

Key Elements of Risk Management in Islamic Quality Management System: An Analysis on MS 1900:2014 Standard

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Abstract

MS 1900:2014 *Sharī'ah*-based Quality Management Systems-Requirements with Guidance (First Revision) or MS 1900:2014 is the Islamic version of the ISO 9001. Compared to ISO 9001:2015-Quality Management Systems (ISO 9001:2015), which is characterised by “risk-based thinking,” the aspect of risk management is not given due focus in MS 1900:2014. Instead, the focus is more on efforts to improve governance and organisational efficiency as outlined by Islamic principles. However, since MS 1900:2014 makes *Sharī'ah* as the main basis of its certification requirements, the element of risk management is definitely implicit in the standard. This is because in an effort to ensure its objective, i.e.,

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realisation of benefits (*tahqīq al-maslahah*) is achieved, the *Sharī'ah* uses the approach of promoting what is good and beneficial (*jalb al-maslahah*) and preventing what is evil and harmful (*daf' al-mafsadah*). Therefore, although it does not clearly state the concept of risk management in the standard, any organisation that uses MS 1900:2014 may also achieve the advantages of risk management if they adopt the standard. Thus, by using content analysis method, this article seeks to analyse and describe the requirements implicitly related to the aspect of risk management contained in the MS 1900:2014 standard. Based on the analysis of the certification requirements, it was found that MS 1900:2014 indeed has risk-based characteristics even though this is not clearly stated in the standard document. Therefore, if the MS1900 is implemented correctly by any company, it will not only achieve efficiency and effectiveness in organisation management but also can further improve its risk management capabilities.

Keywords

Islamic quality, *maslahah*, MS1900:2014, risk management, and Islamic standards.

Introduction

It is globally recognised that ISO 9001 is a quality management standard that is widely used by organisations and companies around the world today. The standard is published by the international certification body i.e., the International Organisation for Standardization (ISO) based in Geneva.¹ Although the ISO 9001 has been accepted by many, it does not consider *Sharī'ah* as an element of its certification requirements. For the Muslim community, *Sharī'ah* is an important element in all fields of their lives. Therefore, by using the framework of ISO

1. International Organization for Standardization, “All About ISO,” <https://www.iso.org/about-us.html>, accessed 4th January 2023).

9001:2000 Quality Management Systems-Requirements (ISO 9001:2000), the Department of Standards Malaysia (DSM) has developed MS 1900 to create a quality management standard that meets aspirations of the *Shari'ah* in 2005.² It was then known as MS 1900:2005 Shariah-Based Quality Management System (MS 1900:2005).

In 2014, MS 1900:2005 was revised and aligned with the latest ISO version at the time, which is ISO 9001:2008-Quality management systems (ISO 9001:2008). The revised version is referred to as MS 1900:2014 Shariah-Based Quality Management Systems-Requirements with Guidance (First Revision) or simply MS 1900:2014. To the date of this article, the version is still in use and the Department of Standards Malaysia has not yet reviewed nor published the version of MS 1900 that is harmonised with the latest ISO 9001 which is ISO 9001:2015-Quality Management Systems (ISO 9001:2015). Therefore, the current MS 1900:2014 framework does not integrate risk-based thinking approach in its certification process requirements.

As a *Shari'ah*-based management standard, the MS1900 developed by the DSM—either the version published in 2005 or 2014—is intended to inculcate and elevate the practice of *Shari'ah*-based quality management system in an organisation.³ Subsequently, the organisation that adopts the standard would achieve better results in term of good governance. The *Shari'ah*, which stands as the basis of the standard, was revealed to mankind with the purpose of realising goodness (*tahqīq al-*

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2. Rohana Mustaffa, “MS1900: 2005—Piawaian Halal Sistem Pengurusan Kualiti,” *Bernama*, 28th October 2008, <http://kpdnkk.bernama.com/newsBm.php?id=367533&> in Muhammad Hisyam and Fadillah Mansor, “Hubungkait Patuh-Syariah Dengan Konsep Keberkatan: Tinjauan Dalam Konteks Standard Halal MS1900,” *SeFPIA, Special Edition* (2018), 189. See also Lim Chang Moh, *Ahmad Sarji-Attaining Eminence* (Kuala Lumpur: MPH Group Publishing Sdn. Bhd., 2008), 172–174.
 3. Department of Standards Malaysia (DSM), *MS1900:2014 Shari'ah-Based Quality Management Systems-Requirements with Guidance*, 1st edition (Cyberjaya: Department of Standards Malaysia, 2014), iv. See also DSM, *MS1900:2005 Quality Management Systems-Requirements from Islamic Perspectives* (Cyberjaya: Department of Standards Malaysia, 2005), 4.

maṣāliḥ) in their worldly lives and the Hereafter.⁴ There are two approaches to establishing goodness—namely, through promoting what is good and beneficial (*jalb al-maṣlaḥah*); and preventing or eliminating what is evil and harmful (*dafʿ al-maṣṣadah*).⁵ Both approaches serve as the principal guideline put forward by the *Sharīʿah* by which Muslims must abide. Supposedly, all Muslims should follow the *Sharīʿah* as it is the absolute way to the attainment of righteousness and goodness promulgated by Islam. As promised by the Qurʾān, compliance to the *Sharīʿah* would result in “a good life” (*ḥayātun ṭayyibah*)⁶ and “true well-being in the worldly life and the Hereafter” (*al-falāḥ*). Indeed, this is really true because, as the way of life, the *Sharīʿah* does not only guide Muslims how to conduct their affairs in various aspects correctly, but also warns them against committing acts that are against the laws or exposing one’s self to the risk of harmful actions or behaviours.

Therefore, the premise of this study is to prove that MS1900:2014 also has an element of “risk-based thinking” even though it is not clearly mentioned in the standard document. Indirectly, it could also give a rough impression that compliance with MS1900:2014—which is principally embedded with the principles of the *Sharīʿah*—would not only improve the quality management system but would also help in achieving better risk management practices in organisations subscribing to the standard.

