



ADVANCED INTERNATIONAL JOURNAL
OF BUSINESS, ENTREPRENEURSHIP
AND SMES
(AIJBES)

www.gaexcellence.com/aijbbs



STRATEGIC MANAGEMENT PRACTICES IN MUSLIM SMES: THE ROLE OF *AMANAH*

Siti Syuhada Abd Rahman^{1*}

¹Department of Management and Business, Faculty of Economics, Accountancy and Management, Universiti Islam Selangor, Malaysia

 sitisyuhada@uis.edu.my

 <https://orcid.org/0009-0003-4688-9650>

*Corresponding Author

Article Info:

Article history:

Received date: 28.01.2026

Revised date: 19.02.2026

Accepted date: 16.03.2026

Published date: 30.03.2026

To cite this document:

Abd Rahman, S. S. (2026). Strategic Management Practices in Muslim SMEs: The Role of *Amanah*. *Advanced International Journal of Business Entrepreneurship and SMEs*, 8 (27), 338-351.

Abstract:

This study examines the role of *amanah* (trustworthiness), a core value in Islamic business ethics, in shaping the strategic management practices of Muslim-owned small and medium enterprises (SMEs) in Malaysia. While Muslim SMEs are central to Malaysia's halal economy, empirical research examining how Islamic ethical values shape formal strategic management processes remains limited. Using a qualitative research design, semi-structured interviews were conducted with seven Muslim entrepreneurs selected through purposive sampling. The participants comprised Muslim owners of manufacturing firms in the Klang Valley who had more than ten years of business experience and remained actively involved in managing their enterprises. The data were analysed using an inductive thematic analysis supported by ATLAS.ti 9.0. The findings indicate that *amanah* underpins all phases of strategic management. In strategy formulation, entrepreneurs emphasised social responsibility, halal assurance, and the economic wellbeing of the Muslim community. During implementation, *amanah* was manifested through ethical business practices such as transparency, fairness, reliability, and fulfilment of promises. In the evaluation stage, *amanah* guided corrective actions that prioritised stakeholder interests over short-term financial gains. These findings extend strategic management theory by demonstrating how Islamic ethical values shape managerial decision-making and propose a values-based framework that contributes to the development of Islamic management scholarship. Practically, the study provides guidance for Muslim entrepreneurs on integrating *amanah* into strategic decision-making to strengthen ethical governance and promote sustainable business practices.

DOI:10.35631/AJBES.827022

Keyword:

Amanah; Islamic Business Ethics; Muslim SMEs; Prophetic Leadership; Strategic Management



© The authors (2026). This is an Open Access article distributed under the terms of the Creative Commons Attribution (CC BY NC) (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited. For commercial re-use, please contact aijbess@gaexcellence.com.

Introduction

Small and medium enterprises (SMEs) are vital contributors to the Malaysian economy, particularly within the rapidly growing halal industry. Muslim-owned SMEs play an important role in shaping ethical business practices, as their operations are often guided by Islamic values and moral principles. Despite their growing economic and ethical significance, scholarly research examining how Islamic ethical values are embedded within the strategic management processes of Muslim-led SMEs remains limited.

Among the core ethical values emphasised in Islamic teachings is *amanah* (trustworthiness), a multidimensional concept encompassing honesty, responsibility, transparency, justice, reliability, and accountability. Although prior studies have addressed Islamic business ethics and Muslim entrepreneurship more broadly, the specific role of *amanah* in guiding strategic formulation, implementation, and evaluation has received insufficient empirical attention.

Addressing this gap, the present study examines how *amanah* is practiced by Muslim entrepreneurs throughout the strategic management process. Focusing on manufacturing SMEs located in the Klang Valley, Malaysia, this study provides empirical insights into how ethical responsibilities toward customers, suppliers, society, and the environment influence strategic decision-making. By illustrating the operationalisation of *amanah* in real business contexts, this study contributes to the literature on Islamic management and strategic ethics, offering a value-based perspective on strategic management in Muslim SMEs.

Literature Review

Islamic Business Ethics and Prophetic Values

Islamic business ethics emphasise moral conduct grounded in the Qur'an and Sunnah, with prophetic values serving as a normative framework for ethical business behaviour. Among these values, *amanah* (trustworthiness) is regarded as a foundational ethical principle that governs both individual integrity and organisational responsibility (Antonio, 2020). Islamic business scholarship underscores that ethical conduct in Muslim enterprises extends beyond regulatory compliance, as it is spiritually anchored in accountability to Allah and responsibility toward society, thereby reinforcing principles such as transparency, justice, and social responsibility (Beekun & Badawi, 2005; Solihati et al., 2023).

