

## **JIHAD MANAGEMENT IS THE NECESSITY OF TRANSFORMATION IN BANKING SYSTEM**

**Seyed Shahabeddin Tabatabaee**

*Master of IT, Young Researchers Club, Abadeh Branch, Islamic Azad University, Abadeh, Iran.*

**Seyedeh Elnaz Torbati**

*Master of Executive Management, Research and Science Branch, Islamic Azad university, Fars, Iran*

**Eman Islamian**

*Master of Governmental management, Saderat Bank, Iran*

### **Abstract**

Country's banking system has had an important role in improving the efficiency of economic environment, business and production development. Banking system predisposes the economic growth of the country. In accordance with the Banks' role in welfare and national development, evaluating their performance and the effective factors on their efficiency is so important. Therefore, determining the effective factors and methods on the efficiency of banking system can play an effective role in national development. In this regard, the concept of Jihad Management as a practical and theoretical paradigm can be a new and effective strategy in enhancing banking system efficiency.

The purpose of this research is to investigate the role of jihad management in enhancing banking system efficiency.

Because of the wide range of related concepts to jihad management and the closeness of the concept of organizational citizenship behavior to jihad management, at first the related concepts to organizational citizenship behavior are studied and then some recommendations for the use of jihad management in the direction of improving banking system were presented.

Key words: jihad management, efficiency, organizational citizenship behavior, social capital, organizational performance.

### **Introduction**

Banks are the main suppliers of resources for different economic sectors such as industry, agriculture and services. The growth of these economic sectors has a straight relationship with the dynamic of banking system.

All the conducted studies showed that banking system has an important effect on country's economic growth and development. (Levine, 1999)

The banking systems as fundamental pillars in managing and conducting financial flows towards generating wealth in society and adjusting the cash flow have an important role in societies' growth and development. Both private and governmental banks interact with other institutions for optimal performance and playing an effective role in society's health, therefore enhancing the efficiency of banking systems will affect the whole community.

In today's global economic literature, the role and importance of financial system and financial institutes as the executive arms of this system and the tools of country's economic development are so obvious so that economic development is not possible without the development of financial markets.

Banking system modification is one of the major aspects of economic development plan. It seems that relying on past management practice cannot make a clear vision for economic development plans and we must move toward new management patterns. Since the early 1990, some changes have been applied in governmental sectors and its structure is becoming a kind of flexible and efficient management. This transformation is not a simplified and slight revise but is a comprehensive change.

With the appearance of changes, today's organizations need people who are willing to go beyond their job requirements and official duties. (Gholi poor, 2007)

Above-mentioned concepts that are introduced as organizational-citizenship behavior have a historical record in Islam. These behaviors are originated from more complex organizational culture which is called jihad management. According to jihad management effect on organizational management we can consider jihad management as a missing factor in Iran's banking system.

## **Jihad Management**

Jihad management is derived from Islamic management with the aim of closeness to god and serves the people.

The objective of this kind of management is to work in an appropriate and valuable way and to acquire God's satisfaction in order to achieve inner satisfaction by a person.

Commitment is the most important component of this type of management. Participation is achieved through strengthening civil society, social foundations and understanding society circumstances. (Paluch & et.al, 2007)

Jihadi management is one of the implications that are rising out of the Islamic management culture that is based on the divine and religious drive. The difference between this type of management that has the adduct (Islamic or Jihadi) with absolute management, is in that its basis is created by Islamic value system .In the Jihadi management Islamic value system is the basis for management scientific rules not instead of it and that is based on the following:

- 1 -To recommend that managers should be armed with the knowledge management
- 2 –Managers will be pen named to value system and culture of Muhammad (peace be upon him) pure Islam.

In other words, the value system through object determination effects in management systems (Ibrahim pour, 2007, [5]).

Tashvighi (2009, [6]), recognized the following features for Jihadi management:

- 1- Lovely unfailing delivery services
- 2-Attending to popular participation in the affairs
- 3- Taking maximum advantage of under authority existing facilities in order to perform assigned missions
- 4-mutual trust to members
- 5-Breaking the administrative restraints or conditions and related formalities
- 6-time neglect on performing the assigned missions (boarding job)

## **Organizational citizenship behavior**

After the invention of OCB by Organ and his colleagues, various scholars by applying the concepts such as Extra-Role behavior, prosocially organizational behavior, organizational spontaneity and contextual performance have clarified this issue over the past two decades. (Gholipour, 2007). The term "Organizational citizenship behavior", was first presented by Dennis and Organ and his colleagues Smith and Bateman in 1983. They inspired this issue from the topic of "willingness to cooperate" that was raised by Chester Barnard (1983) and the topic of "Distinction between dependable role performance & innovation & spontaneous behavior" which was proposed by Katz and Kahn (1964), (Ibid).

