



Integration of Sharia Management Values in Strategic Management in the Digital Era

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ABSTRACT

The development of digitalization and the increasing demands for sustainability are driving Sharia-based organizations to implement adaptive strategies without neglecting Islamic values. This study aims to analyze the integration of Sharia management values in strategy formulation, implementation, and evaluation and to develop a conceptual framework for creating sustainable competitive advantage. The study used a qualitative approach through a *Systematic Literature Review* and conceptual synthesis. Data were analyzed thematically by identifying Sharia values, strategic management stages, organizational capabilities, digital innovation, and strategic outcomes. The results indicate that the values of tauhid, amanah, keadilan, syura, siddiq, tabligh, and fathanah can serve as the foundation for the entire strategic management process. Implementation of these values through Islamic leadership, organizational culture, human resource development, service quality, digital governance, and compliance monitoring can strengthen stakeholder trust. Digitalization can increase efficiency, innovation, and service reach, but its implementation must ensure transparency, data security, fairness, and compliance with contracts. This study produces a *Sharia-Based Strategic Management framework* that positions organizational capabilities and digital innovation as the link between Sharia values and sustainable competitive advantage. Thus, sharia identity needs to be substantively realized in policies, business processes, and economic, social, environmental, and compliance performance indicators.

INTRODUCTION

The development of globalization, digitalization, and changes in consumer behavior have created an increasingly dynamic and competitive business environment. Organizations are required to be able to analyze environmental changes, develop innovation, and make appropriate long-term decisions. In this context, strategic management is a crucial instrument for integrating an organization's vision, mission, resources, and actions to achieve its goals. Lisna Wati (2024) explains that an appropriate business strategy can improve company performance while providing broader benefits to society.

Conventional strategic management generally places profitability, market growth, efficiency, and competitive advantage as the primary measures of organizational success. While this orientation is necessary, it fails to fully address the moral, spiritual, justice, and social responsibility dimensions of decision-making. A. Ifayani Haanurat, Safri Haliding, and Agusdiwana Suarni (2011) state that Islamic values should be the core values of the organization and the foundation for all strategic and operational activities. Therefore, a strategic management approach is needed that not only pursues economic profit but also ensures the alignment of business processes and outcomes with sharia principles.

Sharia management is an organizational management approach based on the values of monotheism, trustworthiness, justice, deliberation, honesty, responsibility, and welfare. These values provide boundaries and guidelines for organizations in formulating goals and conducting business activities. Muhammad Nizar (2018) emphasized that the work culture in sharia management must reflect the characteristics of *siddiq*, *amanah*, *tabligh*, and *fathanah* so that the organization gains trust and added value in the eyes of the community. Thus, sharia management not only regulates the technical aspects of organizational management but also shapes the character and strategic orientation of all organizational members.

The integration of sharia management with strategic management can be achieved through the stages of strategy formulation, implementation, and evaluation and control. At the formulation stage, sharia principles form the basis for establishing the vision, mission, and objectives, selecting business sectors, and analyzing stakeholder interests. At the implementation stage, these principles are translated into leadership, organizational structure, human resource policies, operational activities, and equitable resource allocation. Siti Syuhada Abd Rahman (2026) found that the value of trust can underlie all stages of strategic management, from formulation that considers social responsibility to evaluation that prioritizes stakeholder interests over short-term profits.

The successful implementation of sharia strategies is heavily influenced by the quality of human resources, leadership, and organizational culture. Human resources must not only possess professional competence but also demonstrate integrity, responsibility, and a commitment to sharia compliance. Fahadil Amin Al Hasan (2016) explains that improving the quality of human resources is a strategic necessity for Islamic financial institutions to provide professional services in accordance with Islamic values. The findings of Muhamad Ekhsan and Roni Mariyono (2020) also demonstrate that Islamic

leadership, Islamic organizational culture, and incentive policies have a significant relationship with employee productivity.

The digital transformation further presents both opportunities and challenges for the implementation of Sharia-based strategic management. Digital technology can be used to increase operational efficiency, expand markets, improve service quality, and generate faster, data-driven decisions. Ahlamul Jaris Gea and Novien Rialdy (2024) explain that the use of e-commerce, mobile applications, financial technology, and product innovation can strengthen the growth of Sharia businesses as long as they remain grounded in fairness, transparency, and Sharia compliance. However, the use of technology also raises issues regarding data security, transaction transparency, consumer protection, the halal nature of business models, and the digital competency readiness of human resources.

