

The Practice of Prophetic Leadership in Strategic Management Process: Reflection of Muslim SME Entrepreneurs

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ABSTRACT

The concept of prophetic leadership, rooted in the exemplary moral principles of Prophet Muhammad (SAW), has gained increasing attention in the context of business management, particularly among Muslim entrepreneurs. This study delves into the reflections of Muslim small and medium enterprise (SME) entrepreneurs on the practice of prophetic leadership within the strategic management processes of their companies. Prophetic leadership is characterized by four key values: *siddiq* (truthfulness), *amanah* (trustworthiness), *fathonah* (intelligence), and *tabligh* (communication). Through a qualitative research approach, this study conducted semi-structured, in-depth interviews with seven Muslim SME entrepreneurs in Malaysia. The data were analyzed using thematic analysis facilitated by Atlas.ti software version 8.0. The analysis revealed four major themes that reflect the integration of prophetic leadership principles in the strategic management practices of these entrepreneurs. The findings provide valuable insights for future research and offer guidelines for policymakers aiming to enhance the entrepreneurial performance of Muslim SMEs, contributing to the realization of a Madani nation.

Keywords: Muslim SME Entrepreneurs, Prophetic Leadership, Strategic Management Process

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INTRODUCTION

The role of leadership in shaping organizational strategy is a well-established area of research, particularly within the context of small and medium enterprises (SMEs). For Muslim entrepreneurs, the integration of Islamic principles in leadership practices is of paramount importance, reflecting their commitment to ethical and moral standards as guided by their faith. Prophetic leadership, rooted in the teachings of Prophet Muhammad (SAW), offers a model that embodies the core values of truthfulness (*siddiq*), trustworthiness (*amanah*), intelligence (*fathonah*), and effective communication (*tabligh*). These qualities are not only essential for personal development but also for fostering sustainable business practices that align with Islamic values (Koleva et al., 2023).

Despite the significance of prophetic leadership, there is a scarcity of empirical research exploring its application within the strategic management processes of Muslim-owned SMEs (Husti & Mahyarni, 2019; Koleva et al., 2023). Strategic management, which involves the formulation and implementation of major goals and initiatives, is crucial for the growth and sustainability of businesses (AlDhaheri et al., 2020; Alkhodary, 2023; Elbanna et al., 2020; Abd Rahman et al., 2022). The integration of prophetic leadership principles into this process could provide a distinctive approach that enhances both organizational performance and ethical integrity (Amran et al., 2020). Understanding how Muslim entrepreneurs reflect on and incorporate these principles into their business strategies is therefore a vital area of study.

Therefore, the objective of this study is to examine the reflections of Muslim SME entrepreneurs in Malaysia on their application of prophetic leadership in strategic management process. Through qualitative research involving in-depth interviews, this research aims to uncover the thematic elements that characterize these entrepreneurs' reflections. The findings are expected to contribute not only to the academic discourse on Islamic leadership but also to provide practical insights for policymakers and business leaders striving to foster a Madani nation; a society that is progressive, ethical, and deeply rooted in Islamic values.

LITERATURE REVIEW

Prophetic leadership, grounded in the values demonstrated by Prophet Muhammad (SAW), has garnered increasing attention in contemporary leadership studies, especially within the context of Islamic business management (Fontaine et al., 2020). This leadership model emphasizes core moral principles such as truthfulness, trustworthiness, intelligence, and effective communication, which are seen as essential attributes for leaders in any organization (Mohamad et al., 2018). Recent studies have highlighted the relevance of these principles in guiding ethical decision-making and fostering trust within teams (Koleva et al., 2023), thereby contributing to the overall success and sustainability of businesses, particularly within Muslim-majority countries.

In the realm of strategic planning, prophetic leadership is viewed as a framework that aligns organizational goals with ethical imperatives, ensuring that business strategies are not only effective but also morally sound (Koleva et al., 2023). The strategic management process, which involves setting objectives, analyzing competitive environments, and deploying resources, can be significantly influenced by the values of *siddiq*, *amanah*, *fathonah*, and *tabligh*. For instance, a leader's commitment to truthfulness (*siddiq*) can enhance transparency

and accuracy in strategic decision-making, while trustworthiness (*amanah*) reinforces reliability and integrity in the execution of strategic plans (Abdallah et al., 2019; Dewi, 2019).