Research Methodology

This study uses content analysis as the method of analysing data. Accordingly, some important documents related to the study have been analysed for their contents. Document analysis

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4. Muhammad al-Tāhir Ibn ʿAshūr, *Treatise on Maqāṣid al-Sharīʿah*, trans. Mohamed al-Tāhir al-Mesāwī (Petaling Jaya: Islamic Book Trust, 2006), 94.
 5. Wahbah al-Zuhaylī, *Uṣūl al-Fiqh al-Islāmī*, 1st ed. (Damascus: Dār al-Fikr, 1986), vol. 2, 1017.
 6. See *Sūrat al-Nahl* (16):97.

refers to the procedure of reviewing and evaluating both printed and electronic material, in which data will be examined and interpreted to obtain meaning, understanding, and develop empirical knowledge.⁷

The main reason why this study uses document analysis techniques is because, to get MS 1900 certification, an organisation needs to go through a certification audit. In quality management system, an audit, whether it is carried out by internal or external auditors, involves the processes of investigating and reviewing business processes, documentations, records, procedures, and practices. It is done to evaluate the effectiveness of an organisation's quality controls, identify areas of improvement, and ensure all areas are compliant to the standards and the prescribed rules or guidelines.⁸

Documents usually contain texts and images that are recorded without a researcher's intervention. They take a variety of forms which include minutes of meetings, background papers, books, brochures, letters, memoranda, newspaper archives, press releases, application forms, annual reports, and so on.⁹ For this study, the main document that will be analysed is the MS 1900:2014 standard document. In addition, to support and strengthen the argument of the study, other documents will also be reviewed. This includes books and articles related to *maqāṣid al-Sharī'ah* and risk management in Islam.

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7. Glenn A Bowen, "Document Analysis as a Qualitative Research Method," *Qualitative Research Journal* 9, no.2 (2009), 27.
 8. ComplianceQuest, "Quality Audit and Quality Auditing" <https://www.compliancequest.com/quality-audit/#:~:text=A%20quality%20audit%20is%20a,all%20areas%20are%20quality%2Dcompliant>, accessed 26th March 2024.
 9. *Ibid.*, 27–28.

Previous Studies Related to MS 1900:2014 and Risk Management

Before the ISO 9001:2015 was published, the previous versions of ISO 9001 such as ISO 9001:2000 and ISO 9001:2008 did not clearly state the need to deal with risks or the effects of risk that may be encountered or exist in the processes carried out by an organisation. Considering that the framework used by MS 1900:2005 and MS 1900:2014 are respectively that of ISO 9001:2000 and ISO 9001:2008, therefore the risk management aspect is not given attention by the Technical Committee on Management Systems from Islamic Perspectives under the authority of the Industry Standards Committee on *Halāl* Standards (ISC I)—under whose authority this Malaysian standard was developed—to be embedded when it was first published in 2005 and then revised in 2014.¹⁰ Instead, the emphasis of the committee was on Islamic elements that needed to be incorporated into the quality management system document developed. Universal Islamic values—which are based on *tawhīd* that connects the worldly affairs with the hereafter—are seen to play a vital role in the implementation of this *Shari'ah*-compliant quality management system. Furthermore, the committee believes that the adoption of Islamic values can effectively drive the organisation's growth (both productivity and profit) and at the same time help to increase satisfaction among employees, customers, and other stakeholders.¹¹

10. Muhammad Hisyam and Fadillah Mansor, “Hubungkait Patuh-Syariah Dengan Konsep Keberkatan: Tinjauan Dalam Konteks Standard Halal MS1900,” *SeFPJA, Special Edition* (2018), 190. See also Upstream Downstream Process & Services Sdn Bhd (UDPS), “UDPS, First Malaysian Oil and Gas Company to Obtain Ms 1900:2014 Shariah-Based Quality Management System,” <https://udps.com.my/v4/2016/04/01/first-malaysian-oil-and-gas-company-to-obtain-ms-19002014-shariah-based-quality-management-system/>, accessed 22nd December 2023.
11. DSM, *MS1900:2014 Shariah-Based Quality Management Systems-Requirements with Guidance (First Revision)* (Cyberjaya: Department of Standards Malaysia, 2014), iv. See also Department of Standards Malaysia, *MS1900:2015 Sistem Pengurusan Kualiti berasaskan Syariah-Keperluan dengan Panduan (Semakan Pertama)* (Cyberjaya: Department of Standards Malaysia, 2015), iv.

The improvement in performance and productivity of organisations as well as the increase of stakeholders' satisfaction are indeed a form of *maṣlahah* that could be attributable to the implementation of MS 1900. In addition, when the *maṣlahah* is realised, it indirectly indicates that risks or hazards which are usually present in organisation's business activities and processes have been eliminated or mitigated or effectively managed by the management. Nevertheless, in MS 1900, the risk management benefits that are obtained indirectly from the implementation of *Shari'ah*-compliant practices are not explicitly mentioned by the standard.

As such, most studies made by researchers between 2011 and onwards only focused on the general overview of the MS 1900 as well as the strategies and challenges faced by organisations in implementing the standard. This is evidence through research made by Siti Arni and Ilhaamie,¹² Umami Salwa et al.,¹³ Hasan et al.,¹⁴ Hasliza et al.,¹⁵ Musaiyadah, Muḥammad Firdaus Zakaria, Musaiyadah, Arni, and Osman, and Shaharom Md. Shariff et al.

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12. See Siti Arni Basir and Ilhaamie Abd. Ghani Azmi. "Malaysian Islamic Quality Management System MS 1900 from An Islamic Perspective: An Implementation Model," *Shari'ah Jurnal* 19, no. 2 (2011): 103.
 13. Umami Salwa Ahmad Bustamam, Amir Shaharudin, Zainal Abidin Mohamed, and Juwairiyah Aini Ahmad Bustamam, "Crafting Strategy Towards the Shariah Compliant Quality Standard: A Conceptual Framework" paper presented at the *5th Islamic Banking, Accounting and Finance (IBAF) Conference* (Nilai: USIM, 2012).
 14. Hasan al-Banna Mohamed, Ab Mumin Ab. Ghani, and Siti Arni Basir, "A Qualitative Study on the Challenges in Islamic Quality Management System (MS1900:2005): Implementation within Malaysia's Public Higher Education Institution (MPHEI)," paper presented at the *International Conference on Advances in Social Science, Economics and Management Study* (London: Westminster University, 2014).
 15. Hasliza Mohamad Ali, Siti Arni Basir, and Musaiyadah Ahmadun, "The Issue of Implementing Islamic Quality Management System MS1900:2005 Certification at the Department of Awqaf, Zakat and Haji," *Online Journal of Research in Islamic Studies* 2, no 1 (2015): 20–22.