In addition to digitalization, Islamic organizations also face demands to implement economically, socially, and environmentally sustainable business strategies. Organizational success is no longer measured solely by profit, but also by its ability to create prosperity, maintain trust, protect the environment, and meet stakeholder interests. Fitrayani (2025) suggests that integrating trust, shura (lawful trust), honesty, and justice into modern management practices can strengthen accountability, social harmony, and organizational sustainability. From a sharia perspective, this sustainability aligns with a welfare orientation that demands a balance between the interests of the company, society, and the environment.

Previous research has examined the principles of sharia management, Islamic leadership, organizational culture, service quality, human resources, and business innovation separately. Ahyar Junaedi, Mohamad Rafii, and Bayu Suratmoko (2024), for example, found that service satisfaction plays a more dominant role than religiosity in influencing Islamic banking customer decisions, thus prioritizing service quality as a strategic priority. However, few studies have integrated sharia values with strategy formulation, implementation, and evaluation, digital capabilities, and the creation of sustainable competitive advantage within a comprehensive conceptual framework. Therefore, *the research gap* in this study is that the application of sharia strategies to address digitalization and sustainability demands is still limited.

LITERATURE REVIEW

Sharia Management Concept

Sharia management is the process of planning, organizing, directing, and controlling organizational resources based on the Qur'an, Sunnah, and Islamic principles of muamalah. This approach emphasizes not only effectiveness and efficiency but also the halal nature of the process, fairness in the distribution of benefits, and human accountability to God and stakeholders. Haanurat, Haliding, and Suarni (2011) explain that Islamic values must be the foundation of an organization's mindset and activities, so that all strategic and operational decisions can be assessed based on halal and haram provisions. Thus, achieving

profit in sharia management is positioned as part of a broader goal, namely the welfare and success of this world and the hereafter.

The core values of sharia management include monotheism, trustworthiness, justice, deliberation, honesty, responsibility, professionalism, and welfare. Tawhid fosters the awareness that all organizational activities are part of devotion to Allah, while trustworthiness requires leaders to manage resources responsibly. Nizar (2018) added that a sharia work culture should reflect the characteristics of *siddiq*, *amanah*, *tabligh*, and *fathanah*. Implementing these values can build employee integrity, strengthen stakeholder trust, and result in more responsible organizational governance.

Strategic Management

Strategic management is a series of organizational decisions and actions that encompass the formulation, implementation, and evaluation of strategies to achieve long-term goals. Strategy formulation includes establishing a vision and mission, analyzing the internal and external environment, formulating objectives, and selecting strategic alternatives. Strategy implementation involves establishing an organizational structure, allocating resources, developing policies, establishing leadership, and establishing a work culture. Meanwhile, strategy evaluation involves measuring achievements, comparing results with targets, and establishing corrective actions.

Strategic management helps organizations align internal resources with opportunities and threats emerging from the external environment. From an Islamic economic perspective, this process is aimed not only at achieving profits and strengthening market position but also at ensuring the strategy's alignment with Sharia values. Wati (2024) explains that Islamic business strategies must direct organizations toward achieving both worldly and eternal benefits. Therefore, the chosen strategy must generate economic performance while providing social benefits and not conflict with Islamic principles.

Sharia-Based Strategy Formulation

Sharia-based strategy formulation begins with the development of an organization's vision, mission, and objectives oriented toward *falah* (lawful action) and the benefit of the community. Organizations need to analyze their strengths, weaknesses, opportunities, and threats while considering the halal nature of the business, Sharia compliance, societal interests, and the long-term consequences of each strategic choice. The principle of deliberation (*musyawarah*) or *shura* (*consultation*) is also necessary to ensure that the decision-making process involves parties with knowledge, responsibility, and a vested interest in the organization. This process can reduce the dominance of individual interests and increase acceptance of the resulting decisions.

In developing an Islamic business strategy, organizations are prohibited from choosing alternatives that involve usury (*riba*), *gharar* (*gharar*), *maysir* (gambling), fraud, exploitation, and injustice. Wati (2024) emphasized that a business strategy based on the Qur'an and Sunnah provides a strong ethical foundation and supports economic sustainability. Therefore, market opportunities are assessed not only based on profit potential but also on their

compliance with Sharia principles and their benefits to stakeholders. Sharia strategy formulation ultimately results in an organizational direction that combines economic viability, moral integrity, and social responsibility.