Moreover, the integration of intelligence (*fathonah*) in leadership enables a more informed and adaptive approach to strategic planning, allowing leaders to navigate complex business environments effectively. This aspect of prophetic leadership is particularly relevant in today’s fast-paced, globalized economy, where the ability to anticipate and respond to market changes is crucial. Recent research underscores that leaders who embody *fathonah* are better equipped to devise strategies that are not only innovative but also resilient to external shocks (Antonio, 2013; Basir et al., 2016).

Finally, the principle of *tabligh*, or effective communication, plays a critical role in the successful implementation of strategic plans. Prophetic leadership advocates for clear and persuasive communication, ensuring that all stakeholders understand and are committed to the organization’s strategic objectives. This approach not only fosters alignment and collaboration within teams but also enhances the overall effectiveness of the strategic management process. Studies have shown that entrepreneurs who emphasize these aspects of prophetic leadership in their strategic planning processes are more likely to achieve their business objectives while maintaining strong ethical standards (Salin et al., 2020).

This study adopts the Prophetic Leadership and Management Wisdom Model (ProLM) developed by Antonio (2013) to explore the values of prophetic leadership, as outlined in Table 1 and illustrated in Figure 1.

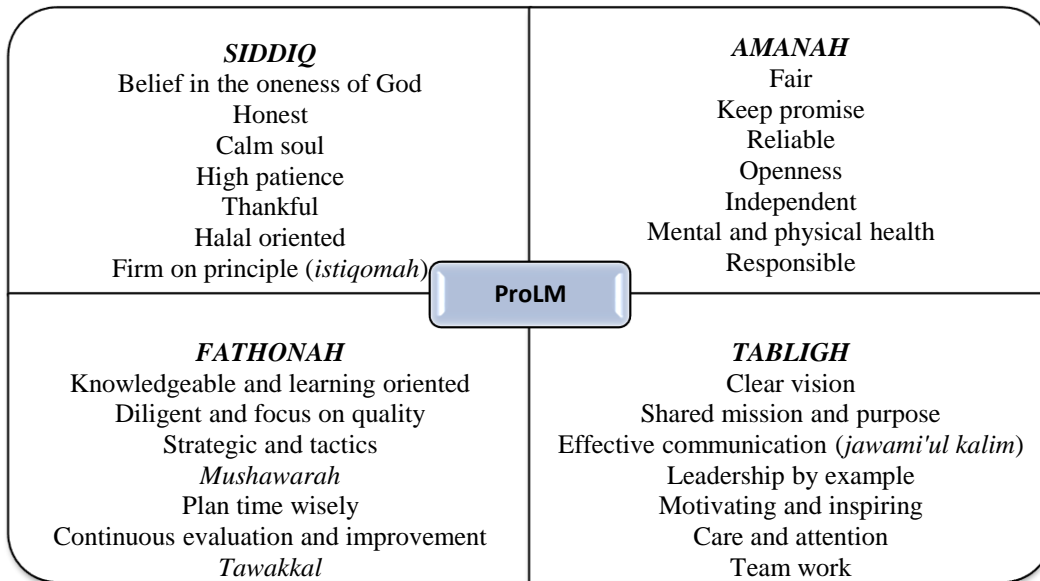
Table 1
Elements of Prophetic Leadership and Management Wisdom Model (ProLM)

Value	Source of intelligence	Competency	Output (level)
<i>Siddiq</i>	Spiritual intelligence	Integrity	Superiority of soul (individual)
<i>Amanah</i>	Emotional intelligence	Trustable	Social interaction (among other people)
<i>Fathanah</i>	Intellectual intelligence	Efficient	Professional, quality, and efficient in technical and management aspects (organization)
<i>Tabligh</i>	Vission-Communication intelligence	Communicative	Leadership wisdom (community)

Source: Antonio (2013)

Figure 1

Values of Siddiq, Amanah, Fathonah, Tabligh in Prophetic Leadership and Management Wisdom Model (ProLM)