Within the prophetic leadership framework, *amanah* operates in conjunction with *siddiq* (truthfulness), *fathonah* (wisdom), and *tabligh* (effective communication), collectively shaping ethical judgement and strategic behaviour in Muslim SMEs (Abd Rahman & Md Shamsudin, 2025; Abd Rahman, Nadzri, & Che Senik, 2024). This integrated ethical framework provides

moral guidance for leaders in navigating complex business decisions while maintaining consistency between values and practices.

Recent studies further indicate that prophetic values enhance organisational legitimacy and stakeholder trust, both of which are critical for long-term business sustainability. Islamic ethical values function as a moral governance system that influences how firms manage risk, engage stakeholders, and pursue growth strategies (Islam et al., 2024; Solihati et al., 2023). Empirical evidence from Muslim SMEs suggests that adherence to *amanah* and related prophetic traits strengthens customer loyalty, employee commitment, and reputational capital, thereby contributing to competitive advantage in increasingly values-driven markets (Abd Rahman et al., 2024).

Amanah in Islamic Management

In the context of Islamic management, *amanah* refers to the ethical obligation to fulfil responsibilities faithfully, uphold trust, and demonstrate honesty and integrity across all organisational activities (Mohamed, Abdul Razak, & Taib, 2019). This concept extends beyond individual morality to encompass leaders' responsibilities toward employees, customers, shareholders, and society at large. Contemporary Islamic leadership literature conceptualises *amanah* as a governance mechanism that disciplines managerial behaviour by embedding accountability to Allah and moral responsibility within organisational decision-making processes (Kasim et al., 2020; Solihati et al., 2023). When internalised at the organisational level, *amanah* serves to reduce opportunistic behaviour, enhance transparency, and strengthen stakeholder trust.

Empirical studies further demonstrate that leaders who embody *amanah* tend to exhibit greater consistency, ethical awareness, and stakeholder orientation in their strategic decisions. For instance, Fijawi et al. (2023) found that trust-based leadership significantly improves ethical climate and decision quality within Malaysian organisations. Similarly, Rahman and Noor (2023) reported that entrepreneurs who prioritise *amanah* display stronger contract compliance, more responsible risk-taking, and higher levels of stakeholder satisfaction. These findings highlight the practical relevance of *amanah* as a managerial value that influences both ethical conduct and strategic outcomes.

Strategic Management and Ethical Values

Strategic management is commonly conceptualised as a continuous process encompassing strategy formulation, implementation, and evaluation (David, David, & David, 2023). Contemporary strategy literature increasingly recognises ethics and organisational values as critical determinants of strategic effectiveness, legitimacy, and long-term sustainability (Freeman et al., 2020). Rather than functioning merely as external constraints, ethical values shape managerial cognition, strategic priorities, and stakeholder relationships, particularly in environments characterised by uncertainty and reputational risk.

From an Islamic perspective, ethical values such as *amanah* provide a normative compass that governs how strategies are conceived, executed, and evaluated. Ethical decision-making functions as a mediating mechanism linking business integrity with organisational responsibility, thereby influencing overall performance. Leaders who adopt Islamic values-based approaches foster organisational environments that promote ethical behaviour,

transparency, and stakeholder trust (Panakaje et al., 2025). Empirical evidence from Muslim-owned firms further suggests that ethical leadership enhances strategic alignment, employee commitment, and organisational resilience, ultimately strengthening the effectiveness of strategy implementation and evaluation (Rahman & Noor, 2023).

Although prior research acknowledges the importance of Islamic ethical values in organisational governance and leadership, limited empirical attention has been devoted to understanding how specific prophetic values, particularly *amanah*, are embedded within the strategic management process. Existing studies predominantly focus on ethical orientations or performance outcomes, offering limited insight into how *amanah* informs strategic formulation, guides implementation practices, and shapes evaluation mechanisms in Muslim SMEs. Furthermore, empirical evidence from emerging economies, including Malaysia, remains underrepresented. Addressing this gap, the present study adopts an empirical approach to examine how *amanah* is enacted across the stages of strategic management within Muslim-owned SMEs.

Research Methodology

This study employed a qualitative research design to explore how *amanah* is practised by Muslim SMEs within their strategic management processes. A purposive sampling technique was adopted, whereby participants were selected based on predefined criteria relevant to the research objectives (Chua Yan Piaw, 2020; Merriam, 2009). Semi-structured interviews were conducted with seven Muslim entrepreneurs who are actively involved in the strategic and operational management of their businesses. The SMEs were located in the Klang Valley, encompassing the states of Selangor and Kuala Lumpur, Malaysia. The study focused on SMEs operating in the manufacturing sector, specifically those involved in food and beverage products, clothing, and health or beauty care industries.