For example, Siti Arni and Ilhaamie in their study proposed a model for the implementation of MS 1900. They hope that the proposed model which contains three components, namely ISO 9001 implementation steps, *Shari'ah* elements that are required in MS 1900 and the principles of MS 1900 can help management to implement this standard effectively in their respective organisations. On the other hand, researchers such as Hassan (in his doctoral thesis) and Hassan et al. studied on issues and challenges encountered by public and private universities while implementing MS 1900 in higher education institutions in Malaysia. In his study, Hassan et al. used a semi-structured interview method by interviewing 10 respondents from public universities and 11 respondents from private universities. In general, both institutions confronted by similar challenges—employees' attitude problem, lack of training, insufficient financial resources, issues of workload, and the welfare of the staff.

In a slightly different study goal, Afiq Rehat et al. tried to explain the effect of implementing MS 1900:2005 on improving organisational performance. The research was conducted using a survey method through questionnaires sent to respondents in 11 companies that have been certified with MS 1900:2005. The findings revealed that there are 10 factors contributing to the successful implementation of MS 1900 in the organisations studied. Those factors are customer needs, improvement of both company and product qualities, increased customer satisfaction, professional ethical and moral developments, increasing efficiency, reducing waste and saving money, getting international quality recognition, ensuring consistent and continuous processes and system uniformity, building confidence and trust, effort to become an organisation that cares about *Shari'ah* compliance, and finally, increase in competitiveness.¹⁶

16. Afiq Rehat et al., "Enhancing Organisation Performance through the Implementation of MS1900:2005," *Journal of Technology Management and Business* 3, no. 1 (2016): 14.

Through data analysis on these 10 contributing factors, the researchers examined in detail how they contribute towards improving organisational performance. Although Afiq Rehat et al. did not explicitly mention the link of MS 1900 with the concept of risk management, but the findings of the analysis showed that the implementation of MS 1900, apart from contributing to improved performance, also indirectly helps to reduce certain risks commonly faced by organisations. For example, through the factor of “improved quality of products and companies,” MS 1900 actually helps to overcome problems related to negative values such as greed, self-importance, corrupt practices, lack of transparency, and exploitation in organisations’ daily operations. If not curbed, these risks may cause the goal of improving organisations’ quality not to be achieved through MS 1900 certification because they are clearly not in line with Islamic values. The same goes for the factor of “increasing efficiency, reducing waste, and saving money.” Through this factor the risks of resource wastage can be eliminated because it is a form of risk which is strictly prohibited by Islam.¹⁷

In addition to the aforementioned studies, there are some relatively recent research studies that are geared towards analysing the level of *Shari’ah* compliance in organisational activities. For instance, the rapid growth in the global Halal tourism industry has triggered hotels to employ various approaches catering for their Muslim guests and clients. In addition to the Halal Food Standard (MS 1500), Muslim Friendly Hospitality Services (MS 2610), Islamic Quality Standard for Hotel (IQS) and Salam Standard, the hotels also make MS 1900 as one of the industry standards used to enable their operations and processes comply with the *Shari’ah* requirements. This has prompted Nor Azizah and Nor Azzah¹⁸ to research on the suitability of these standards to be used in *Shari’ah*-compliant hotels.

17. Ibid., 12–17.

18. Nor Azizah Tukiran, and Nor Azzah Kamri, “Analisis Pemakaian Standard Untuk Pengurusan Hotel Patuh Syariah di Malaysia,” *Online Journal of Research in Islamic Studies* 5, no. 2 (2018): 61–79.

By applying the method of content analysis and SWOT analysis, Nor Azizah and Nor Azzah studied the suitability of application of these standards to hotels setting. There are several hotels involved in their study namely Hotel de Palma (Ampang), Grand Blue Wave Hotel (Shah Alam), Klana Beach Resort Port Dickson), Adya Hotel (Langkawi), Tabung Haji Hotel chains, and Permodalan Nasional Berhad hotel chains. Since the MS 1900 uses the ISO 9001 framework that is widely recognised worldwide; and all its requirements are aligned with the *Shari'ah* principles, the researchers found that it is more suitable to be used in *Shari'ah* compliant hotels as compared to other standards studied i.e., MS 1500, MS 2610, IQS, and Salam which seem too general and fairly narrow in their perspectives.¹⁹ For example, the MS 1900 lays emphasis on Islamic values, the introduction of Shariah Critical Control Points (SCCP) (as a tool and management control against activities that do not comply with the *Shari'ah*), and the compliance with standards, *fatwās*, and laws decided by the Fatwa Council as requirements that must be fulfilled by any organisation before it can get certified for this Islamic quality management standard. In addition, it also obliges organisations to appoint a *Shari'ah* compliance officer to monitor the company's quality management system and report any *Shari'ah* violations that occur in the organisation.²⁰ This is in contrast with the four other standards that were also studied. For example, MS 1500 and MS 2610 focus more on *halāl* food preparation. Both also underline guidelines to be followed by players in the tourism industry in order to ensure products and services offered to Muslim tourists are *Shari'ah*-compliant. On the other hand, the IQS and Salam are meant for rating purposes, and both do not require the appointment of a *Shari'ah* compliance officer to monitor hotel activities.²¹

19. Ibid., 65.

20. Ibid., 74.

21. Ibid., 76.

In another study, Nor Azzah and her team researchers examine the extent to which the Permodalan Nasional Berhad (PNB) hotel chain meets the criteria of *Sharī'ah*-compliant hotels considering that the hotels were managed based on MS 1900:2014 certification. The researchers used literature review, interview, and observation as the research methods. Based on the four criteria that must be present in a *Sharī'ah*-compliant hotel—namely, food and beverages, room operations, support staff, and facilities and others—the research team found that the management of PNB hotels is very committed in meeting the outlined *Sharī'ah* criteria.²² In general, the *halāl* status in food and drink preparation, *ʿibādah*-friendly facilities, ethical staff who practice Islamic values, as well as adequate facilities and peaceful hotel environment—which serve as the proxies for the criteria measured—have recorded encouraging values with each criterion registered a score between 78 to 100 percent.²³ From another perspective, this study also touched indirectly on the aspect of resource risk management, especially those related to *halāl* and *haram* elements; and ethics and Islamic values in resource management—which consists of provision of resources, human resources, infrastructure and work environment. Unfortunately, the aspect was not highlighted by the researchers, and it was not linked to the MS 1900 certification requirements as the main objective of the study was to evaluate the commitment level of PNB Hotel management in meeting the outlined *Sharī'ah* criteria.

In conclusion, apart from the studies of Afiq Rehat et al. and Nor Azzah et al. which implicitly deliberate the correlation between MS1900 and risk management; studies on MS1900 made by researchers between 2012 onwards only revolve around the general overview of the standard as well as its implementation strategies and challenges in several selected establishments.