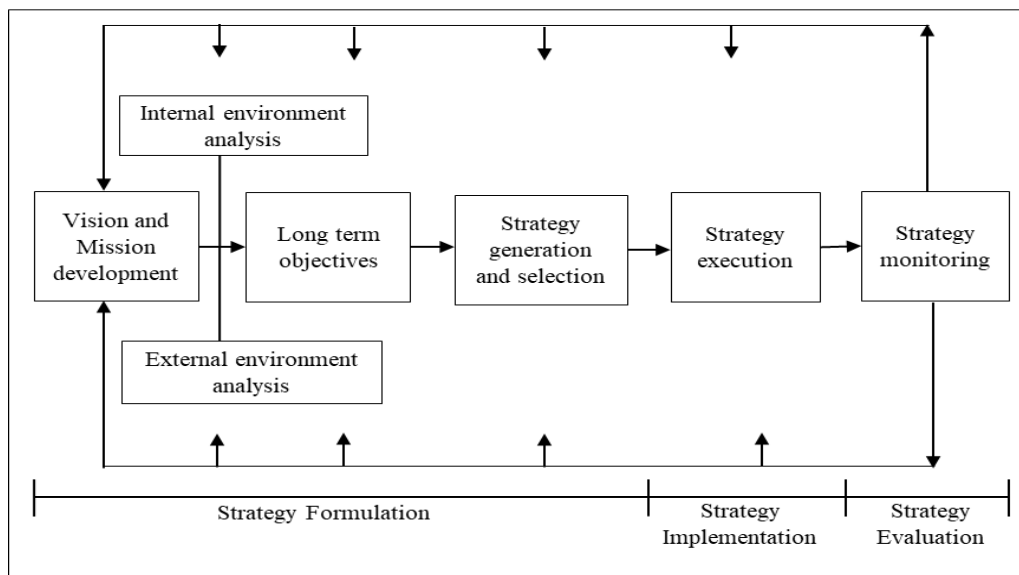


Source: Antonio (2013)

While the strategic management model expressed by David and David (2023) was chosen as the theory underlying for the strategic management construct. David and David's model (2023) shows a clear and practical approach to formulate, implement, and evaluate strategy through three important stages, namely, (1) strategy formulation; (2) strategy implementation; and (3) strategy evaluation. This model is illustrated in Figure 2.

Figure 2

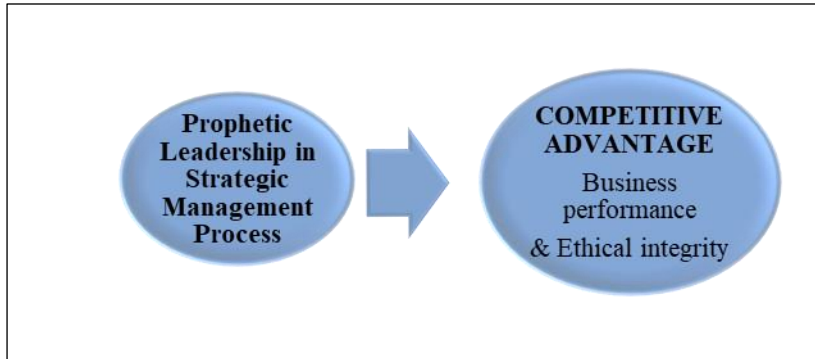
Strategic Management Model



Source: David and David (2023)

Figure 3 below illustrates the conceptual framework developed for this study based on the theoretical stance.

Figure 3
Conceptual Framework



METHODOLOGY

This study takes a qualitative approach comprising in-depth semi-structured interviews with seven Muslim SME entrepreneurs in manufacturing sectors, particularly in food industry (participant 1, 2, and 3), textile industry (participant 4, 5, and 6), and participant 7 in health and beauty manufacturing industry. Location of their premises was in Lembah Klang, Malaysia. The qualitative data were analyzed through a thematic analysis to identify Muslim SME entrepreneurs’ reflection on the application of prophetic leadership in the strategic management process conducted in their organizations.

FINDINGS AND DISCUSSIONS

This study explores how prophetic leadership is practiced by Muslim SME entrepreneurs in the manufacturing sector in Malaysia. It focuses on the practice of prophetic leadership by Muslim SME entrepreneurs in the strategic management process that covers three stages, namely strategy formulation, strategy implementation, and strategy evaluation. Based on the preliminary findings, the objective of this study is to examine how Muslim SME entrepreneurs reflect when they can practice prophetic leadership in the strategic management process in their company. Table 2 summarizes the profile of the SMEs.