Implementation of Sharia-Based Strategy

Implementing a Sharia-based strategy requires alignment between organizational policies, institutional structure, leadership, work culture, human resources, and operational activities. Haanurat, Haliding, and Suarni (2011) state that Islamic values must serve as an umbrella for an organization's strategic and tactical activities. This means that Sharia strategies are not simply stated in the vision and mission but must be translated into standards of behavior, work procedures, services, reward systems, and oversight mechanisms. Consistency in implementation determines the level of stakeholder trust in the organization's integrity.

Islamic leadership and Islamic organizational culture play a crucial role in strategy implementation. Ekhsan and Mariyono (2020) demonstrated that Islamic leadership, Islamic organizational culture, and incentives are associated with employee productivity. Leaders serve as role models in upholding honesty, fairness, discipline, responsibility, and concern for subordinates. An organizational culture that supports these values facilitates the internalization of strategy and directs employee behavior toward achieving shared goals.

Human Resources in Sharia Strategy

Human resources are a key element in determining the successful implementation of Sharia-based strategic management. Employees in Sharia organizations must possess a balance between professional competence, technological capabilities, integrity, and an understanding of Sharia principles. Al Hasan (2016) explains that improving the quality of human resources is a crucial requirement for Sharia financial institutions to provide professional services in accordance with Islamic values. Therefore, human resource development should include competency training, spiritual strengthening, ethical development, and increased adaptability to change.

Competent and integrity-driven human resources can be a strategic asset that is difficult for competitors to replicate. A trustworthy, honest, communicative, and professional character can improve service quality while strengthening an organization's reputation. Strategically, these capabilities help organizations innovate, respond to market changes, manage risk, and maintain customer trust. Therefore, developing sharia-compliant human resources must be part of a long-term strategic investment.

Digitalization and Innovation of Sharia Business

Digitalization opens up opportunities for Islamic organizations to increase efficiency, expand market reach, and develop more responsive services. Gea and Rialdy (2024) explain that e-commerce, mobile applications, financial technology, and data utilization can support the growth of Islamic businesses in the modern era. These innovations also enable companies to produce products that better

meet the needs of the younger generation and a society increasingly accustomed to using digital services. Therefore, technological innovation needs to be part of the formulation and implementation of Islamic organizations' strategies.

Innovation in sharia management cannot be separated from issues of compliance and ethical responsibility. Digital products, processes, and services must avoid usury (*riba*), *gharar* (unlawful activity), information manipulation, data misuse, and forms of transaction that harm consumers. Gea and Rialdy (2024) emphasize that business innovation must remain grounded in the principles of fairness, transparency, and sustainability. Therefore, digitalization is not only an instrument for increasing efficiency but also must strengthen accountability, accessibility, security, and customer trust.

Service Quality and Customer Orientation

Service quality is a strategic factor in retaining customers and strengthening the competitiveness of Islamic organizations. Junaedi, Rafii, and Suratmoko (2024) found that service satisfaction has a more dominant influence on customer decisions than religiosity. These findings indicate that a sharia identity is insufficient without fast, easy, safe, professional, and reliable service. Therefore, Islamic organizations need to integrate sharia compliance with improving the quality of the customer experience.

Service improvements can be achieved through process simplification, strengthening employee competency, developing digital services, and providing effective complaint handling mechanisms. Strategically, customer satisfaction can generate loyalty, positive recommendations, and enhance an organization's reputation. Trust-based service also requires organizations to convey information honestly and fulfill all promises made to customers. Service quality thus embodies the implementation of Sharia values and a source of competitive advantage.

Trust and Strategic Governance

Amanah is a core value that connects sharia management to all stages of strategic management. Rahman (2026) found that amanah underpins the strategy formulation, implementation, and evaluation processes of Muslim MSMEs. At the formulation stage, amanah encourages companies to consider social responsibility, halal assurance, and community welfare. At the implementation stage, amanah is realized through transparency, fairness, reliability, and fulfillment of promises to stakeholders.

In strategy evaluation, trustworthiness directs organizations beyond short-term profits as an indicator of success. The interests of customers, employees, the community, and other stakeholders need to be incorporated into performance measurements. Abd Rahman (2026) suggests that trustworthiness can serve as a guideline for establishing more ethical and sustainable corrective actions. Thus, trustworthiness can strengthen governance, reduce opportunistic behavior, and enhance organizational legitimacy.