22. Nor Azzah Kamri, Suhaili Sarif, Nor Aini Ali, and Nor Azizah Tukiran, “PNB dan Pengurusan Hotel Patuh Syariah,” *Ulum Islamiyyah Journal* 31 (2020): 68–70.

23. *Ibid.*, 74–77.

However, there are studies made by Western researchers on the benefits of ISO 9001 certification (whose framework is used by MS 1900 as its base) examining the connection between the standard and risk reduction. For example, Tari et al. have investigated 82 studies and they managed to categorise the benefits of ISO 9001 certification under 13 headings.²⁴ Overall, the findings of their study showed that ISO 9001 certification does not only increase efficiency, performance, and profitability, but also lowers business risks and effectively reduces business costs in the certified organisations.²⁵

The findings of Tari et al. are also supported by Nield and Kozak who list some of the benefits that organisations acquired from the implementation of ISO 9001. Among those benefits are operational benefits (which are seen through improvements and advances in operational systems and practices), marketing benefits (which result through increased customer satisfaction, increased competitiveness and national recognition), and human resource benefits (which exist in the form of workforce commitment and reduced staff turnover).²⁶ Besides the above researchers, Casadesus and Gimenez,²⁷ and Casadesus, Jimenez, and Heras²⁸ also obtained similar findings in their study on the benefits of the ISO 9001 certification.²⁹

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24. Juan Hose Tari, Jose Francisco Molina-Azorin, and Inaki Heras, “Benefits of the ISO 9001 and ISO 14001 Standards: A Literature Review,” *Journal of Industrial Engineering and Management* 5, no. 2 (2012): 297.
 25. Ibid., 300. See also Muhammad Hisyam Mohamad and Fadillah Mansor, “A Conceptual Study on Shari’ah Compliance on Risk Mitigation of MS 1900-Certified Companies,” *TAFHIM: IKIM Journal of Islam and the Contemporary World* 11 (2018): 116.
 26. Kevin Nield and Metin Kozak, “Quality certification in the hospitality industry: Analysing the benefits of ISO 9000,” *The Cornell Hotel and Restaurant Administration Quarterly* 40, no. 2 (1999): 40–45.
 27. Marti Casadesús and Geresa Giménez, “The benefits of the implementation of the ISO 9000 standard: Empirical research in 288 Spanish companies,” *The TQM Magazine* 12, no. 6 (2000): 432–441.
 28. Marti Casadesús, Geresa Giménez, and Inaki Heras, “Benefits of ISO 9000 implementation in Spanish industry,” *European Business Review* 13, no. 6 (2001): 327–336.
 29. See also Hisyam and Fadillah, “A Conceptual Study on Shariah Compliance,” 116–117.

Evidently risk was not the main focus in the MS 1900 studies mentioned above as most of the researchers are only intensely interested in the aspect of Islamic quality management rather than other contexts such as risk management. However, this does not mean that the *Sharī'ah*-based MS 1900 does not pay attention to the importance of risk management in the organisation. In fact, it is implicitly encapsulated in the principle of *jalb al-maṣlahah wa daf' al-mafṣadah* of the *Sharī'ah* approach itself.

Risk and Risk Management

Uncertainty is a natural part of life. It is inevitable and unavoidable in all facets of man's endeavour and experiences. Humans hardly ever predict what it might bring to their daily lives and even do not know what will happen in the future. In *Sūrat Luqmān* (31):34, God says to the effect: "Indeed, God has the knowledge of the Hour. He sends down the rain and knows what is in the wombs. No soul knows what it will earn for tomorrow, and no soul knows in what land it will die. Surely God is All-Knowing, All-Aware."

It can be deduced from the verse above that uncertainty of the future or something that is about to happen is mainly attributed to human weakness where the knowledge they possess is limited. Man can make an effort to get what they want. Similarly, they can make a prediction of the future. Nevertheless, the result of the effort they put in or the accuracy of the prediction made in something beyond their control. In order to face the uncertainty that awaits in the future, humans essentially make decisions based on expectations about the results that would be obtained for each action or option they made. In addition, they also make decisions based on assumption that are often founded on their own past personal experience.

Another alternative in decision making is to use probability techniques where the result of an action is expressed in the form of the probability that it will happen. This can often be observed in the organisational context where the term "risk" is

expressed as the possibility and effect resulting from an event or matter. In this case, it requires at least one form of quantitative or qualitative analysis to make decisions about major risks or threats to the achievement of organisational goals. For each risk, two calculations are required which are related to possibilities or probabilities; and the level of impact or risk impact that may result.³⁰ In other words, here, uncertainty has turned into risk. Risk is, therefore, the consequence of pursuing objectives against an uncertain environment.³¹

A commonly used definition to explain the meaning of the term risk is as the effect of uncertainty.³² This definition is in line with the definition given by MS ISO Guide 73:2010 where it defines risk as the effect of uncertainty on objectives.³³ The definition explains that there is a relationship between risk and the goals outlined by the organisation. Therefore, the definition of risk is easier to comprehend if an organisation clearly states the objectives it wants to achieve. The objectives pursued might include various aspects such as financial, health, and safety; and environmental goals which apply at different levels of management and business functions.³⁴

From an Islamic perspective, the definition of risk given by MS ISO Guide 73:2010 is acceptable. However, in terms of the approach to managing or mitigating risk—apart from

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30. Heinz-Peter Berg, “Risk Management: Procedures, Methods and Experiences,” *RT&A* 1, no. 2:17 (2010): 79.
 31. Abbas Mirakhor, “Shariah Compliant Macro-Economic Policy” keynote address at the *2nd ISRA Colloquium 2012* (Kuala Lumpur: Bank Negara Malaysia, 2012), 11. See also Hazards and risks. Broadleaf, Haards, and Risks,” <https://broadleaf.com.au/resource-material/hazards-and-risks/> (accessed 22nd December 2023).
 32. The Association of Insurance and Risk Manager, *The Public Risk Management Association & The Institute of Risk Management, A Structured Approach to Enterprise Risk Management (ERM) and the Requirement of ISO 31000* (London: AIRMIC, Alarm & IRM, 2010), 2. See also Heinz-Peter Berg, “Risk Management: Procedures, Methods and Experiences,” 79.
 33. DSM, *MS ISO Guide 73:2010 Risk Management—Vocabulary (ISO GUIDE 73:2009, IDT)* (Cyberjaya: Department of Standards Malaysia, 2010), 1.
 34. *Ibid.*, 1.