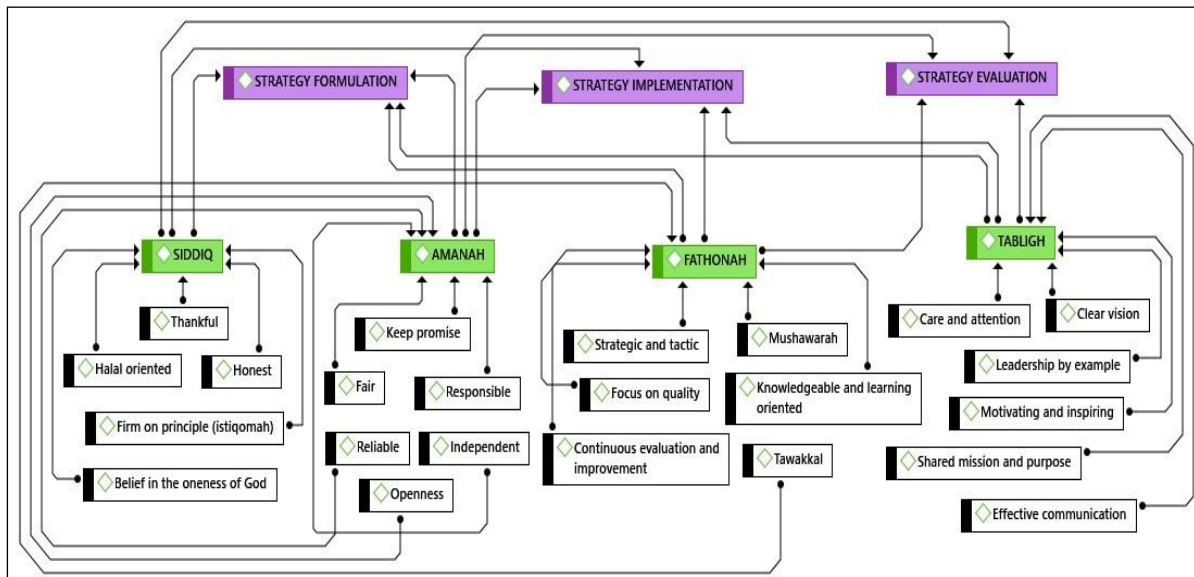
Table 2
Profile of the SMEs

Code	Sector/ Category	Product	Year established / tenure
PK1	Food and beverage	Yong tau foo	1999/ 25 years
PK2	Food and beverage	Cooking sauce, packed food	1986/ 38 years
PK3	Food and beverage	Biscuit, cakes, instant flour	1984/ 40 years
PK4	Textile	Uniform (school, corporate and government agencies)	1995/ 29 years
PK5	Textile	Muslim attire (school uniform, casual, pilgrimage and umrah)	1993/ 31 years
PK6	Textile	Malay traditional costume and accessories	1976/ 48 years
PK7	Health and beauty	Food supplement and beauty products	2004/ 20 years

The preliminary findings suggest that the four key values of prophetic leadership are interconnected with each other. All the four key values are implemented by Muslim SME entrepreneurs at every stage in the strategic management process. However, the practice is different subject to the activities carried out at each stage in the company's strategic management process.

Additionally, this study found *siddiq* as the most important value to mobilize other values of prophetic leadership (*amanah*, *fathonah*, *tabligh*) according to the Islamic model. This is because *siddiq* is sourced from spiritual intelligence. Thus, entrepreneurs who have the value of *siddiq* will always maintain a relationship with Allah SWT and fellow creatures to uphold the truth on this earth. In the context of strategic management, the *siddiq* value possessed by Muslim SME entrepreneurs at the stage of strategy formulation will direct the direction of the company towards achieving objectives according to the Islamic principles that Muslim SME entrepreneurs hold. Therefore, the implementation and evaluation stages will be guided based on these principles. Figure 4 shows the interrelationship of prophetic leadership in the strategic management process of Muslim SMEs for this study.

Figure 4
Interrelation of Prophetic Leadership in the Strategic Management Process of Muslim SMEs



Furthermore, Table 3 presents the feedback from the semi-structured interview with seven Muslim SME entrepreneurs in Malaysia, and the emerging theme derived from their statements, which answer the research objective of this study.

