

**READINGS IN STRATEGIC
MANAGEMENT AND BUSINESS
ETHICS FROM ISLAMIC
PERSPECTIVES**

Edited by
Suhaimi Mhd. Sarif



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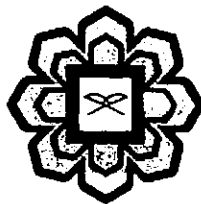
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CHAPTER 1

STRATEGIC MANAGEMENT FROM AN ISLAMIC PRESPECTIVE

Suhaimi Mhd Sarif
Megat Tariq Megat Nasir

ABSTRACT

This paper puts Islam as the first priority in an organization, and the importance of putting it ahead of others. It proposed for the principles of Islam and Sharī'ah to be the underlying foundation that govern the strategic management of an organization. Strategic management from an Islamic Perspective in here does not discuss Islamic perspective as the complementary to the strategic management, but rather the fundamentals in application of strategic management are absorbed to the practices of Islam. This paper discusses the true purpose of existence, strategy formulation, strategy implementation, and strategy review, evaluation and control of an organization. True purpose of existence redefines the way vision and mission should be constructed, at such that the founder of the organization must be really certain of the purpose of such organization to exist. Strategy formulation, strategy implementation, strategy review, evaluation and control underline the very fundamental organization must take to assist in fulfilling the true purpose of existence. The proposed framework suggests that putting Islam as the top priority will give better end result to the organization, and that it will bring justice, virtue and other benefits to the stakeholder and the society as a whole.

Keywords: Strategic Management, Islamic Sharī'ah, Stakeholders' Approach.

INTRODUCTION

Strategic management is the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objectives (David, 2011). Strategists use strategic management tools to make decisions for the benefit of the organizations. It is important to know that Islam is the governing de-factor that govern the whole operation of the world, and that any type of science or fundamentals can be perfected if one could inject Islamic elements into the subject matter. This leads to the discussion of strategic management from Islamic perspective, of which it encompasses the whole strategic management fundamentals as well as the overall design and framework of the conventional strategic management.

Allah had created mankind to worship Him, and in that light that the strategic management process must come after Islamic principles has been implemented. Islam must come first, ahead of other things, to ensure perfect synchronization between Islamic principles with the modern management sciences.