions, the answer was uniform: no woman was suitable for it. The women in these companies had “caring” kinds of jobs such as staffing the human resources, training, public relations, or marketing departments; these jobs, both men and women felt, matched their temperaments and time-management needs. For corporate leaders, self-designated khalifah, it was clear that
in their understanding of Islam, men could be corporate leaders of personnel, but women could not.

Only one woman of the many to whom I spoke expressed dissatisfaction with the level of her corporate status, but said she would never register her disappointment at being overlooked; many more accepted the idea that "top jobs" would never be theirs. Most of the women I spoke to welcomed the way in which their corporate leaders understood their needs as wives and mothers. One woman told me that because Islamic corporate leaders were so aware of the special needs of women, she had been given a great deal of time off from her job to care for an ailing mother-in-law. Another spoke of "Islamic flex-time" in her company — that it was understood that if a woman needed time away from work to meet family obligations such as preparing for Ramadan feasts or other ritual functions, it would be granted to her. This, too, was part of the benefits policy allowed to personnel in the Islamic economy. Personnel sharia to their minds was deeply compassionate, for it understood that a worker is a full person, bringing his or her needs and multiple roles into the workplace.

Conclusion

Within the imagined "small Islamic state" of the Muslim corporation, new Muslim identities and interests are being constituted, discussed, and consolidated. It is there, then, that I suggest that we can learn much about the micro-politics of everyday Islamic social relations in Malaysia and explore ways in which their themes reflect and are played out against the larger politics of Malaysian life. The employees I met in the Islamic economy not only acceded to but embraced the rightness of what their leaders characterized as equitable but not equal power arrangements implied by the conservative gender roles and status hierarchies of their corporate lives. Differences between leaders and workers and between men and women were, in their understanding, granted authority by sharia, so that these statuses seemed natural, logical, and wholly right, part of what is understood to be a fully
realized sharia-led life. Sharia-guided, equitable, and compassionate (but not democratic), work became like society itself: an enactment of the best of Islam. Like the vision of their political leaders, this kind of Islam reflected their ideal of a modern Islam, fully wedded to economic success, but one that is focused more on God than on self. To focus on God means to fully accept that all efforts and practices required in the work day comply with and please Him. In work — and in the workplace — corporate personnel saw themselves in full submission to the authority of God’s expectations.

The sharia that directed builders of the Islamic economy — what I call corporate sharia — was equally regulative. It required corporate leaders to commit to business behaviours and social actions which were inscrutably sharia-compliant, requiring a level of individual and collective responsibility — fard al-`ayn and fard al-kifayah — that will justify their significant share of barakah. Corporate leaders distinguished themselves from “Malay” and bumiputra businessmen, whom they perceived as having been unworthy of the success they were granted. Moreover, the success of bumiputra businessmen was granted to them by other men. Muslim businessmen, the corporate leaders in this article, understood that men hold resources only in trust for God, and that much is expected in return for barakah. Rather than engaging in the resource-draining practices of bumiputra, corporate leaders followed sharia; in so doing, they saw themselves more deserving of the blessings of God. Not only were they sharply critical of the Islamically incompliant business practices of the Malay-Muslims who came before them, they envisioned a different Islamic system altogether, a more sharia-led lifestyle that encompassed both business and society. They envisioned instead a Malaysian economy in which everyone is required to follow the fard al-`ayn of their business ethics and everyone is improved by the fard al-kifayah of their social vision.

But while they pointed out the vast differences between themselves and the illegitimately powerful and politically aligned bumiputra, men who saw themselves as khalifah shared the bumiputra capitalist vision that it was via the economy that Malay lives will be remade.
So, too, did they share the Malaysian state's vision that it is the Malay-Muslim capitalist (here, rendered as "Islamic trader") who will hold power in a modern, economically vibrant Malaysia. And while the "human resources" in the corporations in the Islamic economy I describe were almost entirely Muslim (and its leadership exclusively Malay-Muslim), the corporate leaders I met looked forward to a day when all Malaysians would be required to abide by the rules and premises of their Islamic economy — that is, its ethical and social assumptions, its hierarchies and gender norms, and its economic orientations. The corporations run by corporate leaders are indeed "small Islamic states", which lay out the rules of fully sharia-ized behaviours for private and public life. If a fully realized Islamic state was the endpoint that many of them imagined for a Malaysian future, its beginnings, they believed, started with them, via the corporations and practices of the Islamic economy.

NOTES

* Editor's note: An earlier version of this article received the inaugural John A. Lent Award for best paper on Malaysia, Singapore, or Brunei presented at the 2010 annual meeting of the Association for Asian Studies.

1. The ethnographic data upon which this article is based comes out of research on a broader subject concerning "Corporate Islam" that I have been conducting in and around Kuala Lumpur, Malaysia between 1998 and 2008. In 2008, as a Fulbright Scholar with sponsorship by the International Islamic University Malaysia, for a period of six months, I conducted extensive interviews in companies in the Islamic financial sector, including banks, insurance companies, fund managers, and other sharia-based investment organizations. I researched only those companies in the Islamic economy that were Malaysian owned. Other companies included sharia-compliant firms which supported and serviced those companies, such as auditing and training consultancies. I conducted extensive interviews at a total of twenty-one companies in the Islamic economy and spent several months engaged in intensive participant-observation at three of them.