Table 3
Entrepreneurs' Reflections and the Emerging Themes

Code	Entrepreneurs' reflections (sample verbatim)	Theme	Explanation
PK1	I just want to sleep well and happy without having to think about who wants to kill me, who wants to take my business...For me, happiness is the tranquility of life .	Inner peace and contentment	Entrepreneur's desire to achieve peace and happiness in life, both in terms of finances, peace of mind, and trust in God's plan.
PK3	Right now, I am calmer and more peaceful . Before this my life was not peaceful. I always feel stress, dizzy...now Alhamdulillah we have a system, we have a strategy, we have a plan...I know that I can trust my staff, and my staff trust me. So, when I am calm, I will be able to make the right decision.		
PK2	I feel satisfied because by sticking to my principles I can achieve what I want . But not all the time. Because there are many obstacles, challenges that we have to face...Sometimes we fail. But Alhamdulillah, another opportunity comes. So, I always believe that if there is something negative, something positive will come...	Faith and resilience in business	Entrepreneurs believe in God's plan in the face of challenges, and the strength to keep trying despite failure.
PK3	...when we surrender to Allah , we pray... He will show us the way out from any problem that we face . Most of us have miracles like that.		
PK6	I can feel Allah looking at me . <i>Wallahu a'lam...</i> When something goes wrong in my company...less sales, not being able to pay rent...that's Allah's warning to me. He sees there is a mistake, and He reprimands. He was reprimanded in various ways.		
PK4	...follow the way of Islam...no matter what happens to us, we know that there is good. Sometimes there are things that we want but can't get...Allah has arranged our sustenance. <i>Wamakaru wamakarallah.wallahu khairul makirin...</i> We plan, Allah also plans. Allah's plan is the best .	Acceptance of divine will in entrepreneurship	Entrepreneur's acceptance of God's provisions in every aspect of business and life, as well as gratitude for what He has given.
PK5	We can't give up. Because we have plans, but Allah knows better. Allah's plan is the best for us, right? For example, I wanted to buy a shop in Gombak Ria...but could not afford. Then, I rented a shop at Taman Melewar. I have a target to have my own shop in the year 2003. In 2006 we set another target, but still couldn't afford it. When it was 2009, God really wanted to give us that time the process was very smooth.		
PK5	...we want to get Allah's blessing. We feel grateful that our vision and mission for this world and the hereafter can be achieved...	Balancing worldly success with spiritual goals	Entrepreneurs' efforts to achieve world success parallels the goals of the afterlife, as well as satisfaction in fulfilling life's vision and mission.
PK7	I just hope that when the death comes, we will also be questioned in arbitration; there is a road of <i>siratulmustakim</i> to go through... I hope this thing (business) belongs to the three things that are taken into account : useful knowledge, the prayers of a pious child, and charity...I am not looking for rank and wealth in this world. Not. But if Allah recognizes me at that time, either from the effect of ablution or from the effect of the charity I had done...I am quite grateful.		

The reflections of Muslim entrepreneurs reveal a profound connection between their business practices and spiritual beliefs, emphasizing inner peace and contentment. Entrepreneurs strive to achieve happiness, not merely through financial success, but by attaining a tranquil life, free from anxieties about threats or losses. This sense of peace is deeply rooted in their trust in God's plan, which allows them to sleep peacefully, knowing that they have done their best. The emphasis on inner peace is significant as it highlights the holistic approach these entrepreneurs take towards life and business, where spiritual well-being is as important as material success.

Moreover, the entrepreneurs exhibit a strong faith and resilience in their business practices, believing that challenges are part of God's plan. They see obstacles as opportunities for growth and remain persistent despite failures, trusting that positive outcomes will eventually arise. This resilience is bolstered by their faith, as they believe that surrendering to Allah and maintaining a positive attitude will lead them out of difficulties. This approach underscores the importance of faith in navigating the uncertainties of entrepreneurship, where the belief in divine intervention provides comfort and motivation to persevere.

Acceptance of divine will is another recurring theme among these entrepreneurs. They express gratitude for God's provisions and remain content with whatever outcomes they face, knowing that God's plan is the best. This acceptance is reflected in their business decisions and reactions to unforeseen circumstances, where they view every event as part of a larger divine plan. This perspective not only helps them cope with challenges but also reinforces their commitment to Islamic principles in their entrepreneurial journey.

Lastly, there is a noticeable effort among these entrepreneurs to balance world success with spiritual goals. They aim to achieve success in their businesses while ensuring that their actions align with their spiritual and moral values. For them, the ultimate success is not just measured by material wealth but by the fulfillment of life's mission and vision, which includes achieving Allah's blessings. This dual focus on both worldly and spiritual achievements highlights the unique approach these entrepreneurs take in their business practices, where success is defined by both material and spiritual prosperity.

Based on the reflections of the Muslim entrepreneurs, it is notably found that the value of *siddiq* becomes the main inner strength that guides the other values of the prophetic leadership. This is because all the four emergent themes derived from this study most resemble the values of *siddiq* in the ProLM. Table 4 shows the matching of values identified in this study with values in ProLM. Meanwhile, Figure 5 illustrates the proposed model for the integration of prophetic leadership in strategic management process, which highlights the reflections of the Muslim SME entrepreneurs.

