

The Identity of Islamic Business Management in Modern Business: Distinctive Principles and Contemporary Challenges

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ABSTRACT

Islamic Business Management has developed as an approach that seeks to integrate managerial effectiveness with Islamic ethical, spiritual, and normative principles. In the context of modern business, however, the identity of Islamic Business Management faces a fundamental challenge: whether it represents merely a religious adaptation of conventional management or constitutes a distinctive managerial paradigm with its own philosophical foundations and objectives. This study aims to examine the identity of Islamic Business Management by identifying its distinctive principles and analyzing the contemporary challenges associated with their implementation in modern business organizations. The study employs a qualitative library research method based on academic books, peer-reviewed journal articles, scholarly publications, and authoritative literature concerning Islamic business, Islamic management, Islamic economics, business ethics, maqasid al-Shariah, organizational governance, and contemporary business management. The literature is analyzed descriptively and analytically through identification, interpretation, comparison, and conceptual synthesis. The findings indicate that the identity of Islamic Business Management is characterized by the integration of tawhid, amanah, justice, ihsan, halal and haram boundaries, maslahah, and accountability into managerial decision-making. Unlike purely instrumental management approaches, Islamic Business Management connects organizational performance with moral responsibility and spiritual accountability. Contemporary challenges include globalization, intense competition, digital transformation, commercialization of Islamic identity, technological disruption, ethical ambiguity, and tensions between financial objectives and social responsibility. The study concludes that the distinctiveness of Islamic Business Management lies not merely in its terminology or religious symbols but in its underlying worldview, ethical boundaries, objectives, and managerial processes.

Keywords: Islamic Business Management, Islamic Management, Business Ethics, Maqasid al-Shariah, Tawhid, Contemporary Business

INTRODUCTION

The development of modern business management has produced sophisticated managerial systems designed to improve organizational efficiency, competitiveness, innovation, and financial performance. Contemporary organizations operate within increasingly complex environments characterized by globalization, technological transformation, intense market competition, changing consumer behavior, digital platforms, artificial intelligence, and rapidly evolving regulatory expectations. Within this environment, management is generally understood as a process of planning, organizing, directing, coordinating, and controlling organizational resources in order to achieve predetermined objectives. Human resources, financial capital, technology, information, and organizational capabilities are strategically coordinated to generate value and maintain competitive advantage. Although these managerial developments have contributed significantly to organizational effectiveness, they have also generated persistent questions concerning the ethical boundaries of business activity. Financial scandals, exploitative labor practices, misleading marketing, environmental degradation, data misuse, excessive consumerism, and corporate misconduct demonstrate that managerial efficiency alone does not guarantee ethical organizational behavior. The ability of an organization to achieve economic objectives does

not necessarily indicate that the means through which those objectives are achieved are socially responsible or morally legitimate. This situation creates an important space for alternative approaches to management that seek to integrate economic rationality with ethical and spiritual considerations. Islamic Business Management emerges within this context as an approach that attempts to position business activity within a comprehensive moral framework derived from Islamic teachings (Kerim et al., 2025).

The existence of Islamic Business Management, however, raises a fundamental conceptual question concerning its identity. If Islamic Business Management uses concepts such as planning, leadership, organizational structure, human resource management, marketing, finance, and strategic management that are also found in conventional management, what makes it genuinely Islamic? The question becomes increasingly important as Islamic terminology is used extensively in contemporary business environments. Organizations may describe themselves as Islamic, Shariah-based, halal, ethical, or value-oriented while maintaining managerial practices that are substantially similar to conventional business organizations. Religious terminology can therefore become a symbolic identity without producing meaningful differences in organizational behavior. The identity of Islamic Business Management should consequently not be determined merely by the use of Islamic vocabulary, the presence of religious symbols, or the marketing of products as halal. Its distinctive character should instead be examined through its philosophical foundations, conception of human beings, understanding of organizational objectives, ethical boundaries, decision-making processes, treatment of stakeholders, and accountability mechanisms. Islamic Business Management becomes conceptually meaningful when Islamic principles influence how business problems are understood, how managerial decisions are made, and how organizational success is defined (Budianto & Dewi, 2024).