acknowledging that risk management is a systematic approach to dealing with uncertainty through the process of identification, assessment, understanding, action, and communication of issues related to risk—it is also important for individuals or organisation to surrender to God and pray to Him to ask for good outcomes (*salāh*) in this world and the hereafter. In other words, in Islam, we need to include the concept of trust (*tawakkul*) as an additional step in the risk management process.³⁵ This is also the characteristic that distinguishes the Islamic risk management system from its conventional counterpart. The fact that needs to be acknowledged is that the uncertainty that awaits in the future makes human life full of risks. The higher the level of uncertainty, the higher the risk that may arise.³⁶ Risks resulting from uncertainty or indefiniteness about something usually produce a negative effect on the well-being of an organisation or individual. However, it should also be noted that risk should not be seen as inherently negative. Risk normally goes hand in hand with opportunity, and where there is risk or challenge, there is also prospect to an opportunity.³⁷

It is important for an organisation to protect its business from internal and external threats. Therefore, risk management should include strategic management process. Risk management involves the identification, assessment, treatment, and ongoing monitoring, and assessing the effectiveness of the control measures. It helps organisation to make informed decisions and respond to risks in pursuit of the organisation's objectives by maximising opportunities and minimising adverse effects.³⁸ Strategic management, on the other hand, refers to how the

35. Syahida Abdullah, "Risk Management via Takaful from a Perspective of Maqasid Shariah," *Procedia-Social and Behavioural Science* 65 (2012): 540.

36. Waheed Akhter, "Risk Management in Takaful," *Enterprise Risk Management* 1, no. 1:E8: (2010): 129.

37. Anthony Tarantino, *Governance, Risk, and Compliance Handbook* (New Jersey: John Wiley & Sons, Inc., 2008), 15.

38. NC State University, "Diversity of Risk Management in Europe," <https://erm.ncsu.edu/library/article/risk-management-europe>, accessed 1st December 2023).

management of an organisation manages resources to achieve its goals or objectives.³⁹ This means that the organisation must embed risk management practices into its business and operations. This means by having risk management in place, the organisation can execute a timely response to crises, and this will indirectly minimise losses and surprises.⁴⁰ Nevertheless, in every risk management approach, the organisation should ensure that the plan fit to meet the level of the risk profile. In addition, it should also be dynamic and responsive to changes in the organisational structures and strategies; and integrated into cultures and every practices.

Elements of Risk Management in MS 1900:2014

If the MS1900:2014 document is carefully perused, it is apparent that there are several elements and standard requirements that must be complied with and implemented by an organisation before it can be certified for this Islamic Quality Management system. Further analysis and investigation on these requirements would reveal that they actually have positive effects on organisational risk management. The requirements are as follows:

Sharī'ah-Compliance Requirements

In the MS1900:2014 or its Malay version, the *Sharī'ah* element is glaringly mentioned from the very beginning of the document. The title of the standard which is *MS 1900:2014 Shariah-Based Quality Management Systems-Requirements with Guidance (First Revision)* (or the Malay version, *MS 1900:2015 Sistem Pengurusan Kualiti Berasaskan Syariah-Keperluan dengan Panduan (Semakan Pertama)*) serves

39. Investopedia, “What is Strategic Management?,” <https://www.investopedia.com/terms/s/strategic-management.asp>, accessed 13th December 2023.

40. PTT Exploration and Production Public Company Limited, “Risk and Crisis Management,” <https://www.pttep.com/en/Sustainability/Governance-For-Sustainable-Business/Risk-And-Crisis-Management.aspx>, accessed 15th December 2023.

as a clear statement that the content and requirements of this certification are based on *Shari'ah* principles. The requirements are further elaborated in the introduction of the document where it states that the aim of the development of the standard is to ensure that organisations are managed in accordance with the *Shari'ah* principles and the practices of the quality management system.⁴¹ Any institution or body that intends to obtain this certification must comply with the principles outlined by the standard. As such, these *Shari'ah* compliance requirements must be present in every organisational process and activity which include management responsibilities, resource management, product realisation, measurement, analysis, and improvement.⁴²

As explained by Muslim scholars, the *Shari'ah* is a guide that leads people to achieve truth and goodness (*ṣalāḥ*) in this world and in the hereafter. Ibn 'Ashūr (d. 1973) elucidated that what is meant by truth here is to set the right things for worldly and human social affairs. Misappropriation and corruption, on the other hand, is something that is against the *Shari'ah* because it leads to negative effects on the welfare of the whole world.⁴³

In the process of realising the above goals, the concept of *jalb al-maṣlahah wa daf' al-mafṣadah* functions as a main guideline presented by Islam for every individual to follow. It is a comprehensive and universal concept; and can be applied to all aspects of human life, including management affairs and organisational travel. However, to operate the concept of *jalb al-maṣlahah wa daf' al-mafṣadah* requires compliance. Without the element of compliance, the goals underpinning the instructions and prohibitions of *Shari'ah* cannot be achieved or realised.

41. Department of Standards Malaysia, *MS 1900:2014 Shariah-Based Quality Management Systems-Requirements with Guidance (First Revision)* (Cyberjaya: Department of Standards Malaysia, 2014), iv.

42. Ibid.

43. Muhammad al-Tāhir ibn 'Āshūr, *Treatise on Maqāsid al-Shari'ah*, trans. Mohamed al-Tāhir el-Mesawī (Petaling Jaya: Islamic Book Trust, 2006), 93.

In Islam, full compliance with its rules and regulations is the only way that can lead people to achieve *al-falāḥ* or true success in life. This also means that all activities towards achieving *al-falāḥ* must begin with and centre around the concept of *tawḥīd*. It is under the direction of *tawḥīd*, man would not create *fasād* or mischief on the earth;⁴⁴ and in order to gain the pleasure of God, he would execute all activities according to His will and commandments as prescribed through the Qurʾān and the Sunnah.⁴⁵ Ultimately by abiding by all Islamic law and rulings, *maṣlahah* i.e., safeguarding the objective of *Sharīʿah* which consists of five fundamentals: the protection religion, life, intellect, progeny and property, will prevail. Discussions and analysis on this matter can be found in the works of al-Ghazālī,⁴⁶ al-Shāṭibī,⁴⁷ Ibn ʿAshūr,⁴⁸ and others.

Besides these scholars, there are many other who also deliberate on the importance of rule compliance on the welfare of human beings in various aspects of life. Iqbal and Mirakhor, for example, state that the rules found in Islamic economic system aim to produce well-being in the socio-economic aspects of society.⁴⁹ These regulations are absolute commands from God, and they not only play roles in preserving the interest

44. Syed Othman al-Habshi, “The Role of Ethics in Economics and Business,” in *Development and Finance in Islam*, edited by Abul Hassan M. Sadeq et al. (Petaling Jaya: International Islamic University Press, 1991), 43. See also Joni Tamkin bin Borhan, “The Tawhidic Paradigm in Islamic Banking,” *Jurnal Usuluddin* 11 (2000): 47.