All interviews were audio-recorded with participants' consent and transcribed verbatim for analysis. The data were analysed using thematic analysis in accordance with Braun and Clarke's (2006) six-phase approach. The first phase involved familiarisation with the data through repeated reading of the interview transcripts to develop an in-depth understanding of participants' experiences and perspectives. In the second phase, initial codes were generated systematically across the dataset to capture meaningful units of analysis related to *amanah* and strategic management practices.

The third phase focused on searching for themes by grouping related codes into broader patterns of meaning. These preliminary themes were then reviewed and refined in the fourth phase to ensure internal consistency and clear differentiation between themes. In the fifth phase, themes were defined and named by clearly articulating their core essence and relevance to the research objectives. The final phase involved producing the analytical narrative by linking the identified themes with relevant theoretical and empirical literature to generate meaningful interpretations. ATLAS.ti version 9.0 software was utilised to facilitate systematic coding, organisation of data, and theme development. Throughout the analysis, continuous re-examination, refinement, and re-categorisation of codes and themes were undertaken to enhance analytical depth and ensure the credibility and meaningfulness of the findings (Creswell & Poth, 2018).

Findings

This study investigates how Muslim SME entrepreneurs operationalise *amanah* throughout the strategic management process, encompassing three key phases: strategy formulation, strategy implementation, and strategy evaluation. By examining the perspectives and experiences of the participants, the study provides insights into the ways in which ethical principles, particularly *amanah*, are integrated into decision-making, resource allocation, and organisational practices. The following section presents the findings, highlighting the role of *amanah* in guiding ethical and strategic behaviour in the context of SMEs. Table 1 provides a detailed summary of the profiles of the participating SMEs, including information on business type, sector, and scale of operations, offering contextual understanding that underpins the interpretation of the results.

Table 1: Profile of the SMEs

Code	Sector/ Category	Product	Year
PK1	Food and beverage	Yong tau foo	1999
PK2	Food and beverage	Cooking sauce, packed food	1986
PK3	Food and beverage	Biscuit, cakes, instant flour	1984
PK4	Textile	Uniform (school, corporate and government agencies)	1995
PK5	Textile	Muslim attire (school uniform, casual, pilgrimage)	1993
PK6	Textile	Malay traditional costume and accessories	1976
PK7	Health and beauty	Food supplement and beauty products	2004

The findings demonstrate that *amanah* plays a pivotal role across all three phases of strategic management among Muslim SME entrepreneurs.

Strategy Formulation

In the strategy formulation phase, the findings indicate that Muslim SME entrepreneurs perceive entrepreneurship as a form of *amanah* that entails responsibilities not only to the organisation but also to society and to Allah SWT. This sense of responsibility is reflected in how entrepreneurs define the purpose of their businesses and translate these values into strategic directions, particularly through organisational missions and long-term goals. Rather than viewing strategy formulation solely as an economic planning process, the entrepreneurs frame their strategic intentions as a moral obligation aligned with Islamic values.

A key manifestation of this responsibility is the fulfilment of *fardhu kifayah*, whereby entrepreneurial activities are positioned as a collective duty to serve the needs of the Muslim community. This orientation is evident in company mission statements that emphasise both product quality and social contribution, such as the intention to “...produce high quality food products that are competitive, safe, and fulfill market demands” (PK3) and “...offering the community high quality, affordable products while fulfilling the communal *fardhu kifayah* obligation” (PK7). For several entrepreneurs, this responsibility also shapes their personal motivation in business. As one participant explained, “*This work is worship. Whatever I do, I always pray to Allah to make things easy for me. I do this not for myself but for many people, in my own way...*” (PK4). Another entrepreneur similarly highlighted that entrepreneurship is guided by a broader sense of duty: “...I am doing business now not merely for profit but because of my social responsibility to society and to my family...” (PK6). These statements suggest that

strategic goals are formulated not only around financial growth but also around the fulfilment of moral and social responsibilities.

The findings further show that this sense of responsibility shapes strategic priorities related to halal provision and community welfare. Several entrepreneurs emphasised that producing halal products is a central strategic objective, particularly in serving the needs of Muslim consumers. As one participant noted, *“What is important is that we can help people by providing halal food sources, so the public does not have to doubt buying our products...”* (PK1). Another entrepreneur highlighted the broader economic potential of halal industries, stating, *“Halal is very important. This is a major issue for Malaysia... The one thing we can offer is halal...”* (PK2). These perspectives indicate that halal production is not merely a regulatory requirement but is strategically positioned as both a religious responsibility and a competitive advantage.