One of the strongest foundations of this identity is the concept of tawhid, which establishes a fundamental worldview concerning the relationship between human beings, economic activity, and divine accountability. Within an Islamic worldview, business activity is not understood as an autonomous sphere separated from religious and moral responsibility. Economic behavior remains subject to ethical principles because human beings are regarded as accountable for how they exercise resources, authority, and opportunities. Tawhid therefore has managerial implications because it challenges the assumption that economic rationality should operate independently of moral considerations. The pursuit of profit is not inherently rejected, and business success is not considered incompatible with Islamic values. Instead, profit is positioned within a broader conception of legitimate economic activity in which the means of acquiring wealth and the consequences of business decisions matter alongside financial outcomes. This worldview creates a fundamental distinction between a management philosophy that treats profit maximization as the dominant organizational objective and an Islamic approach that recognizes profitability while simultaneously considering justice, legitimacy, social benefit, and accountability (Faizi, 2024).

Another defining characteristic is the principle of amanah, which frames managerial authority and organizational resources as responsibilities entrusted to human beings. Managers are entrusted with organizational assets, employee welfare, customer relationships, strategic information, and decision-making power. Employees likewise receive responsibilities that require honesty, competence, and accountability. Amanah consequently transforms management from a purely instrumental activity into a moral responsibility. A manager cannot justify unethical conduct simply because it increases organizational profitability, just as an employee cannot justify misuse of organizational resources merely because the behavior produces personal benefit. The principle of amanah introduces an internal dimension of accountability that complements external organizational controls. While conventional governance mechanisms may rely on supervision, audits, regulations, and performance indicators, Islamic management additionally emphasizes moral consciousness

and responsibility before God. This principle gives Islamic Business Management a distinctive ethical foundation that extends beyond contractual compliance.

Justice represents another central component of Islamic Business Management because business relationships involve the distribution of rights, obligations, opportunities, risks, and benefits among different stakeholders. Employees expect fair compensation and treatment, consumers expect truthful information and appropriate products, suppliers expect fair contractual relationships, investors expect responsible management, and communities expect businesses to avoid unnecessary harm. Justice therefore provides a framework for regulating relationships among stakeholders and preventing the abuse of economic power. Importantly, Islamic justice does not necessarily mean identical treatment of all individuals regardless of their responsibilities, contributions, or circumstances. Rather, it involves appropriate and fair treatment based on legitimate criteria. This principle challenges managerial practices characterized by discrimination, deception, exploitation, favoritism, manipulation, and arbitrary exercise of power. Justice also connects Islamic Business Management with broader questions of social responsibility because organizational decisions can produce consequences that extend beyond shareholders and immediate business partners.

Maqasid al-Shariah further expands the identity of Islamic Business Management by introducing a broader perspective on organizational objectives and consequences. Business decisions can generate economic benefits while simultaneously producing social or environmental costs. A narrow evaluation of business success may focus on revenue, profitability, market share, or shareholder value, whereas an Islamic perspective encourages consideration of whether business activity contributes to legitimate human welfare and prevents significant harm. Maslahah becomes particularly relevant in this context because it emphasizes beneficial outcomes that are consistent with Islamic principles. The concept does not mean that every action producing a short-term benefit is automatically legitimate. Rather, benefit must be considered within ethical and normative boundaries. This creates a multidimensional conception of business success in which financial performance can be pursued together with employee welfare, consumer protection, social benefit, environmental responsibility, and institutional integrity (Ayub et al., 2024).

The modern business environment creates new challenges for these principles because organizations increasingly operate across cultural, geographical, technological, and regulatory boundaries. Globalization exposes Islamic businesses to international competition and management practices that may not share the same ethical assumptions. Digitalization creates new forms of commerce, marketing, payment, and customer interaction that require continuous ethical evaluation. Artificial intelligence and algorithmic decision-making introduce questions concerning transparency, privacy, discrimination, and accountability. Social media enables businesses to communicate rapidly with consumers but also creates incentives for excessive persuasion, manipulation, and image-based commercialization. At the same time, the global expansion of the halal market creates opportunities for Islamic businesses while raising concerns regarding the commercialization of religious identity. When Islamic terminology becomes a marketing instrument rather than an expression of substantive ethical commitment, the distinction between Islamic Business Management and conventional business may become increasingly difficult to identify (Asif & Akhlaq, 2024).