45. Suhaily Mohd Sarif and Yusof Ismail, “An Application of Tawhidic Paradigm in Macro-Planning of the 1 Malaysia Policy,” paper presentation at the *National Seminar on Islamic Management Systems Transformation*, Universiti Sains Islam Malaysia, PWTC, Kuala Lumpur, 1–2nd October 2011 (Nilai: USIM, 2011).

46. Abū Ḥamid al-Ghazālī, *al-Mustasfā min ʿIlm al-Uṣūl* (Boulaq: al-Matbaʿah al-Amīriyyah, n.d.), vol. 1, 286–287. See also Hisyam and Fadillah, “A Conceptual Study on Shariah Compliance.”

47. See Wāḥbah al-Zuhaylī, *Uṣūl al-Fiqh al-Islāmī* (Damascus: Dār al-Fikr li al-Ṭabāʿah wa al-Tawzīʿ wa al-Nashr, 1986), vol. 2, 1017.

48. Ibn ʿAshūr, *Treatise on Maqāṣid al-Sharīʿah*.

49. Zamir Iqbal and Abbas Mirakhor, *An Introduction to Islamic Finance-Theory and Practice*, 2nd edition (Singapore: John Wiley & Sons, 2011), 32.

of humanity but also guaranteeing the well-being of other creatures and creations of God too. Askari et al. concur with the viewpoint raised by Iqbal and Mirakhor. They stated that all the laws and regulations revealed by God are to produce justice, reduce risk or uncertainty in life as well as help people to overcome various obstacles in life. Nevertheless, they are only attainable through obedience to God's commands and a total submission to His will.⁵⁰

It is not only the Islamic academics who acknowledge the importance of rule compliance in economic affairs. Western scholars such as Adam Smith also acknowledged this fact. In his first published work *The Theory of Moral Sentiment*, Adam Smith, among other things in his discussions, gives serious emphasis to the role played by moral foundations in economic affairs such as belief in one God, the essential element of responsibility and being compliant to the Divine rules.⁵¹

What is certain in Islam is that God promises a good life to whoever does good deeds and obeys His rules. This is evident in *Sūrat al-Nahl* (16):97 as God says to the effect: "Whoever works righteousness, man or woman, and has faith, verily, to him will We give a new Life, a life that is good and pure and We will bestow on such their reward according to the best of their actions."

The aforementioned verse serves as a basis of argument that if *Shari'ah* compliance is integrated into management process, it will have a positive impact on any organisation. This is because compliance with the guidelines set by *Shari'ah* will not only result in quality performance but will also reduce risk exposure that may arise in individuals and organisations.

50. Hossein Askari, "Economic development in Islam," in *Economic Development and Islamic Finance-Directions in Development*, eds. Zamir Iqbal and Abbas Mirakhor (Washington: World Bank, 2013), 172–173.

51. Hossein Askari and Abbas Mirakhor, *Islam and the Path to Human and Economic Development* (New York: Palgrave Macmillan, 2010), 53–55.

Halāl and Harām Compliance

Compliance with the concept of *halāl* and *harām* in the implementation of MS 1900:2014 is something that distinguishes the MS 1900 from the ISO 9001. In the introduction part of the MS 1900:2014, the document states that the principles of *halāl* and *harām*, together with principles of *muāmalat*, would serve as a guide to organisations in identifying *Sharī‘ah* Critical Control Points throughout their processes. Aside from the introduction, the MS 1900 also provides specific guidance in its appendix (Annex A–A.2) for the MS 1900 users on how they can determine *halāl* and *harām* in business processes.⁵² In the process of determining *halāl* and *harām*, the document recommends that the *Sharī‘ah* compliance officer—whose task is to ensure *Sharī‘ah* principles are continuously observed in the organisation—make reference to various Islamic authentic sources ranging from the Qur’ān, Hadīth, and *fatwā* (jurisprudential opinion) from different religious authorities both local and abroad.

Halāl is an Arabic word that derives from the root verb “*halla*” which means to free, to release, to break, to dissolve and to permit.⁵³ When it is used in the field of Islamic law, firstly it denotes something that will not result in the doer’s being punished for doing/using it; and secondly, something that is permissible or lawful according to the *Sharī‘ah*.⁵⁴ Al-Jurjānī (d. 1413), a renowned grammarian of the Arabic language, explains the term *halāl* as something that is not sanctioned for its usage.⁵⁵ Another great scholar of Islam, Ibn Manẓūr (d. 1311), defines the word *halāl* as the antonym of *harām*, or something that is allowed or permitted by God.⁵⁶ A contemporary Muslim jurist,

52. DSM, MS1900:2014, 22–23.

53. Abdul Azis Dahlan (ed.), *Ensiklopedia Hukum Islam* (Jakarta: PT Ichtiar Baru Van Hoeve, 1997), vol. 2, 505.

54. *Ibid.*, 505–506.

55. ‘Alī ibn Muhammad al-Sharīf al-Jurjānī, *Kitāb al-Taṣṣīf* (Beirut: Maktabat Lubnān, 1985), 98.

56. Ibn Manẓūr, *Lisān al-‘Arab* (Beirut: Dār Ṣādir, 1990), vol. 11, 167.

Yūsuf al-Qaradāwī, gives a similar explanation to what have been suggested by al-Jurjānī and Ibn Manẓūr as he describes *ḥalāl* as the lawful i.e., “that which is permitted, with respect to which no restriction exists, and the doing of which the Law-Giver, God, has allowed.”⁵⁷

In the Qur’ān, God uses the term *ḥalāl* in various contexts including *mu’āmalat*, family matters and marriage, food, sustenance (*rizq*), and others.⁵⁸ *Ḥarām*, on the other hand, is anything that is prohibited by God. Those who commit forbidden acts or activities and does not repent from their sins will be exposed to God’s wrath and punishment in this world and in the Hereafter.⁵⁹

God makes things *ḥarām* for specific reasons. Such prohibition may be attributed to the characteristics or qualities of impurity, or due to harmful effects on individuals or society or the environment.⁶⁰ For instance, in organisation, unethical business practices such as mismanagement, corruption, absenteeism, fraud, favouritism, and more are strictly against the values of Islam as they are not only detrimental to the organisational performance but also negatively affect interests of other stakeholders.