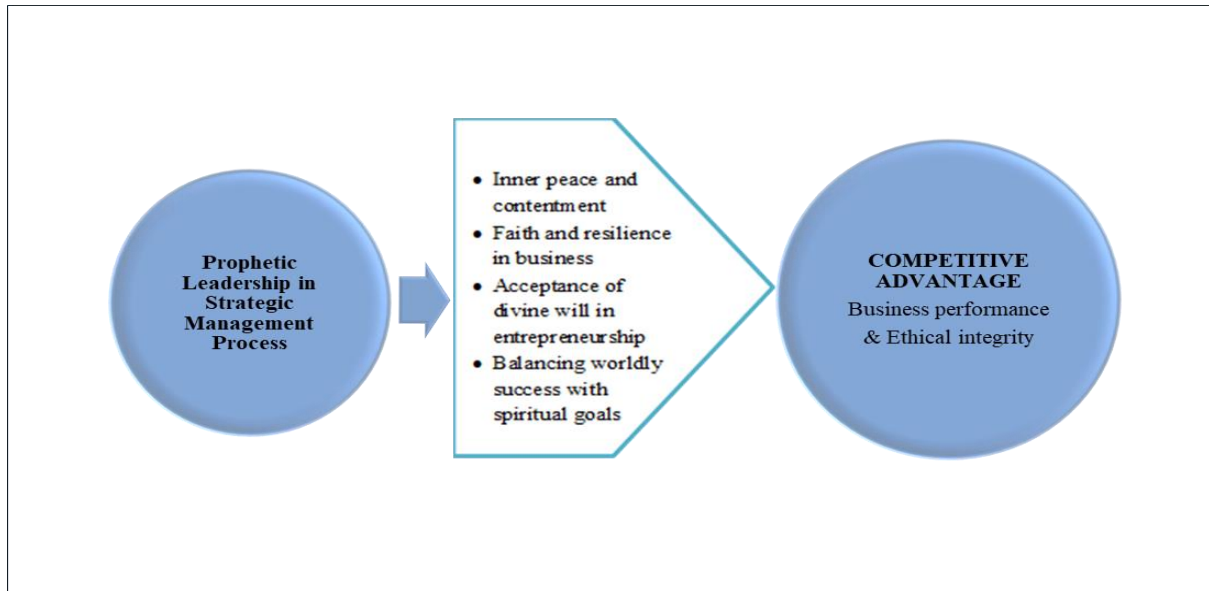
Table 4

Matching the Values of Siddiq, Amanah, Fathonah, Tabligh in ProLM with the Emergent Themes

Value	Sub-value / Sub-theme	Emergent theme
<i>Siddiq</i>	Calm soul	Inner peace and contentment
	High patience	Faith and resilience in business
	Firm on principle (<i>istiqomah</i>)	Acceptance of divine will in entrepreneurship
	Belief in the oneness of God	
	Thankful	Balancing worldly success with spiritual goals
Belief in the oneness of God		
<i>Fathanah</i>	Knowledgeable and learning oriented	Faith and resilience in business
	Continuous evaluation and improvement	

Figure 5

Prophetic Leadership in Strategic Management Process: Reflection of Muslim SME Entrepreneurs



CONCLUSION

The reflections of Muslim SME entrepreneurs in this study reveal the profound influence of prophetic leadership principles on their strategic management processes. The entrepreneurs' reflections, as highlighted in the thematic analysis, emphasize the importance of inner peace, faith, and contentment as foundational elements in their business strategies. The desire to achieve tranquility, both in life and business, underscores the significance of aligning strategic decisions with the ethical and spiritual teachings of Islam. This alignment not only helps entrepreneurs maintain their focus on long-term success but also ensures that their strategies are rooted in moral integrity and trust in God's plan.

Furthermore, the themes identified such as faith and resilience, acceptance of divine will, and balancing worldly success with spiritual goals illustrate how prophetic leadership serves as a

guiding framework for these entrepreneurs. It shapes their approach to challenges, decision-making, and the pursuit of business objectives. By integrating these principles into their strategic planning, Muslim SME entrepreneurs are not merely focused on financial gain but are also committed to fulfilling their religious and spiritual obligations. This dual focus enhances their ability to navigate the complexities of business while maintaining a deep sense of purpose and gratitude, ultimately contributing to the sustainability and ethical soundness of their enterprises.

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