These developments make the question of identity particularly significant. Islamic Business Management must be capable of responding to contemporary managerial challenges without losing the principles that constitute its distinctive character. Excessive rigidity may prevent Islamic businesses from adapting to technological and market changes, while excessive accommodation to conventional management practices may cause the Islamic identity of the organization to become merely symbolic. The challenge is therefore not simply to preserve traditional terminology but to translate Islamic principles into managerial systems capable of functioning effectively within modern business environments. Such translation

requires critical engagement with conventional management knowledge while maintaining the normative boundaries established by Islamic teachings. Islamic Business Management should be dynamic in its methods while remaining consistent in its fundamental ethical orientation (Talib et al., 2024).

Based on this context, this study examines the identity of Islamic Business Management in modern business by focusing on its distinctive principles and contemporary challenges. The study seeks to clarify the conceptual characteristics that differentiate Islamic Business Management from conventional managerial approaches while examining the difficulties involved in applying these principles within contemporary organizations. The analysis emphasizes the relationship between Islamic worldview, managerial objectives, ethical principles, stakeholder relationships, governance, technology, and organizational performance. The central argument is that the identity of Islamic Business Management cannot be reduced to the presence of Islamic labels or formal Shariah compliance. Its substantive identity lies in the integration of Islamic worldview, ethical responsibility, lawful economic activity, human welfare, and organizational effectiveness within a coherent managerial framework.

METHOD

This study employs a qualitative library research method to examine the conceptual identity of Islamic Business Management and its relevance to modern business. Library research is appropriate because the study focuses on philosophical foundations, managerial principles, ethical concepts, and contemporary challenges that can be explored through existing scholarly literature rather than through primary field data. The sources consist of academic books, peer-reviewed journal articles, scholarly publications, and authoritative literature concerning Islamic management, Islamic economics, Islamic business ethics, maqasid al-Shariah, organizational management, corporate governance, business sustainability, digital business, and contemporary management challenges. The literature is selected based on its relevance to the central concepts examined in the study, particularly the distinctive characteristics of Islamic Business Management and the factors influencing their application in contemporary business environments (Assyakurrohim et al., 2022). The analytical process adopts a descriptive-analytical approach. Relevant literature is identified, interpreted, compared, and synthesized in order to construct a comprehensive understanding of Islamic Business Management. The analysis first examines the philosophical foundations of Islamic management and then considers how these foundations influence managerial objectives, organizational relationships, decision-making, ethical governance, and stakeholder management. The study also compares Islamic and conventional approaches in terms of their assumptions concerning business objectives, human beings, profit, ethical boundaries, and organizational accountability. Contemporary challenges such as globalization, digital transformation, technological disruption, commercialization of Islamic identity, and increasing competitive pressure are subsequently examined in relation to the sustainability of Islamic managerial principles. The analytical process emphasizes conceptual interpretation rather than statistical measurement. This study does not employ systematic literature review procedures, PRISMA, bibliometric analysis, meta-analysis, or other quantitative literature-mapping techniques. The objective is to provide a critical conceptual synthesis of the identity of Islamic Business Management based on relevant scholarly knowledge.

RESULTS AND DISCUSSION

RESULTS

The literature indicates that the identity of Islamic Business Management is fundamentally rooted in a worldview that integrates economic activity with religious, ethical, and social responsibility. Business in Islam is not positioned as an activity outside moral

considerations but as one of the legitimate forms of human endeavor that must remain within the boundaries of Shariah. This creates a distinctive understanding of management because organizational decisions are evaluated through multiple dimensions rather than financial outcomes alone. Economic efficiency remains important because organizations must be productive, competitive, and financially sustainable, but these objectives are not treated as unrestricted ends. The legitimacy of organizational activities also depends on the methods used to generate economic value and the consequences produced for stakeholders. This broader framework differentiates Islamic Business Management from approaches in which ethical considerations are primarily treated as external corporate responsibility programs or optional organizational values. In Islamic management, ethical principles are embedded in the conceptual foundation of business activity itself. Tawhid provides the worldview, amanah establishes responsibility, justice regulates relationships, ihsan encourages excellence, halal and haram define boundaries, and maslahah broadens the evaluation of organizational consequences. These principles collectively create an identity that cannot be adequately captured through conventional managerial categories alone (Ramadhani & Budiarti, 2024).