Organizational citizenship behavior or OCB refers to voluntary behaviors that are not designed in the formal reward systems, but can improve the effectiveness and organizational performance. (Kohen & Kol, 2004, [2]) These behaviors are desirable for any organization since are related with organizational variables such as effectiveness, efficiency, productivity, and improving the quality of employees and are considered as influencing factors on organizational cooperation and commitment (Turnipseed & Morkysoon, 1996, [3]).

In general it can be said that the common goal of these studies is to define the Extra-role behavior which believed that it helps the long-term success of the organization that previously is ignored in evaluating the employee performance. (Castro et al, 2009). Padsakuf surveys in 2000 showed that approximately 34 different types of organizational citizenship behavior have been identified, that they can be categorized into nine main components: 1 -altruism, 2-sportsmanship, 3 -job conscience, 4- propriety, 5-loyalty, 6-civic virtue, 7 -organizational obedience 8-individual initiative, 9 -personal development; The concept of Organizational citizenship behavior created a development in the field of organizational behavior. These senses certainly make the organizations to be innovative, flexible, productive and responsible to their survival and success; also, managers and leaders have acknowledged that there are factors that cause to positive and negative extra-role behavior which affect an organization's productivity, and could be an affecting factor at the organizational commitment (Schnake, 1991, [9]).

The effects of Jihadi management and organizational citizenship behavior on performance:

Organizational citizenship behavior is one of the new topics in the organizational behavior that is vital for the survival of organizations. According to theorists such as Organ OCB can maximize the efficiency and improve organizational effectiveness performance. (Murphy, 2002, [10]), Choen & vigoda also made clear the importance of OCB for all organizational forms and reported that OCB increases organizational effectiveness in different ways (Erturk, 2007, [11]). Organ (1998) stated that how OCB helps to maximize the effectiveness. Conscientiousness helps to improve the effectiveness of the group, organization; tolerance helps people to spend more time on their work, respect would prevent problematic behaviors and maximize using of the time at work, and dedication helps individuals to increase their individual performance.

The way of organizational citizenship and social capital effecting on organizational performance is explained in the Figure 1.

