

“IS YOUR LEADERSHIP CREATING VALUR OR HARM?”

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Abstract: *Top management commitment (TMC) is widely recognised as a key driver of organisational performance and innovation capability. However, existing literature primarily focuses on economic outcomes, with limited attention to ethical and societal dimensions. This viewpoint paper integrates the concept of Maslahah (public welfare) into TMC, arguing that leadership should not only drive performance but also guide organisations toward socially responsible outcomes. By positioning Maslahah as a guiding principle, the paper reframes leadership as a force that shapes resource allocation, organisational culture, and decision-making in ways that promote both innovation and public welfare. It proposes that Maslahah aligns internal capabilities with societal needs, enhancing long-term sustainability and organisational relevance. The study contributes by extending the resource-based view with an ethical perspective and provides practical insights for leaders seeking to balance competitiveness with social responsibility.*

Keywords: *Top Management Commitment (TMC); Maslahah; Resource-Based View (RBV); Innovation Capability; Public Welfare; Ethical Leadership; Sustainable Competitive Advantage*

Introduction

Top management commitment (TMC) has long been recognised as a critical determinant of organisational success, influencing strategic direction, resource allocation, and overall firm performance. Within the resource-based view (RBV), leadership is often conceptualised as a strategic asset that shapes the deployment of organisational resources and capabilities, thereby contributing to sustained competitive advantage (Barney, 1991; Grant, 1991; Peteraf, 1993). Similarly, in the dynamic capabilities' perspective, leadership plays a central role in enabling firms to sense opportunities, seize them, and reconfigure resources in response to changing environments (Teece et al., 1997; Zahra, 2021). Despite this recognition, existing literature has largely focused on the economic and performance-oriented aspects of leadership, often overlooking its ethical and societal dimensions (Priem & Butler, 2001; Miller, 2019).

Current Corporate Social Responsibility (CSR) frameworks are widely adopted in business practice; however, they are frequently criticised for being fragmented, discretionary, and limited in their ability to guide ethical decision-making in complex real-world situations, particularly when trade-offs between profit and social responsibility arise (Ghadas et al., 2019). A key limitation of CSR lies in its lack of conceptual clarity, consistency, and normative justification, which weakens its effectiveness in providing clear ethical direction when managers must balance competing stakeholder interests (Ghadas et al., 2019). Moreover, CSR is often implemented as a voluntary, reputation-driven initiative rather than being embedded within the core purpose and strategic orientation of the organisation, making it largely discretionary in nature (Aziz et al., 2020).

These limitations are further reflected in the persistence of unsustainable business models that institutionalise practices such as environmental exploitation, excessive waste generation, labour exploitation, and short-term shareholder prioritisation, thereby impeding progress towards sustainable development goals (Bocken & Short, 2021). Empirical evidence from corporate failures and governance scandals also demonstrates how weak ethical foundations and inadequate accountability mechanisms can lead to systemic harm affecting both markets and society (Fasya, 2025). In addition, CSR and ESG frameworks have been criticised for enabling practices such as greenwashing, where organisations project an image of responsibility while continuing environmentally harmful activities.

In some cases, CSR has even been characterised as a symbolic or instrumental tool used for image management, soft corruption, or masking unethical practices, particularly in contexts where regulatory enforcement and accountability are weak (Arvind, 2025; Guha, 2025). In response to these shortcomings, Islamic ethical concepts such as *Maqasid al-Shari'ah* and *Maslahah* (public welfare) offer a more coherent and obligatory framework. Unlike CSR, these concepts provide a principled and structured basis for decision-making that emphasises both the promotion of benefit and the prevention of harm, thereby addressing ethical gaps in business practices, including environmental sustainability.