The analysis further demonstrates that Islamic Business Management has a distinctive conception of organizational objectives. Modern management frequently evaluates organizational success through profitability, growth, market share, productivity, innovation, or shareholder value. Islamic Business Management does not necessarily reject these objectives because financial sustainability is essential for organizational survival and economic contribution. The distinction lies in the way these objectives are positioned within a broader conception of success. Financial performance should be generated through lawful activities, responsible relationships, and ethical decision-making. An organization that achieves high profits through deception, exploitation, corruption, or harmful practices cannot be considered successful solely because its financial indicators are strong. Conversely, an organization that maintains ethical integrity but lacks professional competence may also struggle to fulfill its economic responsibilities. Islamic Business Management therefore seeks balance between economic performance and moral legitimacy. This balance is important because it prevents Islamic management from being interpreted either as an anti-profit ideology or as a conventional profit-oriented model decorated with Islamic terminology. Its identity is located in the integration of financial rationality with ethical accountability (Yasmeen, 2026).

A significant finding concerns the role of Islamic ethical principles in shaping managerial behavior. Amanah, justice, ihsan, and honesty are not merely personal virtues but have direct organizational implications. Amanah influences how managers handle organizational resources, confidential information, employee authority, customer relationships, and strategic responsibilities. Justice influences recruitment, compensation, contractual relationships, promotion, performance evaluation, and stakeholder treatment. Ihsan encourages managers and employees to pursue excellence and quality beyond the minimum requirements of formal compliance. Honesty shapes marketing communication, financial reporting, negotiation, and customer relationships. When these principles are institutionalized, they can influence organizational culture and governance. This suggests that the Islamic character of management should be evaluated through observable managerial practices rather than through organizational labels. An organization cannot establish a substantive Islamic identity merely by describing its products or services as Islamic if its internal practices contradict principles of fairness, trust, transparency, and responsibility (Jarbou et al., 2024).

The literature also reveals that the concept of halal constitutes an important but sometimes misunderstood component of Islamic Business Management. Halal should not be reduced to the final status of a product because Islamic business activity involves multiple stages of the value chain, including sourcing, production, financing, logistics, marketing, contracting, transactions, and customer relationships. The broader principle of halal and

haram creates ethical and legal boundaries for organizational behavior. This means that an organization may offer a halal product while still facing ethical problems in areas such as employee exploitation, deceptive advertising, unfair contractual arrangements, or irresponsible financial practices. Consequently, the identity of Islamic Business Management requires a more comprehensive understanding of Shariah compliance that encompasses organizational processes rather than focusing exclusively on product characteristics. Such an approach is particularly relevant in the contemporary halal economy, where consumers increasingly encounter products marketed through Islamic identity and require greater assurance that the values associated with the label are reflected throughout the business process (Hindolia et al., 2026).

Another important finding is the central role of stakeholder relationships in defining Islamic Business Management. Business organizations operate within networks of relationships involving employees, customers, suppliers, investors, government institutions, communities, and the environment. Decisions that benefit one stakeholder group may generate costs for another, making managerial judgment inherently relational. Islamic principles of justice and *maslahah* provide a framework for evaluating these competing interests. Employees should not be treated solely as production inputs, customers should not be viewed merely as sources of revenue, and suppliers should not be pressured through unfair contractual arrangements simply to increase organizational margins. Similarly, communities and environmental resources should not be ignored when evaluating the consequences of business activity. This does not imply that all stakeholder interests can always be satisfied simultaneously. Rather, Islamic Business Management requires managers to consider competing interests through principles of fairness, responsibility, legitimate contractual rights, and broader benefit. Stakeholder management therefore becomes an important area in which the distinctiveness of Islamic management can be translated into contemporary organizational practice (Nabriz et al., 2025).

The literature also indicates that leadership is central to maintaining the identity of Islamic Business Management. Leaders determine how organizational values are interpreted and institutionalized through strategic decisions, resource allocation, employee treatment, and organizational communication. A leader who emphasizes Islamic values rhetorically but tolerates corruption, favoritism, manipulation, or exploitation creates a contradiction between organizational identity and organizational reality. Islamic leadership therefore requires alignment between personal conduct and institutional responsibility. Leaders must demonstrate competence because organizations require effective decision-making, but they must also demonstrate *amanah* and justice because authority creates moral obligations. Leadership consequently functions as a mechanism through which Islamic principles become organizational practices. The credibility of an Islamic organization is strongly influenced by whether employees and stakeholders can observe consistency between declared values and managerial behavior (Ibrahim et al., 2024).