Sustainability and Competitive Advantage

Sustainability in sharia management encompasses a balance between economic performance, social welfare, environmental protection, and adherence to Islamic values. Fitrayani (2025) explains that integrating the values of trust, honesty, deliberation, and justice can strengthen accountability, social harmony, and an organization's long-term orientation. This principle encourages companies not to pursue growth through resource exploitation or actions that harm specific groups. Sustainable strategies from a sharia perspective must generate benefits for the company while safeguarding the interests of future generations.

Sharia-compliant competitive advantage can be established through ethical reputation, customer trust, halal assurance, service quality, responsible innovation, and human resource integrity. This value is an intangible asset that is relatively difficult to imitate because it is formed through consistent organizational behavior over the long term. Nizar (2018) states that a sharia-compliant work culture can provide added value to an organization, while Abd Rahman (2026) points out that trustworthiness supports sustainable governance and business practices. Thus, competitive advantage in sharia management is built not only through price or product, but also through trust and moral legitimacy.

Literature Synthesis and Conceptual Framework Development

Based on previous studies, sharia strategic management can be understood as the process of formulating, implementing, and evaluating strategies based on monotheism, trustworthiness, justice, deliberation, honesty, professionalism, and the welfare of the community. These values influence goal setting, strategy selection, resource management, organizational culture formation, innovation development, and performance measurement. Digitalization and the quality of human resources serve as capabilities that help organizations implement strategies adaptively. Meanwhile, stakeholder trust is the link between consistent application of sharia values and the development of sustainable competitive advantage.

Previous research has primarily examined sharia principles, leadership, organizational culture, service, human resources, or innovation separately. Few studies have integrated all these elements into a systematic strategic management process. Therefore, this study develops a conceptual framework that connects sharia management values, strategy formulation, strategy implementation, strategy evaluation, digital innovation, and organizational capabilities with sustainable competitive advantage. This framework is expected to strengthen the development of sharia strategic management theory and serve as a guide for organizations in navigating the changing modern business environment.

RESEARCH METHODS

Types and Approaches of Research

This research employed a qualitative approach with a *Systematic Literature Review (SLR) method* and the development of a conceptual framework. The SLR

method was used to identify, evaluate, and synthesize previous research findings on sharia management, strategic management, digitalization, and organizational sustainability. Snyder (2019) explains that a systematic literature review allows researchers to map the development of knowledge, identify research gaps, and develop a transparent conceptual framework. This approach was chosen because the objective of the research was not to statistically test relationships between variables, but rather to formulate a model for integrating sharia values into the strategic management process.

Article Selection Criteria

Article selection was based on predetermined inclusion and exclusion criteria. Inclusion criteria included articles that had undergone *peer review*, were available in full-text form, discussed sharia management or Islamic management, and were related to strategic management, leadership, organizational culture, service quality, digitalization, or sustainability. Articles were excluded from the analysis if they were popular opinions, did not explain the research method, were duplicated, or had no direct relationship to organizational management. Based on this process, 10 core articles were selected that were deemed most relevant to the research objectives and questions.

The ten selected articles include research by Haanurat, Haliding, and Suarni (2011), Al Hasan (2016), Nizar (2018), Syaifullah, Fachrurazi, and Achmad (2019), and Ekhsan and Mariyono (2020). The following literature includes research by Wati (2024), Gea and Rialdy (2024), Junaedi, Rafii, and Suratmoko (2024), Fitrayani (2025), and Rahman (2026). These articles were selected because they represent the themes of sharia management principles, human resources, leadership, organizational culture, strategy formulation, customer service, digital innovation, trustworthiness, and sustainability. All articles were then used as the basis for developing a conceptual framework for sharia-based strategic management.

Data analysis

The data were analyzed using thematic analysis, which included data identification, coding, theme discovery, theme review, theme naming, and interpretation (Braun & Clarke, 2006). The coding process focused on recurring concepts such as tawhid (Islamic monotheism), amanah (trust), justice, syura (shura), siddiq (*shariah*), tabligh (prosperity), *fathanah* (prosperity), sharia compliance, digital innovation, and benefit. These concepts were then grouped into the themes of strategy formulation, strategy implementation, strategy evaluation, organizational capability, service quality, and sustainable competitive advantage. This analysis was used to explain the relationship between sharia management values and the strategic management process.

In the conceptual synthesis stage, findings from all articles were compared to identify similarities, differences, and relationships between concepts. Sharia management values were positioned as the normative foundation influencing strategy formulation, implementation, and evaluation. Meanwhile, human resource capabilities and digital innovation were positioned as factors supporting strategy implementation, while stakeholder trust and sustainable

competitive advantage were positioned as strategic outcomes. This synthesis resulted in a conceptual framework for *Sharia-Based Strategic Management* that can be developed and tested through further empirical research.