In contemporary business environments, organisations are increasingly expected to go beyond profit maximisation and demonstrate responsibility toward stakeholders and society. This shift has led to growing interest in ethical leadership, corporate social responsibility (CSR), and sustainable business practices (Porter & Kramer, 2011; Khan et al., 2022). However, these frameworks often remain fragmented and lack a comprehensive ethical foundation that integrates economic, social, and moral considerations. The concept of *Maslahah*, rooted in *Maqasid al-Shariah*, offers a holistic framework for addressing this gap. *Maslahah* emphasises

the promotion of benefit and the prevention of harm, guiding decision-making toward achieving public welfare (Auda, 2019; Kamali, 2020). Unlike conventional CSR approaches, which are often treated as supplementary activities, Maslahah functions as a core principle that informs organisational strategy and operations (Tahir & Hamid, 2024). This paper argues that top management commitment is a key driver in embedding Maslahah within organisations. Specifically, it proposes that leadership determines whether organisational resources and capabilities are directed toward purely economic objectives or broader societal welfare. By reframing TMC through the lens of Maslahah, this paper contributes to the literature by integrating ethical considerations into leadership and strategic management theories.

Method of Inquiry

This study adopts a conceptual and integrative literature review approach to develop a theoretical linkage between Top Management Commitment (TMC), the Resource-Based View (RBV), and the concept of Maslahah. This approach is appropriate for viewpoint and theory-building research, as it enables the synthesis of diverse streams of literature to generate new conceptual insights and perspectives (Torraco, 2005; Snyder, 2019).

Relevant literature was identified through searches in major academic databases, including Scopus, Web of Science, and Google Scholar. The search process utilised keywords such as “Top Management Commitment,” “Resource-Based View,” “RBV,” “Maslahah,” “Islamic ethics,” “innovation capability,” and “ethical leadership.” The selection focused on peer-reviewed journal articles and seminal theoretical works in the fields of strategic management, leadership, and Islamic economic thought. Studies were included based on their conceptual relevance to leadership, organisational resources, and societal welfare, while non-scholarly and unrelated sources were excluded. The analysis was conducted using a thematic and comparative synthesis approach, which is commonly employed in conceptual research to integrate and reinterpret existing theoretical constructs (Snyder, 2019). Key constructs from RBV particularly the notion of valuable, rare, inimitable, and non-substitutable (VRIN) resources and leadership as a strategic asset were examined alongside Maslahah principles related to public welfare and ethical decision-making. Through this process, common themes such as value creation, resource deployment, and long-term sustainability were identified and critically compared. This synthesis enabled the development of a conceptual integration, positioning Maslahah as an ethical lens that extends RBV and reframes TMC as a driver of both competitive advantage and societal well-being. By systematically combining insights from strategic management and Islamic ethical frameworks, this study offers a structured and theoretically grounded perspective rather than a purely opinion-based argument.

Top Management Commitment as a Strategic Driver

Top management commitment refers to the degree to which senior leaders actively support and prioritise organisational initiatives through their involvement, resource allocation, and strategic decision-making. It is widely recognised as a critical success factor in areas such as innovation, knowledge management, and supply chain integration (Gunasekaran et al., 2017; Khan et al., 2022). Within the RBV framework, leadership is considered an intangible resource that influences the effectiveness of other organisational resources and capabilities (Barney, 1991; McGee, 2015). Leaders play a central role in shaping organisational priorities and guiding the allocation of resources. Their commitment signals the importance of specific initiatives and influences the behaviour of employees across the organisation. For example, when top management prioritises innovation, it encourages a culture of creativity, risk-taking, and knowledge sharing, thereby enhancing innovation capability (Zahra et al., 2004; Chahal et al.,

2020). Conversely, a lack of leadership commitment can hinder organisational performance, even when sufficient resources are available.

From a dynamic capability's perspective, TMC is essential for enabling organisations to adapt to changing environments. Leaders are responsible for sensing opportunities, mobilising resources, and reconfiguring organisational processes to respond to external challenges (Teece et al., 1997). This adaptability is particularly important in industries characterised by rapid technological change and increasing competition, such as manufacturing. However, while TMC has been extensively studied in relation to performance and innovation, its ethical dimension remains underexplored. Most studies focus on how leadership enhances efficiency and competitiveness, without considering how it influences societal outcomes. This gap highlights the need to integrate ethical frameworks, such as Maslahah, into the analysis of leadership and organisational performance.