Contemporary digitalization presents both opportunities and challenges for Islamic Business Management. Digital platforms can expand market access, increase transparency, improve operational efficiency, facilitate halal certification information, and strengthen communication with consumers. At the same time, digital business creates new ethical risks involving data privacy, algorithmic manipulation, deceptive online marketing, misinformation, cyber-related risks, and excessive consumer persuasion. The identity of Islamic Business Management must therefore remain relevant within digital environments by translating traditional ethical principles into new technological contexts. *Amanah* requires responsible handling of customer and employee data, justice requires attention to algorithmic fairness and equal access, honesty requires truthful digital communication, and *maslahah* requires consideration of the broader social consequences of technological decisions. This demonstrates that Islamic Business Management does not need to reject technological

innovation in order to preserve its identity. Instead, Islamic principles can function as ethical criteria for determining how technological innovation should be adopted and governed (Mahmudulhassan, 2024).

The literature further identifies commercialization as one of the most significant challenges to the identity of Islamic Business Management. The increasing popularity of halal products, Islamic branding, ethical consumption, and Shariah-oriented financial services creates substantial market opportunities. However, commercial success can also encourage organizations to use Islamic symbols, terminology, or narratives primarily as marketing instruments. When religious identity becomes detached from substantive ethical practice, Islamic management risks becoming a branding strategy rather than a managerial paradigm. Consumers may be attracted to Islamic labels while having limited access to information about internal organizational practices. This creates a gap between symbolic identity and substantive identity. The sustainability of Islamic Business Management therefore depends on the credibility of organizational practices, transparency, governance, and accountability. Islamic identity should be reflected in the way an organization treats employees, conducts transactions, manages resources, communicates with customers, and responds to social and environmental consequences (Hanafiah et al., 2022).

Another finding concerns the tension between Islamic principles and competitive pressures. Modern organizations are frequently required to make rapid decisions, reduce costs, increase productivity, respond to competitors, and maximize market opportunities. Some managers may perceive ethical restrictions as barriers to competitiveness, particularly when competitors operate with fewer constraints. Islamic Business Management challenges this assumption by arguing that ethical boundaries are not necessarily obstacles to long-term organizational success. Trust, reputation, employee commitment, customer loyalty, and stakeholder legitimacy can become strategic resources when organizations consistently demonstrate ethical behavior. However, maintaining this position requires organizations to develop professional capabilities that allow them to compete without compromising ethical principles. Islamic identity cannot be sustained through moral rhetoric alone; organizations must develop innovation, operational efficiency, technological competence, strategic flexibility, and market responsiveness. This creates a distinctive managerial challenge in which ethical integrity and professional competitiveness must be developed simultaneously (Nasution et al., 2025).

The analysis also demonstrates that Islamic Business Management has an important relationship with organizational sustainability. Sustainability requires organizations to consider the long-term consequences of decisions rather than focusing exclusively on immediate financial gains. Islamic concepts of *maslahah*, justice, *amanah*, and responsible stewardship provide a conceptual basis for this orientation. Environmental damage, employee exploitation, irresponsible resource use, and deceptive market practices may produce short-term economic benefits but create long-term social and organizational costs. An Islamic management approach encourages a broader assessment of business consequences by considering whether organizational activities contribute to legitimate welfare and prevent significant harm. Sustainability therefore becomes compatible with Islamic Business Management not because the two concepts are identical but because both challenge narrow conceptions of organizational success that disregard long-term consequences (Jabeen et al., 2025).