In addition, the entrepreneurs demonstrated a commitment to strengthening the economic wellbeing of the Muslim community. Some participants described their involvement in industry associations and economic initiatives aimed at supporting the development of the Malay or Muslim economy. For instance, one entrepreneur stated, *“I want to focus on my struggle to build the Malay economy through manufacturers’ associations and chambers of commerce”* (PK4). Another participant explained that their business strategy also includes initiatives that support the broader Muslim economy: *“...we want to help strengthen the Muslim economy... besides producing and selling Islamic clothing... we are also campaigning for another business area, namely gold investment”* (PK5).

Overall, these findings suggest that strategy formulation among Muslim SME entrepreneurs is strongly influenced by the value of *amanah*, particularly in the form of responsibility and social commitment. Strategic decisions are therefore framed not only in terms of market opportunities and organisational growth but also in terms of fulfilling religious obligations, providing halal products, and contributing to the socio-economic development of the Muslim community.

Strategy Implementation

In the strategy implementation phase, the findings indicate that *amanah* is operationalised through several interrelated practices that guide the execution of business strategies among Muslim SME entrepreneurs. These include fulfilling promises, demonstrating responsibility towards stakeholders and the environment, practising transparency and fairness in managerial decisions, maintaining reliability in financial dealings, and exercising operational independence.

A key manifestation of *amanah* in strategy implementation is the fulfilment of promises, particularly in delivering products according to agreed specifications and honouring financial commitments to suppliers. Entrepreneurs emphasised that maintaining trust requires consistency in fulfilling business obligations. As one participant explained, *“With suppliers, we must be honest and keep our promises. If we say we will pay a certain amount, we pay that amount. That means we do not run away or delay...”* (PK3). Similarly, another entrepreneur highlighted that maintaining product quality and fulfilling commitments has enabled the firm to sustain long-term relationships with key customers: *“Basically, if you want to succeed, you must be trustworthy: produce quality products, try to keep your promises, and take care of your debts... That is what has enabled us to supply our main customers for more than 20 years...”*

(PK5). These practices illustrate how keeping promises strengthens stakeholder trust and supports stable business operations.

The findings also reveal that *amanah* is expressed through a strong sense of responsibility embedded in business practices. This responsibility encompasses ethical conduct, social responsibility, and environmental stewardship. In terms of ethics, entrepreneurs emphasised compliance with product standards and regulatory requirements. One entrepreneur noted, *“Under the Food Act, at least 70 to 80 percent fish content is required for a product to be called fish balls, and we comply with this”* (PK1). Another participant explained that accountability also involves taking responsibility for product quality and service delivery: *“If we are unable to supply, we pay compensation... If there is a product defect, we replace it”* (PK5). Beyond product integrity, entrepreneurs also demonstrated social responsibility by supporting the wellbeing of local communities. For example, one participant stated, *“We hire 100 percent Bumiputera Malaysians...We employ Malays...the poor, single mothers...”* (PK4), while another noted, *“We give back to society through our foundation...we donate, perform charitable acts, and give alms”* (PK7).

Environmental responsibility was also evident in efforts to reduce industrial waste and adopt sustainable packaging. As one entrepreneur explained, *“Starting this year, we will change our plastic to recyclable types. Costs will increase by about 15 percent, but we are willing to bear the cost to protect the environment”* (PK3). Another participant noted: *“We use retort packaging technology. It is a better packaging method than cans... it uses flexible pouches... is lighter and has a longer shelf life than cans...”* (PK2).

Transparency and fairness also emerged as important elements in implementing business strategies. Transparency was reflected in open communication with employees, agents, and customers regarding company operations and product information. For instance, one entrepreneur described how product sources were openly communicated to business agents: *“We told them which products we produced ourselves, which we bought from Malay suppliers, and which from Chinese suppliers...”* (PK1). Similarly, another participant emphasised open communication within the organisation: *“If there is a problem in the company, I will call all staff together and explain everything so that everyone understands...”* (PK3). In addition, transparency was practised in providing accurate product information to customers to support informed purchasing decisions.

Fairness, meanwhile, was reflected in conflict management and reward allocation. One entrepreneur described the importance of fair decision-making in managing business partners: *“I have two partners, one Chinese and one Malay. When the Malay partner took goods without paying, I made a firm decision: ‘If you want the goods, you must pay first.’ I had to be fair to my Chinese partner...”* (PK1). In terms of employee management, fairness was reflected in performance-based rewards, including bonuses and other incentives for long-serving employees. For example, one participant stated: *“Most of my current employees have been with me for more than 10 years. I gave them shares in my Subang branch.”* (PK1). While another noted: *“We are fair to our employees. When performance is good, long-serving employees receive Umrah tickets as bonuses. Newer employees receive cash.”* (PK5).