ANALYSIS AND DISCUSSION

Overview of Study Results

An analysis of 10 articles shows that the discussion of sharia management has evolved from a normative study of Islamic principles to its strategic application in business organizations, financial institutions, cooperatives, MSMEs, and investment institutions. Early literature primarily positioned sharia as the foundation of organizational ethics, while more recent research has begun to link it to innovation, customer service, governance, digitalization, and sustainability. These developments demonstrate that sharia management is no longer understood solely as the implementation of planning, organizing, directing, and controlling functions based on Islamic values. Sharia management is beginning to be positioned as a strategic approach to building adaptability, stakeholder trust, and long-term competitive advantage.

Haanurat, Haliding, and Suarni (2011) and Nizar (2018) emphasize Islamic values as the basis for organizational behavior, systems, structures, and culture. Al Hasan (2016), Ekhsan and Mariyono (2020), and Junaedi, Rafii, and Suratmoko (2024) expand this discussion on aspects of human resources, leadership, productivity, and service quality. Meanwhile, Wati (2024), Gea and Rialdy (2024), Fitrayani (2025), and Abd Rahman (2026) expand the study to business strategy, digital innovation, governance, trustworthiness, and sustainability. The synthesis results show that sharia values can be integrated into all stages of strategic management, but the depth of implementation varies across organizations.

Tabel 1. Literature Findings Mapping

Author and year	Main focus	Dimensions of strategic management	Contribution to the model
Haanurat, Haliding, and Suarni (2011)	Islamic management in companies	Formulation and implementation	Sharia as a strategic and operational umbrella
Al Hasan (2016)	Quality of human resources	Implementation	Competence and integrity as strategic capabilities
Nizar (2018)	Principles of Islamic cooperative management	Implementation and control	The culture of <i>siddiq, amanah, tabligh, and fathanah</i>
Syaifullah, Fachrurazi, and Achmad (2019)	Sharia Investment Gallery Strategy	Formulation and implementation	Education and socialization as a market development strategy

Ekhsan and Mariyono (2020)	Islamic leadership and culture	Implementation	Aligning employee behavior with organizational goals
Wati (2024)	Islamic business strategy	Formulation	Strategic orientation towards profit and welfare
Gea and Rialdy (2024)	Sharia business strategies and innovations	Formulation and implementation	Integration of technological innovation with sharia compliance
Junaedi, Rafii, and Suratmoko (2024)	Religiosity and service satisfaction	Implementation and evaluation	Service quality as a strategic priority
Fitrayani (2025)	Islamic values in modern management	All stages	Islamic values as the basis for sustainable governance
Abd Rahman (2026)	Trust in Muslim MSME strategy	All stages	Mandate as a binding force for formulation, implementation, and evaluation

The mapping in the table above shows that no element of strategic management can be separated from sharia values. Strategy formulation requires a value orientation to determine objectives and select business areas, while implementation requires leadership, culture, human resources, and a supportive operational system. Strategy evaluation is necessary to ensure that performance is not achieved through means that conflict with sharia. Therefore, sharia strategic management must be understood as a system that integrates an organization's goals, processes, behaviors, and results.

Sharia Values as a Strategic Foundation

The analysis shows that monotheism, trustworthiness, justice, *syura*, *siddiq*, *tabligh*, and *fathanah* are the values most frequently encountered in the Islamic management literature. Tawhid provides an orientation that organizational activities are not merely economic activities but also part of human responsibility to God. Amanah directs managers to use power, information, and resources responsibly. Justice and *syura* ensure that organizational decisions benefit not only capital owners but also employees, customers, partners, the community, and other stakeholders.

Nizar (2018) explains that a sharia work culture must reflect honesty, responsibility, communication skills, and professionalism. These values have a strategic function because they influence decision-making quality, organizational coordination, risk management, and public trust. Haanurat, Haliding, and Suarni (2011) also position sharia as an umbrella for organizational activities from the strategic to the tactical levels. Therefore, sharia values should not only be

included in vision statements but should become concrete criteria in selecting, implementing, and evaluating strategies.