Maslahah as a Guiding Principle for Leadership

Maslahah represents a central concept in Islamic jurisprudence, referring to the promotion of public welfare and the prevention of harm. It is closely associated with Maqasid al-Shariah, which outlines the fundamental objectives of Islamic law, including the preservation of religion, life, intellect, lineage, and property (Al-Ghazali, 1998; Auda, 2019). These objectives provide a comprehensive framework for evaluating actions based on their impact on human well-being. In organisational contexts, Maslahah offers a normative foundation for decision-making, ensuring that business activities align with ethical principles and societal needs. Unlike conventional approaches that prioritise profit maximisation, Maslahah emphasises the balance between economic performance and social responsibility (Kamali, 2020; Tahir & Hamid, 2024). This balance is particularly important in addressing contemporary challenges such as environmental sustainability, social inequality, and ethical governance. Maslahah can be operationalised through its three hierarchical levels: *daruriyyah* (necessities), *hajiyyah* (complementary needs), and *tahsiniyyah* (enhancements). These levels provide a structured approach for prioritising organisational activities based on their contribution to public welfare. For example, innovations that address basic human needs, such as healthcare and environmental sustainability, fall under the *daruriyyah* level, while those that improve quality of life and enhance user experience fall under the *hajiyyah* and *tahsiniyyah* levels, respectively. By integrating Maslahah into leadership practices, organisations can ensure that their strategies and operations contribute to both organisational success and societal well-being. This integration requires a shift in mindset, where leaders view their role not only as economic decision-makers but also as stewards of public welfare.

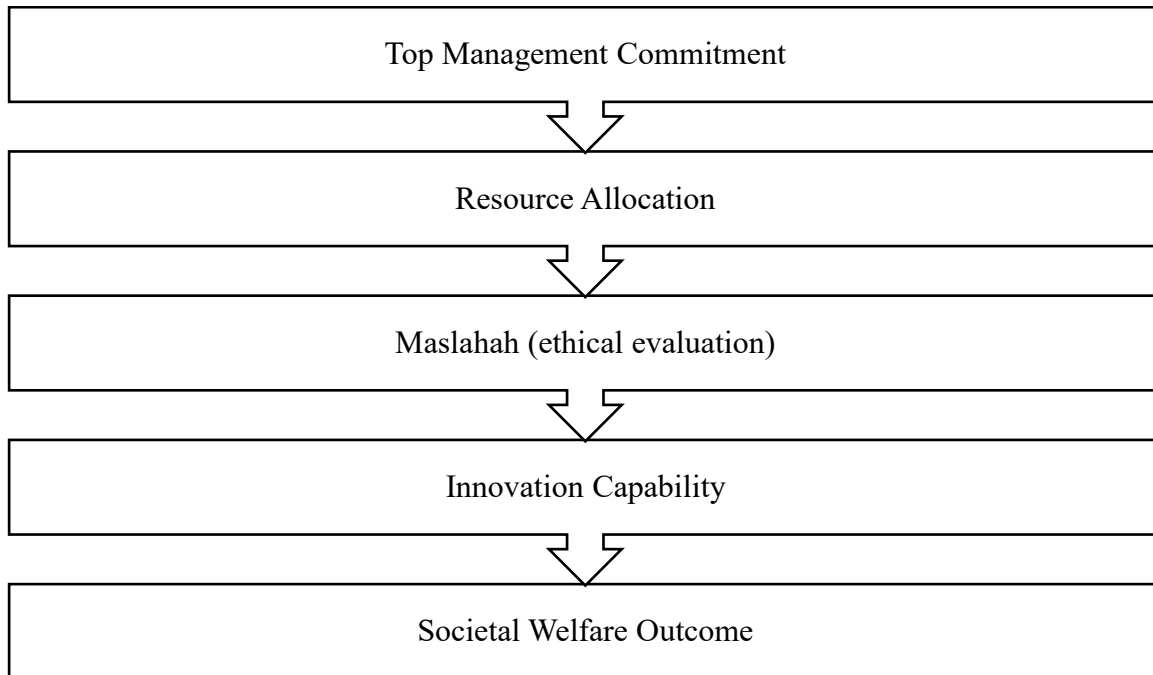


Figure 1: Conceptual Framework Linking Top Management Commitment, Resource-Based View, and Maslahah