The findings further show that reliability in financial dealings reinforces the practice of *amanah*. Entrepreneurs emphasised the importance of maintaining consistent payment practices with suppliers, which strengthens trust and facilitates long-term business

relationships. As one participant noted, *“When suppliers are happy, it becomes easy to ask for their help... because they know we are good with payments”* (PK3). Other entrepreneurs highlighted how such reliability builds strong supplier trust: *“They immediately sent the fabric without receiving payment first because they knew that we would pay, as we always do”* (PK5), and *“The suppliers treat us differently from others...they trust us. To gain that trust, payments must always be well managed.”* (PK6).

Finally, operational independence also reflects the practice of *amanah* in strategy implementation. Several entrepreneurs emphasised their efforts to develop business operations independently, particularly when institutional support was limited. One participant described how production capabilities were developed through personal experimentation: *“In the end, I did it myself. I experimented, made adjustments... trying and doing until it worked”* (PK1). Similarly, one entrepreneur stated: *“When I first took over this company, it was difficult to gain the bank’s trust. After all, it was a RM44 million loss-making company... We had to struggle...”* (PK4). Others highlighted that they relied on their own resources to sustain business operations. For example, one entrepreneur stated, *“We do not apply for any government assistance... We compete like everyone else”* (PK7). This operational independence reflects the entrepreneurs’ commitment to sustaining their businesses while maintaining organisational autonomy.

Overall, the findings suggest that the implementation of business strategies among Muslim SME entrepreneurs is strongly guided by the value of *amanah*, which manifests through ethical conduct, responsible management practices, and trustworthy relationships with stakeholders.

Strategy Evaluation

In the strategy evaluation phase, the findings indicate that *amanah* guides how Muslim SME entrepreneurs assess the effectiveness of their strategies and determine appropriate corrective actions. Rather than focusing solely on financial performance indicators, entrepreneurs evaluate strategies based on their broader implications for stakeholders, including employees, customers, and business partners. When existing strategies are found to be ineffective or create operational difficulties, entrepreneurs demonstrate *amanah* by revising or discontinuing these strategies in ways that uphold ethical responsibility and protect stakeholder interests.

One area where this is evident is in decisions related to distribution strategies and workforce management. For instance, one entrepreneur explained that selling products through supermarket chains created operational challenges due to difficulties in monitoring promoters and ensuring consistent service. As a result, the entrepreneur decided to withdraw from this distribution channel despite its potential market reach: *“Many Chinese applicants want to work as promoters in supermarkets, but we do not want to hire Chinese; we hire Malay workers. However, the problem with Malays is frequent absenteeism and low commitment... So now I no longer sell in supermarkets. There are many challenges.”* (PK1). This decision illustrates how strategy evaluation involves reassessing operational feasibility and making adjustments that align with the entrepreneur’s values and management principles.

The evaluation process also reflects a strong ethical consideration toward employees and their livelihoods. Some entrepreneurs reported facing strategic dilemmas when financial efficiency conflicted with their sense of social responsibility. For example, although relocating production overseas could significantly reduce costs, one entrepreneur expressed reluctance to implement such a strategy due to concerns about the wellbeing of local employees: *“I have been*

considering downsizing and even closing the Kelantan factory due to rising costs... Outsourcing production... could increase margins by 10 to 15 percent... However, I remain hesitant because our workforce consists largely of Malay tailors from Kelantan, many of whom are economically disadvantaged..." (PK4). This example illustrates how strategy evaluation is not purely an economic calculation but involves balancing profitability with moral accountability toward employees.

Overall, these findings suggest that the strategy evaluation practices of Muslim SME entrepreneurs are strongly shaped by the value of amanah. Corrective actions and strategic revisions are undertaken not only to improve organisational performance but also to ensure that business decisions remain aligned with ethical responsibility and stakeholder welfare. This highlights the moral dimension embedded within strategic evaluation, where entrepreneurs are willing to prioritise long-term trust and social responsibility over short-term financial gains.