Rahman's (2026) findings reinforce this view by demonstrating that trustworthiness underpins all stages of strategic management in Muslim MSMEs. At the formulation stage, trustworthiness encourages business actors to consider social responsibility, halal assurance, and community welfare. At the implementation stage, trustworthiness is realized through transparency, fairness, promise fulfillment, and reliable service. At the evaluation stage, trustworthiness directs corrective actions to protect not only short-term profits but also stakeholder interests.

Sharia-Based Strategy Formulation

Sharia-based strategy formulation must begin with the development of a vision, mission, and objectives that combine business continuity with the achievement of *falah* (benefit). In this approach, profit remains essential because organizations require resources to survive, grow, and provide services. However, profit is not the sole basis for determining success. Wati (2024) emphasized that Islamic business strategies must generate both worldly and hereafter benefits and be directed toward attaining Allah's pleasure.

Environmental analysis in Sharia strategic management also encompasses a broader scope than conventional business analysis. In addition to identifying strengths, weaknesses, opportunities, and threats, organizations need to assess product compliance, financing sources, transaction models, supply chains, and partner relationships. Strategic alternatives involving *riba* (usury), *gharar* (gharar), *maysir* (gambling), manipulation, injustice, or exploitation must be excluded, even if they have high profit potential. Thus, Sharia compliance serves as a filter in the strategic choice-making process.

The principle of *shura* further strengthens the quality of strategy formulation by involving parties with knowledge and interests in the organization. Deliberation allows management to obtain more diverse information, reduces individual dominance, and increases the legitimacy of decisions. In a modern context, *shura* can be implemented through strategic meetings, stakeholder consultations, customer surveys, employee forums, and the involvement of the sharia supervisory board. This process makes strategy formulation more participatory, transparent, and responsive to environmental needs.

Implementation of Strategy through Islamic Leadership and Culture

A formulated strategy will not yield results if it is not translated into organizational structures, policies, programs, budgets, and behavior. Implementing a sharia strategy requires alignment between stated values and daily managerial practices. If an organization promotes trustworthiness but maintains a reward system that encourages target manipulation, the sharia strategy will be merely symbolic. Therefore, performance appraisal systems, incentives, employee promotions, and decision-making must be aligned with sharia values.

Ekhsan and Mariyono (2020) showed that Islamic leadership, Islamic organizational culture, and incentives are related to employee productivity. Islamic leadership serves as a means to communicate goals, set an example, and build employee commitment to organizational strategy. Honest and fair leaders tend to gain greater trust, enabling effective coordination and strategy implementation. Conversely, a mismatch between a leader's words and actions can undermine trust and hinder the internalization of strategy.

Sharia organizational culture serves as a social control mechanism that guides member behavior without relying solely on formal oversight. *Siddiq* values encourage honesty in reporting, *amanah* reinforces responsibility, *tabligh* supports open communication, and *fathanah* encourages professionalism and learning. Nizar (2018) explains that this work culture can add value to an organization in the eyes of the public. Islamic culture, therefore, is not merely an institutional identity but a strategic capability that supports consistent implementation.

Human Resources as a Strategic Capability

The quality of human resources is the link between strategy formulation and organizational performance achievement. Al Hasan (2016) emphasized that Islamic financial institutions require human resources who understand both professional competencies and Sharia principles. Employees who master only technical aspects can provide efficient service but potentially neglect Sharia compliance. Conversely, employees who understand Sharia but lack technological and market needs can hinder organizational innovation and competitiveness.

Human resource development therefore needs to be carried out through training that integrates technical, digital, managerial, and ethical skills. Training materials should not only cover halal and haram provisions but also cover data analysis, customer service, risk management, product innovation, and digital communication. Organizations should also incorporate integrity, responsibility, and compliance into employee assessment indicators. This approach can develop competent, adaptive, and trustworthy human resources.

From a competitive advantage perspective, competence and integrity are intangible resources that are difficult to imitate. Competitors can buy technology, but a culture of trust and reliability cannot be built instantly. Consistent employee behavior in providing honest and professional service will strengthen an organization's long-term reputation. Therefore, investment in sharia-compliant human resources must be positioned as a capability development strategy, not simply an operational expense.

Service Quality as a Strategic Priority

The findings of Junaedi, Rafii, and Suratmoko (2024) show that service satisfaction has a stronger influence on customer decisions than religiosity. While religiosity can shape initial preferences for Sharia-compliant products, actual customer decisions are heavily influenced by service experiences. These research findings demonstrate that organizations cannot rely solely on a Sharia-compliant

identity to win the competition. Sharia compliance must be accompanied by fast, easy, safe, transparent, and professional service.