DISCUSSION

The findings demonstrate that the identity of Islamic Business Management should be understood at the level of worldview rather than merely at the level of managerial techniques. Many management techniques used by Islamic organizations may resemble those found in conventional organizations because planning, budgeting, recruitment, marketing, accounting,

strategic analysis, and organizational design are not inherently exclusive to one philosophical tradition. The distinctive character of Islamic management therefore cannot be established simply by asking whether an organization uses Islamic or conventional managerial tools. A more fundamental question concerns the assumptions guiding the selection and application of those tools. The same performance management system, for example, may produce different organizational consequences depending on whether it is designed solely to maximize productivity or whether it also incorporates fairness, employee dignity, transparency, and ethical accountability. Similarly, marketing techniques may be technically identical across organizations while differing substantially in their treatment of truthfulness, consumer vulnerability, and responsible communication. The identity of Islamic Business Management consequently resides in the ethical and philosophical framework governing managerial choices rather than in the exclusive use of particular techniques (Sholahuddin, 2024).

Tawhid provides the deepest foundation for this distinction because it prevents business management from becoming detached from a broader conception of human responsibility. When economic activity is understood within a worldview of divine accountability, organizational decisions acquire moral significance beyond their immediate economic consequences. This does not mean that every managerial decision must be reduced to explicitly religious language. Rather, the worldview influences the criteria through which decisions are evaluated. A strategic decision concerning expansion, for example, should consider financial feasibility and competitive positioning but may also require consideration of contractual legitimacy, stakeholder welfare, environmental effects, employee implications, and social consequences. Tawhid thus creates a comprehensive managerial consciousness in which business activity remains connected to moral responsibility. This characteristic distinguishes Islamic Business Management from purely secular instrumental approaches that may treat ethical concerns as external constraints rather than internal components of organizational purpose (Shi et al., 2025).

The principle of amanah has particularly important implications for corporate governance because it reframes authority as responsibility rather than privilege. Corporate executives, managers, and employees occupy positions that provide access to organizational resources and decision-making power. Without ethical accountability, such authority can generate opportunities for self-interest, corruption, information manipulation, and abuse. Conventional governance systems respond to these risks through institutional mechanisms such as internal controls, audits, compliance procedures, and regulatory oversight. These mechanisms remain important within Islamic Business Management, but amanah adds a moral dimension that emphasizes personal responsibility. The strongest governance system cannot guarantee ethical behavior if individuals intentionally seek ways to manipulate it. Amanah therefore complements institutional governance by cultivating a sense of responsibility that extends beyond the possibility of external punishment. This combination of institutional accountability and moral accountability can strengthen organizational integrity (Andespa et al., 2024).

Justice also provides a powerful basis for distinguishing Islamic Business Management from approaches that prioritize efficiency without sufficiently considering distributional consequences. Management decisions inevitably create winners and losers because resources and opportunities are limited. A restructuring program may improve organizational efficiency while creating job losses; a cost-reduction strategy may improve profitability while reducing employee welfare; aggressive pricing may increase market share while putting pressure on smaller competitors or suppliers. Islamic Business Management does not provide a simplistic rule that eliminates every negative consequence because business decisions frequently involve legitimate trade-offs. Instead, justice requires managers to evaluate whether those trade-offs are ethically defensible, proportionate, transparent, and consistent with legitimate rights. This makes justice a decision-making principle rather than merely an aspirational organizational

value. It encourages managers to consider who bears the costs of decisions, who receives the benefits, whether stakeholders have legitimate claims, and whether alternative approaches could reduce unnecessary harm (Iqbal et al., 2024).

Maqasid al-Shariah and *maslahah* further strengthen this multidimensional approach by broadening the concept of organizational performance. If management is concerned only with immediate profitability, decisions that generate long-term harm may appear successful. A business may increase sales through manipulative advertising, reduce labor costs through unfair employment practices, or accelerate production while ignoring environmental consequences. Such strategies can produce measurable financial gains but may undermine broader welfare. A *maqasid*-oriented perspective encourages managers to consider whether organizational activities contribute to legitimate human welfare and preserve essential dimensions of life and social order. This does not eliminate the importance of financial indicators; instead, it places them within a wider evaluation framework. Islamic Business Management therefore provides a conception of organizational success that is multidimensional, combining economic viability with ethical legitimacy and social benefit (Rosyalita et al., 2026).