Linking Top Management Commitment to Maslahah

Leadership as an Ethical Driver

Top management plays a substantial role in shaping the ethical orientation of an organisation, acting as the primary force that determines whether ethical principles are embedded within organisational strategy and operations. Within the resource-based view (RBV), leadership is often conceptualised as a critical intangible resource that influences how other organisational assets are mobilised and deployed (Barney, 1991; Grant, 1991; Peteraf, 1993). Leadership not only determines strategic priorities but also establishes the values, norms, and behavioural expectations that guide employee actions (Zahra et al., 2004; Haeruddin, 2024). In this sense, TMC extends beyond operational oversight and becomes a central mechanism for shaping organisational ethics and identity.

When viewed through the lens of Maslahah, leadership assumes an even more profound role as an ethical driver that prioritises public welfare and societal well-being. Maslahah, rooted in Maqasid al-Shariah, emphasises the promotion of benefit and the prevention of harm in all decision-making processes (Auda, 2019; Kamali, 2020). Leaders who internalise this principle are more likely to embed ethical considerations into organisational practices, ensuring that business activities contribute positively to society (Tahir & Hamid, 2024; Aziz et al., 2023). This aligns with emerging perspectives on ethical leadership, which highlight the importance of values-based decision-making in fostering sustainable organisational performance (Brown & Treviño, 2006; Eisenbeiss, 2012).

The influence of leadership on ethical climate is well-documented in organisational research. Leaders serve as role models, and their actions signal what is considered acceptable behaviour within the organisation (Treviño et al., 2003; Mayer et al., 2009). When top management demonstrates a commitment to Maslahah, it creates an ethical climate characterised by trust, accountability, and social responsibility (Rhetha et al., 2024; Samidi et al., 2018). This ethical

climate encourages employees to consider the broader implications of their actions, leading to more responsible and sustainable decision-making (Pee & Kankanhalli, 2016; McGee, 2015). Conversely, when leadership focuses solely on profit maximisation, organisations may adopt practices that prioritise short-term financial gains at the expense of long-term sustainability and societal welfare (Priem & Butler, 2001; Miller, 2019). Such an approach can lead to unethical behaviour, reputational damage, and reduced stakeholder trust (Porter & Kramer, 2011; Khan et al., 2022). The absence of ethical leadership creates a gap between organisational objectives and societal expectations, undermining the firm's legitimacy and long-term performance (Ferlie, 2014; Sabourin, 2020).

Furthermore, the role of leadership as an ethical driver is closely linked to dynamic capabilities. Leaders are responsible for sensing societal expectations, seizing opportunities for responsible innovation, and reconfiguring organisational resources to align with ethical and social goals (Teece et al., 1997; Zahra, 2021). By integrating Maslahah into these processes, leadership ensures that organisational adaptability is guided by ethical considerations rather than purely economic motives (Auda, 2019; Kamali, 2020). In summary, leadership serves as the foundation for integrating Maslahah into organisational practices. Through their commitment, leaders shape the ethical orientation of the organisation, influencing how resources are deployed and how decisions are made. This highlights the critical role of TMC in ensuring that Maslahah is not merely a theoretical concept but a practical guiding principle embedded within organisational processes.

Leadership and Resource Allocation

Resource allocation represents one of the most critical mechanisms through which top management commitment influences organisational outcomes. Within the RBV framework, resources are the primary drivers of competitive advantage, and their allocation determines the firm's strategic direction and performance (Barney, 1991; Wernerfelt, 1984). However, the value of resources is not inherent; rather, it depends on how they are utilised and deployed by leadership (Grant, 1991; McGee, 2015). In this context, top management plays a decisive role in determining which initiatives receive attention, funding, and support.