Strategically, these findings require sharia-compliant organizations to combine value-based differentiation with operational excellence. While halal or sharia-compliant labels can provide legitimacy, product and service quality remains key to customer satisfaction and loyalty. Organizations need to establish indicators that measure service time, information accuracy, complaint resolution, transaction security, and satisfaction levels. These indicators should be evaluated alongside sharia-compliant indicators to ensure the organization does not compromise on either aspect.

Sharia-based services also encompass a broader relational dimension. Customers are not viewed solely as a source of revenue, but as stakeholders whose rights must be protected. The principle of trust requires organizations to disclose product characteristics, costs, risks, and obligations openly. This transparency can reduce information asymmetry and strengthen customer trust in the organization.

Digitalization and Innovation in Sharia Strategy

Gea and Rialdy (2024) explain that digital technology, e-commerce, mobile applications, and product innovation can support the growth of Islamic businesses. Digitalization enables organizations to expand markets, reduce transaction costs, accelerate service delivery, and collect customer data to support decision-making. Technology can also increase inclusion by providing access to consumers previously unreachable by conventional services. Therefore, digital transformation needs to be integrated into the growth and service strategies of Islamic organizations.

Digitalization must be assessed based on its compliance with Sharia principles and stakeholder protection. Non-transparent use of customer data, discriminatory algorithms, manipulative promotions, and unclear contractual terms can raise ethical concerns. Technically efficient innovations are not necessarily acceptable if they result in gharar (unlawful) behavior, harm consumers, or neglect data security. Organizations therefore require Sharia digital governance that encompasses contractual oversight, information security, algorithm transparency, and consumer protection.

Integrating digitalization with Sharia values also opens up opportunities for strategic differentiation. Organizations can develop digital services that are not only easy to use, but also transparent, secure, inclusive, and accountable. These advantages can strengthen the perception that Sharia businesses are capable of delivering innovation without compromising integrity. Therefore, digitalization should not be positioned as a threat to Sharia values, but rather as a means to increase the effectiveness of their implementation.

Evaluation of Sharia Strategy and Performance Measurement

Strategy evaluation in sharia-compliant organizations cannot be carried out solely using indicators such as profit, sales growth, market share, and cost efficiency. Fitrayani (2025) explains that integrating Islamic values can strengthen

accountability, sustainability, and social harmony within an organization. Therefore, the evaluation system must encompass both financial and non-financial dimensions. Non-financial dimensions can include sharia compliance, customer satisfaction, employee welfare, social benefits, environmental protection, and stakeholder trust.

Sharia-based strategic control must also be preventive and corrective. Preventive control is implemented through compliance standards, risk assessments, segregation of duties, product oversight, and ethics education. Corrective control is implemented when deviations are detected between the strategy's plans, implementation, and results. Abd Rahman (2026) points out that trust can direct corrective actions to consider stakeholder interests and not solely focus on profit recovery.

Subsequent evaluation results should be used as a basis for learning and strategy improvement. Organizations need to identify whether failures are due to formulation errors, implementation weaknesses, environmental changes, or inconsistencies between targets and sharia principles. Transparent evaluations strengthen accountability and reduce the tendency to conceal failures. Thus, sharia strategy evaluations serve to maintain performance while preserving organizational integrity.

Sharia Strategy and Organizational Sustainability

Sustainability from a sharia perspective encompasses an organization's ability to maintain economic performance without sacrificing social, environmental, and future-generation interests. This orientation aligns with the concept of benefit, which positions economic activity as a means to generate benefits and prevent harm. Fitrayani (2025) demonstrates that trustworthiness, shura (lawful trust), honesty, and justice can shape moral, inclusive, and long-term governance. Sharia values can thus provide an ethical foundation for sustainability strategies.

In the economic dimension, sharia-compliant strategies must ensure business continuity, efficiency, innovation, and the ability to generate halal profits. In the social dimension, strategies must protect the rights of employees, customers, suppliers, and the surrounding community. In the environmental dimension, organizations need to control resource use, waste, and the ecological impact of business activities. The integration of these three dimensions distinguishes substantive sustainability from social activities that are merely used for image building.

The main challenge lies in translating sharia values into measurable policies and indicators. Many organizations have incorporated the principles of trust and benefit into their visions, but have not linked them to emissions targets, resource efficiency, employee well-being, or social impact. This gap makes it difficult to objectively evaluate the implementation of sharia strategies. Therefore, organizations need to develop sustainability indicators that combine economic, social, environmental, and sharia-compliant performance.