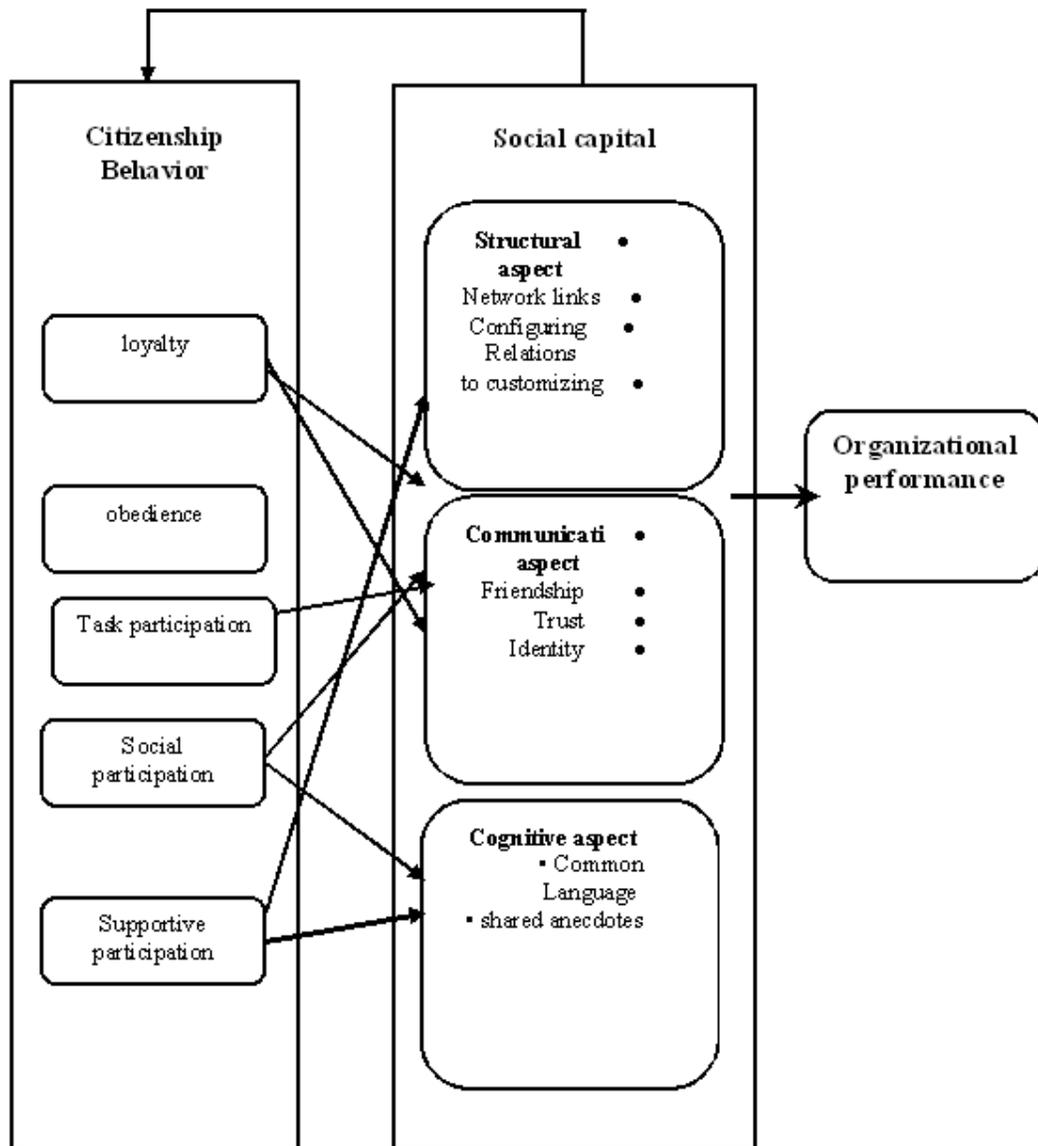


Figure 1 (Source, Mark.sy.boolynn and others, 2002, p 512) The relationship between citizenship behavior, social capital, organizational performance

## **Recommendations**

Banking System with proper exposure with theoretical- practical paradigm of Jihadi management can facilitate the strategic strategies of passing through various crises and to obtain perspective document. One of the factors in this regard is policies, macroeconomic procedures, and management. Banking System administrators must try to solve bad constructed issues by enacting the appropriate policies and strategies, in order to reinforce productive and the born of Jihadi management and also applying their capacity .

At the following some Jihadi management capabilities on applying developing management in the banking system can be pointed out:

(1)- Human capitals management:

One of the critical needs of the banking system is the need to recruit, hire, maintenance and possible synergy among the personnel of the banking system. Due to manpower increasing in the banking system and the major influence of human capital quality on other functional components, the capabilities of Jihadi management can be used for this purpose, for example, following the competency framework and utilization of talent management on the human capital management. Identifying and nurturing capacities, competencies and the force capabilities have a very important determining role in the survival of organizations in competitive environments and any lack of attention to the capabilities and competencies of human resources such as a strategic resource and knowledge capitals leads to competitive advantage vacuum and finally the decline and demise of the organization. According to the resource-based view (RBV) Barney (1991, [14]) argues that organizations only with applying the techniques that cannot be imitated by competitors, will achieve a sustainable competitive advantage and strategic. Thus, It is obvious that the organizations that have systematically and strategically plan for the development of capital and intangible assets can generate more value for their customers; that one of the approaches for the development of capacities and capabilities of human resources for value production is competency-based human resource management. This view is also confirmed by examining the list of Fortune magazine's Companies. Companies that over time have been able to maintain their position in various fields are those who with their resource-based view at the head of it, do the human resource reclamation, strengthen and maintaining and adopted it as their key competitive advantage. Today's organizations required to forces that are capable, creative and believe in the goals and policies of the organization and this need leads them to adopt procedures to identify, attract and retain the elites.

(2) –The formation and activities encouraging of informal groups:

In addition to the measures and official functions of the organization that are done to disseminate the culture of Jihadi management and derived strategy implementation from this culture, informal institutions such as values groups, friendships, extracurricular can be effective for improving mood and collective participation in banks. Therefore, to encourage employees for organized participating in these groups, we can enjoy of its results.

## **Conclusion**

The effective position of banking system on the development of communities has made the banks high efficiency to have high and direct effect on the development and prosperity of the communities, so policy makers and senior managers should fulfill effective measures to modify the structure and tools of banking system by using components of Jihadi management so the development path will be more smoothed, Many facing problems of this industry can be resolved by using the components of Jihadi management and relying on the collective efforts of the public, stakeholders, employees and managers.

## **References**

Etminan, E. (2003). Estimation and measurement of industrial, technical efficiency country's banking during 1989 to 1997. *Journal of planning and budget*, 80.

Gholipur, A. (2007). *Organizational behavior management (personal behavior)*, first ed. Tehran: Semat

Paluch, M., & Jeiran, A. (2007). *The role of jihad management in rural development and self-sufficiency in agricultural products*. Tehran: Farming training.

Ervani, M. J. (1998). *Institutionalism and jihad*. Tehran: Ministry of Jihad.

Ebrahim poor, M. , & Hedaiat nejad, A. (2007). *Proceedings of the first international conference on culture and Jihad managemeny*. Tehran: Farming training.

Tashvighi, Sh. (2009). *The role of jihad management in stability and security*. Proceedings of the first international conference on culture and Jihad managemeny. Tehran: Farming training.

Ansari, M. E., Ostadi, M., Dehghan, J. (2009). *Organizational citizenship behavior is a new approach to knowledge management*. Second conference of knowledge management.