When viewed through a Maslahah perspective, resource allocation extends beyond economic considerations to include ethical and societal dimensions. Leaders who prioritise Maslahah are more likely to allocate resources toward initiatives that generate public welfare, such as sustainable production, employee well-being, and community development (Tahir & Hamid, 2024; Aziz et al., 2023). This aligns with the growing emphasis on sustainable business practices, where organisations are expected to balance profitability with social and environmental responsibility (Porter & Kramer, 2011; Khan et al., 2022). For instance, in the manufacturing sector, Maslahah-driven resource allocation may involve investing in environmentally friendly technologies, improving workplace safety, or developing products that address societal needs (Chahal et al., 2020; Gunasekaran et al., 2017). Such investments not only contribute to public welfare but also enhance organisational reputation and long-term competitiveness (Camisón & Lopez, 2010; Ngamsirijit, 2011). By prioritising socially beneficial initiatives, organisations can create value that extends beyond financial performance, thereby achieving sustainable competitive advantage (Barney, 1991; Peteraf, 1993).

In contrast, traditional resource allocation models often prioritise projects based solely on financial returns, such as return on investment (ROI) and cost efficiency (Porter, 1985). While these criteria are important, they may lead to decisions that overlook broader societal impacts,

resulting in negative externalities such as environmental degradation or social inequality (Miller, 2019; Priem & Butler, 2001). By incorporating Maslahah into resource allocation decisions, leaders can address these limitations and ensure that organisational activities contribute positively to society (Auda, 2019; Kamali, 2020). Moreover, resource allocation decisions are closely linked to dynamic capabilities. Leaders must continuously assess and reallocate resources in response to changing market conditions and societal expectations (Teece et al., 1997; Zahra, 2021). Maslahah provides a guiding framework for this process, ensuring that resource reconfiguration aligns with ethical and social objectives (Rhetha et al., 2024; Samadou et al., 2023). Ultimately, the integration of Maslahah into resource allocation highlights the transformative role of leadership in shaping organisational outcomes. By prioritising public welfare in resource allocation decisions, leaders can create a balance between economic performance and social responsibility, thereby enhancing both organisational sustainability and societal impact.

Leadership and Organisational Culture

Organisational culture represents a critical intangible resource within the RBV framework, influencing employee behaviour, decision-making, and overall organisational performance (Barney, 1991; Grant, 1991). Culture is shaped primarily by leadership, as top management establishes the values, norms, and expectations that define the organisation's identity (Zahra et al., 2004; Haeruddin, 2024). Through their actions and communication, leaders create a cultural environment that either supports or constrains innovation and ethical behaviour. A Maslahah-oriented leadership approach fosters a culture grounded in ethical values, social responsibility, and collective well-being. Such a culture encourages employees to prioritise public welfare in their actions, aligning individual behaviour with organisational objectives (Auda, 2019; Kamali, 2020). This alignment enhances organisational cohesion and creates a shared sense of purpose, which is essential for achieving sustainable innovation (Arfati, 2018; Xiao & Dasgupta, 2006).

In organisations where Maslahah is embedded within the culture, employees are more likely to engage in ethical decision-making and collaborative practices (Pee & Kankanhalli, 2016; McGee, 2015). This fosters an environment of trust and mutual respect, which enhances knowledge sharing and innovation capability (Allred et al., 2011; Wang & Li-Ying, 2015). Furthermore, a culture that emphasises public welfare encourages employees to consider the broader impact of their work, leading to the development of innovative solutions that address societal challenges (Chahal et al., 2020; Tahir & Hamid, 2024). Conversely, organisational cultures that prioritise competition and profit maximisation may discourage ethical behaviour and collaboration, leading to negative outcomes such as employee disengagement and reduced innovation (Miller, 2019; Sabourin, 2020). The absence of a strong ethical foundation can create conflicts between organisational objectives and societal expectations, undermining long-term performance (Porter & Kramer, 2011; Khan et al., 2022). Leadership is important in shaping and sustaining organisational culture. Through consistent actions, communication, and decision-making, leaders reinforce cultural values and ensure their integration into organisational processes (Treviño et al., 2003; Mayer et al., 2009). By embedding Maslahah into leadership practices, organisations can develop a culture that supports both innovation and social responsibility, thereby enhancing their competitive advantage.