In the context of MS 1900:2014, and as mentioned earlier, the process of determining the *ḥalāl* and *ḥarām* of a matter as well as the process of identifying the elements prohibited by the *Shari’ah* must be carried out by a *Shari’ah* compliance officer.⁶¹ Irrespective of perspective, the concept of *ḥalāl* and *ḥarām* needs to be understood in a broad and inclusive framework. This is

57. Yūsuf al-Qaradāwī, *The Lawful and The Prohibited in Islam*, trans. Kamal el-Helbawy (Cairo: al-Falah Foundation, 1997), xxv.

58. Muhammad Hisyam Mohamad, “Pembangunan Lestari Menerusi Gagasan Ekonomi Halāl: Satu Analisis Dalam Kerangka *Maqasid al-Shariah*,” in *Proceedings of the International Conference on Islam, Development and Social Harmony in Southeast Asia 2017*, ed. Mohd Nasran Mohamad et al. (Bangi: Universiti Kebangsaan Malaysia, 2017), 104–105.

59. al-Qaradāwī, *The Lawful and the Prohibited*, 10.

60. *Ibid.*, 24.

61. DSM, *MS 1900–2014*, 22–23.

because when it is internalised into an organisation's visions and missions, it applies to the overall management strategies and processes such as procurement, purchasing, advertising, storage, distribution, and so on.⁶² In other words, MS 1900:2014 has a mechanism to ensure that risks related to violations of the principles of the *Shari'ah* are systematically controlled and monitored from the very beginning of any business process of a company or organisation.

Management Responsibilities

Unlike the MS ISO 9001:2015 which does provide a user guide on how to use the standard, the MS 1900:2014 lists the actions need to be taken by an organisation in the implementation of the system. They are appended to the document as Annex A on page 22 with heading "Guidance on the use of this Malaysian Standard." Apart from general *Shari'ah* requirements, *Shari'ah* Critical Control Points, and Islamic values, the Annex of the MS 1900:2014 also enlists management responsibility as one of the elements that must be present in the standard implementation process.⁶³

Although some of the items (such as the appointment of a *Shari'ah* compliance officer and the establishment of organisational value management) have been mentioned in Clause 5 under the heading Management Responsibility, the explanation of both matters in the Annex is more comprehensive and it places more emphasis on the importance of fulfilling completely the *Shari'ah* compliance requirements in all organisational processes or activities. For example, in the Appendix, this standard document states that the top management of the organisation is fully responsible for ensuring that the *Shari'ah* requirements set by MS

62. Muhammad Hisyam Mohamad and Wan Roslili Majid, "Kepenggunaan Halal dalam Ekosistem Halal: Konsep dan Kepentingan," in *E-Proceeding International Conference on Islamic Law, Economics and Finance* (Johor Bahru: KPIJ Press, 2019), 76.

63. DSM, *MS 1900–2014*, 22–23.

1900:2014 are fully complied with and applied in both financial and non-financial aspects. In addition, top management also needs to demonstrate its commitment in complying with *Shari'ah* requirements and this includes the appointment of *Shari'ah* compliance officers, complying with *fatwās* issued by recognised local Fatwa Councils.⁶⁴

Among the responsibilities that must be carried out by the management in ensuring that the governance of the organisation runs smoothly is that they must show a clear commitment to the implementation of the quality management system and always strive to improve the effectiveness of its implementation. Among the aspects listed by MS 1900:2014 that management should pay attention to is the aspect of communication. Here, the management needs to communicate with the organisation about the importance of meeting customer needs as well as statutory and regulatory requirements. In relation to that, the top management needs to ensure that appropriate communication processes are established in the organisation, both in relation to the aspects of compliance with *Shari'ah* requirements and the effectiveness of the quality management system. What is important is that the top management needs to ensure that every employee is fully informed that the organisation's quality management system is *Shari'ah* compliant.⁶⁵ In sum, the success of the implementation of the MS 1900:2014 in any organisation relies heavily on the will of its top management. They are the ones who guide and motivate the employees to realise the organisation's strategic intent and mission. Without the leaders' determination, any initiative is unlikely to achieve the desired outcome.

64. Ibid.

65. DSM, *MS1900:2015 Sistem Pengurusan Kualiti berasaskan Syariah-Keperluan dengan Panduan (Semakan Pertama)*, 9.

Sharī'ah Compliance Officer

In order to ensure that aspects of *Sharī'ah* compliance in the organisation's processes and activities are properly regulated and closely monitored, the management needs to appoint a *Sharī'ah* compliance officer. If the size of an organisation is relatively large and the level of operation is relatively complicated, it is recommended that the management establishes a *Sharī'ah* advisory body. Its purpose is to be a point of reference for any matter arising from the implementation of this quality management system in the entire organisational structure, especially those involving complex *Sharī'ah* issues.

In Annex A of the MS 1900:2014 document, the roles and responsibilities of the appointed *Sharī'ah* compliance officers are listed as follows:⁶⁶ (1) to ensure continuous conformity of *Sharī'ah* requirements in all the organisation's daily activities; (2) to monitor the implementation of *Sharī'ah* requirements; and (3) to report directly to the top management on *Sharī'ah* matters, including *Sharī'ah* non-compliances.

Clearly, the need to appoint *Sharī'ah* compliance officers and *Sharī'ah* advisory bodies (if necessary) is a preemptive measure to ensure that risks related to *Sharī'ah* non-compliance can be mitigated and curbed from the outset. The roles played by *Sharī'ah* compliance officers in ensuring that the risk of non-compliance to *Sharī'ah* or any regulations can be controlled or prevented from happening become more effective with the use of Shariah Critical Control Points (SCCP).

Shariah Critical Control Points (SCCP)

Under Clause 4.2 Documentation Requirement, the standard stipulates that the quality management system documentation shall also include documented *Sharī'ah* Critical Control Points (SCCP).⁶⁷ The definition of SCCP given by the standard is “a

66. DSM, *MS 1900–2014*, 26.

67. *Ibid.*, 4–5.

point within the organisation's activities or processes at which controls can be applied and non-compliance to the principal of *halāl* and *harām* and principles of *mu'āmalat* can be prevented and mitigated to ensure compliance to *Sharī'ah* requirements."⁶⁸

In terms of format, the SCCP document needs to contain organisational activities that include all units or divisions; identification of *Sharī'ah* concepts and principles as well as Islamic values that are compatible with the activities or processes identified, *Sharī'ah* references (such as verses of Qur'ān or prophetic traditions, or *fatwā*) used, evidence of the assessment made and the results of the assessment; as well as the rectifications made (if the assessed process or activity does not comply with the *Sharī'ah* principles).⁶⁹

Based on the format, the SCCP of an organisation shall contain aspects or activities of all departments/units involved with the scope of MS1900:2014 implementation. In this regard, each department/unit will list all the processes or activities it performs. At the same time, it tries to identify risks that may be encountered which could affect the activities or processes it performs. Early risk identification enables department/unit to prevent any potential risk that can escalate into significant issues, and this will help cost reduction and compliance with regulations. For example, in any process or activity related to financial matters, the finance of an organisation needs to ensure that every investment or financing made must use *Sharī'ah*-compliant instruments. Failure to do so may result in the organisation being reprimanded during regular monitoring checks by internal auditors or *Sharī'ah* compliance officer; or it may result in the issuance of major Non-Conformity Report (NCR) during the surveillance audit conducted by the certification body.