2. Malaysia's Islamic economy plays a significant role in the global Islamic market and is a significant employer in the Malaysian labour market. In 2010 there were 21 Islamic banks, 11 Islamic investment banks, 12 takaful (insurance)
companies including reinsurance companies, an Islamic development bank, and multiple sharia-compliant investment fund management organizations in Malaysia. Some of the Islamic institutions are foreign-owned. There are, in addition, 846 sharia-compliant securities traded on Bursa Malaysia (Association of Islamic Banking Institutions Malaysia 2010).

3. Welsh described the increase of the size of the Malay professional sector over the past decade as “phenomenal” (2008, p. 39) and discusses their Islamic politics in some detail.

4. There are non-Malay Muslims in Malaysia, including a substantial number of Indian Muslims and a smaller number of Chinese Muslims. I use the term “Malaysian Muslims” to refer to all Muslims regardless of ethnic or racial background and the term “Malay-Muslims” when referring to ethnic Malays. Article 160 of the Federal Constitution of Malaysia defines “Malay” as a Malaysian citizen born to a Malaysian citizen who professes to be a Muslim, habitually speaks the Malay language, and adheres to Malay customs. Malays are also referred to as “bumiputra”, a term which means “son” or “prince of the soil” (see article text for further discussion). Bumiputras are granted special privileges in Malaysia.

5. Malaysia is a Muslim-majority country; Malay-Muslims represent around two-thirds of the population. The Federal Constitution of Malaysia states that Islam is Malaysia’s official religion, but legal scholars and political activists debate whether Malaysia is currently or will become an “Islamic State” (see Ahmad Fauzi 2009).

6. I use the term “Islamic workplace” in contradistinction to the Muslim workplace; see article text below.

7. The use of sharia in this article refers to the sharia that guides all human behaviour, what Abdelwahab El-Affendi calls “a light for all humankind” (2008, p. 138), rather than the specific sharia laws in place in Malaysia today, described in footnote 8.

8. Sharia in Malaysia has formal and state-sponsored jurisdiction in Malaysia only in matters concerning Muslim personal lives. It consists of fourteen laws and criminal enforcements relating to transgressions of piety and ethical behaviour and matters concerning personal status.

9. Former Prime Minister Abdullah Badawi, known for his Islamic knowledge, was also known to use Arabic in his speeches and pronouncements, part of what commentators have called a broad upgrading of Arabic-inspired Islam which emerged during Badawi’s term (Mohammad et al. 2007).

10. The term “Malay-Muslim” is defined in footnote 4. All of the corporate leaders I interviewed were Malay-Muslims; none were Chinese, Indian, or Middle-Eastern Muslims.
11. For a discussion of this Hadith, see Mohd. Ma’sum Billah (2006, p. 37).

12. The New Economic Policy was a vast set of “affirmative action” policies and programmes for Malays, implemented beginning in 1970. NEP provided special privileges, including scholarships, employment and business opportunities, housing preferences, and access to capital. While NEP officially ended in 1990, its policies have been continued indefinitely.

13. For a discussion of pro-sharia groups in Malaysia, see Ahmad Fauzi (2009).

14. Lawrence (1998) noted an earlier use of this terminology among Malay-Muslim corporate figures.

15. See Soares (2005, p. 206) for a discussion of “the public mark of prayer” in Mali. The Qur’an refers to a “mark” or “traces” of “prostration” (Qur’an 48:09). It is caused by rubbing the forehead against a prayer mat over extended periods of time.

16. American evangelical movements also frequently relate spiritual belief to capitalist success (see Garcia-Zamar 2003).

17. Weber discussed the value of charity and philanthropy among Protestants (2003, pp. 206, 274), but he did not assert that the improvement of society was crucial to the Protestant formula for salvation, which was focused more on self-transformation (p. 274).

18. Fard is also referred to as wajib (obligatory). Based on its frequency of use, the Arabic-inspired term fard appeared to be the preferred term among corporate leaders I spoke to. See text for a discussion of emergence of Arabic terminology among these men.

19. “Civilizational Islam” is a theory of government based on the principles of Islam as derived from the Qur’an. It was promoted by the former Malaysian Prime Minister Abdullah Ahmad Badawi during his term as a means to good governance and as a model for multiculturalism (see Hofstüdtter 2009).

20. For an example of the use of the term khalifah in Malaysian management books, see Nik Mustapha (2003, p. 47) and Sahalia (2007, p. 53). This Arabic term appears in the “how-to” business books produced by the Institute for Islamic Understanding Malaysia (IKIM), a think tank established by the government to project Islamic values in business. For a description of IKIM, see Lawrence (1998, p. 160).


22. I cannot know, of course, if the personnel I spoke to felt otherwise. All of them reported great satisfaction with their workplace environment and many provided numerous examples of how the Islamic workplace and their Islamic managers stood in sharp contrast to other workplaces they had experienced, which they described as “hypocritical”, “competitive”, and so on.
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Patricia Sloane-White is Assistant Professor in the Department of Anthropology, University of Delaware.
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