Leadership and Decision-Making

Decision-making is one of the most critical functions of leadership, influencing all aspects of organisational performance. Within the RBV framework, decision-making determines how

resources are allocated and utilised, thereby shaping competitive advantage (Barney, 1991; Grant, 1991). However, traditional decision-making models often prioritise economic efficiency and profitability, with limited consideration of ethical and societal implications (Priem & Butler, 2001; Miller, 2019). A Maslahah-based approach to decision-making introduces a broader perspective that emphasises public welfare and long-term sustainability. Leaders are required to evaluate decisions not only based on financial outcomes but also on their impact on stakeholders and society (Auda, 2019; Kamali, 2020). This includes assessing potential benefits and harms, as well as ensuring that decisions align with ethical principles (Tahir & Hamid, 2024; Aziz et al., 2023).

Maslahah-driven decision-making aligns closely with stakeholder theory, which emphasises the importance of considering the interests of all stakeholders, including employees, customers, and communities (Freeman, 1984; Porter & Kramer, 2011). By integrating these perspectives, organisations can develop strategies that create value for both the firm and society (Khan et al., 2022; Gunasekaran et al., 2017). Furthermore, Maslahah enhances decision-making by addressing the limitations of short-term thinking. Leaders who prioritise immediate financial gains may overlook long-term risks, such as environmental degradation or reputational damage (Miller, 2019; Sabourin, 2020). In contrast, a Maslahah-based approach encourages long-term thinking, ensuring that decisions contribute to sustainable development and organisational resilience (Auda, 2019; Kamali, 2020). In dynamic environments, decision-making must also be adaptive and responsive to change. Maslahah provides a guiding framework for navigating uncertainty, enabling leaders to make decisions that balance flexibility with ethical considerations (Teece et al., 1997; Zahra, 2021). This integration enhances the organisation's ability to respond to challenges while maintaining its commitment to public welfare. In conclusion, leadership decision-making plays a central role in embedding Maslahah within organisations. By adopting a Maslahah-based approach, leaders can ensure that organisational strategies and actions align with ethical principles and societal needs, thereby enhancing both organisational performance and social impact.

Implications

The integration of Maslahah into top management commitment (TMC) presents significant implications for both theoretical advancement and managerial practice, particularly within the domains of strategic management, innovation capability, and organisational sustainability. From a theoretical perspective, this study contributes to extending the resource-based view (RBV) by incorporating ethical and societal dimensions into the analysis of leadership and organisational performance. While RBV has traditionally focused on the role of valuable, rare, inimitable, and non-substitutable (VRIN) resources in generating competitive advantage (Barney, 1991; Wernerfelt, 1984; Peteraf, 1993), it has been criticised for its limited engagement with moral and societal considerations (Priem & Butler, 2001; Miller, 2019; Sabourin, 2020). By introducing Maslahah as a guiding principle within TMC, this study addresses this limitation and enriches RBV by embedding public welfare into the conceptualisation of strategic resources and capabilities (Auda, 2019; Kamali, 2020).

Furthermore, the study contributes to the growing body of literature on ethical leadership and responsible innovation by positioning Maslahah as a mediating mechanism through which leadership influences organisational outcomes. Existing research has established the importance of leadership in shaping innovation capability, organisational culture, and knowledge management processes (Zahra et al., 2004; Chahal et al., 2020; Pee & Kankanhalli, 2016). However, these studies often overlook the ethical foundations that guide leadership decisions. By conceptualising Maslahah as a mediating capability, this paper provides a more

nuanced understanding of how leadership commitment translates into meaningful and socially responsible innovation (Tahir & Hamid, 2024; Rhetha et al., 2024). This aligns with recent calls for integrating sustainability and stakeholder-oriented perspectives into strategic management theories (Porter & Kramer, 2011; Khan et al., 2022).