The identity of Islamic Business Management also depends on its ability to engage with conventional management knowledge critically rather than rejecting it indiscriminately. Modern management has developed valuable insights into organizational behavior, leadership, strategic management, operations, marketing, innovation, and human resource development. Islamic Business Management can adopt such knowledge when it is compatible with Islamic principles and when its application produces legitimate benefits. The distinctive element lies in the ethical criteria used to evaluate and apply managerial knowledge. This approach prevents Islamic management from becoming isolated from contemporary organizational science while also preventing uncritical imitation of conventional practices. The resulting relationship is one of critical integration in which managerial effectiveness and Islamic ethical boundaries operate together. Such integration is particularly important for organizations competing in highly dynamic markets where technical competence and adaptability are necessary for survival (Agustian, Hejaziey, et al., 2023).

One of the greatest contemporary challenges is therefore not whether Islamic Business Management can compete with modern management but whether it can maintain its identity while adopting modern managerial capabilities. Organizations cannot remain competitive without innovation, technological competence, strategic agility, and professional management. At the same time, excessive adaptation can create the risk that Islamic values become secondary to market pressures. The solution lies in distinguishing between managerial methods and foundational principles. Methods can evolve as technology, markets, and organizational structures change, while foundational principles such as justice, *amanah*, honesty, lawful economic activity, and responsibility remain relatively stable. This distinction allows Islamic Business Management to be adaptive without becoming conceptually indistinguishable from conventional management. The challenge is therefore one of translation: stable Islamic principles must be translated into appropriate managerial practices for changing organizational contexts (Sarib et al., 2023).

Digital transformation illustrates this challenge particularly clearly. The rapid expansion of artificial intelligence, big data, digital platforms, and automated decision-making creates managerial opportunities that were previously unavailable. Yet technology can also amplify unethical behavior because digital systems allow organizations to influence consumer behavior, monitor employees, personalize marketing, and process enormous amounts of personal information. An Islamic managerial framework can contribute to this environment by establishing ethical boundaries for technological adoption. Efficiency alone should not determine whether a technology is appropriate. Managers should also ask whether its use respects privacy, fairness, transparency, human dignity, and legitimate stakeholder interests.

The principle of amanah becomes particularly significant because digital information represents a form of entrusted resource. Justice becomes relevant when algorithms affect access to employment, credit, services, or commercial opportunities. Maslahah becomes relevant when evaluating the broader consequences of digital innovation. Islamic Business Management therefore has the potential to contribute meaningfully to discussions of responsible technology governance.

The commercialization of Islamic identity presents an even more fundamental challenge because it concerns the relationship between values and market incentives. Islamic branding can generate consumer trust and create market differentiation, but it can also create incentives for organizations to emphasize religious symbols while neglecting substantive ethical practices. The risk is particularly significant when consumers assume that an Islamic identity automatically guarantees ethical organizational behavior. Islamic Business Management must therefore distinguish between symbolic Islamicity and substantive Islamicity. Symbolic Islamicity is visible through labels, language, imagery, or branding, whereas substantive Islamicity is demonstrated through actual business practices, governance, employee treatment, contractual behavior, financial integrity, and stakeholder responsibility. The stronger the gap between these dimensions, the greater the risk of reputational damage and loss of consumer trust. Authentic Islamic Business Management consequently requires organizational practices that make Islamic values observable rather than merely communicative (Agustian, Pohan, et al., 2023).

Another important challenge concerns measurement. Conventional organizations typically possess established indicators for profitability, productivity, efficiency, market share, and growth. Islamic Business Management requires these indicators but may also need to consider ethical and social dimensions that are more difficult to quantify. Employee welfare, fairness, stakeholder trust, ethical integrity, social contribution, and avoidance of harm are not always easily captured by conventional performance metrics. This does not mean that they cannot be evaluated. Organizations can develop broader performance frameworks that incorporate ethical governance, employee well-being, customer protection, social impact, and sustainability alongside financial indicators. The challenge is methodological and managerial because organizations need credible ways to demonstrate that Islamic principles are influencing actual performance. Without such mechanisms, Islamic values may remain abstract declarations rather than operational components of management.

The identity of Islamic Business Management is also strongly dependent on human resources and leadership. Principles cannot become organizational realities without individuals who understand both their professional responsibilities and the ethical foundations of Islamic management. Managers require not only technical competence but also ethical judgment and an understanding of how Islamic principles apply to contemporary organizational dilemmas. This creates implications for management education because Islamic Business Management should not be taught merely through memorization of normative concepts. Students and practitioners should be encouraged to analyze real managerial problems through Islamic ethical frameworks while also developing contemporary managerial capabilities. The objective is to produce managers capable of competing professionally while maintaining moral responsibility. Leadership development should similarly emphasize the relationship between authority, accountability, justice, and organizational performance (Moslimany et al., 2024).