68. Ibid., 3.

69. Hanida binti Ghazali, "MS 1900:2014 *Sharī'ah*-Based Quality Management Systems-Requirements with Guidance (first revision) and Shariah Principles," slide presentation, *Seminar on MS 1900:2014 Shariah Based Quality Management Systems Certification*, See also DSM, *MS 1900-2014*, August 2017 (Kuala Lumpur: IKIM and SIRIM, 2017).

Organisational Values

Other requirements that must be developed by organisations seeking to obtain MS 1900:2014 certification is organisational values. In the appendix of the MS 1900:2014 document, the importance of organisational values is explained. Among other things, it provides a common basis and an element of bonding among members of organisation at different hierarchical levels.

In Islam, the importance of noble values and morals is very much evident from the fact that God states in Qurʾān that the Prophet Muḥammad is of a very noble character.⁷⁰ In *Sūrat al-Qalam* (68):4, God says to the effect: “and indeed you (O Muḥammad), are truly of great character.”

In a Ḥadīth, ‘A’ishah was once asked about the character of the Prophet. Her answer was very simple, yet it carried a profound meaning—she replied that the character of the Prophet was the Qurʾān. The Qurʾān is a complete guide for all mankind. As such the Ḥadīth serves as a clear indication that Islam attaches great importance to moral values. For any management, organisational values are what ultimately drive the staff’s performance. Nevertheless, the management should walk the talk. Before they demand the employees to act ethically, they themselves must inhabit company values as well demonstrate them in their actions and decisions.

Islamic values which are based on the paradigm of *tawḥīd* provide a harmonious relationship between the affairs of this world and the Hereafter. For Muslims, this paradigm always exists in the context of individuals and organisations that require them to do good (*al-amr bi al-ma rūf*) and forbid evil (*al-nahy ‘an al-munkar*).⁷¹ In other words, the values advocated by Islam,

70. Aminudin Basir@Ahmad, Mohd Radzi Othman, and Nik Yusri Musa, “Konsep al-Sunnah Menurut Ahli Hadith,” *Jurnal Pengajian Umum* 8 (2006): 2.

71. Muhammad Hisyam Mohamad and Enizahura Abdul Aziz, “Amanah dan Nilai-nilai Sokongan dalam Kepimpinan,” in *Kepimpinan dan Amanat Peradaban*, eds. Mohd Sani Badron dan Noor Hartini Saari (Kuala Lumpur: Penerbit IKIM, 2016): 86.

philosophically it contains the aspect of nurturing positive attitudes and behaviours; and restraining negativity that could potentially bring risks and harm to individual, society, or the organisation.

Corporate scandals in Malaysia, for example, are mostly committed by high-ranking professionals of corporations or government official. In some cases, it involves ministers and reputed members of the society who are highly educated. This signifies that knowledge alone cannot give rise to good leadership. It must be guided by Islamic values and ethics which are encapsulated in the *Shari'ah*. A study by Meguellati and Lukman shows that there is a positive and significant relationship between leadership with Islamic values. They not only refrain themselves from committing acts that are against the *Shari'ah* that could jeopardise the welfare of the company and its stakeholders; but more importantly they are able to drive and motivate their subordinates to willingly participate in the quest to achieve organisational goals.⁷²

In the case of MS 1900:2014, it states that the values identified by the management need to be documented, communicated, understood, and lived as part of the organisational culture. The process of internalisation of values among employees could be done through briefing and trainings. The management also needs to ensure that these values are measured through surveys, interviews, and observations. Based on the results of measurement, if necessary, it should be revised and further improved.⁷³ Effective implementations of the shared values will not only boost employees' morale but also mitigate business risks and unlock opportunities for higher productivity as well as enhance customer satisfaction.⁷⁴

72. Meguellati Achour and Lukman Bin Thaib, "The Relationship of Islamic Values and Organisational Leadership: A Case Study of Muslim Employees in Malaysia," *Jurnal al-Tamaddun* 10, no. 1 (2015): 48.

73. DSM, *MS 1900-2014*, 26.

74. *Ibid.*

Conclusion

Based on the content analysis made, it clearly shows that the MS 1900:2014 is quietly ahead of its competitor i.e., ISO 9001:2015 in the aspect of risk management in organisations that use this quality management standard. Even without a risk-based thinking approach as introduced by the ISO 9001, the MS 1900:2014 or its earlier version—the MS 1900:2005—seem to have implicitly taken the lead in imposing provisions that contain characteristics of risk management as the prerequisites for any organisation before it could be certified as a MS 1900:2014 company by the Department of Standard Malaysia (DSM). Starting from the principles of *Shari'ah* which serve as the bedrock of standard, other requirements—namely conformity to the *Shari'ah* (such as in resource management, product realization, and meeting customer requirements), *halal* and *haram* requirements, management responsibility, *Shari'ah* compliance officers, SCCP and organisational values—become enablers that not only facilitate organisations to achieve the goal of this certification which is to improve good governance and efficient organisation based on Islamic principles; but also help the organisation in managing risk by ensuring that any elements of risk are identified and prevented at the onset before they potentially manifest into more complex issues. Nevertheless, this study is based on document analysis and does not involve any fieldwork of any kind. Thus, in theory, compliance with the *Shari'ah* would help organisation in managing risk. However, this might not be conclusive to establish a strong inference that any organisation adopting MS 1900:2014 would achieve risk management benefits unless case studies are conducted in several MS 1900:2014 certified companies, and data are collected to prove there exists a significant correlation that indicates a meaningful relationship between MS 1900:2014 implementation and risk management in the surveyed companies. It is suggested for future research to adopt mixed method approach. The findings obtained from this kind of study are more conclusive and provide important insights on the value propositions offered by MS 1900:2014 to its stakeholders.

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