In addition, the integration of Maslahah with dynamic capabilities offers further theoretical implications. Dynamic capabilities theory emphasises the ability of organisations to sense opportunities, seize them, and reconfigure resources in response to changing environments (Teece et al., 1997; Zahra, 2021). However, it lacks a strong ethical framework to guide these processes. Maslahah addresses this gap by ensuring that organisational adaptation is aligned with societal welfare, thereby enhancing both the sustainability and legitimacy of organisational strategies (Auda, 2019; Kamali, 2020). This integration provides a more comprehensive framework for understanding how organisations can achieve sustainable competitive advantage in complex and dynamic environments. From a practical perspective, the findings of this study offer valuable insights for organisational leaders seeking to balance economic performance with social responsibility. By adopting a Maslahah-driven approach, leaders can align organisational strategies with public welfare, thereby enhancing innovation capability and long-term sustainability (Gunasekaran et al., 2017; Khan et al., 2022). This involves prioritising initiatives that address societal challenges, such as environmental sustainability, employee well-being, and community development (Chahal et al., 2020; Tahir & Hamid, 2024).

Moreover, the integration of Maslahah into leadership practices can strengthen stakeholder trust and organisational legitimacy. In an era where stakeholders increasingly demand transparency, accountability, and ethical behaviour, organisations that demonstrate a commitment to public welfare are more likely to build strong and enduring relationships with their stakeholders (Porter & Kramer, 2011; Rhetha et al., 2024). This trust, in turn, enhances organisational reputation and provides a competitive advantage that is difficult for competitors to replicate (Barney, 1991; Peteraf, 1993). Finally, Maslahah provides a practical framework for decision-making and resource allocation. Leaders can use Maslahah principles to evaluate the potential impact of their decisions on both the organisation and society, ensuring that organisational activities contribute to long-term value creation (Auda, 2019; Kamali, 2020). By embedding Maslahah into organisational processes, firms can move beyond profit-driven strategies and adopt a more holistic approach that integrates economic, social, and ethical considerations.

Conclusion

This paper has highlighted the critical role of top management commitment in embedding Maslahah within organisational contexts, offering a more holistic and ethically grounded perspective on leadership and strategic management. By reframing leadership through the lens of public welfare, it moves beyond traditional views that focus primarily on performance, efficiency, and competitive advantage. Instead, it positions leadership as a central force in shaping how organisations create value not only for themselves but also for society at large. The integration of Maslahah into leadership practices provides a meaningful extension to existing strategic frameworks, particularly the resource-based view. It emphasises that organisational success should not be measured solely by financial outcomes but also by the extent to which organisations contribute to societal well-being, sustainability, and ethical responsibility. Through their commitment, leaders influence organisational culture, guide resource allocation, and shape decision-making processes, ultimately determining whether public welfare becomes a core organisational priority or remains secondary.

Furthermore, this perspective reinforces the importance of aligning innovation capability with broader societal needs. When leadership is guided by Maslahah, innovation becomes more purposeful, addressing real-world challenges while maintaining ethical integrity. This not only enhances organisational relevance in an increasingly stakeholder-driven environment but also supports long-term sustainability and resilience. In this way, leadership commitment acts as a bridge between internal organisational capabilities and meaningful external impact. The discussion also highlights the need for a shift in managerial mindset. Leaders are required to move beyond short-term, profit-driven thinking and adopt a more balanced approach that integrates economic, social, and ethical considerations. Such a shift is essential in navigating the complexities of modern business environments, where organisations are expected to demonstrate accountability, transparency, and responsibility.

While this paper provides a conceptual foundation, there remains significant potential for further research. Future studies could explore how Maslahah is operationalised within organisations, as well as its impact on innovation capability and performance across different industries and contexts. Empirical validation would further strengthen the proposed framework and provide deeper insights into its practical applicability. In conclusion, integrating Maslahah into top management commitment offers a powerful and timely approach to redefining leadership. It provides a pathway for organisations to achieve not only competitive advantage but also meaningful and sustainable contributions to society.

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