Discussion

This study demonstrates that amanah functions as a unifying ethical foundation shaping strategic management across all three phases (formulation, implementation, and evaluation) among Muslim SME entrepreneurs. At the strategy formulation stage, amanah is expressed primarily through a strong sense of responsibility and social commitment. Entrepreneurs do not perceive strategy merely as a profit-driven exercise but as a moral undertaking grounded in their obligations to Allah, the Muslim community, and society at large. Their vision and mission statements, together with interview narratives, reflect a clear orientation towards fardhu kifayah, particularly through the provision of halal products, affordable goods, and economic opportunities for the ummah. This finding reinforces Islamic strategic management theory, which argues that Muslim entrepreneurs embed moral purpose and communal welfare into strategic intent, thereby redefining business objectives beyond financial performance alone (Abd Rahman & Md Shamsudin, 2025; Mhd Sarif & Ismail, 2024).

During the strategy implementation phase, amanah becomes operationalised through interrelated practices such as fulfilling promises, responsibility, transparency, fairness, reliability, and operational independence. These ethical dimensions translate into concrete managerial behaviours that support strategic execution. For example, entrepreneurs' commitment to delivering products according to agreed specifications, honouring payment terms, and maintaining honest communication with suppliers, employees, and customers fosters a high-trust business environment. Such trust-based relationships facilitate smoother operations, more flexible credit terms, and stronger long-term partnerships, enhancing strategic effectiveness. Moreover, the emphasis on social responsibility by hiring marginalised workers, supporting local communities, and providing halal products demonstrates that amanah extends beyond transactional ethics to encompass moral stewardship over people and resources. These findings align with contemporary Islamic business ethics literature, which posits that ethical conduct rooted in amanah strengthens organisational legitimacy and stakeholder loyalty, thereby reinforcing competitive advantage (Abd Rahman et al., 2024; Rahman & Noor, 2023; Panakaje et al., 2025).

Environmental stewardship further illustrates how amanah is embedded in strategic implementation. The willingness of Muslim SME entrepreneurs to incur higher costs to adopt recyclable packaging, comply with ISO and GMP standards, and minimise environmental harm reflects ethical responsibility that transcends regulatory compliance. Such practices indicate

that environmental protection is regarded as a moral trust from Allah, rather than merely an external obligation. This proactive approach demonstrates how Islamic ethical principles are translated into strategic choices that support sustainability, consistent with recent SME sustainability literature highlighting that ethically driven environmental practices generate long-term operational and reputational benefits, including improved market acceptance and stakeholder confidence (Wahyuni et al., 2024; Din et al., 2025).

At the strategy evaluation stage, amanah is reflected in entrepreneurs' willingness to revise or abandon strategies that could harm stakeholders, even if these strategies might yield higher profits. Decisions such as withdrawing from supermarket distribution due to workforce constraints or postponing factory closure to protect the livelihoods of economically vulnerable employees illustrate how ethical responsibility guides strategic review and corrective actions. These findings suggest that performance evaluation among Muslim SME entrepreneurs is not solely based on financial indicators but is filtered through moral considerations of justice, welfare, and social impact. In this way, amanah functions as a higher-order ethical compass within strategic management, ensuring that business sustainability is pursued while preserving human dignity, social equity, and long-term trust (Abd Rahman & Md Shamsudin, 2025; Minh et al., 2025). Figure 1 illustrates the role of amanah across the strategic management process of Muslim SMEs.

Conclusion

This study demonstrates that amanah serves as a unifying ethical principle guiding Muslim SME entrepreneurs across all phases of strategic management. From strategy formulation to implementation and evaluation, amanah shapes decision-making by embedding responsibility, social commitment, transparency, and fairness into managerial practices. Entrepreneurs consistently prioritise stakeholder welfare, ethical conduct, and environmental stewardship alongside financial objectives, illustrating that strategic success is measured not only by profitability but also by social impact and moral accountability.

From a theoretical perspective, the findings extend strategic management theory by illustrating how Islamic ethical values can meaningfully shape managerial decision-making and strategic processes within business organisations. In doing so, the study proposes a values-based perspective of strategic management that integrates prophetic leadership principles, thereby contributing to the broader development of Islamic management scholarship. Practically, the findings provide useful insights for Muslim entrepreneurs, SME practitioners, and policymakers by demonstrating how the value of amanah can be embedded into strategic decision-making to strengthen ethical governance, enhance stakeholder trust, and support sustainable business growth. Overall, this study highlights that integrating ethical values into strategic management not only reinforces organisational legitimacy but also promotes long-term sustainability within Muslim-led SMEs.