The discussion ultimately suggests that the identity of Islamic Business Management can remain distinctive without becoming rigid or isolated. Its distinctiveness does not depend on creating entirely separate management techniques for every organizational function. Instead, it depends on the ethical worldview and normative boundaries that guide managerial decisions. Conventional management provides many useful tools for understanding markets, organizations, people, and strategy, while Islamic principles provide criteria concerning

legitimacy, responsibility, fairness, and broader welfare. The interaction between these dimensions can produce a management approach that is simultaneously professionally effective and ethically grounded. Such an approach is especially relevant in an era when stakeholders increasingly evaluate organizations not only according to what they produce but also according to how they treat employees, customers, communities, and the environment.

The broader significance of Islamic Business Management therefore lies in its potential to challenge the assumption that business success must be separated from moral responsibility. Modern organizations increasingly recognize the importance of ethical leadership, stakeholder management, sustainability, responsible investment, and corporate social responsibility. Islamic Business Management shares certain concerns with these developments but approaches them from a more integrated worldview in which ethics is not merely an additional organizational program. Moral responsibility is embedded within the understanding of business itself. This provides an opportunity for Islamic Business Management to contribute to contemporary management discourse by demonstrating that economic rationality and ethical accountability can coexist. The challenge is to ensure that this contribution remains substantive, evidence-based, professionally credible, and responsive to contemporary business realities (Sulaeman et al., 2025).

CONCLUSION

The identity of Islamic Business Management in modern business is rooted in the integration of economic activity with Islamic worldview, ethical responsibility, and broader human welfare. The analysis demonstrates that its distinctive character cannot be determined merely through the use of Islamic terminology, religious symbols, or halal-oriented branding. Its substantive identity emerges from the principles that guide managerial objectives, organizational decisions, stakeholder relationships, and business processes. Tawhid provides the philosophical foundation by connecting business activity with divine accountability; amanah establishes responsibility in the use of authority and resources; justice regulates relationships and the distribution of rights and obligations; ihsan encourages excellence; halal and haram establish normative boundaries; and maqasid al-Shariah and maslahah broaden the evaluation of organizational outcomes beyond immediate financial interests.

The study also demonstrates that Islamic Business Management does not require rejection of modern management knowledge. Professionalism, technological innovation, strategic management, organizational efficiency, and competitive capability remain necessary for organizational survival and growth. The distinctive feature lies in how these managerial capabilities are directed and constrained by Islamic ethical principles. Islamic Business Management therefore has the potential to integrate contemporary managerial techniques with a value-based framework that emphasizes legitimacy, fairness, trust, responsibility, and sustainable benefit. Its identity should be understood as an ethical and philosophical orientation that influences the application of management rather than as a completely separate collection of managerial techniques.

At the same time, the identity of Islamic Business Management faces significant contemporary challenges. Global competition can create pressure to prioritize financial performance over ethical considerations, while digital transformation introduces new issues involving data, algorithms, privacy, and technological power. The commercialization of Islamic identity can also create a gap between symbolic religious branding and substantive organizational practices. These challenges demonstrate that maintaining an Islamic managerial identity requires continuous institutionalization of Islamic principles through leadership, governance, organizational culture, human resource development, transparent policies, and accountable decision-making. Islamic identity becomes credible when stakeholders can observe consistency between organizational claims and actual practices.

Ultimately, Islamic Business Management should be positioned neither as a rejection of modern business nor as a religious version of conventional management that merely changes its terminology. Its distinctive contribution lies in offering a broader conception of business success in which profitability, competitiveness, professionalism, ethical legitimacy, stakeholder welfare, and social responsibility can be pursued within a coherent framework. In an increasingly complex business environment, this integrated perspective provides an important basis for developing organizations that are not only economically viable but also trustworthy, responsible, and socially beneficial. The future relevance of Islamic Business Management will therefore depend on its ability to preserve its foundational principles while continuously developing professional and innovative responses to the changing realities of modern business.

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