Building Sustainable Competitive Advantage

A literature synthesis shows that sharia-compliant strategies can generate competitive advantage through trust, reputation, service quality, human resource capabilities, and responsible innovation. Trust is built when an organization consistently fulfills promises, conveys information honestly, and treats stakeholders fairly. A halal and ethical reputation then becomes a valuable differentiator for customers. When this differentiator is supported by service quality and innovation, an organization can build loyalty and maintain its market position.

This competitive advantage cannot be achieved solely by using sharia-compliant identity as a marketing tool. Findings by Junaedi, Rafii, and Suratmoko (2024) show that service quality remains a crucial factor in customer decisions. This means that sharia values must be embodied in tangible benefits, such as ease of service, transparency, security, fair pricing, and complaint handling. This combination of integrity and operational capability creates a competitive advantage that is more difficult to replicate.

Sharia-based competitive advantage also has a sustainable character because it does not rely solely on technology or physical resources. Trustworthiness, Islamic culture, stakeholder relationships, and organizational reputation develop through a long process. These elements have complex social interconnections, making them difficult for competitors to replicate. Therefore, Sharia values can be positioned as a strategic resource if implemented effectively and consistently.

Sharia Strategic Management Integration Model

the Sharia-Based Strategic Management model places the values of tauhid (monotheism), amanah (trustworthiness), justice, syura (conscience), *siddiq* (shariah), *tabligh* (prophetic conduct), and *fathanah* (prophetic conduct) as its foundation. These values serve as the basis for the formulation, implementation, and evaluation of organizational strategy. Human resource capabilities and digital innovation play a role in translating sharia values into programs and services that are accessible to stakeholders. The end result is trust, legitimacy, performance, and sustainable competitive advantage.

The model demonstrates that Sharia values do not automatically generate competitive advantage. These values must first be internalized in an organization's decisions, structures, behaviors, technology, and evaluation systems. Strategic capabilities serve as the mechanism that transforms normative values into tangible performance, while stakeholder trust serves as the link between value implementation and long-term results. This explains why organizations labeled as Sharia-compliant do not necessarily possess competitive advantage if they lack competency, service, innovation, and governance.

Theoretical and Managerial Implications

Theoretically, the study's findings expand the concept of strategic management by incorporating moral and spiritual dimensions into the process of developing competitive advantage. Sharia values can be viewed as intangible

resources that influence organizational capabilities, stakeholder relationships, and legitimacy. The study also demonstrates that strategic objectives need to be expanded beyond achieving economic performance to balance profitability, compliance, public welfare, and sustainability. This framework provides a basis for empirical research on the impact of sharia strategic management on organizational performance.

Managerially, organizations need to translate sharia values into clear policies, programs, and performance indicators. Trustworthiness can be measured through transparency and promise fulfillment, fairness through remuneration policies and customer treatment, and benefit through social and environmental impact. Organizations also need to integrate sharia compliance audits with strategy evaluations, digital risks, and sustainability measurements. This step will make sharia principles part of the management system, not merely an identity or institutional symbol.

Overall, the implementation of sharia strategies has significant potential to address the challenges of digitalization and sustainability. However, the literature analyzed still primarily discusses sharia values, leadership, service, innovation, and sustainability separately. Few studies have examined the relationship between all these components in a single, integrated empirical model. Therefore, the model developed in this study can serve as a basis for further testing in sharia banking, halal MSMEs, sharia cooperatives, investment institutions, universities, and waqf management organizations.

CONCLUSION

Based on the study's findings, sharia strategic management is the process of formulating, implementing, and evaluating strategies based on the values of monotheism, trustworthiness, justice, *syura*, *siddiq*, *tabligh*, and *fathanah*. Integrating these values can strengthen governance, human resource quality, organizational culture, digital innovation, customer service, and stakeholder trust. Sustainable competitive advantage is not simply built through sharia identity but must be realized through quality service, transparency, compliance, responsible innovation, and the creation of benefits. Therefore, sharia values need to be placed as a substantive foundation in all strategic management processes so that organizations can achieve economic performance while fulfilling social, environmental, and spiritual responsibilities.

SUGGESTION

Sharia-compliant organizations are advised to translate Islamic values into policies, work programs, operational standards, human resource development, digital governance, and measurable performance indicators. Strategy evaluation should not only utilize financial metrics but also encompass Sharia compliance, service quality, employee welfare, stakeholder trust, and social and environmental impact.

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