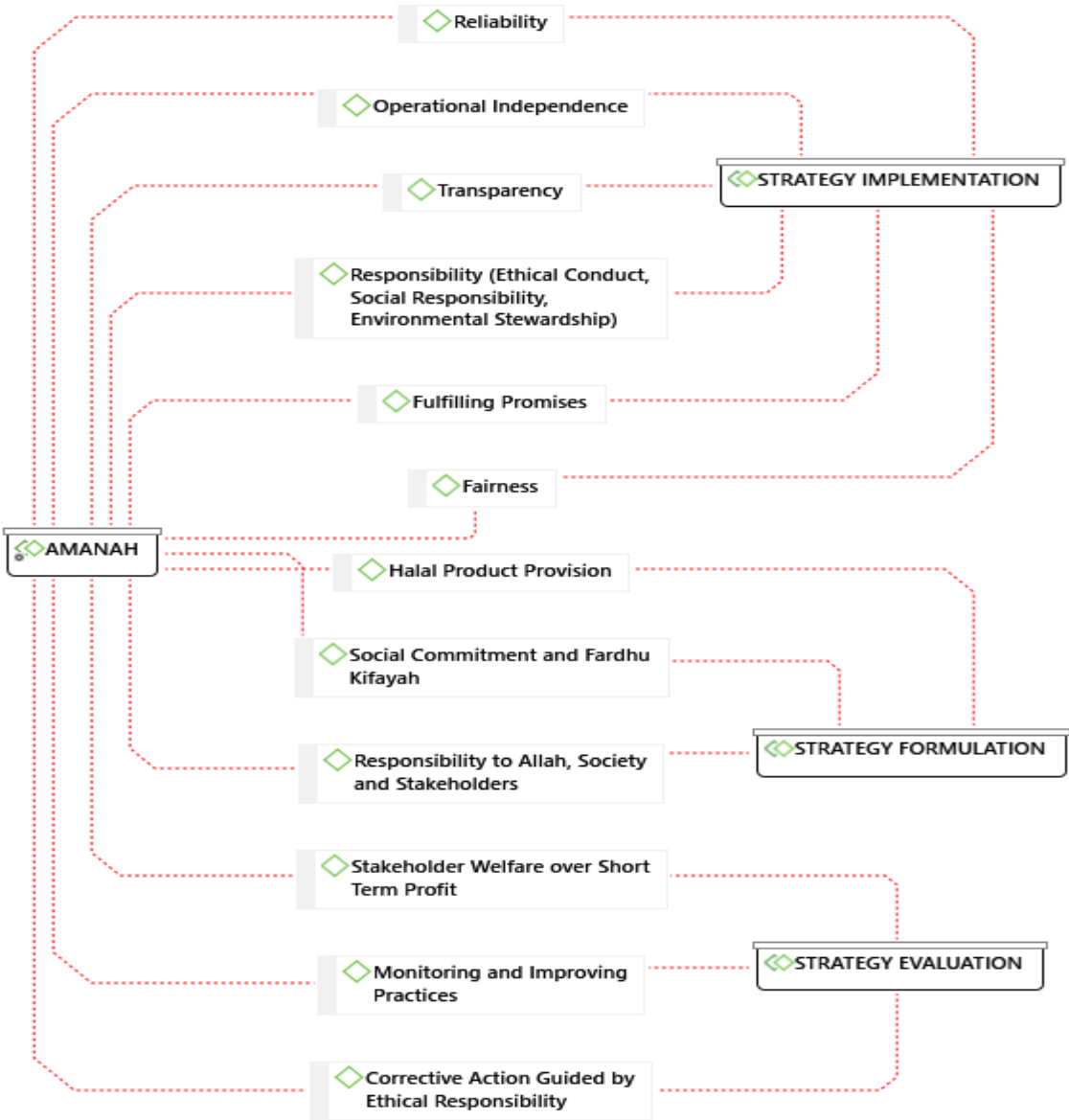


Figure 1: The Role of Amanah across Strategic Management Phases in Muslim SMEs

-
- Acknowledgements:** The author would like to express sincere gratitude to Universiti Islam Selangor (UIS) for providing the necessary resources and support throughout the course of this research. Special appreciation is extended to the Muslim entrepreneurs who participated in this research, as well as colleagues and peers who contributed valuable insights and constructive feedback, which greatly enhanced the quality of this paper.
- Funding Statement:** No funding
- Conflict of Interest Statement:** Sole author
- Ethics Statement:** This study was conducted in accordance with ethical research standards. Informed consent was obtained from all participants prior to data collection. Participation was voluntary, and respondents were assured of confidentiality and anonymity. The data collected were used solely for academic purposes.
- Author Contribution Statement:** The author contributed significantly to the development of this manuscript from conceptualization, literature review, methodology, data collection, analysis, and interpretation of results.
-

References

- Abd Rahman, S. S., & Md Shamsudin, S. (2025). Integrating prophetic leadership into the strategic management process of Muslim entrepreneurs: A conceptual model. *Journal of Management and Muamalah*, 15(2), 72-82.
- Abd Rahman, S. S., Nadzri, S., & Che Senik, Z. (2024). The practice of prophetic leadership in strategic management process: Reflection of Muslim SME entrepreneurs. *Journal of Management and Muamalah*, 14(2), 88–98.
- Antonio, M. S. (2020). *Muhammad SAW: The Super Leader Super Manager* (Revised ed.). Jakarta: Tazkia Publishing.
- Antonio, M. S. (2013). *Amanah* (Inter-personal capital). *Ensiklopedia PROLM Prophetic Leadership & Management Wisdom*. Jakarta: Tazkia Publishing.
- Beekun, R. I., & Badawi, J. (2005). Balancing ethical responsibility among multiple organizational stakeholders: The Islamic perspective. *Journal of Business Ethics*, 60(2), 131–145.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.
- Chua, Y. P. (2020). *Mastering research methods* (2nd ed.). Kuala Lumpur: McGraw-Hill Education.
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Thousand Oaks, CA: Sage Publications.
- David, F. R., & David, F. R. (2023). *Strategic management: A competitive advantage approach* (18th ed.). Boston, MA: Pearson.
- Din, B. H., Waris, M., Habibullah, M. S., Osman, A. A., & Safuan, S. (2025). The role of corporate social responsibility sustainable practices in driving economic growth in Malaysia. *Discover Sustainability*, 6(1), 437.
- Fijawi, A., Ali, M. F., & Balogun, A. D. (2023). Lack of *amanah* (trust) and its implications in governance: Issues of corruption in Malaysia. *Epistemology Journal*, 12(13), 41-65.
- Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2010). *Stakeholder theory: The state of the art*. Cambridge: Cambridge University Press.
- Freeman, R. E., Phillips, R., & Sisodia, R. (2020). Tensions in stakeholder theory. *Business & Society*, 59(2), 213–231.
- Islam A, Zawawi NFM, Wahab SA (2024), Rethinking survival, renewal, and growth strategies of SMEs in Bangladesh: the role of spiritual leadership in crisis situation. *PSU Research Review: An International Journal*, 8(1), 19–40.
- Kasim, A. C., Dien, M. I., Kasim, S. C., & Manap, J. (2020). The Impact of *Amanah* on Individual Manners and The Society. *International Journal of Academic Research in Business and Social Sciences*. 10(9),629-640.
- Merriam, S. B. (2009). *Qualitative research: A guide to design and implementation* (3rd ed.). San Francisco, CA: Jossey-Bass.
- Minh, N., Khan, M., & Bensemam, J. et al. (2025). Corporate social responsibility among service sector SMEs in Vietnam. *Quality & Quantity*. Springer. 59, 3977-4001.
- Mhd Sarif, S., & Ismail, Y. (2024). The impact of taqwa on ethics and competitive advantage in Malaysian SMEs. *Online Journal of Islamic Management and Finance*, 4(1), 1-19.
- Mohamed, N., Abdul Razak, D., & Taib, F. M. (2019). Trust (*amanah*) in Islamic organisational management. *International Journal of Ethics and Systems*, 35(3), 374–389.
- Panakaje N, Zuha A, Parvin SR, Sheikh N, Shaid M, Irfana S, V M (2025). Exploring the role of Islamic ethical training and business integrity in shaping ethical decision-making and

- business performance: a mediated–moderated analysis. *Journal of Islamic Accounting and Business Research*. 1-33.
- Rahman, S., & Noor, M. S. (2023). *Amanah* and entrepreneurial decision-making in Muslim-owned firms. *Journal of Islamic Entrepreneurship*, 5(1), 21–39.
- Rice, G. (1999). Islamic ethics and the implications for business. *Journal of Business Ethics*, 18(4), 345–358.
- Solihati, G. P., Suhardiyanto, H., Hakim, D. B., & Irawan, T. (2023). Integrating good corporate governance, Islamic corporate social responsibility, zakat, syariah governance, and syariah compliance: exploring their interconnected impact on the financial health of Islamic commercial banks. *Journal of Contemporary Administration and Management (ADMAN)*, 1(3), 271-277.
- Wahyuni, W., Ulfa, F., Novianti, A., & Rosalinda, R. (2024). Sustainable business ethics: Fostering corporate responsibility and environmental stewardship. *Advances: Jurnal Ekonomi & Bisnis*. 2(4), 228–240.